

CITY OF LAS ANIMAS, COLORADO

FINANCIAL STATEMENTS

DECEMBER 31, 2021

CITY OF LAS ANIMAS, COLORADO

TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITORS' REPORT	1 - 2
MANAGEMENT'S DISCUSSION AND ANALYSIS	3 - 8
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	9
STATEMENT OF ACTIVITIES	10
FUND FINANCIAL STATEMENTS	
BALANCE SHEET – GOVERNMENTAL FUNDS	11
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION	12
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS	13
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	14
STATEMENT OF NET POSITION – PROPRIETARY FUNDS	15 - 16
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – PROPRIETARY FUNDS	17
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS	18 - 19
NOTES TO FINANCIAL STATEMENTS	20 - 53
REQUIRED SUPPLEMENTARY INFORMATION	
SCHEDULE OF CHANGES IN THE PLAN'S NET PENSION LIABILITY AND RELATED RATIOS – OLD HIRE POLICE PENSION FUND	54
SCHEDULE OF PLAN CONTRIBUTIONS – OLD HIRE POLICE PENSION FUND	55
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE – LOCAL GOVERNMENT DIVISION TRUST FUND	56
SCHEDULE OF CITY CONTRIBUTIONS – LOCAL GOVERNMENT DIVISION TRUST FUND	57
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE – HEALTH CARE TRUST FUND	58
SCHEDULE OF CITY CONTRIBUTIONS – HEALTH CARE TRUST FUND	59
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL – GENERAL FUND	60
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION	61
SUPPLEMENTARY INFORMATION	
INDIVIDUAL FINANCIAL STATEMENTS - MAJOR GOVERNMENTAL FUNDS	62 - 63
COMBINING AND INDIVIDUAL FINANCIAL STATEMENTS - NONMAJOR FUNDS	64 - 70
INDIVIDUAL FINANCIAL STATEMENTS AND BUDGET SCHEDULES – ENTERPRISE FUNDS	71 - 86
LOCAL HIGHWAY FINANCE REPORT	

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INDEPENDENT AUDITORS' REPORT

To the City Council
City of Las Animas, Colorado

Opinions

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, Colorado, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise City of Las Animas, Colorado basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Las Animas, Colorado, as of December 31, 2021, and the respective changes in financial position and, where applicable, cashflows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Las Animas, Colorado, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Las Animas, Colorado's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City of Las Animas, Colorado's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Las Animas, Colorado's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension and other post-employment benefit schedules and the budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Las Animas, Colorado's basic financial statements. The combining and individual fund financial statements, budget schedules and local highway finance report are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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, budget schedules and the local highway finance report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



HANCOCK FROESE & COMPANY LLC

Rocky Ford, Colorado
May 12, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City of Las Animas's (the "City") Annual Financial Report provides readers with a narrative overview and analysis of the City's financial performance during the fiscal year that ended on December 31, 2021. We encourage readers to consider the information presented here in conjunction with the letter of transmittal at the front of this report, the City of Las Animas's basic financial statements and notes to the financial statements to enhance their understanding of the activities and financial health of the City of Las Animas.

FINANCIAL HIGHLIGHTS

The City's total net position increased from \$15,039,343 to \$15,825,713 over the course of the City's operations in 2021.

During the year, the City's governmental revenues generated in taxes and other revenues for governmental programs (after other financing sources) were \$515,369 more than the \$1,876,308 of expenditures and transfers out for general government and governmental services.

The City's business-type funds had an increase in total net position of \$271,001 over the year, up from \$12,412,650 in 2020 to \$12,683,651 in 2021.

Overview of the Financial Statements

The discussion and analysis is intended to serve as an introduction to the City's *Basic Financial Statements*. The Basic Financial Statements contain three components: (1), government-wide financial statements; (2), fund financial statements (including component unit statements, if applicable); and (3), notes to the financial statements. In addition, this report contains other *Required Supplementary Information*, and a *Supplementary Information* section that presents *combining and individual statements* for non-major governmental funds (along with actual and budget comparison schedules).

The basic financial statements include two kinds of statements that present different views of the City: *government-wide financial statements* and *fund financial statements*.

The first two statements are government-wide financial statements that provide both *long-term* and *short-term* information about the City's *overall* financial status.

The remaining statements are *fund financial statements* that focus on *individual parts* of the City government, reporting the City's operations in more detail than the government-wide statements.

Governmental Fund statements tell how *general government* services like public safety, highways and streets, welfare, cultural and recreation, and economic development were financed in the short-term as well as what remains for future spending.

Proprietary Fund statements offer *short-term* and *long-term* financial information about the activities the City government operates in, similar to a private business.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explain and support the information in the financial statements. In addition to these required components, a section is included with combining statements that provide further detail about the City's non-major governmental funds, each of which are added together and presented in single columns in each of the basic financial statements.

Government-wide Statements

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's net position and how they have changed. Net position, the difference between the City's assets and liabilities, is one way to measure the City's financial health or current position.

Over time, increases or decreases in the City's net position is an indicator of whether its financial health is improving or deteriorating, respectively.

To assess the overall health of the City, consideration should be given to additional non-financial factors such as changes in the City's property tax base and the condition of the City's streets, sewer mains, water treatment and distribution systems and electric distribution systems.

The government-wide financial statements of the City are divided into two categories.

