

cPa DIXON, WALLER & CO., INC.

CITY OF LAS ANIMAS, COLORADO

FINANCIAL STATEMENTS

DECEMBER 31, 2020

DIXON, WALLER & CO., INC.

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CITY OF LAS ANIMAS, COLORADO
ROSTER OF OFFICIALS
December 31, 2020

Jim Collins	Mayor
David Armstrong	Mayor Pro-Tem
Troy Abdulla	Trustee
Kimberlie King	Trustee
Robert Smith	Trustee
Terry Kim	Trustee
Cassandra Torres Siefkas	Trustee

FINANCIAL SECTION

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Las Animas, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Las Animas, as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension and other post employment benefits trend data on pages i through x and 50 through 53 and 54 through 59 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

Duron, Waller & Co., PC.

July 15, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

City of Las Animas Colorado
Management's Discussion and Analysis

For the December 31, 2020 financial statements, the City has implemented a major reporting format in 2004 in compliance with the Governmental Accounting Standards Board Statement Number 34 (GASB 34). It was a significant change in governmental financial reporting. This change brought about several new financial statements and this narrative titled Management's Discussion and Analysis.

This discussion and analysis of the City of Las Animas financial performance provides an overview of the City's financial activities for the fiscal year ended December 31, 2020. Please read it in conjunction with the additional information that we have furnished in our letter of transmittal, and the City's financial statements beginning on page 3.

Statements included are:

- Statement of Net Position-a statement that combines the financial position as of December 31, 2020 for all funds on a government-wide basis.
- Statement of Activities-a statement that combines the changes in financial position for the year ended December 31, 2020 for all funds on a government-wide basis.
- Statements for Governmental funds-these present the governmental funds such as the general fund, parks and recreation fund, special revenue funds, capital project fund and other funds.
- Statements for Business-type funds-these present proprietary funds, such as the City's Electric, Water, Sewer and Sanitation utility funds.

FINANCIAL HIGHLIGHTS

- The City of Las Animas General Fund is experiencing an increasing fund balance.
- The assets of the City of Las Animas exceed its liabilities at the close of 2020 by \$15,039,343 (net position). Of this amount, \$2,984,110 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$959,081, a 7 % increase over the prior year net position. Sales Tax revenue was more than the budgeted amount by \$85,592.
- At the end of 2020, the City's governmental funds reported combined ending fund balances of \$1,601,567 an increase of \$747,236 in comparison with the end of 2020.
- At the end of 2020, the unreserved and undesignated fund balance for the general fund was \$914,567 which is 91% of total general fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Basic Financial Statements-Governmental Wide Financial Statements

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

Combined And Individual Fund Statements and Other Schedules

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

Governmental Funds

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

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

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

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

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

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

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

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

Proprietary Funds

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

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

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

The notes to the financial statements can be found on pages 13-50 of this report.

As noted earlier, net assets may serve as a useful indicator of the City's financial position. In the case of the City of Las Animas, assets exceed liabilities by \$15,039,343 at the close of 2020.

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

Current assets and current liabilities are generally included on their statement of net position. The statement of activities shows revenues and other financing sources and expenditures and other financing uses in net position. The Statement of Activities will

provide a summary of sources and uses of available spendable resources during a period. Resources needed to repay debt must be shown as non-operating expenses.

City of Las Animas Condensed Statement of Net Position December 31, 2020

	<u>Governmental</u>		<u>Enterprises</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>		<u>Total</u>	
	2020	2019	2020	2019	2020	2019
Current assets	1,955,869	1,344,766	4,898,434	4,789,517	6,854,303	6,134,283
Prop, Plant, Equip	1,623,488	1,634,823	11,193,005	11,366,617	12,816,493	13,001,440
Fixed assets (Net)						
Total Assets	3,579,357	2,979,589	16,091,439	16,156,134	19,670,796	19,135,723
Deferred Outflows	226,087	293,790	562,016	760,900	788,103	1,054,690
Accounts Payable	25,100	27,575	270,724	342,662	295,824	370,237
Other Liabilities	639,487	847,916	3,155,743	4,038,264	3,795,230	4,886,180
Total Liabilities	664,587	875,491	3,426,467	4,380,926	4,091,054	5,256,417
Deferred Inflows	514,164	513,461	814,338	340,273	1,328,502	853,734
Net Position:						
Inv in cap assets,	1,623,488	1,634,823	9,592,116	9,667,744	11,215,604	11,302,567
Net of Related Debt						
Restricted for:						
Customer Deposits	-	-	55,059	50,280	55,059	50,280
Debt Retire	-	-	62,336	62,336	62,336	62,336
Asset Retire	-	-	46,368	46,368	46,368	46,368
Capital Imp	433,450	248,254	-	-	433,450	248,254
Park & Recreation	16,925	14,200	-	-	16,925	14,200
Economic Develop	157,661	77,646	-	-	157,661	77,646
Tabor Reserve	67,830	53,150	-	-	67,830	53,150
Unrestricted	327,339	(143,646)	2,656,771	2,369,107	2,984,110	2,225,461
Total Net Position	2,626,693	1,884,427	12,412,650	12,195,835	15,039,343	14,080,262

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

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

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

Changes in net position

The City's total revenues of \$8,443,276 were over the program expenses of \$7,484,195 for an increase in net position of \$959,081.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	2020	2019	2020	2019	2020	2019
Charges for Services	160,378	168,840	5,952,257	5,742,493	6,112,635	5,911,333
Operating Grants	98,351	126,568	-	-	98,351	126,568
Capital Grants and Cont.	-	-	-	14,400	-	14,400
General Revenues:						
Property Taxes	385,811	348,604	-	-	385,811	348,604
Other Taxes	1,527,051	802,960	-	-	1,527,051	802,960
Intergovern Not Rest.	29,286	14,985	-	-	29,286	14,985
Other Revenue	106,301	409,696	153,893	21,326	260,194	431,022
Investment Earnings	3,725	3,683	26,223	22,977	29,948	26,660
Total Revenues	2,310,903	1,875,336	6,132,373	5,801,196	8,443,276	7,676,532
Expenses:						
General Government	425,266	645,548	-	-	425,266	645,548
Public Safety	355,830	335,873	-	-	355,830	335,873
Public Works	325,740	374,752	-	-	325,740	374,752
Culture & Recreation	148,567	173,812	-	-	148,567	173,812
Community Services	87,892	74,871	-	-	87,892	74,871
Pension Amort Exp	48,342	4,445	-	-	48,342	4,445
Utilities	-	-	6,092,558	5,564,044	6,092,558	5,564,044
Total Expense	1,391,637	1,609,301	6,092,558	5,564,044	7,484,195	7,173,345
Increase (Decrease) in Net Position						
Prior Year Adjustment	-	-	-	-	-	-
Transfers	(177,000)	(139,100)	177,000	139,100	-	-
Change in Net Position	742,266	126,935	216,815	376,252	959,081	503,187
Net Position-Jan 1	1,884,427	1,757,492	12,195,835	11,819,583	14,080,262	13,577,075
Net Position-Dec 31	2,626,693	1,884,427	12,412,650	12,195,835	15,039,343	14,080,262

General Fund Budgetary Highlights-Overall revenue in the General Fund was \$454,258.00 over the original budget. Sales and other use tax is the main revenue source for the General Fund. While some revenue sources were higher than budgeted, others were under budget such as:

- There was an increase of \$85,592 to the sales tax collected due to marijuana sales in Las Animas.
- The City of Las Animas has collected \$302,321 in self collected Marijuana sales tax revenue (5.75%) and \$65,256 from the State of Colorado from the 10% collected for municipalities.
- The Light & Power franchise was \$6,602 less due to decreased use of electricity by consumers.
- The Kinder Morgan Gas Franchise was down \$3,614 due to a mild winter.
- The Police Department has ceased operation as of March 2013. The Sheriff's office is now in charge of public safety. The City of Las Animas pays a monthly fee to the Sheriff's office for this service.
- No City equipment was sold in 2020.
- License & Permits increased due to more home improvement projects and business permits being issued by \$10,338.
- There was \$394 in severance tax collected for 2020.

The General Fund balance is \$982,397. This figure includes emergency and contingency reserve. The department heads are diligent to review their budgets and do not purchase any items that are not needed.

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

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

The City's Enterprise Funds, (Electric, Water, Sewer and Sanitation) charge monthly users fees and this accounts for the bulk of the revenues. The expense budget for the Sewer Fund was \$7,120,914 and the actual spent was \$466,582. The expense budget for the electric was \$4,188,831 and the actual spent was \$3,959,316. The expense budget for the Water Fund was \$5,272,557 and the actual spent was \$1,067,642. The expense budget for the Sanitation Fund was \$1,024,621 and the actual spent was \$620,935.

Electric, Water, Sewer and Sanitation Analysis

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

CAPITAL ASSETS

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Land (Not Depreciated)	250,258	250,258	170,821	170,821	421,079	421,079
Preliminary Survey	-	-	181,901	167,941	181,901	167,941
<u>Capital Assets (Depreciated)</u>						
Buildings & Systems	1,111,821	1,111,821	22,071,480	21,883,161	23,183,301	22,994,982
Vehicles	203,054	192,943	-	-	203,054	192,943
Equipment	639,403	632,116	4,150,511	3,860,467	4,789,914	4,492,583
Infrastructure	2,135,280	1,984,341	-	-	2,135,280	1,984,341
Construction in progress	-	-	-	-	-	-
<u>Total Capital Assets</u>	<u>4,089,558</u>	<u>3,921,221</u>	<u>26,221,991</u>	<u>25,743,628</u>	<u>30,311,549</u>	<u>29,664,849</u>
<u>Depreciated</u>						
<u>Less Accumulated Depreciation for:</u>						
Buildings & Systems	856,479	787,455	-	-	856,479	787,455
Utility System	-	-	15,381,708	14,715,772	15,381,708	14,715,772
Vehicles	194,387	192,943	-	-	194,387	192,943
Equipment	627,911	625,470	-	-	627,911	625,470
Infrastructure	1,037,551	930,788	-	-	1,037,551	930,788
<u>Total Accumulated</u>						
Depreciation	2,716,328	2,536,656	15,381,708	14,715,772	18,098,036	17,252,428

As of the end of 2020, the City of Las Animas Governmental Activities and Business-Type Activities has invested \$30,914,529 in a broad range of capital assets.

Beginning in 2017, general infrastructure assets are depreciated. Total depreciation expense for the Governmental Activities is \$179,672 and the total depreciation for the Business Type Activities is \$665,935. The City of Las Animas depreciates capital assets, except land and water rights, using the straight-line depreciation method and a predetermined useful life of the asset. Infrastructure includes only roads added to inventory during 2020.

LONG-TERM DEBT

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
<u>Long-Term Debt</u>						
<u>Governmental Activities:</u>						
Land Reclamation Costs	16,000	16,000	-	-	16,000	16,000
Compensated Absences	18,427	20,263	-	-	18,427	20,263
<u>Business-Type Activities:</u>						
Bonds Payable	-	-	695,200	753,700	695,200	753,700
Notes Payable	-	-	905,689	973,773	905,689	973,773
Compensated Absences	-	-	137,588	155,864	137,585	155,684
Landfill Post closure	-	-	265,403	250,098	265,403	250,098
Total	34,427	36,263	2,003,887	2,104,655	2,003,877	2,143,917

Sewer Fund

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

Total remaining principal is \$181,472.

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

Total remaining principal is \$150,800.

Colorado Water Resources Power Development requires that the Sewer Loan Agreements require that the City maintain an operations and maintenance reserve in an amount equal to three months of operation and maintenance expenses, excluding depreciation, of the system as set forth in the annual budget for the current fiscal year. The City has an amount in excess of \$354,121 toward the required reserve for the sewer fund and an amount in excess of \$175,178 for the rate covenant.

Water Fund

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

Total remaining principal is \$398,700.

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

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

Total remaining principal is \$296,500.

The required reserve for the USDA-Rural Development water loan is \$62,336.

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

Total remaining principal is \$487,200

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

Total remaining principal is \$86,217

Sanitation Fund

The estimate of cost for final closure and post closure care of the Landfill is \$418,721
The City expects to close the landfill in the year 2059.

Defined Benefit Pension Plan-Policemen

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

The total ending balance, Dec. 31, 2018, of the "old hire" pension plan was \$239,368.00.

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

Defined Benefit Plan-PERA

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

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

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

Intergovernmental Agreement

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

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Assessed valuation used for the 2021 budget preparation is \$6,353,950. There is a general agreement among practitioners that the most restrictive of the two revenue limits ("5.5% or TABOR must be respected, disallowing the levying of the greater amount of revenue which would be allowed under the other limit). The City's mill levy will remain at 39 mills for the 2021 budget.

REQUESTS FOR INFORMATION

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

BASIC FINANCIAL STATEMENTS

CITY OF LAS ANIMAS, COLORADO
STATEMENT OF NET POSITION
December 31, 2020

	Governmental Activities	Business Type Activities	Total
ASSETS			
Cash and Cash Equivalents	1,418,271	3,977,871	5,396,142
Receivables (Net, where Applicable, of Allowance for Uncollectibles):			
Accounts & Assessments	280,955	510,483	791,438
Accrued Revenue	-	-	-
Property Tax	247,804	-	247,804
Accrued Interest	172	-	172
Other	-	1,499	1,499
Due From Other Funds	8,667	-	8,667
Inventories	-	340,636	340,636
Prepaid Expense	-	67,945	67,945
Fixed Assets (Net)	<u>1,623,488</u>	<u>11,193,005</u>	<u>12,816,493</u>
Total Assets	<u>3,579,357</u>	<u>16,091,439</u>	<u>19,670,796</u>
DEFERRED OUTFLOW OF RESOURCES			
Pension PERA	180,894	548,870	729,764
Other Post Employment Benefits	4,240	13,146	17,386
Old Hire Police	<u>40,953</u>	<u>-</u>	<u>40,953</u>
Total Deferred Outflow of Resources	<u>226,087</u>	<u>562,016</u>	<u>788,103</u>
LIABILITIES			
Accounts Payable	25,100	270,724	295,824
Due To Other Funds	-	8,667	8,667
Customer Deposits Payable	-	55,059	55,059
Accrued Interest Payable	-	4,607	4,607
Noncurrent Liabilities:			
Due Within One Year	-	99,983	99,983
Due In More Than One Year	16,000	1,500,906	1,516,906
Compensated Absences Payable	18,427	137,585	156,012
Net Pension Liability	328,040	968,573	1,296,613
Net Liability Old Hire Police	239,368	-	239,368
Net OPEB Liability	37,652	114,960	152,612
Landfill Closure and Post-Closure Costs	<u>-</u>	<u>265,403</u>	<u>265,403</u>
Total Liabilities	<u>664,587</u>	<u>3,426,467</u>	<u>4,091,054</u>
DEFERRED INFLOW OF RESOURCES			
Property Tax	247,804	-	247,804
Pensions PERA	243,471	786,002	1,029,473
Pension Old Hire Police	14,329	-	14,329
Other Post Employment Benefits	<u>8,560</u>	<u>28,336</u>	<u>36,896</u>
Total Deferred Outflow of Resources	<u>514,164</u>	<u>814,338</u>	<u>1,328,502</u>
NET POSITION			
Net Investment in Capital Assets	1,623,488	9,592,116	11,215,604
Restricted for:			
Customer Deposits	-	55,059	55,059
Debt Service	-	62,336	62,336
Asset Retirement	-	46,368	46,368
Capital Improvements	433,450	-	433,450
Parks and Recreation	16,925	-	16,925
Economic Development	157,661	-	157,661
Tabor Reserve	67,830	-	67,830
Unrestricted	<u>327,339</u>	<u>2,656,771</u>	<u>2,984,110</u>
TOTAL NET POSITION	<u>2,626,693</u>	<u>12,412,650</u>	<u>15,039,343</u>

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

CITY OF LAS ANIMAS, COLORADO
STATEMENT OF ACTIVITIES
Year Ended December 31, 2020

	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business Type Activities	Total
<u>FUNCTIONS/PROGRAMS</u>	<u>Expenses</u>					
Governmental Activities						
General Government	425,266	-	-	(312,866)	-	(312,866)
Public Safety	355,830	-	-	(337,492)	-	(337,492)
Public Works	325,740	75,941	-	(249,799)	-	(249,799)
Culture & Recreation	148,567	22,410	-	(96,517)	-	(96,517)
Community Services	87,892	-	-	(87,892)	-	(87,892)
Pension	48,342	-	-	(48,342)	-	(48,342)
Total Governmental Activities	<u>1,391,637</u>	<u>98,351</u>	<u>-</u>	<u>(1,132,908)</u>	<u>-</u>	<u>(1,132,908)</u>
<u>BUSINESS TYPE ACTIVITIES</u>						
Water	892,906	-	-	-	(58,665)	(58,665)
Sewer	591,848	-	-	-	(110,458)	(110,458)
Sanitation	648,488	-	-	-	(12,147)	(12,147)
Power and Light	3,959,316	-	-	-	40,969	40,969
Total Business Type Activities	<u>6,092,558</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(140,301)</u>	<u>(140,301)</u>
Total Primary Government	<u>7,484,195</u>	<u>98,351</u>	<u>-</u>	<u>(1,132,908)</u>	<u>(140,301)</u>	<u>(1,273,209)</u>
<u>General Revenues:</u>						
Local Property Taxes				385,811	-	385,811
Specific Ownership Taxes				33,036	-	33,036
Sales and Use Taxes				1,354,670	-	1,354,670
Franchise Taxes				139,345	-	139,345
Intergovernmental Not Specifically Restricted				29,286	-	29,286
COVID Funds				10,386	1,693	12,079
Grant Pass Thru				-	-	-
Interest Revenues				3,725	26,223	29,948
Excess Health Insurance Contributions				7,025	-	7,025
Pension Revenue				36,871	122,655	159,526
Other Revenues				52,019	29,545	81,564
Transfers In (Out)				(177,000)	177,000	-
Total General Revenues and Transfers				<u>1,875,174</u>	<u>357,116</u>	<u>2,232,290</u>
Changes in Net Position				742,266	216,815	959,081
Net Position – Beginning				1,884,427	12,195,835	14,080,262
Net Position – Ending				<u>2,626,693</u>	<u>12,412,650</u>	<u>15,039,343</u>

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

CITY OF LAS ANIMAS, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2020

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS:</u>			
Cash and Cash Equivalents	900,196	518,075	1,418,271
Receivables (Net, of Allowance where Applicable):			
Accounts, Grants, Notes	98,462	101,095	199,557
Property Tax	247,804	-	247,804
Accrued Interest	172	-	172
Due From Other Funds	8,667	-	8,667
Other Assets	-	-	-
<u>Total Assets</u>	<u>1,255,301</u>	<u>619,170</u>	<u>1,874,471</u>
<u>LIABILITIES:</u>			
Accounts Payable	10,655	-	10,655
Due To Other Funds	-	-	-
Other Payables	14,445	-	14,445
<u>Total Liabilities</u>	<u>25,100</u>	<u>-</u>	<u>25,100</u>
<u>DEFERRED INFLOW OF RESOURCES</u>			
Property Tax	<u>247,804</u>	<u>-</u>	<u>247,804</u>
<u>FUND BALANCES:</u>			
Restricted for:			
Emergencies	67,830	-	67,830
Parks and Recreation	-	16,925	16,925
Capital Improvement	-	433,450	433,450
Economic Development	-	157,661	157,661
Committed for:			
Employee Health Insurance	148,457	-	148,457
Assigned for:			
Revolving Loan	197,066	-	197,066
Parks and Recreation	-	11,134	11,134
Unassigned	569,044	-	569,044
<u>Total Fund Balances</u>	<u>982,397</u>	<u>619,170</u>	<u>1,601,567</u>
<u>TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</u>	<u>1,255,301</u>	<u>619,170</u>	<u>1,874,471</u>

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

CITY OF LAS ANIMAS, COLORADO
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
December 31, 2020

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

<u>Total Fund Balance – Governmental Funds</u>		1,601,567
Revolving Loan Receivables which do not provide current financial resources are not reported on the governmental fund financial statements but recognized on the government-wide financial statements, net of applicable allowance for uncollectibles.		81,398
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$4,339,816 and the accumulated depreciation is \$2,716,328.		1,623,488
Long-term liabilities, including leases, compensated absences and net interest payable are not due and payable in the current period and therefore are not reported in the funds.		
Reclamation Payable	(16,000)	
Compensated Absences	(18,427)	(34,427)
Net pension liability, deferred outflows, and deferred inflows related to pensions are not current financial resources and therefore are not reported as assets or liabilities in the governmental funds.		(645,333)
<u>Total Net Position – Governmental Activities</u>		<u>2,626,693</u>

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

CITY OF LAS ANIMAS, COLORADO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2020

	General Fund	Other Governmental Funds	Total Governmental Funds
<u>REVENUES:</u>			
Taxes	1,075,144	711,501	1,786,645
Licenses and Permits	18,338	-	18,338
Intergovernmental Revenue	92,099	22,410	114,509
Franchise Fees	139,345	-	139,345
Charges for Services	128,760	-	128,760
Interest Revenue	2,651	1,074	3,725
Fines and Forfeits	279	-	279
Excess Health Insurance Contributions	7,025	-	7,025
COVID Funds	10,386	-	10,386
Marijuana Revenues	32,515	-	32,515
Miscellaneous Revenues	5,434	14,070	19,504
<u>Total Revenues</u>	<u>1,511,976</u>	<u>749,055</u>	<u>2,261,031</u>
<u>EXPENDITURES:</u>			
General Government	443,186	-	443,186
Public Safety	355,830	-	355,830
Public Works	188,714	180,469	369,183
Culture and Recreation	-	80,704	80,704
Community Services	-	73,084	73,084
Debt Service	-	-	-
Revolving Loan	14,808	-	14,808
<u>Total Expenditures</u>	<u>1,002,538</u>	<u>334,257</u>	<u>1,336,795</u>
<u>EXCESS REVENUES OVER (UNDER) EXPENDITURES</u>	<u>509,438</u>	<u>414,798</u>	<u>924,236</u>
<u>OTHER FINANCING SOURCES (USES):</u>			
Lease Purchase Proceeds	-	-	-
Operating Transfers In (Out)	(31,005)	(145,995)	(177,000)
<u>Total Other Financing Sources (Uses)</u>	<u>(31,005)</u>	<u>(145,995)</u>	<u>(177,000)</u>
<u>NET CHANGES IN FUND BALANCES</u>	478,433	268,803	747,236
<u>FUND BALANCES – Beginning</u>	<u>503,964</u>	<u>350,367</u>	<u>854,331</u>
<u>FUND BALANCES – Ending</u>	<u>982,397</u>	<u>619,170</u>	<u>1,601,567</u>

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

CITY OF LAS ANIMAS, COLORADO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENT FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2020

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

<u>Net Change in Fund Balances – Total Governmental Funds</u>		747,236
Revolving loan revenues that do not provide current financial resources are not reported on the governmental fund financial statements but recognized on the government-wide financial statements.		13,001
Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$2,000 are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of capital outlay and depreciation in the current period.		
Capital outlays more than \$2,000	168,337	
Depreciation expense	<u>(179,672)</u>	(11,335)
Compensated absences are reported as an expense in the statement of activities. However, governmental funds do not report compensated absences as an expenditure until they are paid.		4,835
Payment for pension benefits are recorded as an expenditure in the governmental funds but are recorded as expenses on an accrual basis in the entity-wide statements based on the changes in the net pension asset/liability:		
Pension Revenue	36,871	
Pension Expense	<u>(48,342)</u>	(11,471)
<u>Change in Net Position of Governmental Activities</u>		<u>742,266</u>

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

CITY OF LAS ANIMAS, COLORADO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2020

	Business Type Activities – Enterprise Funds				
	Light & Power Fund	Water Fund	Sewer Fund	Sanitation Fund	Total
<u>ASSETS</u>					
<u>Current Assets</u>					
Cash and Cash Equivalents	2,661,392	515,304	520,586	280,589	3,977,871
Receivables:					
Accounts (Net of Allowance for Uncollectibles)	342,982	59,790	45,302	62,409	510,483
Accrued Revenue	-	-	-	-	-
Notes	-	-	1,499	-	1,499
Interest	-	-	-	-	-
Inventories	261,715	50,866	28,055	-	340,636
Prepaid Expense	67,945	-	-	-	67,945
Due From Other Funds	-	-	-	-	-
<u>Total Current Assets</u>	<u>3,334,034</u>	<u>625,960</u>	<u>595,442</u>	<u>342,998</u>	<u>4,898,434</u>
<u>Property, Plant and Equipment</u>					
Construction in Progress	-	-	-	-	-
Preliminary Survey	-	181,901	-	-	181,901
Land and Water Rights	17,055	130,911	2,150	20,705	170,821
Buildings & Improvements	389,046	3,173,183	8,292	-	3,570,521
Utility System	2,881,122	7,198,851	8,028,181	392,805	18,500,959
Equipment	<u>2,555,689</u>	<u>443,331</u>	<u>116,968</u>	<u>1,034,523</u>	<u>4,150,511</u>
	5,842,912	11,128,177	8,155,591	1,448,033	26,574,713
Less Accumulated Depreciation	<u>(4,839,705)</u>	<u>(5,854,799)</u>	<u>(3,744,388)</u>	<u>(942,816)</u>	<u>(15,381,708)</u>
<u>Net Property, Plant & Equipment</u>	<u>1,003,207</u>	<u>5,273,378</u>	<u>4,411,203</u>	<u>505,217</u>	<u>11,193,005</u>
<u>TOTAL ASSETS</u>	<u>4,337,241</u>	<u>5,899,338</u>	<u>5,006,645</u>	<u>848,215</u>	<u>16,091,439</u>
<u>DEFERRED OUTFLOW OF RESOURCES</u>					
Pension	288,335	127,002	71,580	61,953	548,870
Other Post Employment Benefits	<u>6,993</u>	<u>2,998</u>	<u>1,665</u>	<u>1,490</u>	<u>13,146</u>
<u>Total Deferred Outflow of Resources</u>	<u>295,328</u>	<u>130,000</u>	<u>73,245</u>	<u>63,443</u>	<u>562,016</u>