1. *Governmental Activities.* Most of the City's basic services are included in governmental activities such as public safety, streets, recreation and general administration. Property and sales taxes and state and federal grants finance most of these activities.
2. *Business-type Activities.* The City charges fees to customers to help cover the costs of certain services it provides. The City's water, sewer, sanitation and electric enterprise funds are included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the City's most significant funds, the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes.

The City Council establishes other funds to control and manage resources for particular purposes, that are legally restricted to that expenditure, or show that certain taxes and grants are used appropriately (i.e. Special Revenue Funds).

The City has two kinds of funds:

1. *Governmental Funds.* Most of the City's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide funds statement that explains the relationship (or differences) between the two types of statements.
2. *Proprietary Funds.* Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information.

The City's Enterprise Funds are classified as business-type activities on the government-wide statements, but more detailed information is provided in the Proprietary Fund Statements, such as its cash flows.

Financial Analysis of the City as a Whole

Net Position: As discussed earlier, net position may serve as a useful indicator of a government's financial position. As of December 31, 2021, total City's net position was \$15,825,713, governmental activity net position was \$3,142,062 and business-type activities net position was \$12,683,651. The table below provides a comparative summary of the City's Governmental and Business-type net position for 2021 and 2020:

The 2021 MD&A presentation includes comparative changes in net position for the past two years below:

Statement of Net Position						
	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Assets						
Current and other	\$ 2,690,451	\$ 1,955,871	\$ 6,783,185	\$ 4,898,434	\$ 9,473,636	\$ 6,854,305
Capital Assets	\$ 1,457,911	\$ 1,623,488	\$ 11,179,298	\$ 11,193,005	\$ 12,637,209	\$ 12,816,493
Total Assets	\$ 4,148,362	\$ 3,579,359	\$ 17,962,483	\$ 16,091,439	\$ 22,110,845	\$ 19,670,798
Deferred Outflows of Resources	\$ 197,188	\$ 226,087	\$ 488,965	\$ 562,016	\$ 686,153	\$ 788,103
Total Assets and Deferred Outflows	\$ 4,345,550	\$ 3,805,446	\$ 18,451,448	\$ 16,653,455	\$ 22,796,998	\$ 20,458,901
Liabilities						
Current and other	\$ 79,962	\$ 25,100	\$ 458,913	\$ 339,057	\$ 538,875	\$ 364,157
Long-term Liab.	\$ 526,290	\$ 639,489	\$ 4,265,975	\$ 3,087,410	\$ 4,792,265	\$ 3,726,899
Total Liabilities	\$ 606,252	\$ 664,589	\$ 4,724,888	\$ 3,426,467	\$ 5,331,140	\$ 4,091,056
Deferred Inflows of Resources	\$ 597,236	\$ 514,164	\$ 1,042,909	\$ 814,338	\$ 1,640,145	\$ 1,328,502
Net Position						
Net Investment in Capital Assets	\$ 1,457,911	\$ 1,623,488	\$ 9,677,691	\$ 9,592,116	\$ 11,135,602	\$ 11,215,604
Restricted	\$ 786,723	\$ 675,866	\$ 507,322	\$ 163,763	\$ 1,294,045	\$ 839,629
Unrestricted	\$ 897,428	\$ 327,339	\$ 2,498,638	\$ 2,656,771	\$ 3,396,066	\$ 2,984,110
Total Net Position	\$ 3,142,062	\$ 2,626,693	\$ 12,683,651	\$ 12,412,650	\$ 15,825,713	\$ 15,039,343
Total Liabilities, Deferred Inflows & Net Position	\$ 4,345,550	\$ 3,805,446	\$ 18,451,448	\$ 16,653,455	\$ 22,796,998	\$ 20,458,901

A significant portion (70%) of the net position represents the *net investment in capital asset*. This includes land, buildings, systems, machinery and equipment, and infrastructure assets, offset with associated long-term and short-term debt liabilities. Capital assets are restricted for the purpose of providing services to the citizens of Las Animas; consequently, they are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Other *restricted net position* represents resources that are subject to external restrictions on how they may be used. Included in this category are unspent proceeds for customer deposits, operations and maintenance, asset retirements, capital improvements, parks and recreation, economic development, and TABOR emergency funds. This portion makes up 8% of the total.

The remaining 22% of net position represent the *unrestricted* portion available for the City's ongoing obligations to its citizens.

At the end of 2021, the City of Las Animas had positive balances in all three categories of net position.

Changes in Revenues and Expenditures

The table below presents the City's 2021 revenues and expenditures for Governmental and Business-type activities as they are reported in the Statement of Activities compared to 2020. The revenues and expenditures include the Governmental Funds (General Fund and Special Revenue Funds) and the Enterprise Funds (Light & Power Fund, Water Fund, Sewer Fund and Sanitation Fund).

The 2021 MD&A presentation includes changes in revenues and expenditures for the past two years below:

	Changes in Revenues and Expenditures					
	Governmental Activities		Business-Type Activities		Total	
REVENUES	2021	2020	2021	2020	2021	2020
Governmental Revenues:						
Charges for Services	\$ 142,754	\$ 160,378			\$ 142,754	\$ 160,378
Operating Grants & Contributions	\$ 121,275	\$ 98,351			\$ 121,275	\$ 98,351
Capital Grants & Contributions	\$ -	\$ -			\$ -	\$ -
Property Taxes	\$ 252,704	\$ 385,811			\$ 252,704	\$ 385,811
Other taxes, Licenses & Fines	\$1,705,696	\$ 1,527,051			\$1,705,696	\$ 1,527,051
Intergovernmental Not Restricted	\$ 24,954	\$ 29,286			\$ 24,954	\$ 29,286
Interest & Other	\$ 144,294	\$ 110,026			\$ 144,294	\$ 110,026
Total Government Revenues	\$2,391,677	\$ 2,310,903			\$ 2,391,677	\$ 2,310,903
Business-type Revenues						
Charges for Services			\$ 6,005,073	\$5,952,257	\$ 6,005,073	\$ 5,952,257
Other & Interest			\$ 50,347	\$ 180,116	\$ 50,347	\$ 180,116
Grants & Contributions			\$ 655,685	\$ -	\$ 655,685	\$ -
Total Business-type Revenues			\$ 6,711,105	\$6,132,373	\$ 6,711,105	\$ 6,132,373
TOTAL REVENUES	\$2,391,677	\$ 2,310,903	\$ 6,711,105	\$6,132,373	\$ 9,102,782	\$ 8,443,276
EXPENDITURES						
Government Expenditures						
General Government	\$ 457,631	\$ 425,266			\$ 457,631	\$ 425,266
Public Safety	\$ 415,728	\$ 355,830			\$ 415,728	\$ 355,830
Public Works	\$ 527,965	\$ 325,740			\$ 527,965	\$ 325,740
Culture & Recreation	\$ 144,604	\$ 148,567			\$ 144,604	\$ 148,567
Community Services	\$ 135,682	\$ 87,892			\$ 135,682	\$ 87,892
Pension Amort Expense	\$ 4,698	\$ 48,342			\$ 4,698	\$ 48,342
Total Government Expenditures	\$ 1,686,308	\$ 1,391,637			\$1,686,308	\$ 1,391,637
Business-type Expenditures						
Personal Services,						
Materials, Supplies			\$ 5,998,680	\$5,426,623	\$5,998,680	\$ 5,426,623
Depreciation Expense			\$ 631,424	\$ 665,935	\$ 631,424	\$ 665,935
Total Business-type Expenditures			\$ 6,630,104	\$6,092,558	\$6,630,104	\$ 6,092,558
TOTAL EXPENDITURES	\$ 1,686,308	\$ 1,391,637	\$ 6,630,104	\$6,092,558	\$8,316,412	\$ 7,484,195
EXCESS (DEFICIENCY) BEFORE TRANSFERS & SPECIAL ITEM	\$ 705,369	\$ 919,266	\$ 81,001	\$ 39,815	\$ 786,370	\$ 959,081
Transfers In (Out)	\$ (190,000)	\$ (177,000)	\$ 190,000	\$ 177,000	\$ -	\$ -
Special Item	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CHANGE IN NET POSITION	\$ 515,369	\$ 742,266	\$ 271,001	\$ 216,815	\$ 786,370	\$ 959,081
NET POSITION – BEGINNING	\$ 2,626,693	\$ 1,884,427	\$12,412,650	\$12,195,835	\$15,039,343	\$14,080,262
NET POSITION – ENDING	\$ 3,142,062	\$ 2,626,693	\$12,683,651	\$12,412,650	\$15,825,713	\$15,039,343

Governmental Activities: Governmental activities accounted for \$515,369 of revenues over expenses for 2021. Total revenues, including operating and capital grants from governmental activities including the general fund and other governmental funds amounted to \$2,391,677.

Total expenses for governmental activities in 2021 including transfers from the general fund and other governmental funds amounted to \$1,876,308.

Business-type Activities: The business activities had revenues in excess of expenditures totaling \$271,001 in 2021.

The Light and Power Fund had revenues in excess of expenses of \$112,090 due to a slight increase in operating revenues.

The Water Fund had expenses in excess of revenues of \$126,089. This was due to an increase in operating expenses compared to fiscal year 2020.

The Sewer Fund had revenues in excess of expenses of \$351,334. This was due to capital grant revenue received in fiscal year 2021.

The Sanitation Fund had expenses in excess of revenues of \$66,334 due to an increase in operating expenses compared to fiscal year 2020.

Financial Analysis of the City's Funds

Governmental Funds Overview: The City of Las Animas uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. As described earlier, the City's governmental funds provide information on short-term inflows and outflows, as well as what remains for future spending. Such information is useful in assessing the City's financial requirements. For example, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The following information is supplemental to the information presented in the previous section.

At the end of 2021, the City of Las Animas reported a fund balance for total governmental funds of \$2,275,580 compared to \$1,601,567 in 2020. Of the total fund balance, unassigned fund balance was \$1,052,203, the portion of fund balance which serves as a measure of current available financial resources. The fund balance is further divided into restricted, committed and assigned. The committed portion reflects the City's reserves for employee health insurance. The assigned portion reflects the amount assigned for parks and recreation and revolving loan (sidewalk improvements). The unassigned portion is not set aside by management for any other purpose and is therefore an available financial resource, when available.

The restricted fund balance represents resources not available for spending or those on which legal restrictions have been placed. The City's restricted fund balance includes the following: restricted for emergencies- Tabor \$34,200; restricted for parks and recreation \$25,485; restricted for capital improvements \$590,710; and restricted for economic development \$136,328.

General Fund: The General Fund of the City accounts for all transactions not accounted for in other funds. As the City's major operating fund, the General Fund accounts for ordinary operating expenditures financed primarily by property and sales taxes and charges for services. The General Fund completed the year with a fund balance of \$1,519,046. This was an increase of \$536,649 from the previous year's fund balance of 982,397. The General Fund had total budgeted revenues of \$1,237,996 and actual revenues of \$1,586,772 and total budgeted expenditures of \$1,157,840 and actual expenditures of \$1,064,670.