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

CITY OF LAS ANIMAS, COLORADO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2020

	Business Type Activities – Enterprise Funds				
	Light & Power Fund	Water Fund	Sewer Fund	Sanitation Fund	Totals
<u>LIABILITIES</u>					
<u>Current Liabilities</u>					
Accounts Payable	240,856	10,926	9,537	9,405	270,724
Accrued Interest Payable	1,091	3,309	207	-	4,607
Due To Other Funds	-	2,675	3,242	2,750	8,667
Debt Payable - Current	-	58,967	41,016	-	99,983
<u>Total Current Liabilities</u>	<u>241,947</u>	<u>75,877</u>	<u>54,002</u>	<u>12,155</u>	<u>383,981</u>
<u>Noncurrent Liabilities</u>					
Accrued Vacation Payable	67,680	39,919	15,259	14,727	137,585
Meter Deposits Payable	26,880	19,388	5,376	3,415	55,059
Debt Payable – Noncurrent	-	1,123,433	377,473	-	1,500,906
Net Pension Liability	500,486	228,280	131,103	108,704	968,573
Net OPEB Liability	60,613	26,490	14,865	12,992	114,960
Landfill Postclosure Payable	-	-	-	265,403	265,403
<u>Total Long-Term Liabilities</u>	<u>655,659</u>	<u>1,437,510</u>	<u>544,076</u>	<u>405,241</u>	<u>3,042,486</u>
<u>TOTAL LIABILITIES</u>	<u>897,606</u>	<u>1,513,387</u>	<u>598,078</u>	<u>417,396</u>	<u>3,426,467</u>
<u>DEFERRED INFLOW OF RESOURCES</u>					
Pension	427,600	174,526	94,057	89,819	786,002
Other Post Employment Benefits	15,621	6,189	3,273	3,253	28,336
<u>Total Deferred Inflow of Resources</u>	<u>443,221</u>	<u>180,715</u>	<u>97,330</u>	<u>93,072</u>	<u>814,338</u>
<u>NET POSITION</u>					
Net Investment in Capital Assets	1,003,207	4,090,978	3,992,714	505,217	9,592,116
Restricted for Customer Deposits	26,880	19,388	5,376	3,415	55,059
Restricted for Debt Services	-	62,336	-	-	62,336
Restricted for Asset Retirement	46,368	-	-	-	46,368
Unrestricted (Deficit)	<u>2,215,287</u>	<u>162,534</u>	<u>386,392</u>	<u>(107,442)</u>	<u>2,656,771</u>
<u>TOTAL NET POSITION</u>	<u>3,291,742</u>	<u>4,335,236</u>	<u>4,384,482</u>	<u>401,190</u>	<u>12,412,650</u>

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

CITY OF LAS ANIMAS, COLORADO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year Ended December 31, 2020

	Business Type Activities – Enterprise Funds				
	Light & Power Fund	Water Fund	Sewer Fund	Sanitation Fund	Totals
<u>Operating Revenues</u>					
Charges for Services	3,954,895	814,933	480,364	622,391	5,872,583
Other	45,390	19,308	1,026	13,950	79,674
<u>Total Operating Revenues</u>	<u>4,000,285</u>	<u>834,241</u>	<u>481,390</u>	<u>636,341</u>	<u>5,952,257</u>
<u>Operating Expenses</u>					
Personal Services	778,190	303,570	163,247	159,819	1,404,826
Purchased Services	201,075	46,678	52,602	277,751	578,106
Supplies and Materials	160,721	83,175	15,514	-	259,410
Power & Utilities	2,657,120	146,704	76,011	-	2,879,835
Maintenance and Repairs	5,524	23,728	37,647	80,220	147,119
Depreciation	97,545	248,174	228,495	91,721	665,935
Bad Debts	-	1,340	1,445	927	3,712
Landfill Post Closure Costs	-	-	-	19,189	19,189
Pension and OPEB Expense	(67,787)	(26,705)	(14,068)	(14,095)	(122,655)
Other	58,827	6,841	16,784	18,805	101,257
<u>Total Operating Expenses</u>	<u>3,891,215</u>	<u>833,505</u>	<u>577,677</u>	<u>634,337</u>	<u>5,936,734</u>
<u>Operating Income (Loss)</u>	<u>109,070</u>	<u>736</u>	<u>(96,287)</u>	<u>2,004</u>	<u>15,523</u>
<u>Non-Operating Revenues (Expenses)</u>					
Capital Grant/Loan Forgiveness	-	-	-	-	-
Interest Revenue	18,527	4,664	2,172	860	26,223
COVID Funds	-	30	816	847	1,693
Other Revenue	-	21,507	8,038	-	29,545
Loss on Disposal of Fixed Assets	-	-	-	-	-
Interest Expense	(314)	(32,696)	(103)	(56)	(33,169)
<u>Total Non-Operating Revenues (Expenses)</u>	<u>18,213</u>	<u>(6,495)</u>	<u>10,923</u>	<u>1,651</u>	<u>24,292</u>
<u>Income (Loss) Before Operating Transfers</u>	<u>127,283</u>	<u>(5,759)</u>	<u>(85,364)</u>	<u>3,655</u>	<u>39,815</u>
<u>Operating Transfers In (Out) (Net)</u>	<u>-</u>	<u>98,000</u>	<u>39,000</u>	<u>40,000</u>	<u>177,000</u>
<u>Change in Net Position</u>	<u>127,283</u>	<u>92,241</u>	<u>(46,364)</u>	<u>43,655</u>	<u>216,815</u>
<u>Total Net Position, Beginning</u>	<u>3,164,459</u>	<u>4,242,995</u>	<u>4,430,846</u>	<u>357,535</u>	<u>12,195,835</u>
<u>Prior Year Adjustment</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Net Position, Ending</u>	<u>3,291,742</u>	<u>4,335,236</u>	<u>4,384,482</u>	<u>401,190</u>	<u>12,412,650</u>

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

CITY OF LAS ANIMAS, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended December 31, 2020

	Business Type Activities – Enterprise Funds				
	Power & Light Fund	Water Fund	Sewer Fund	Sanitation Fund	Totals
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>					
Receipts from Customers & Users	3,984,311	838,290	480,387	642,092	5,945,080
Payments to Employees & Benefit Providers	(775,359)	(313,534)	(172,127)	(161,905)	(1,422,925)
Payments to Vendors – Supplies and Services	(3,167,500)	(339,731)	(208,799)	(421,810)	(4,137,840)
Net Cash Provided (Used) By Operations Activities	<u>41,452</u>	<u>185,025</u>	<u>99,461</u>	<u>58,377</u>	<u>384,315</u>
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>					
Customer Deposits	3,640	964	128	47	4,779
Interfund	-	2,675	3,242	2,750	8,667
Transfers – Other Funds	-	98,000	39,000	40,000	177,000
Other Revenue	-	21,507	8,038	-	29,545
Net Cash Provided (Used) – Non Capital Financing	<u>3,640</u>	<u>123,146</u>	<u>50,408</u>	<u>42,797</u>	<u>219,991</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>					
Non-Financed Purchase of Property & Equipment	-	(365,943)	(62,212)	(64,168)	(492,323)
Net Proceeds from Sale of Assets	-	-	-	-	-
Capital Grants/COVID Funds	-	30	816	847	1,693
Interest Paid on Debt	(1)	(32,639)	(58)	(56)	(32,754)
Principal Paid on Debt	-	(56,967)	(41,017)	-	(97,984)
Net Cash Provided (Used) Capital & Related Financing	<u>(1)</u>	<u>(455,519)</u>	<u>(102,471)</u>	<u>(63,377)</u>	<u>(621,368)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>					
Investments (Purchased)	-	-	-	-	-
Investments (Matured)	-	-	-	-	-
Interest Received	18,527	4,664	2,172	860	26,223
Net Cash Provided (Used) - Investing Activities	<u>18,527</u>	<u>4,664</u>	<u>2,172</u>	<u>860</u>	<u>26,223</u>
<u>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>	<u>63,618</u>	<u>(142,684)</u>	<u>49,570</u>	<u>38,657</u>	<u>9,161</u>
<u>CASH AND CASH EQUIVALENTS – Beginning</u>	<u>2,597,774</u>	<u>657,988</u>	<u>471,016</u>	<u>241,932</u>	<u>3,968,710</u>
<u>CASH AND CASH EQUIVALENTS – Ending</u>	<u>2,661,392</u>	<u>515,304</u>	<u>520,586</u>	<u>280,589</u>	<u>3,977,871</u>
<u>RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES</u>					
Operating Income (Loss)	109,070	736	(96,287)	2,004	15,523
Non Cash Items in Operations:					
Depreciation Expense	97,545	248,174	228,495	91,721	665,935
Pension Expense	(67,787)	(26,705)	(14,068)	(14,095)	(122,655)
(Increase) Decrease in Inventory	(36,402)	(513)	(4,972)	-	(41,887)
(Increase) Decrease Receivables/Accruals	(66,666)	4,049	(1,003)	5,751	(57,869)
Increase (Decrease) in Payables/Accruals	5,692	(40,716)	(12,704)	(27,004)	(74,732)
Net Cash Provided (Used) – Operating Activities	<u>41,452</u>	<u>185,025</u>	<u>99,461</u>	<u>58,377</u>	<u>384,315</u>
<u>NON CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</u>					
Cash Paid for Income Tax	-	-	-	-	-
Cash Paid for Interest Expense	1	32,639	58	56	32,754
Property Acquired by Debt	-	-	-	-	-
Total NonCash Investing Capital & Financing Activities	<u>1</u>	<u>32,639</u>	<u>58</u>	<u>56</u>	<u>32,754</u>

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

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

• Related Organizations

The City's officials are responsible for appointing the members of the boards of other organizations, but the City's accountability for these organizations does not extend beyond making the appointments. The City Council and Mayor appoint board members of the Las Animas Urban Renewal Authority and the Las Animas Housing Authority. In 2020 the City did not appropriate operating grants to the Urban Renewal Authority and the Housing Authority.

• Blended Component Unit

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

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

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government – Wide and Fund Financial Statements

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

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

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

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

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

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

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

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

The City reports the following major governmental fund:

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

The City reports the following major proprietary funds:

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

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

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

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

Additionally, the government reports the following fund types:

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

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

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

D. Capital Assets

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

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

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

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

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

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgets and Budgetary Accounting

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

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

F. Encumbrances

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

G. Inventory

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

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

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

I. Property Taxes

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

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Property Taxes (Continued)

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

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

J. Contraband

There were no contraband proceeds for the year ended December 31, 2020.

K. Use of Estimates

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

L. Deposits and Investments

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

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

M. Due To / From Funds

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

N. Long-Term Obligations

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

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Long-Term Obligations (Continued)

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

O. GASB Statement No. 54

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

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

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

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

O. GASB Statement No. 54 (Continued)

Fund Balance Classification Policies and Procedures

Committed Fund Balance Policy:

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

Assigned Fund Balance Policy:

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

Order of Fund Balance Spending Policy

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

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

Fund Balance Classification by Fund:

	General Fund	Conservation Trust Fund	Parks and Recreation Fund	1% Street Improvement Fund	Sales Tax Development Fund	Infrastructure and Improvement Fund	Total Governmental Funds
<u>Nonspendable:</u>							
Prepaid Expenses	-	-	-	-	-	-	-
<u>Restricted:</u>							
Emergencies	67,830	-	-	-	-	-	67,830
Parks & Recreation	-	16,925	-	-	-	-	16,925
Capital Improvement	-	-	-	216,859	-	216,591	433,450
Econ. Development	-	-	-	-	157,661	-	157,661
<u>Committed:</u>							
Employee Health Insurance	148,457	-	-	-	-	-	148,457
<u>Assigned:</u>							
Revolving Loan	197,066	-	-	-	-	-	197,066
Parks & Recreation	-	-	11,134	-	-	-	11,134
<u>Unassigned</u>	<u>569,044</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>569,044</u>
<u>Total Fund Balances</u>	<u>982,397</u>	<u>16,925</u>	<u>11,134</u>	<u>216,859</u>	<u>157,661</u>	<u>216,591</u>	<u>1,601,567</u>

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Deferred Outflows / Inflows of Resources

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

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

NOTE 2 CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2020 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Governmental Activities</u>				
Capital Assets Not Being Depreciated:				
Land	<u>250,258</u>	<u>-</u>	<u>-</u>	<u>250,258</u>
Capital Assets Being Depreciated:				
Buildings & Improvements	1,111,821	-	-	1,111,821
Vehicles	192,943	10,111	-	203,054
Equipment	632,116	7,287	-	639,403
Infrastructure	<u>1,984,341</u>	<u>150,939</u>	<u>-</u>	<u>2,135,280</u>
Total Capital Assets Being Depreciated	<u>3,921,221</u>	<u>168,337</u>	<u>-</u>	<u>4,089,558</u>
Less Accumulated Depreciation for:				
Buildings & Improvements	787,455	69,024	-	856,479
Vehicles	192,943	1,444	-	194,387
Equipment	625,470	2,441	-	627,911
Infrastructure	<u>930,788</u>	<u>106,763</u>	<u>-</u>	<u>1,037,551</u>
Total Accumulated Depreciation	<u>2,536,656</u>	<u>179,672</u>	<u>-</u>	<u>2,716,328</u>
Total Capital Assets Being Depreciated, Net	<u>1,384,565</u>	<u>(11,335)</u>	<u>-</u>	<u>1,373,230</u>
<u>Governmental Activities</u>				
<u>Capital Assets, Net</u>	<u>1,634,823</u>	<u>(11,335)</u>	<u>-</u>	<u>1,623,488</u>

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 2 CAPITAL ASSETS (Continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Business-Type Activities</u>				
Capital Assets Not Being Depreciated:				
Land, Equity, Water Rights	170,821	-	-	170,821
Construction In Progress	-	-	-	-
Preliminary Survey	<u>167,941</u>	<u>13,960</u>	-	<u>181,901</u>
Total Capital Assets Not Being Depreciated	<u>338,762</u>	<u>13,960</u>	-	<u>352,722</u>
Capital Assets Being Depreciated:				
Buildings & Systems	21,883,161	188,319	-	22,071,480
Equipment	<u>3,860,467</u>	<u>290,044</u>	-	<u>4,150,511</u>
Total Capital Assets Being Depreciated	<u>25,743,628</u>	<u>478,363</u>	-	<u>26,221,991</u>
Less Accumulated Depreciation	<u>14,715,773</u>	<u>665,935</u>	-	<u>15,381,708</u>
<u>Business-Type Activities</u>				
Capital Assets, Net	<u>11,366,617</u>	<u>(173,612)</u>	-	<u>11,193,005</u>

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

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

Governmental Activities:

General Government	4,313
Public Safety	-
Public Works	107,496
Culture and Recreation	<u>67,863</u>
Total Depreciation Expense – Governmental Activities	<u>179,672</u>

Business-Type Activities:

Water	248,174
Sewer	228,495
Sanitation	91,721
Power and Light	<u>97,545</u>
Total Depreciation Expense – Business Type Activities	<u>665,935</u>

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 3 CHANGES IN LONG-TERM DEBT

Changes in Long-term Debt, Long-term Liability activity for the year ended December 31, 2020, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<u>Governmental Activities</u>					
Land Reclamation Costs	16,000	-	-	16,000	-
Compensated Absences	23,262	-	4,835	18,427	-
	<u>39,262</u>	<u>-</u>	<u>4,835</u>	<u>34,427</u>	<u>-</u>
<u>Business – Type Activities</u>					
Bonds Payable	725,100	-	29,900	695,200	31,200
Notes Payable	973,773	-	68,084	905,689	68,083
Compensated Absences	155,684	-	18,099	137,585	-
Landfill Closure and Postclosure	250,098	15,305	-	265,403	-
	<u>2,104,655</u>	<u>15,305</u>	<u>116,083</u>	<u>2,003,877</u>	<u>99,283</u>

BONDS PAYABLE

Water Fund

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	18,200	17,739	35,939
2022	19,100	16,909	36,009
2023	20,000	16,040	36,040
2024	20,900	15,131	36,031
2025	21,800	14,180	35,980
2026-2030	125,000	55,073	180,073
2031-2035	156,000	23,929	179,929
2036	17,700	398	18,098
<u>Totals</u>	<u>398,700</u>	<u>159,399</u>	<u>558,099</u>

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 3 CHANGES IN LONG-TERM DEBT (Continued)

BONDS PAYABLE

Water Revenue Bonds, dated December 17, 1996, mature serially on June 1 and December 1, 1998, through December 1, 2036, and bear interest at 4.50%. Following is a bond schedule:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	13,000	13,199	26,199
2022	13,600	12,607	26,207
2023	14,200	11,988	26,188
2024	14,800	11,342	26,142
2025	15,500	10,667	26,167
2026-2030	89,100	42,055	131,155
2031-2035	111,200	19,872	131,072
2036	25,100	848	25,94
<u>Totals</u>	<u>296,500</u>	<u>122,578</u>	<u>419,078</u>
<u>Total Bonds Payable</u>	<u>695,200</u>		

The required USDA reserves as of December 31, 2020, were as follows:

Water Reserve Bond dated October 10, 1996	35,931
Water Reserve Bond dated December 17, 1996	<u>26,405</u>
<u>Total</u>	<u>62,336</u>

NOTES PAYABLE

Water Fund

Water Pollution Control Revolving Fund payable to Colorado Water Resources and Power Development Authority, dated March 26, 2008, maturing serially on May 1, 2009 through November 1, 2038 and bearing interest at a rate of 0%. The following is a loan schedule:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	27,067	-	27,067
2022	27,067	-	27,067
2023	27,067	-	27,067
2024	27,067	-	27,067
2025	27,066	-	27,066
2026-2030	135,334	-	135,334
2031-2035	135,332	-	135,332
2036-2038	81,200	-	<u>81,200</u>
<u>Totals</u>	<u>487,200</u>	<u>-</u>	<u>487,200</u>

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 3 CHANGES IN LONG-TERM DEBT (Continued)

Sewer Fund

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	15,780	-	15,780
2022	15,780	-	15,780
2023	15,780	-	15,780
2024	15,780	-	15,780
2025	15,780	-	15,780
2026-2030	78,900	-	78,900
2031-2032	<u>23,672</u>	<u>-</u>	<u>23,672</u>
<u>Totals</u>	<u>181,472</u>	<u>-</u>	<u>181,472</u>

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	18,850	-	18,850
2022	18,850	-	18,850
2023	18,850	-	18,850
2024	18,850	-	18,850
2025	18,850	-	18,850
2026-2028	<u>56,550</u>	<u>-</u>	<u>56,550</u>
<u>Totals</u>	<u>150,800</u>	<u>-</u>	<u>150,800</u>

Water Pollution Control Revolving Fund payable to Colorado Water Resources and Power Development Authority, dated December 19, 2013, maturing serially on November 1, 2014 through May 1, 2034 and bearing interest at a rate of 0%. The following is a loan schedule:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	6,386	-	6,386
2022	6,387	-	6,387
2023	6,386	-	6,386
2024	6,387	-	6,387
2025	6,386	-	6,386
2026-2030	31,933	-	31,933
2031-2034	<u>22,352</u>	<u>-</u>	<u>22,352</u>
<u>Totals</u>	<u>86,217</u>	<u>-</u>	<u>86,217</u>

Total Notes Payable 905,689

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 3 CHANGES IN LONG-TERM DEBT (Continued)

Compliance with Loan Agreement

Colorado Water Resources Power Development Authority Water and Sewer Loan agreements require that the City maintain an operations and maintenance reserve in an amount equal to three months of operation and maintenance expenses, excluding depreciation, of the system as set forth in the annual budget for the current fiscal year and a rate covenant which shall have operating revenues to pay the system operation and maintenance expenses and 110% of its debt service requirements. The following is an analysis of these requirements.

	<u>Sewer Fund</u>	<u>Water Fund</u>
Operation and Maintenance Reserve:		
Amount in excess (deficit) of Requirement	<u>429,774</u>	<u>354,121</u>
Rate Covenant:		
Amount in excess (deficit) of Requirement	<u>112,022</u>	<u>175,178</u>

Compensated Absences

Governmental Fund Types

Non enterprise fund compensated absences at December 31, 2020 were \$18,427. As explained in Note 1(H), this amount is not recorded in the governmental fund financial statements, but is reflected in the statement of net position.

Enterprise Funds

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

Power & Light Fund	67,680
Sanitation Fund	14,727
Water Fund	39,919
Sewer Fund	<u>15,259</u>
<u>Total</u>	<u>137,585</u>

Land Reclamation Costs

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

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 3 CHANGES IN LONG-TERM DEBT (Continued)

Landfill Closure and Postclosure Costs

State and Federal laws and regulations require the City to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports a portion of these closure and postclosure costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$265,403 reported in Long-Term Debt as landfill closure and postclosure care liability at December 31, 2020, represents the cumulative expense incurred to date based on the use of the existing facility and the requirements to close and monitor as the facility currently exists. This amount is based upon what it would cost to perform all postclosure care in 2020. Actual cost may be higher due to inflation, changes in technology or changes in regulations. Current consumption rates indicate that the new landfill will last 39 years.

The City will recognize the remaining estimated cost of closure and postclosure care of \$418,721 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2020. The City expects to close the landfill in the year 2059. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

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

NOTE 4 DEFINED BENEFIT PENSION PLAN

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

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

<u>Plan</u>	<u>Net Pension Liability</u>	<u>Net Pension Asset</u>	<u>Pension Income</u>	<u>Pension Expense</u>	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
PERA	1,296,613	-	154,636	-	729,764	1,029,473
City of Las Animas Old Hire Police	239,368	-	-	48,343	40,953	14,329
HCTF	152,612	-	4,890	-	17,386	36,896
Totals	1,688,593	-	159,526	48,343	788,103	1,080,698

NOTE 4 DEFINED BENEFIT PENSION PLAN (Continued)

Summary of Significant Accounting Policies:

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

The Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: *Concerning Modifications to the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years*. The bill was signed into law by Governor Hickenlooper on June 4, 2018. SB 18-200 makes changes to certain benefit provisions. Some, but not all, of these changes were in effect as of December 31, 2020.

General Information about the Pension Plan

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

Benefits provided as of December 31, 2019. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

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

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

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 4 DEFINED BENEFIT PENSION PLAN (Continued)

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

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

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

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

As of December 31, 2019, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S., once certain criteria are met. Pursuant to SB 18-200, the annual increases for 2019 is 0.00 percent for all benefit recipients. Thereafter, benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure will receive an annual increase of 1.25 percent unless adjusted by the automatic adjustment provision (AAP) pursuant to C.R.S. § 24-51-413. Benefit recipients under the PERA benefit structure who began eligible employment on or after January 1, 2007 will receive the lesser of an annual increase of 1.25 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the LGDTF. The AAP may raise or lower the aforementioned annual increase by up to 0.25 percent based on the parameters specified C.R.S. §24-51-413.

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

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

Contributions provisions as of December 31, 2020: Eligible employees and the City of Las Animas are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, et seq. and § 24-51-413. Employee contribution rates for the period of 01/01/2019 through 12/31/2020 are summarized in the table below:

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 4

DEFINED BENEFIT PENSION PLAN (Continued)

	January 1, 2019 Through December 31, 2019	January 1, 2020 Through June 30, 2020	July 1, 2020 Through December 31, 2020
Employee contribution	8.00%	8.00%	8.50%

Contribution rates for the LGDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

The employer contribution requirements for all employees are summarized in the table below:

	January 1, 2019 Through June 30, 2020	July 1, 2020 Through December 31, 2020
Employer Contribution Rate	10.00 %	10.50%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02)%	(1.02)%
Amount Apportioned to the LGDTF	8.98%	9.48%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	2.20%	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	1.50%	1.50%
Total Employer Contribution Rate to the LGDTF	12.68%	13.18%

Contribution Rates for the LGDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the City of Las Animas is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the City of Las Animas were \$166,860 for the year ended December 31, 2020.

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

At December 31, 2020, the City of Las Animas reported a liability of \$1,296,613 for its proportionate share of the net pension liability. The net pension liability for the LGDTF was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. Standard update procedures were used to roll-forward the total pension liability to December 31, 2019. The City of Las Animas proportion of the net pension liability was based on the City of Las Animas' contributions to the LGDTF for the calendar year 2019 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2019, the City of Las Animas' proportion was .1773 percent, which was a decrease of .0050 from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the City of Las Animas recognized pension income of \$154,636. At December 31, 2020, the City of Las Animas reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	84,848	-
Changes of assumptions or other inputs	-	-
Net difference between projected and actual earnings on pension plan investments	478,056	(1,008,518)
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	(20,955)
Contributions subsequent to the measurement date	166,860	N/A
Total	729,764	(1,029,473)

\$166,860 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31, 2020	
2021	(107,053)
2022	(155,899)
2023	(22,588)
2024	(181,029)
2025	-
Thereafter	-

Actuarial Assumptions. The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial Cost Method	Entry Age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage Inflation	3.50 percent
Salary increases, including wage inflation	3.50 percent – 10.45 percent
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS Benefit Structure (automatic)*	1.25 percent compounded annually
PERA Benefit Structure hired after 12/31/06 (ad hoc, substantively automatic)*	Financed by the Annual Increase Reserve

* For 2019, the annual increase was 0.00 percent

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

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

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

Post-retirement non-disabled mortality assumptions were based on the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

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

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

The actuarial assumptions used in the December 31, 2018, valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012 through December 31, 2015, as well as, the October 28, 2016 actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting.