Proprietary Funds Overview: The proprietary funds are used to account for activities similar to those found in the private sector where determination of net income is necessary or useful to sound financial administration. The City has one type of proprietary fund, consisting of Enterprise Funds. The City's proprietary fund statements provide the same type of information found in the government-wide statements, but in more detail.

Enterprise Funds: The Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises where the costs (expenses, including depreciation) of providing goods or services to the general public are being financed or recovered primarily through users' charges on a continuing basis. The City of Las Animas has four enterprise funds: the Light & Power Fund with unrestricted net position of \$2,432,533 in 2021 up from \$2,215,287 in 2020, the Water Fund with unrestricted net position of \$(12,185) in 2021 down from \$162,534 in 2020, the Sewer Fund with unrestricted net position of \$202,871 in 2021 down from \$386,392 in 2020 and the Sanitation Fund with unrestricted net position of \$(124,581) in 2021 down from \$(107,442) in 2020.

Capital Asset and Debt Administration

Capital Assets: At the end of 2021, the City had acquired \$12,637,209 (net of accumulated depreciation) in a broad range of capital assets for its governmental and business-type activities, including land, buildings, park facilities, roads, bridges, heavy machinery, vehicle and equipment, and infrastructure.

1. All infrastructure assets acquired to date are included in capital assets in accordance with GASB 34 requirements.
2. The total decrease in net capital assets for 2021 was \$179,284 or 1%.
3. Additional information on the City's net position can be found in Notes 1 and 4 of the Notes to Financial Statements.

At December 31, 2021, the City of Las Animas had the following outstanding long-term debt:

1. \$174,465 in compensated absences payable;
2. \$263,900 in estimated closure and post closure care costs for the landfill.
3. \$664,000 in water revenue bonds:
4. \$2,373,222 in loans payable to Colorado Water Resources and Power Development Authority with all but one note (0.50%) having a 0% interest rate for system upgrades in the Water and Sewer Funds.
5. \$1,300,676 in net pension liability for the PERA, OPEB, and Old Hire Police Pension Fund.

Economic Factors and Next Year's Budgets and Rates

The City's elected officials considered many factors when setting the fiscal year 2022 budget, tax rates, and fees that will be charged for business-type activities. Factors that have a potential to significantly impact the City's 2022 budget include the ongoing rising cost of health insurance, the fluctuation in fuel and energy costs, increase in Colorado's minimum wage and pay increases for employees.

Assessed valuation used for the 2022 budget preparation is \$6,653,860. The City's mill levy will remain at 39 mills for the 2022 budget.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, 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, 2021

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
CASH AND CASH EQUIVALENTS	\$ 2,203,312	\$ 3,959,847	\$ 6,163,159
CASH WITH TRUSTEE	-	1,535,617	1,535,617
RECEIVABLES - NET:			
ACCOUNTS / OTHER	218,972	943,851	1,162,823
PROPERTY TAXES	259,500	-	259,500
DUE FROM OTHER FUNDS	8,667	-	8,667
INVENTORIES	-	343,870	343,870
CAPITAL ASSETS (NET)	1,457,911	11,179,298	12,637,209
TOTAL ASSETS	4,148,362	17,962,483	22,110,845
DEFERRED OUTFLOWS OF RESOURCES			
PENSIONS PERA	155,318	471,266	626,584
OTHER POST EMPLOYMENT BENEFITS	5,708	17,699	23,407
OLD HIRE POLICE	36,162	-	36,162
	197,188	488,965	686,153
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 4,345,550	\$ 18,451,448	\$ 22,796,998
LIABILITIES			
ACCOUNTS PAYABLE AND ACCRUED EXPENSES	\$ 34,064	\$ 398,628	\$ 432,692
DUE TO OTHER FUNDS	-	8,667	8,667
CUSTOMERS DEPOSITS	-	51,618	51,618
UNEARNED REVENUES	45,898	-	45,898
NON CURRENT LIABILITIES:			
DUE WITHIN ONE YEAR	-	128,865	128,865
DUE IN MORE THAN ONE YEAR	16,000	2,908,359	2,924,359
COMPENSATED ABSENCES PAYABLE	21,200	153,265	174,465
LANDFILL CLOSURE AND POST CLOSURE COST	-	263,900	263,900
NET PENSION LIABILITY	241,056	711,742	952,798
NET OPEB LIABILITY	32,701	99,844	132,545
NET LIABILITY OLD HIRE POLICE	215,333	-	215,333
TOTAL LIABILITIES	606,252	4,724,888	5,331,140
DEFERRED INFLOWS OF RESOURCES			
PENSIONS PERA	302,875	977,774	1,280,649
OTHER POST EMPLOYMENT BENEFITS	19,677	65,135	84,812
OLD HIRE POLICE	15,184	-	15,184
DEFERRED REVENUES - PROPERTY TAXES	259,500	-	259,500
TOTAL DEFERRED INFLOWS OF RESOURCES	597,236	1,042,909	1,640,145
NET POSITION			
NET INVESTMENT IN CAPITAL ASSETS	1,457,911	9,677,691	11,135,602
RESTRICTED FOR:			
CUSTOMER DEPOSITS	-	51,618	51,618
OPERATIONS AND MAINTENANCE	-	409,336	409,336
ASSET RETIREMENT	-	46,368	46,368
CAPITAL IMPROVEMENTS	590,710	-	590,710
PARKS AND RECREATION	25,485	-	25,485
ECONOMIC DEVELOPMENT	136,328	-	136,328
EMERGENCIES - TAVOR	34,200	-	34,200
UNRESTRICTED	897,428	2,498,638	3,396,066
TOTAL NET POSITION	3,142,062	12,683,651	15,825,713
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	\$ 4,345,550	\$ 18,451,448	\$ 22,796,998