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

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

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

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

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 4 DEFINED BENEFIT PENSION PLAN (Continued)

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

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the additional 0.50 percent resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the additional 0.50 percent, resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point, the AED and SAED will each drop 0.50 percent every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- The projected benefit payments reflect the lowered annual increase cap, from 1.50 percent to 1.25 percent resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	2,381,782	1,296,613	383,996

Pension plan fiduciary net position. Detailed information about the LGDTF's fiduciary net position is available in PERA's CAFR which can be obtained at www.copera.org/investments/pera-financial-reports.

Payables to the pension plan.

Defined Contribution Pension Plans

Voluntary Investment Program

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

Funding Policy – The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. The City of Las Animas does not match employee contributions. Employees are immediately vested in their own contributions and investment earnings. For the year ended December 31, 2020, program members contributed \$7,787 in the Voluntary Investment Program.

OLD HIRE POLICE PENSION:

Plan Description

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

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 4 DEFINED BENEFIT PENSION PLAN (Continued)

OLD HIRE POLICE PENSION: (Continued)

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

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

During 2020, there were no active policemen covered by the Police Old Hire Plan and 3 retirees receiving benefits. Currently, the City is not contributing to this fund.

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

At December 31, 2020, the City reported a liability of \$239,368 for its net pension liability related to the old hire police pension plan. The new pension liability was measured as of December 31, 2019, and the total liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2018. The City's net pension liability was based on a projection of the City's long-term contributions to the pension plan, actuarially determined.

For the year ended December 31, 2020, the City recognized pension expense of \$48,343. At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual results	-	-
Net difference between projected and actual earnings on Plan investments	11,750	(14,329)
Changes in proportion and differences between City contributions and proportionate share of contributions	-	-
City Contributions subsequent to the measurement date	<u>29,203</u>	<u>N/A</u>
Total	<u>\$40,953</u>	<u>\$(14,329)</u>

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

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

OLD HIRE POLICE PENSION: (Continued)

Deferred outflows of resources of \$29,203 related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ending December 31,</u>	<u>Net Deferred Outflows/ (Inflows) of Resources</u>
2021	(371)
2022	(1,680)
2023	1,475
2024	(2,003)
2025	-
Thereafter	-
Total	<u>\$(2,579)</u>

NOTES TO SCHEDULE OF CONTRIBUTIONS

Actuarially determined contribution rates are calculated as of January 1 of even numbered years. The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2018, determines the contribution amounts for 2019 and 2020.

Methods and Assumptions Used to Determine contribution Rates for the Fiscal Year Ending December 31, 2020:

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

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

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

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

OLD HIRE POLICE PENSION: (Continued)

Long-Term Expected Return on Plan Assets

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	10.00%	3.2%
Fixed Income	80.00%	5.0%
Managed Futures	0.00%	4.7%
Absolute Return	0.00%	5.0%
Long Short	0.00%	6.5%
Global Public Equity	10.00%	7.7%
Private Capital	0.00%	9.5%
Total	100.00%	

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

Discount Rate. The discount rate used to measure the total pension liability was 4.50%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payment of current beneficiaries. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity analysis. The following presents the net pension liability/(asset), calculated using the discount rate of 4.50%, as well as what the net pension liability/(asset) would be if it were calculated using a discount rate that is 1 percentage point lower (3.50%) or 1 percentage point higher (5.50%) than the current rate.

Police Old Hire Plan

	1% Decrease 3.50%	Current Discount Rate 4.50%	1% Increase 5.5%
Net Pension Liability/(Asset)	282,570	239,368	201,749

NOTE 5 OTHER POST EMPLOYMENT BENEFITS

Defined Benefit Other Post Employment Benefit (OPEB) Plan

Summary of Significant Accounting Policies

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

General Information about the OPEB Plan

Plan description. Eligible employees of the City of Las Animas are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. Title 24, Article 51, Part 12 of the C.R.S., as amended, sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

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

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

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

PERA Benefit Structure

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

NOTE 5 OTHER POST EMPLOYMENT BENEFITS (Continued)

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

DPS Benefit Structure

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

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

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the City of Las Animas is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the City of Las Animas were \$13,157 for the year ended December 31, 2020.

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

At December 31, 2020, the City of Las Animas reported a liability of \$152,612 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2018. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2019. The City of Las Animas' proportion of the net OPEB liability was based on City of Las Animas' contributions to the HCTF for the calendar year 2019 relative to the total contributions of participating employers to the HCTF.

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

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

At December 31, 2019, the City of Las Animas' proportion was 0.01358 percent, which was a decrease of 0.000006 from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the City of Las Animas recognized OPEB income of \$4,890. At December 31, 2020, the City of Las Animas reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	506	(25,644)
Changes of assumptions or other inputs	1,266	-
Net difference between projected and actual earnings on OPEB plan investments	2,457	(5,004)
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	(6,248)
Contributions subsequent to the measurement date	13,157	N/A
Total	17,386	(36,896)

\$13,157 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31, 2020	
2021	(6,649)
2022	(6,649)
2023	(5,911)
2024	(6,880)
2025	(6,206)
Thereafter	(372)

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

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

Actuarial assumptions. The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 percent in aggregate
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	5.60 percent in 2019, gradually decreasing to 4.50 percent in 2029
Medicare Part A premiums	3.50 percent for 2019, gradually increasing to 4.50 percent in 2029
DPS benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

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

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of the 2016 experience analysis for the periods January 1, 2012 through December 31, 2015, as well as, the October 28, 2016 actuarial assumptions workshop and were adopted by PERA Board during the November 18, 2016 Board meeting. In addition, certain actuarial assumptions pertaining to per capita health care costs and their related trends are analyzed and reviewed by PERA's actuary, as discussed below.

In determining the additional liability for PERACare enrollees who are age sixty-five or older and who are not eligible for premium-free Medicare Part A, the following monthly costs/premiums are assumed for 2019 for the PERA Benefit Structure:

Medicare Plan	Cost for Members Without Medicare Part A	Premiums for Members Without Medicare Part A
Medicare Advantage/Self-Insured Prescription	\$601	\$240
Kaiser Permanente Medicare Advantage HMO	605	237

The 2019 Medicare Part A premium is \$437 per month.

In determining the additional liability for PERACare enrollees in the PERA Benefit Structure who are age sixty-five or older and who are not eligible for premium-free Medicare Part A, the following chart details the initial expected value of Medicare Part A benefits, age adjusted to age 65 for the year following the valuation date.

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

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

Medicare Plan	Cost for Members Without Medicare Part A
Medicare Advantage/Self-Insured Prescription	\$562
Kaiser Permanente Medicare Advantage HMO	571

All costs are subject to the health care cost trend rates, as discussed below.

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2018, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

Year	PERACare Medicare Plans	Medicare Part A Premiums
2019	5.60%	3.50%
2020	8.60%	3.50%
2021	7.30%	3.50%
2022	6.00%	3.75%
2023	5.70%	3.75%
2024	5.50%	3.75%
2025	5.30%	4.00%
2026	5.10%	4.00%
2027	4.90%	4.25%
2028	4.70%	4.25%
2029+	4.50%	4.50%

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

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

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

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

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

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

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

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

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

The following health care costs assumptions were updated and used in the measurement of the obligations for the HCTF:

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2019 plan year.
- The morbidity assumptions were updated to reflect the assumed standard aging factors.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

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

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 5 OTHER POST EMPLOYMENT BENEFITS (Continued)

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

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

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

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

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate	4.60%	5.60%	6.60%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	148,986	152,612	156,801

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2019, measurement date.

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 5 OTHER POST EMPLOYMENT BENEFITS (Continued)

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50 percent.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	172,558	152,612	135,553

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

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 6 INTERGOVERNMENTAL AGREEMENT

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

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

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

Summary audited financial information as of December 31, 2019 follows:

Assets	<u>87,354,845</u>
Liabilities	37,380,157
Fund Equity	<u>49,974,688</u>
	<u>87,354,845</u>
Revenues	29,379,298
Expenditures	29,157,832
Distributions to Members (Credits to Members)	<u>(791,271)</u>
Current Period Excess (Deficiency)	<u>(569,805)</u>

NOTE 7 SEGMENT INFORMATION FOR ENTERPRISE FUNDS

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

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 8 CONTINGENCIES

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

NOTE 9 COMMITMENTS

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

NOTE 10 CASH AND INVESTMENTS

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

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Insured	250,000	250,000
Uninsured, Collateral held by Bank or its agent in City's name	<u>5,138,751</u>	<u>5,264,634</u>
<u>Sub-Total</u>	5,388,751	5,514,634
Plus Cash with County Treasurer	6,991	-
Petty Cash	<u>400</u>	<u>-</u>
<u>Net Cash & Certificates of Deposit</u>	<u>5,396,142</u>	<u>5,514,634</u>

As presented above, deposits with a bank balance of \$5,264,634 and a carrying balance of \$5,138,751 as of December 31, 2020 are uninsured, are exposed to custodial risk, and are collateralized with securities held by the pledging financial institution.

Reserves

Article X, Section 20 of the Constitution of the State of Colorado requires the City to establish Emergency Reserves (see Note 11). \$67,830 of fund balance has been restricted in compliance with this requirement.

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 11 CONTINGENCIES - TAX, SPENDING AND DEBT LIMITATIONS

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

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

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

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

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

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

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

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

NOTE 12 RISK MANAGEMENT

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

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

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 13 ALLOWANCE FOR ESTIMATED UNCOLLECTIBLE ACCOUNTS

At December 31, 2020, the City has provided an allowance for estimated uncollectible utility billings of \$11,000. The receivables shown in the financial statements of the utility funds are net of this allowance.

NOTE 14 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

	<u>Interfund Receivables / Payables</u>	<u>Interfund Transfers</u>
Governmental Activities	<u>-</u>	<u>53,390</u>

NOTE 15 INTERFUND ACTIVITY

Interfund Receivables and Payables

Individual fund interfund receivable and payable balances at December 31, 2020 were as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>	<u>Repayment Period</u>	<u>Purpose</u>
Governmental Activities	8,667	-	Within One Year	Operational
Business-Type Activities	-	8,667	Within One Year	Operational

Interfund Transfers

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Purpose</u>
Governmental Activities:			
General	995	32,000	Capital Acquisition
Sales Tax Development	-	17,000	Capital Acquisition
Infrastructure & Improvement	-	181,390	Capital Acquisition
Parks & Recreation	52,395	-	Capital Acquisition
Business Type Activities:			
Water	98,000	-	Capital Acquisition
Sewer	39,000	-	Capital Acquisition
Sanitation	40,000	-	Capital Acquisition
	<u>230,390</u>	<u>230,390</u>	

NOTE 16 COMPLIANCE WITH BUDGET LAWS

The actual expenditures of the following funds exceeded their budget and may be in violation of Colorado Budget Law:

Safe Route to School Fund	\$3
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REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISONS

PENSION TREND DATA

OTHER POST EMPLOYMENT BENEFIT TREND DATA

REQUIRED SUPPLEMENTARY INFORMATION

General Fund

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

Pension Trend Data

Other Post Employment Benefits Trend Data

CITY OF LAS ANIMAS, COLORADO
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended December 31, 2020

	<u>Budgeted Amounts</u> <u>Original & Final</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
<u>REVENUES</u>			
Property Taxes	394,498	383,650	(10,848)
Sales Tax	190,000	275,592	85,592
Registration Fees	10,000	11,354	1,354
Light and Power Franchise	127,651	121,049	(6,602)
Interest	4,000	2,651	(1,349)
Property Tax Interest	1,000	2,161	1,161
Highway Users Tax	80,869	75,941	(4,928)
Specific Ownership Tax	30,000	33,036	3,036
Severance Tax	2,000	394	(1,606)
Marijuana Sales Tax 5.75%	-	302,321	302,321
Marijuana State Sales Tax 10%	-	65,256	65,256
Cigarette Tax	1,200	1,380	180
Kinder Morgan Gas Franchise	21,000	17,386	(3,614)
Telephone Franchise	1,000	910	(90)
Marijuana Revenue	-	32,515	32,515
County Road & Bridge	12,500	16,158	3,658
Court and Traffic Fines	2,000	279	(1,721)
Other Revenues	10,000	5,434	(4,566)
Administration Fees	104,000	101,600	(2,400)
Rental Income	-	6,000	6,000
Licenses and Permits	8,000	18,338	10,338
Dog Pound Fees	8,000	8,267	267
COVID Funds	-	10,386	10,386
Sale of Equipment	5,000	-	(5,000)
Revolving Loan Payments	30,000	12,893	(17,107)
Health Fund Contributions	15,000	5	(14,995)
Excess (Deficit) Health Insurance Contributions	-	7,020	7,020
<u>TOTAL REVENUES</u>	<u>1,057,718</u>	<u>1,511,976</u>	<u>454,258</u>