CITY OF LAS ANIMAS, COLORADO
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSES) REVENUE AND CHANGES IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES	OPERATING		GOVERNMENTAL ACTIVITIES	PRIMARY GOVERNMENT	
			GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS		BUSINESS-TYPE ACTIVITIES	TOTAL
GOVERNMENTAL ACTIVITIES:							
GENERAL GOVERNMENT	\$ 457,631	\$ 115,500	\$ -	\$ -	\$ (342,131)	\$ -	\$ (342,131)
PUBLIC SAFETY	415,728	13,972	-	-	(401,756)	-	(401,756)
PUBLIC WORKS	527,965	13,282	95,126	-	(419,557)	-	(419,557)
CULTURE AND RECREATION	144,604	-	26,149	-	(118,455)	-	(118,455)
COMMUNITY SERVICES	135,682	-	-	-	(135,682)	-	(135,682)
PENSION	4,698	-	-	-	(4,698)	-	(4,698)
TOTAL GOVERNMENTAL ACTIVITIES	1,686,308	142,754	121,275	-	(1,422,279)	-	(1,422,279)
BUSINESS-TYPE ACTIVITIES:							
WATER	1,246,103	819,376	170,954	4,337	-	(251,436)	(251,436)
SEWER	647,159	483,734	28,840	451,554	-	316,969	316,969
SANITATION	821,913	686,273	-	-	-	(135,640)	(135,640)
POWER AND LIGHT	3,914,929	4,015,690	-	-	-	100,761	100,761
TOTAL BUSINESS-TYPE ACTIVITIES	6,630,104	6,005,073	199,794	455,891	-	30,654	30,654
TOTAL PRIMARY GOVERNMENT	\$ 8,316,412	\$ 6,147,827	\$ 321,069	\$ 455,891	(1,422,279)	30,654	(1,391,625)
GENERAL REVENUES							
LOCAL PROPERTY TAXES					252,704	-	252,704
SPECIFIC OWNERSHIP TAXES					25,869	-	25,869
SALES AND USE TAXES					1,537,945	-	1,537,945
FRANCHISE TAXES					141,882	-	141,882
INTERGOVERNMENTAL NOT SPECIFICALLY RESTRICTED					24,954	-	24,954
COVID FUNDS					28,295	-	28,295
EXCESS HEALTH INSURANCE CONTRIBUTIONS					8,021	-	8,021
PENSION REVENUE					20,393	-	20,393
INTEREST REVENUE AND OTHER REVENUE					87,585	50,347	137,932
TRANSFERS IN (OUT)					(190,000)	190,000	-
TOTAL GENERAL REVENUES AND TRANSFERS					1,937,648	240,347	2,177,995
CHANGE IN NET POSITION					515,369	271,001	786,370
NET POSITION JANUARY 1					2,626,693	12,412,650	15,039,343
NET POSITION DECEMBER 31					\$ 3,142,062	\$ 12,683,651	\$ 15,825,713

CITY OF LAS ANIMAS, COLORADO

GOVERNMENTAL FUNDS

BALANCE SHEET

DECEMBER 31, 2021

	GENERAL	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS			
CASH AND CASH EQUIVALENTS	\$ 1,505,869	\$ 697,443	\$ 2,203,312
RECEIVABLES (NET):			
ACCOUNTS	84,437	59,091	143,528
PROPERTY TAXES	259,500	-	259,500
ACCRUED INTEREST	35	-	35
DUE FROM OTHER FUNDS	8,667	-	8,667
TOTAL ASSETS	\$ 1,858,508	\$ 756,534	\$ 2,615,042
LIABILITIES			
ACCOUNTS PAYABLE	\$ 12,918	\$ -	\$ 12,918
ACCRUED EXPENSES	21,146	-	21,146
UNEARNED REVENUE	45,898	-	45,898
TOTAL LIABILITIES	79,962	-	79,962
DEFERRED INFLOWS OF RESOURCES			
DEFERRED REVENUES - PROPERTY TAXES	259,500	-	259,500
FUND BALANCE			
RESTRICTED FOR			
EMERGENCIES - TABOR	34,200	-	34,200
PARKS AND RECREATION	-	25,485	25,485
CAPITAL IMPROVEMENT	-	590,710	590,710
ECONOMIC DEVELOPMENT	-	136,328	136,328
COMMITTED			
EMPLOYEE HEALTH INSURANCE	223,953	-	223,953
ASSIGNED			
REVOLVING LOAN	208,690	-	208,690
PARKS AND RECREATION	-	4,011	4,011
UNASSIGNED	1,052,203	-	1,052,203
TOTAL FUND BALANCE	1,519,046	756,534	2,275,580
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	\$ 1,858,508	\$ 756,534	\$ 2,615,042

CITY OF LAS ANIMAS, COLORADO

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

DECEMBER 31, 2021

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

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS		\$	2,275,580
REVOLVING LOAN RECEIVABLES WHICH DO NOT PROVIDE CURRENT FINANCIAL RESOURCES ARE NOT REPORTED ON THE GOVERNMENTAL FUND FINANCIAL STATEMENTS BUT RECOGNIZED ON THE GOVERNMENT-WIDE FINANCIAL STATEMENTS, NET OF APPLICABLE ALLOWANCE FOR UNCOLLECTIBLES.			75,409
CAPITAL ASSETS USED IN GOVERNMENTAL ACTIVITIES ARE NOT FINANCIAL RESOURCES AND THEREFORE ARE NOT REPORTED IN FUNDS.			
THE COST OF CAPITAL ASSETS IS		\$	4,354,816
ACCUMULATED DEPRECIATION IS			<u>(2,896,905)</u>
			1,457,911
LONG-TERM LIABILITIES ARE NOT DUE AND PAYABLE IN THE CURRENT PERIOD AND THEREFORE ARE NOT REPORTED IN THE FUNDS.			
COMPENSATED ABSENCES			(21,200)
RECLAMATION PAYABLE			<u>(16,000)</u>
			(37,200)
NET PENSION / OPEB LIABILITIES, DEFERRED OUTFLOWS, AND DEFERRED INFLOWS RELATED TO PENSIONS / OPEB ARE NOT CURRENT FINANCIAL RESOURCES AND THEREFORE ARE NOT REPORTED AS ASSETS OR LIABILITIES IN THE GOVERNMENTAL FUNDS.			<u>(629,638)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES		\$	<u><u>3,142,062</u></u>

CITY OF LAS ANIMAS, COLORADO

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEAR ENDED DECEMBER 31, 2021

	GENERAL	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES			
TAXES	\$ 1,087,739	\$ 744,332	\$ 1,832,071
FRANCHISE FEES	141,882	-	141,882
LICENSES AND PERMITS	13,975	-	13,975
INTERGOVERNMENTAL	104,527	26,149	130,676
CHARGES FOR SERVICES	128,752	-	128,752
INTEREST	1,502	581	2,083
FINES	30	-	30
EXCESS HEALTH INSURANCE CONTRIBUTIONS	8,021	-	8,021
COVID FUNDS	28,295	-	28,295
MARIJUANA REVENUES	32,500	-	32,500
OTHER	39,549	13,450	52,999
TOTAL REVENUES	<u>1,586,772</u>	<u>784,512</u>	<u>2,371,284</u>
EXPENDITURES			
GENERAL GOVERNMENT	448,550	2,000	450,550
PUBLIC SAFETY	415,728	-	415,728
PUBLIC WORKS	198,817	214,088	412,905
CULTURE AND RECREATION	-	90,831	90,831
COMMUNITY SERVICES	-	135,682	135,682
REVOLVING LOAN	1,575	-	1,575
TOTAL EXPENDITURES	<u>1,064,670</u>	<u>442,601</u>	<u>1,507,271</u>
REVENUES OVER (UNDER) EXPENDITURES	522,102	341,911	864,013
OTHER FINANCING SOURCES (USES)			
TRANSFERS IN (OUT)	14,547	(204,547)	(190,000)
REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)	536,649	137,364	674,013
FUND BALANCE JANUARY 1	<u>982,397</u>	<u>619,170</u>	<u>1,601,567</u>
FUND BALANCE DECEMBER 31	<u>\$ 1,519,046</u>	<u>\$ 756,534</u>	<u>\$ 2,275,580</u>

SEE NOTES TO FINANCIAL STATEMENTS

CITY OF LAS ANIMAS, COLORADO

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

YEAR ENDED DECEMBER 31, 2021

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

NET CHANGE IN FUND BALANCE		\$ 674,013
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.		(5,989)
<p>GOVERNMENTAL FUNDS REPORT CAPITAL OUTLAYS AS EXPENDITURES. HOWEVER, IN THE STATEMENT OF ACTIVITIES THE COST OF THOSE ASSETS IS ALLOCATED OVER THEIR ESTIMATED USEFUL LIVES AND REPORTED AS DEPRECIATION EXPENSE. THIS IS THE AMOUNT BY WHICH CAPITAL OUTLAY EXCEEDED DEPRECIATION IN THE CURRENT PERIOD.</p>		
CAPITAL OUTLAY	\$ 15,000	
DEPRECIATION EXPENSE AND GAIN ON DISPOSITION OF ASSET	<u>(180,577)</u>	(165,577)
COMPENSATED ABSENCES ARE REPORTED AS AN EXPENSE IN THE STATEMENT OF ACTIVITIES. HOWEVER, GOVERNMENTAL FUNDS DO NOT REPORT COMPENSATED ABSENCES AS AN EXPENDITURE UNTIL THEY ARE PAID.		(2,773)
<p>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.</p>		
PENSION REVENUE	20,393	
PENSION EXPENSE	<u>(4,698)</u>	<u>15,695</u>
CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES		<u>\$ 515,369</u>