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

CITY OF LAS ANIMAS, COLORADO
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended December 31, 2020

	<u>Budgeted Amounts</u> <u>Original & Final</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>EXPENDITURES</u>			
<u>GENERAL GOVERNMENT</u>			
<u>Administration</u>			
Salaries	164,928	174,183	(9,255)
Payroll Taxes and Benefits	78,200	64,132	14,068
Audit	4,000	3,925	75
Attorney Fees	3,000	4,964	(1,964)
Mayor's Expenses	1,000	-	1,000
Dues	1,517	650	867
Insurance	6,200	6,124	76
Office Supplies and Printing	9,000	6,976	2,024
Postage	-	4,819	(4,819)
Utilities	1,200	854	346
Office Equipment Fees	1,000	9,315	(8,315)
Office Equipment Supplies & Expenditures	8,950	9,115	(165)
Travel and Education	3,000	26	2,974
Marijuana	-	1,760	(1,760)
Miscellaneous	1,000	1,114	(114)
Ordinance Codification	7,000	-	7,000
Election Expense	-	4,085	(4,085)
Treasurer Fees	7,000	7,900	(900)
Contract Services	500	2,277	(1,777)
Internet Service	1,500	827	673
LA School District Grant Pass Thru	-	(50)	50
Health Fund Reimbursement	11,000	22,260	(11,260)
<u>Total Administration</u>	<u>309,995</u>	<u>325,256</u>	<u>(15,261)</u>
<u>Municipal Court</u>			
Salaries	3,600	1,414	2,186
Payroll Taxes and Benefits	710	244	466
Office Supplies and Printing	100	-	100
Postage	50	-	50
Miscellaneous	500	-	500
<u>Total Municipal Court</u>	<u>4,960</u>	<u>1,658</u>	<u>3,302</u>
<u>Dog Pound</u>			
Salaries	43,000	39,683	3,317
Payroll Taxes and Benefits	18,720	20,689	(1,969)
Insurance	1,960	1,957	3
Office Supplies and Printing	3,000	2,203	797
Postage	200	-	200
Utilities	4,000	3,172	828
Veterinary Service	1,500	115	1,385
Maintenance	2,000	1,178	822
Capital Outlay	10,000	10,111	(111)
Miscellaneous	2,250	5,941	(3,691)
<u>Total Dog Pound</u>	<u>86,630</u>	<u>85,049</u>	<u>1,581</u>

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

CITY OF LAS ANIMAS, COLORADO
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended December 31, 2020

	Budgeted Amounts <u>Original & Final</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
<u>Municipal Hall</u>			
Salaries	13,000	10,110	2,890
Payroll Taxes & Benefits	4,850	4,232	618
Insurance	1,960	1,957	3
Office Supplies	4,000	3,734	266
Building Maintenance	3,000	2,289	711
Utilities	11,000	7,223	3,777
Capital Outlay	10,000	995	9,005
Miscellaneous	-	683	(683)
<u>Total Municipal Hall</u>	<u>47,810</u>	<u>31,223</u>	<u>16,587</u>
<u>TOTAL GENERAL GOVERNMENT</u>	<u>449,395</u>	<u>443,186</u>	<u>6,209</u>
 <u>PUBLIC SAFETY</u>			
<u>Police Department</u>			
Dispatcher Service	346,321	317,461	28,860
Pension Payment – Old Hire Retirement Fund	29,203	29,203	-
<u>Total Police Department</u>	<u>375,524</u>	<u>346,664</u>	<u>28,860</u>
<u>Fire Department</u>			
Dispatcher Service	10,000	9,166	834
<u>Total Fire Department</u>	<u>10,000</u>	<u>9,166</u>	<u>834</u>
<u>TOTAL PUBLIC SAFETY</u>	<u>385,524</u>	<u>355,830</u>	<u>29,694</u>
 <u>PUBLIC WORKS</u>			
<u>Street Department</u>			
Salaries	77,237	71,061	6,176
Payroll Taxes and Benefits	46,222	44,001	2,221
Insurance	6,850	6,851	(1)
Office Supplies and Printing	1,200	1,220	(20)
Utilities	52,500	49,970	2,530
Maintenance	6,750	4,659	2,091
Fuel	2,300	3,047	(747)
Field Supplies	2,000	3,181	(1,181)
Miscellaneous	4,900	4,724	176
<u>Total Street Department</u>	<u>199,959</u>	<u>188,714</u>	<u>11,245</u>
<u>TOTAL PUBLIC WORKS</u>	<u>199,959</u>	<u>188,714</u>	<u>11,245</u>

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

CITY OF LAS ANIMAS, COLORADO
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended December 31, 2020

	<u>Budgeted Amounts</u> <u>Original & Final</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>REVOLVING LOAN</u>			
Concrete	25,000	7,135	17,865
Supplies	2,000	-	2,000
Contracted Services	30,000	7,673	22,327
<u>Total Revolving Loan</u>	<u>57,000</u>	<u>14,808</u>	<u>42,192</u>
<u>RESERVES</u>			
Contingency Reserve	371,845	-	371,845
<u>Total Reserves</u>	<u>371,845</u>	<u>-</u>	<u>371,845</u>
<u>TOTAL EXPENDITURES</u>	<u>1,463,723</u>	<u>1,002,538</u>	<u>461,185</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	<u>(406,005)</u>	<u>509,438</u>	
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating Transfers In	20,000	995	(19,005)
Operating Transfers (Out)	(42,000)	(32,000)	10,000
<u>Total Other Financing Sources (Uses)</u>	<u>(22,000)</u>	<u>(31,005)</u>	<u>(9,005)</u>
<u>REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER (USES)</u>	<u>(428,005)</u>	<u>478,433</u>	
<u>FUND BALANCE, Beginning</u>	<u>428,005</u>	<u>503,964</u>	
<u>FUND BALANCE, Ending</u>	<u>-</u>	<u>982,397</u>	

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

PENSION TREND DATA

OTHER POST EMPLOYMENT BENEFIT TREND DATA

CITY OF LAS ANIMAS, COLORADO
 OLD HIRE SCHEDULE OF CHANGES IN NET PENSION LIABILITY/(ASSET)
 AND RELATED RATIOS MULTIYEAR
 LAST 10 FISCAL YEARS (TO BE BUILT PROSPECTIVELY)
 For the Year ended December 31, 2020

Measurement period ending December 31,	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Total Pension Liability						
Interest on the Total Pension Liability	40,548	38,887	40,851	39,848	32,989	32,127
Difference Between Expected and Actual Experience of the Total Pension Liability	-	20,981	-	(81,395)	-	(38,409)
Changes of Assumptions	-	25,232	-	-	-	97,558
Benefit Payments	<u>(62,700)</u>	<u>(62,700)</u>	<u>(54,982)</u>	<u>(53,439)</u>	<u>(46,247)</u>	<u>(42,651)</u>
Net Change in Total Pension Liability	<u>(22,152)</u>	<u>22,400</u>	<u>(14,131)</u>	<u>(94,986)</u>	<u>(13,258)</u>	<u>48,625</u>
Total Pension Liability – Beginning	<u>571,427</u>	<u>549,275</u>	<u>571,675</u>	<u>557,544</u>	<u>462,558</u>	<u>449,300</u>
Total Pension Liability – Ending	<u>549,275</u>	<u>571,675</u>	<u>557,544</u>	<u>462,558</u>	<u>449,300</u>	<u>497,925</u>
Plan Fiduciary Net Position						
Employer Contributions	-	50,206	26,510	-	67,924	29,203
Pension Plan Net Investment Income	19,932	4,715	12,495	32,542	340	27,885
Benefit Payments	<u>(62,700)</u>	<u>(62,700)</u>	<u>(54,982)</u>	<u>(53,439)</u>	<u>(46,247)</u>	<u>(42,651)</u>
Pension Plan Administrative Expense	<u>(3,336)</u>	<u>(748)</u>	<u>(3,558)</u>	<u>(1,065)</u>	<u>(4,701)</u>	<u>(1,377)</u>
Net Change in Plan Fiduciary Net Position	<u>(46,104)</u>	<u>(8,527)</u>	<u>(19,535)</u>	<u>(21,962)</u>	<u>17,316</u>	<u>13,060</u>
Plan Fiduciary Net Position – Beginning	<u>324,309</u>	<u>278,205</u>	<u>269,678</u>	<u>250,143</u>	<u>228,181</u>	<u>245,497</u>
Plan Fiduciary Net Position – Ending	<u>278,205</u>	<u>269,678</u>	<u>250,143</u>	<u>228,181</u>	<u>245,497</u>	<u>258,557</u>
Net Pension Liability/(Asset)	271,070	301,997	307,401	234,377	203,803	239,368
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	50.65%	47.17%	44.87%	49.33%	54.64%	51.93%
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A
Net Pension Liability as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A

CITY OF LAS ANIMAS, COLORADO
 OLD HIRE SCHEDULE OF CONTRIBUTIONS MULTI-YEAR
 LAST 10 FISCAL YEARS (TO BE BUILT PROSPECTIVELY)
 For the Year Ended December 31, 2020

<u>FY Ending December 31,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Actual Contribution as a % of Covered Payroll</u>
2014	23,696	-	23,696	N/A	N/A
2015	26,510	50,206	(23,696)	N/A	N/A
2016	26,510	26,510	-	N/A	N/A
2017	33,962	33,962	-	N/A	N/A
2018	33,962	67,924	(33,962)	N/A	N/A
2019	29,203	29,203	-	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 LAS ANIMAS, COLORADO
 SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE
 NET PENSION LIABILITY OF THE LOCAL GOVERNMENT DIVISION TRUST FUND
 A COST SHARING MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN
 ADMINISTERED BY THE COLORADO PUBLIC EMPLOYEE'S RETIREMENT ASSOCIATION
 For the Year Ended DECEMBER 31, 2020

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Plan measurement date	12/31/14	12/31/15	12/31/16	12/31/17	12/31/18	12/31/19
City's proportion of the net pension liability	.1814%	.1835%	.1837%	.1831%	.1823%	.1773%
City's proportionate share of the net pension liability	\$1,625,892	\$2,021,142	\$2,480,707	\$2,038,576	\$2,291,663	\$1,296,613
City's covered payroll	\$1,042,003	\$1,113,514	\$1,155,006	\$1,195,570	\$1,220,838	\$1,289,909
City's proportionate share of the net pension liability as a percentage of its covered payroll	156%	182%	215%	171%	188%	101%
Plan fiduciary net position as a percentage of the total pension liability	80.72%	76.9%	73.6%	79.37%	75.96%	86.26%

CITY OF LAS ANIMAS, COLORADO
SCHEDULE OF CITY CONTRIBUTIONS TO THE LOCAL GOVERNMENT DIVISION TRUST FUND
A COST SHARING MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN ADMINISTERED BY
THE COLORADO PUBLIC EMPLOYEE'S RETIREMENT ASSOCIATION
For the Year Ended DECEMBER 31, 2020

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Plan measurement date	12/31/14	12/31/15	12/31/16	12/31/17	12/31/18	12/31/19
Contractually required contribution	\$ 132,126	\$ 141,194	\$ 146,455	\$ 151,598	\$ 154,802	\$ 166,860
Contributions in relation to the contractually required contribution	<u>\$ (132,126)</u>	<u>\$ (141,194)</u>	<u>\$ (146,455)</u>	<u>\$ (151,598)</u>	<u>\$ (154,802)</u>	<u>\$ (166,860)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$1,042,003	\$1,113,514	\$1,155,006	\$1,195,570	\$1,220,838	\$1,289,909
Contributions as a percentage of covered payroll	12.68%	12.68%	12.68%	12.68%	12.68%	12.94%

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Plan Measurement Date	12/31/19	12/31/18	12/31/17	12/31/16	-	-	-	-	-	-
City's proportion of the net OPEB liability (asset)	0.0136%	0.0141%	0.0142%	0.0141%	-	-	-	-	-	-
City's proportionate share of the net OPEB liability (asset)	\$152,612	\$192,325	\$184,893	\$182,841	-	-	-	-	-	-
City's covered payroll	\$1,289,909	\$1,220,838	\$1,195,570	\$1,155,006	-	-	-	-	-	-
City's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	11.83%	15.75%	15.46%	15.83%	-	-	-	-	-	-
Plan fiduciary net position as a percentage of the total OPEB liability	24.49%	17.03%	17.53%	16.71%	-	-	-	-	-	-

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

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Plan Measurement Date	12/31/19	12/31/18	12/31/17	12/31/16	-	-	-	-	-	-
Contractually required contributions	\$13,157	\$ 12,453	\$12,195	\$11,781	-	-	-	-	-	-
Contributions in relation to the contractually required contributions	<u>\$(13,157)</u>	<u>\$(12,453)</u>	<u>\$(12,195)</u>	<u>\$(11,781)</u>	-	-	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	-	-	-	-	-	-
City's covered payroll	\$1,289,909	\$1,220,838	\$1,195,570	\$1,155,006	-	-	-	-	-	-
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	-	-	-	-	-	-

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

COMBINING AND INDIVIDUAL FUND STATEMENTS AND OTHER SCHEDULES

COMBINING AND INDIVIDUAL FUND STATEMENTS AND OTHER SCHEDULES

NON MAJOR GOVERNMENTAL FUNDS

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

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

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

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

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

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

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

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

CITY OF LAS ANIMAS, COLORADO
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 December 31, 2020

	Special Revenue Fund			
	Conservation Trust	Parks and Recreation	Sales Tax Development	Safe Route to School
<u>ASSETS</u>				
Cash and Cash Equivalents	16,925	11,134	145,340	-
Accounts Receivable	-	-	12,321	-
Due From Other Funds	-	-	-	-
<u>Total Assets</u>	<u>16,925</u>	<u>11,134</u>	<u>157,661</u>	<u>-</u>
<u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities:</u>				
Accounts Payable	-	-	-	-
Due To Other Funds	-	-	-	-
<u>Total Liabilities</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Fund Balances</u>				
Restricted for:				
Parks and Recreation	16,925	-	-	-
Capital Improvements	-	-	-	-
Street Improvement	-	-	-	-
Economic Development	-	-	157,661	-
Assigned for:				
Parks and Recreation	-	11,134	-	-
<u>Total Fund Balances</u>	<u>16,925</u>	<u>11,134</u>	<u>157,661</u>	<u>-</u>
<u>TOTAL LIABILITIES & FUND BALANCES</u>	<u>16,925</u>	<u>11,134</u>	<u>157,661</u>	<u>-</u>

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

Capital Projects Fund		Total
Infrastructure and	1% Street	Non-Major
Improvement	Improvement	Governmental
		Funds
172,204	172,472	518,075
44,387	44,387	101,095
-	-	-
<u>216,591</u>	<u>216,859</u>	<u>619,170</u>
-	-	-
-	-	-
-	-	-
-	-	16,925
216,591	216,859	433,450
-	-	-
-	-	157,661
-	-	11,134
<u>216,591</u>	<u>216,859</u>	<u>619,170</u>
<u>216,591</u>	<u>216,859</u>	<u>619,170</u>

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

CITY OF LAS ANIMAS, COLORADO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended December 31, 2020

	Special Revenue Fund			
	Conservation Trust	Parks and Recreation	Sales Tax Development	Safe Route to School
<u>REVENUES</u>				
Taxes	-	-	165,805	-
Intergovernmental	22,410	-	-	-
Interest	49	4	364	-
Other	-	9,435	3,930	-
<u>Total Assets</u>	<u>22,459</u>	<u>9,439</u>	<u>170,099</u>	<u>-</u>
<u>EXPENDITURES</u>				
Highways and Street	-	-	-	-
Culture and Recreation	19,734	60,967	-	3
Public Safety	-	-	-	-
Community Services	-	-	73,084	-
Debt Services	-	-	-	-
<u>Total Liabilities</u>	<u>19,734</u>	<u>60,967</u>	<u>73,084</u>	<u>3</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	2,725	(51,528)	97,015	(3)
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating Transfers In (Out)	-	52,395	(17,000)	-
<u>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES & OTHER USES</u>	2,725	867	80,015	(3)
<u>FUND BALANCES, Beginning</u>	<u>14,200</u>	<u>10,267</u>	<u>77,646</u>	<u>3</u>
<u>FUND BALANCES, Ending</u>	<u>16,925</u>	<u>11,134</u>	<u>157,661</u>	<u>-</u>

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

<u>Capital Projects Fund</u>		<u>Total</u>
<u>Infrastructure and</u>	<u>1% Street</u>	<u>Non-Major</u>
<u>Improvement</u>	<u>Improvement</u>	<u>Governmental</u>
<u>Funds</u>		
272,848	272,848	711,501
-	-	22,410
236	421	1,074
-	705	14,070
<u>273,084</u>	<u>273,974</u>	<u>749,055</u>
-	180,469	180,469
-	-	80,704
-	-	-
-	-	73,084
-	-	-
<u>-</u>	<u>180,469</u>	<u>334,257</u>
273,084	93,505	414,798
<u>(181,390)</u>	<u>-</u>	<u>(145,995)</u>
91,694	93,505	268,803
<u>124,897</u>	<u>123,354</u>	<u>350,367</u>
<u>216,591</u>	<u>216,859</u>	<u>619,170</u>

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

CITY OF LAS ANIMAS, COLORADO
 CONSERVATION TRUST FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For the Year Ended December 31, 2020

	<u>Budgeted Amounts</u> <u>Original & Final</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
<u>REVENUES</u>			
Intergovernmental	24,500	22,410	(2,090)
Interest	30	49	19
<u>Total Revenues</u>	<u>24,530</u>	<u>22,459</u>	<u>(2,071)</u>
<u>EXPENDITURES</u>			
Culture and Recreation	24,518	19,734	4,784
Contingency	14,042	-	14,042
<u>Total Expenditures</u>	<u>38,560</u>	<u>19,734</u>	<u>18,826</u>
<u>EXCESS (DEFICIENCY) OF REVENUES</u> <u>OVER EXPENDITURES</u>	<u>(14,030)</u>	<u>2,725</u>	
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating Transfers In (Out)	-	-	-
<u>Total Other Financing Sources (Uses)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>EXCESS (DEFICIENCY) OF REVENUES AND</u> <u>OTHER FINANCING SOURCES OVER</u> <u>EXPENDITURES AND OTHER USES</u>	<u>(14,030)</u>	<u>2,725</u>	
<u>FUND BALANCE, Beginning</u>	<u>14,030</u>	<u>14,200</u>	
<u>FUND BALANCE, Ending</u>	<u>-</u>	<u>16,925</u>	

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

CITY OF LAS ANIMAS, COLORADO
PARKS AND RECREATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended December 31, 2020

	<u>Budgeted Amounts</u> <u>Original & Final</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
<u>REVENUES</u>			
Interest	50	4	(46)
Other	<u>31,500</u>	<u>9,435</u>	<u>(22,065)</u>
<u>Total Revenues</u>	<u>31,550</u>	<u>9,439</u>	<u>(22,111)</u>
<u>EXPENDITURES</u>			
Culture and Recreation	72,029	60,967	11,062
Contingency	<u>9,280</u>	<u>-</u>	<u>9,280</u>
<u>Total Expenditures</u>	<u>81,309</u>	<u>60,967</u>	<u>20,342</u>
<u>EXCESS (DEFICIENCY) OF REVENUES</u> <u>OVER EXPENDITURES</u>	<u>(49,759)</u>	<u>(51,528)</u>	
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating Transfers In(Out)	<u>40,500</u>	<u>52,395</u>	<u>11,895</u>
<u>Total Other Financing Sources (Uses)</u>	<u>40,500</u>	<u>52,395</u>	<u>11,895</u>
<u>EXCESS (DEFICIENCY) OF REVENUES AND</u> <u>OTHER FINANCING SOURCES OVER</u> <u>EXPENDITURES AND OTHER USES</u>	<u>(9,259)</u>	<u>867</u>	
<u>FUND BALANCES, Beginning</u>	<u>9,259</u>	<u>10,267</u>	
<u>FUND BALANCES, Ending</u>	<u>-</u>	<u>11,134</u>	

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

CITY OF LAS ANIMAS, COLORADO
SALES TAX DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended December 31, 2020

	<u>Budgeted Amounts</u> <u>Original & Final</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>REVENUES</u>			
Sales Taxes	90,000	165,805	75,805
Interest	300	364	64
Other	<u>1,000</u>	<u>3,930</u>	<u>2,930</u>
<u>Total Revenues</u>	<u>91,300</u>	<u>170,099</u>	<u>78,799</u>
<u>EXPENDITURES</u>			
Community Services	77,850	73,084	4,766
Contingency	<u>49,922</u>	<u>-</u>	<u>49,922</u>
<u>Total Expenditures</u>	<u>127,772</u>	<u>73,084</u>	<u>54,688</u>
<u>EXCESS (DEFICIENCY) OF REVENUES</u> <u>OVER EXPENDITURES</u>	(36,472)	<u>97,015</u>	
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating Transfers (Out)	(17,000)	(17,000)	-
<u>Total Other Financing Sources (Uses)</u>	<u>(17,000)</u>	<u>(17,000)</u>	<u>-</u>
<u>EXCESS (DEFICIENCY) OF REVENUES AND</u> <u>OTHER FINANCING SOURCES OVER</u> <u>EXPENDITURES AND OTHER USES</u>	(53,472)	80,015	
<u>FUND BALANCES, Beginning</u>	<u>53,472</u>	<u>77,646</u>	
<u>FUND BALANCES, Ending</u>	<u>-</u>	<u>157,661</u>	

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

CITY OF LAS ANIMAS, COLORADO
SAFE ROUTE TO SCHOOL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended December 31, 2020

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

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

CITY OF LAS ANIMAS, COLORADO
INFRASTRUCTURE AND IMPROVEMENT CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended December 31, 2020

	<u>Budgeted Amounts</u> <u>Original & Final</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>REVENUES</u>			
Sales Tax Revenue	187,000	272,848	85,848
Interest Revenue	300	236	(64)
<u>Total Revenues</u>	<u>187,300</u>	<u>273,084</u>	<u>85,784</u>
<u>EXPENDITURES</u>			
Contingency Reserve	117,511	-	117,511
<u>Total Expenditures</u>	<u>117,511</u>	<u>-</u>	<u>117,511</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</u>	<u>69,789</u>	<u>273,084</u>	
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating Transfers In (Out)	(187,000)	(181,390)	5,610
<u>Total Other Financing Sources (Uses)</u>	<u>(187,000)</u>	<u>(181,390)</u>	<u>5,610</u>
<u>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES</u>	<u>(117,211)</u>	<u>91,694</u>	
<u>FUND BALANCES, Beginning</u>	<u>117,211</u>	<u>124,897</u>	
<u>FUND BALANCES, Ending</u>	<u>-</u>	<u>216,591</u>	

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

CITY OF LAS ANIMAS, COLORADO
1% STREET IMPROVEMENT CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended December 31, 2020

	<u>Budgeted Amounts</u> <u>Original & Final</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
<u>REVENUES</u>			
Sales Tax	187,000	272,848	85,848
Interest Revenue	400	421	21
Other Revenue	<u>2,000</u>	<u>705</u>	<u>(1,295)</u>
<u>Total Revenues</u>	<u>189,400</u>	<u>273,974</u>	<u>84,574</u>
<u>EXPENDITURES</u>			
Highways and Streets	189,400	180,469	8,931
Contingency Reserve	<u>105,455</u>	<u>-</u>	<u>105,455</u>
<u>Total Expenditures</u>	<u>294,855</u>	<u>180,469</u>	<u>114,386</u>
<u>EXCESS (DEFICIENCY) OF REVENUES</u> <u>OVER EXPENDITURES</u>	<u>(105,455)</u>	<u>93,505</u>	
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating Transfers In (Out)	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Other Financing Sources (Uses)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>EXCESS (DEFICIENCY) OF REVENUES</u> <u>AND OTHER FINANCING SOURCES OVER</u> <u>EXPENDITURES AND OTHER USES</u>	<u>(105,455)</u>	<u>93,505</u>	
<u>FUND BALANCES, Beginning</u>	<u>105,455</u>	<u>123,354</u>	
<u>FUND BALANCES, Ending</u>	<u>-</u>	<u>216,859</u>	

The accompanying notes are an integral part of these financial statements

ENTERPRISE FUNDS – BUDGET STATEMENTS

CITY OF LAS ANIMAS, COLORADO
WATER FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET (NON-GAAP) AND ACTUAL
For the Year Ended December 31, 2020