CITY OF LAS ANIMAS, COLORADO
 PROPRIETARY FUNDS

STATEMENT OF NET POSITION

DECEMBER 31, 2021

	LIGHT AND POWER	WATER	SEWER	SANITATION	TOTAL
CURRENT ASSETS					
CASH AND CASH EQUIVALENTS	\$ 2,968,745	\$ 565,424	\$ 150,003	\$ 275,675	\$ 3,959,847
CASH WITH TRUSTEE	-	-	1,535,617	-	1,535,617
ACCOUNTS RECEIVABLE (NET)	319,662	59,432	45,850	67,920	492,864
GRANTS RECEIVABLE	-	-	448,476	-	448,476
NOTES RECEIVABLE	-	1,012	1,499	-	2,511
INVENTORIES	263,547	61,497	18,826	-	343,870
TOTAL CURRENT ASSETS	3,551,954	687,365	2,200,271	343,595	6,783,185
PROPERTY PLANT AND EQUIPMENT					
LAND AND WATER RIGHTS	17,055	130,911	2,150	20,705	170,821
PRELIMINARY SURVEY	-	181,901	-	-	181,901
CONSTRUCTION IN PROGRESS	-	-	587,116	-	587,116
SYSTEMS, BUILDINGS, IMPROVEMENTS AND EQUIPMENT - AT COST	5,825,857	10,815,365	8,153,441	1,457,928	26,252,591
ACCUMULATED DEPRECIATION	(4,942,670)	(6,099,796)	(3,948,338)	(1,022,327)	(16,013,131)
NET PROPERTY PLANT AND EQUIPMENT	900,242	5,028,381	4,794,369	456,306	11,179,298
TOTAL ASSETS	4,452,196	5,715,746	6,994,640	799,901	17,962,483
DEFERRED OUTFLOW OF RESOURCES					
PENSION	247,568	109,045	61,459	53,194	471,266
OTHER POST EMPLOYMENT BENEFITS	9,415	4,036	2,242	2,006	17,699
TOTAL DEFERRED OUTFLOW OF RESOURCES	256,983	113,081	63,701	55,200	488,965
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	\$ 4,709,179	\$ 5,828,827	\$ 7,058,341	\$ 855,101	\$ 18,451,448

CITY OF LAS ANIMAS, COLORADO
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 DECEMBER 31, 2021

	LIGHT AND POWER	WATER	SEWER	SANITATION	TOTAL
CURRENT LIABILITIES					
ACCOUNTS PAYABLE AND ACCRUED EXPENSES	\$ 217,450	\$ 6,173	\$ 152,107	\$ 22,898	\$ 398,628
DUE TO OTHER FUNDS	-	2,675	3,242	2,750	8,667
DEBT PAYABLE - CURRENT	-	59,764	69,101	-	128,865
TOTAL CURRENT LIABILITIES	217,450	68,612	224,450	25,648	536,160
TERM LIABILITIES					
ACCRUED VACATION PAYABLE	74,956	45,859	15,259	17,191	153,265
METER DEPOSITS PAYABLE	24,689	18,749	5,049	3,131	51,618
DEBT PAYABLE - NONCURRENT	-	1,064,370	1,843,989	-	2,908,359
NET PENSION LIABILITY	367,775	167,748	96,339	79,880	711,742
NET OPEB LIABILITY	52,643	23,007	12,910	11,284	99,844
LANDFILL POSTCLOSURE PAYABLE	-	-	-	263,900	263,900
TOTAL TERM LIABILITIES	520,063	1,319,733	1,973,546	375,386	4,188,728
TOTAL LIABILITIES	737,513	1,388,345	2,197,996	401,034	4,724,888
DEFERRED INFLOW OF RESOURCES					
PENSION	531,928	217,108	117,005	111,733	977,774
OTHER POST EMPLOYMENT BENEFITS	35,906	14,227	7,524	7,478	65,135
TOTAL DEFERRED INFLOW OF RESOURCES	567,834	231,335	124,529	119,211	1,042,909
NET POSITION					
NET INVESTMENT IN CAPITAL ASSETS	900,242	3,904,247	4,416,896	456,306	9,677,691
RESTRICTED FOR CUSTOMER DEPOSITS	24,689	18,749	5,049	3,131	51,618
RESTRICTED FOR OPERATIONS AND MAINTENANCE	-	298,336	111,000	-	409,336
RESTRICTED FOR ASSET RETIREMENT UNRESTRICTED	46,368	-	-	-	46,368
	2,432,533	(12,185)	202,871	(124,581)	2,498,638
TOTAL NET POSITION	3,403,832	4,209,147	4,735,816	334,856	12,683,651
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION	\$ 4,709,179	\$ 5,828,827	\$ 7,058,341	\$ 855,101	\$ 18,451,448