	<u>Budgeted Amounts</u> <u>Original & Final</u>	<u>Actual</u>	Variance-Favorable <u>(Unfavorable)</u>
<u>OPERATING REVENUES</u>			
Charges for Services	791,500	814,933	23,433
Other	<u>44,000</u>	<u>19,308</u>	<u>(24,692)</u>
<u>Total Operating Revenues</u>	<u>835,500</u>	<u>834,241</u>	<u>(1,259)</u>
<u>OPERATING EXPENSES</u>			
Salaries	233,501	205,969	27,532
Payroll Taxes & Benefits	106,653	97,601	9,052
Insurance	10,800	10,766	34
Office Supplies	12,500	11,589	911
Utilities & Telephone	150,000	146,704	3,296
Maintenance	413,000	23,728	389,272
Capital Outlay	49,500	378,103	(328,603)
Miscellaneous	8,500	6,410	2,090
Education and Travel	2,500	285	2,215
Fuel	14,000	146	13,854
Contracted Services	7,000	5,012	1,988
Field Supplies	57,500	59,426	(1,926)
Administrative Fee	32,100	30,900	1,200
Bad Debt Expense	3,000	1,340	1,660
Contingency	<u>4,082,303</u>	<u>-</u>	<u>4,082,303</u>
<u>Total Operating Expenses</u>	<u>5,182,857</u>	<u>977,979</u>	<u>4,204,878</u>
<u>OPERATING INCOME (LOSS)</u>	<u>(4,347,357)</u>	<u>(143,738)</u>	
<u>NON-OPERATING REVENUES (EXPENSES)</u>			
Capital Grant	248,000	-	(248,000)
Interest Revenue	3,000	4,664	1,664
COVID Funds	-	30	30
Other Revenue	22,000	21,507	(493)
Interest Paid	<u>(89,700)</u>	<u>(89,663)</u>	<u>37</u>
<u>Total Non-Operating Revenues (Expenses)</u>	<u>183,300</u>	<u>(63,462)</u>	<u>(246,762)</u>
<u>NET INCOME (LOSS) BEFORE OPERATING TRANSFERS</u>	<u>(4,164,057)</u>	<u>(207,200)</u>	
<u>OPERATING TRANSFERS</u>			
Operating Transfer In (Out)	<u>82,500</u>	<u>98,000</u>	<u>15,500</u>
<u>Total Operating Transfers</u>	<u>82,500</u>	<u>98,000</u>	<u>15,500</u>
<u>NET INCOME (LOSS)</u>	<u>(4,081,557)</u>	<u>(109,200)</u>	
<u>NET POSITION, Beginning</u>	<u>4,081,557</u>	<u>4,242,995</u>	
<u>BUDGETARY BASIS – NET POSITION, (DEFICIT) Ending</u>	<u>-</u>	<u>4,133,795</u>	
<u>BUDGETARY ITEMS NOT AFFECTING NET POSITION</u> <u>AND NON-BUDGETED ITEMS</u>			
Depreciation	-	(248,174)	
Capital Outlay	-	365,943	
Principal Debt Retirement	-	56,967	
Pension	<u>-</u>	<u>26,705</u>	
<u>NET POSITION (DEFICIT), Ending</u>	<u>-</u>	<u>4,335,236</u>	

The accompanying notes are an integral part of these financial statements

CITY OF LAS ANIMAS, COLORADO
SEWER FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET (NON-GAAP) AND ACTUAL
For the Year Ended December 31, 2020

	Budgeted Amounts Original & Final	Actual	Variance-Favorable (Unfavorable)
OPERATING REVENUES			
Charges for Services	503,000	480,364	(22,636)
Other	8,000	1,026	(6,974)
<u>Total Operating Revenues</u>	<u>511,000</u>	<u>481,390</u>	<u>(29,610)</u>
OPERATING EXPENSES			
Salaries	101,877	104,874	(2,997)
Payroll Taxes & Benefits	60,156	58,373	1,783
Insurance	10,800	10,937	(137)
Office Supplies	2,000	2,152	(152)
Utilities & Telephone	80,000	76,011	3,989
Maintenance	48,000	37,647	10,353
Capital Outlay	2,284,400	64,244	2,220,156
Miscellaneous	12,000	15,979	(3,979)
Education and Travel	2,000	805	1,195
Fuel	15,300	8,008	7,292
Contracted Services	5,500	3,965	1,535
Field Supplies	7,000	3,322	3,678
Administrative Fee	-	37,700	(37,700)
Bad Debt Expense	(1,000)	1,445	(2,445)
Contingency Reserve	4,450,381	-	4,450,381
<u>Total Operating Expenses</u>	<u>7,078,414</u>	<u>425,462</u>	<u>6,652,952</u>
OPERATING INCOME (LOSS)	(6,567,414)	55,928	
NON-OPERATING REVENUES (EXPENSES)			
Capital Grants/Loan Forgiveness	1,000,000	-	(1,000,000)
COVID Funds	-	816	816
Interest Revenue	1,500	2,172	672
Other Revenue	1,153,000	8,038	(1,144,962)
Principal Debt Retirement	(41,017)	(41,017)	-
Interest Paid	(1,483)	(103)	1,380
<u>Total Non-Operating Revenues (Expenses)</u>	<u>2,112,000</u>	<u>(30,094)</u>	<u>(2,142,094)</u>
NET INCOME (LOSS) BEFORE OPERATING TRANSFERS	(4,455,414)	25,834	
OPERATING TRANSFERS			
Operating Transfer In (Out)	5,100	39,000	33,900
<u>Total Operating Transfers</u>	<u>5,100</u>	<u>39,000</u>	<u>33,900</u>
NET INCOME (LOSS)	(4,450,314)	64,834	
NET POSITION, Beginning	4,450,314	4,430,846	
BUDGETARY BASIS-NET POSITION (DEFICIT), Ending	-	4,495,680	
BUDGETARY ITEMS NOT AFFECTING NET POSITION AND NON-BUDGETED ITEMS			
Depreciation	-	(228,495)	
Capital Outlay	-	62,212	
Principal Debt Retirement	-	41,017	
Pension	-	14,068	
<u>NET POSITION (DEFICIT), Ending</u>	<u>-</u>	<u>4,384,482</u>	

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

CITY OF LAS ANIMAS, COLORADO
SANITATION FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET (NON-GAAP) AND ACTUAL
For the Year Ended December 31, 2020

	<u>Budgeted Amounts</u> <u>Original & Final</u>	<u>Actual</u>	<u>Variance-Favorable</u> <u>(Unfavorable)</u>
<u>OPERATING REVENUES</u>			
Charges for Services	548,000	622,391	74,391
Other	<u>39,500</u>	<u>13,950</u>	<u>(25,550)</u>
<u>Total Operating Revenues</u>	<u>587,500</u>	<u>636,341</u>	<u>48,841</u>
<u>OPERATING EXPENSES</u>			
Salaries	128,030	111,888	16,142
Payroll Taxes & Benefits	49,219	47,931	1,288
Insurance	7,000	6,895	105
Compaction and Disposal	166,000	140,701	25,299
Maintenance	124,500	80,220	44,280
Miscellaneous	31,000	18,805	12,195
Bad Debt Expense	(700)	927	(1,627)
Contracted Services	9,500	9,620	(120)
Administrative Fee	33,000	31,800	1,200
Transfer Station	50,500	63,547	(13,047)
County Reimbursement	25,800	25,188	612
Landfill Post Closure Costs	5,000	19,189	(14,189)
Contingency Reserve	395,672	-	395,672
Capital Outlay	-	<u>64,168</u>	<u>(64,168)</u>
<u>Total Operating Expenses</u>	<u>1,024,521</u>	<u>620,879</u>	<u>403,642</u>
<u>OPERATING INCOME (LOSS)</u>	<u>(437,021)</u>	<u>15,462</u>	
<u>NON-OPERATING REVENUES (EXPENSES)</u>			
COVID Funds	-	847	847
Interest Revenue	1,500	860	(640)
Interest Paid	<u>(100)</u>	<u>(56)</u>	<u>44</u>
<u>Total Non-Operating Revenues (Expenses)</u>	<u>1,400</u>	<u>1,651</u>	<u>251</u>
<u>NET INCOME (LOSS) BEFORE OPERATING TRANSFERS</u>	<u>(435,621)</u>	<u>17,113</u>	
<u>OPERATING TRANSFERS</u>			
Operating Transfer In (Out)	<u>40,000</u>	<u>40,000</u>	<u>-</u>
<u>Total Operating Transfers</u>	<u>40,000</u>	<u>40,000</u>	<u>-</u>
<u>NET INCOME (LOSS)</u>	<u>(395,621)</u>	<u>57,113</u>	
<u>NET POSITION, Beginning</u>	<u>395,621</u>	<u>357,535</u>	
<u>BUDGETARY BASIS-NET POSITION (DEFICIT), Ending</u>	<u>-</u>	<u>414,648</u>	
<u>BUDGETARY ITEMS NOT AFFECTING NET POSITION</u>			
<u>AND NON-BUDGETED ITEMS</u>			
Depreciation	-	(91,721)	
Capital Outlay	-	64,168	
Pension	<u>-</u>	<u>14,095</u>	
<u>NET POSITON (DEFICIT), Ending</u>	<u>-</u>	<u>401,190</u>	

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

CITY OF LAS ANIMAS, COLORADO
LIGHT AND POWER FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET (NON-GAAP) AND ACTUAL
For the Year Ended December 31, 2020

	<u>Budgeted Amounts</u> <u>Original & Final</u>	<u>Actual</u>	<u>Variance-Favorable</u> <u>(Unfavorable)</u>
<u>OPERATING REVENUES</u>			
Charges for Services	4,160,118	3,954,895	(205,223)
Other	13,311	45,390	32,079
<u>Total Operating Revenues</u>	<u>4,173,429</u>	<u>4,000,285</u>	<u>(173,144)</u>
<u>OPERATING EXPENSES</u>			
Salaries	557,780	556,945	835
Payroll Taxes and Benefits	244,265	221,245	23,020
Purchased Power	2,416,900	2,657,120	(240,220)
Insurance	50,933	66,346	(15,413)
Office Supplies	24,000	28,470	(4,470)
Maintenance	-	5,524	(5,524)
Capital Outlay	-	45,968	(45,968)
Miscellaneous	54,900	44,178	10,722
Education and Training	12,000	3,538	8,462
Fuel	10,000	8,394	1,606
Contracted Services	15,000	13,260	1,740
Field Supplies	233,626	77,889	155,737
Administrative Fee	128,851	121,469	7,382
Warehouse Expense	5,000	11,111	(6,111)
Depreciation Expense	130,250	97,545	32,705
Contingency Reserve	305,326	-	305,326
<u>Total Operating Expenditures</u>	<u>4,188,831</u>	<u>3,959,002</u>	<u>229,829</u>
<u>OPERATING INCOME (LOSS)</u>	<u>(15,402)</u>	<u>41,283</u>	
<u>NON-OPERATING REVENUES (EXPENSES)</u>			
Interest Revenue	10,602	18,527	7,925
Other Revenue	4,800	-	(4,800)
Interest Paid	-	(314)	(314)
<u>Total Non-Operating Revenues and Expenses</u>	<u>15,402</u>	<u>18,213</u>	<u>2,811</u>
<u>NET INCOME (LOSS) BEFORE OPERATING TRANSFERS</u>	<u>-</u>	<u>59,496</u>	
<u>OPERATING TRANSFERS</u>			
Operating Transfers In (Out)	-	-	-
<u>Total Operating Transfers</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>NET INCOME (LOSS)</u>	<u>-</u>	<u>59,496</u>	
<u>NET POSITION, Beginning</u>	<u>-</u>	<u>3,164,459</u>	
<u>BUDGETARY BASIS-NET POSITION (DEFICIT), Ending</u>	<u>-</u>	<u>3,223,955</u>	
<u>BUDGETARY ITEMS NOT AFFECTING NET POSITION</u> <u>AND NON-BUDGETED ITEMS</u>			
Pension	-	67,787	
<u>NET POSITON (DEFICIT), Ending</u>	<u>-</u>	<u>3,291,742</u>	

The accompanying notes are an integral part of these financial statements

OTHER SCHEDULES

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

LOCAL HIGHWAY FINANCE REPORT

City or County:
LAS ANIMAS
YEAR ENDING:
December 2020

This Information From The Records Of (example - City of _ or County of _)
CITY OF LAS ANIMAS Prepared By: **CHARMAINE D. TRIPP**
Phone: **(719) 456-0422**

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	275,591.00
3. Other local imposts (from page 2)	0
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.)	275,591.00
7. Total (1 through 6)	0
B. Private Contributions	
C. Receipts from State government (from page 2)	75,941.00
D. Receipts from Federal Government (from page 2)	0
E. Total receipts (A.7 + B + C + D)	351,533.00

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	312,387.00
2. Maintenance:	
3. Road and street services:	
a. Traffic control operations	
b. Snow and ice removal	
c. Other	
d. Total (a. through c.)	0
4. General administration & miscellaneous	
5. Highway law enforcement and safety	
6. Total (1 through 5)	312,387.00
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)	312,387.00

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-	351,533.00	312,387.00	39,146.00	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado YEAR ENDING (mm/yy): December 2020																																																	
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	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		312,387.00	0																																																
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