CITY OF LAS ANIMAS, COLORADO
 PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 YEAR ENDED DECEMBER 31, 2021

	LIGHT AND POWER	WATER	SEWER	SANITATION	TOTAL
OPERATING REVENUES					
CHARGES FOR SERVICES	\$ 3,973,831	\$ 798,222	\$ 480,313	\$ 682,905	\$ 5,935,271
OTHER	41,859	21,154	3,421	3,368	69,802
TOTAL OPERATING REVENUES	4,015,690	819,376	483,734	686,273	6,005,073
OPERATING EXPENSES					
PERSONAL SERVICES	755,720	331,904	143,819	196,235	1,427,678
PURCHASED SERVICES	217,964	46,913	74,232	370,797	709,906
SUPPLIES AND MATERIALS	102,092	246,183	57,610	49,692	455,577
POWER AND UTILITIES	2,651,244	136,938	73,471	-	2,861,653
MAINTENANCE AND REPAIRS	9,172	191,250	92,013	118,709	411,144
DEPRECIATION	102,966	244,997	203,950	79,511	631,424
BAD DEBTS	-	2,660	614	605	3,879
PENSION AND OPEB EXPENSE	22,277	3,524	24	3,850	29,675
OTHER	53,494	10,664	1,395	2,484	68,037
TOTAL OPERATING EXPENSES	3,914,929	1,215,033	647,128	821,883	6,598,973
OPERATING INCOME (LOSS)	100,761	(395,657)	(163,394)	(135,610)	(593,900)
NONOPERATING REVENUES (EXPENSES)					
CAPITAL GRANTS / LOAN FORGIVENESS	-	-	448,476	-	448,476
INTEREST REVENUE	11,329	3,234	965	327	15,855
COVID FUNDS	-	170,954	28,840	-	199,794
OTHER REVENUE	-	25,113	4,400	4,979	34,492
INTEREST EXPENSE	-	(31,070)	(31)	(30)	(31,131)
TOTAL NONOPERATING REVENUES (EXPENSES)	11,329	168,231	482,650	5,276	667,486
INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	112,090	(227,426)	319,256	(130,334)	73,586
TRANSFERS IN CAPITAL CONTRIBUTIONS	-	97,000	29,000	64,000	190,000
	-	4,337	3,078	-	7,415
CHANGE IN NET POSITION	112,090	(126,089)	351,334	(66,334)	271,001
NET POSITION JANUARY 1	3,291,742	4,335,236	4,384,482	401,190	12,412,650
NET POSITION DECEMBER 31	\$ 3,403,832	\$ 4,209,147	\$ 4,735,816	\$ 334,856	\$ 12,683,651

CITY OF LAS ANIMAS, COLORADO
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 YEAR ENDED DECEMBER 31, 2021

	LIGHT AND POWER	WATER	SEWER	SANITATION	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES					
CASH RECEIVED FROM CUSTOMERS AND USERS	\$ 4,039,010	\$ 819,734	\$ 483,186	\$ 680,762	\$ 6,022,692
CASH PAYMENTS TO EMPLOYEES AND BENEFIT PROVIDERS	(748,444)	(325,964)	(143,819)	(193,771)	(1,411,998)
CASH PAYMENTS TO VENDORS - SUPPLIES AND SERVICES	(2,991,259)	(652,448)	(147,536)	(530,298)	(4,321,541)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	299,307	(158,678)	191,831	(43,307)	289,153
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES					
CUSTOMER DEPOSITS	(2,191)	(639)	(327)	(283)	(3,440)
INTERFUND	-	-	-	-	-
TRANSFERS - OTHER FUNDS	-	97,000	29,000	64,000	190,000
OTHER	-	25,113	4,400	4,979	34,492
NET CASH PROVIDED BY (USED FOR) NONCAPITAL AND RELATED FINANCING ACTIVITIES	(2,191)	121,474	33,073	68,696	221,052
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
NON-FINANCED PURCHASE OF PROPERTY AND EQUIPMENT	-	-	(587,116)	(30,600)	(617,716)
CAPITAL GRANTS / COVID FUNDS	-	170,954	28,840	-	199,794
CAPITAL CONTRIBUTED	-	3,325	3,078	-	6,403
INTEREST PAID ON DEBT	(1,092)	(31,923)	(238)	(30)	(33,283)
PRINCIPAL PAID ON DEBT	-	(58,266)	(41,016)	-	(99,282)
NET CASH PROVIDED BY (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES	(1,092)	84,090	(596,452)	(30,630)	(544,084)
CASH FLOWS FROM INVESTING ACTIVITIES					
INTEREST RECEIVED	11,329	3,234	965	327	15,855
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	11,329	3,234	965	327	15,855
NET CHANGE IN CASH AND CASH EQUIVALENTS	307,353	50,120	(370,583)	(4,914)	(18,024)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	2,661,392	515,304	520,586	280,589	3,977,871
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 2,968,745	\$ 565,424	\$ 150,003	\$ 275,675	\$ 3,959,847

CITY OF LAS ANIMAS, COLORADO
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 YEAR ENDED DECEMBER 31, 2021

	LIGHT AND POWER	WATER	SEWER	SANITATION	TOTAL
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES					
OPERATING INCOME (LOSS)	\$ 100,761	\$ (395,657)	\$ (163,394)	\$ (135,610)	(593,900)
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:					
DEPRECIATION	102,966	244,997	203,950	79,511	631,424
PENSION EXPENSE (REVENUE)	22,277	3,524	24	3,850	29,675
CHANGE IN ASSETS AND LIABILITIES					
RECEIVABLES AND ACCRUALS	91,265	358	(548)	(5,511)	85,564
INVENTORIES	(1,832)	(10,631)	9,229	-	(3,234)
PAYABLES AND ACCRUALS	(16,130)	(1,269)	142,570	14,453	139,624
TOTAL ADJUSTMENTS	198,546	236,979	355,225	92,303	883,053
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	\$ 299,307	\$ (158,678)	\$ 191,831	\$ (43,307)	\$ 289,153

NOTES TO FINANCIAL STATEMENTS

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Las Animas, Colorado (the "City") was incorporated under 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.

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 these statements to be misleading or incomplete. Any organizations that can be described by these two items are included with the primary government in the financial statements as component units.

The City is not included in any other governmental "reporting entity", as required by accounting principles generally accepted in the United States of America; these basic financial statements present the City (the primary government) and its component units, if applicable. The City includes the component unit "Las Animas Municipal Light & Power Company" as part of its "reporting entity".

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 2021 the City did not appropriate operating grants to the Urban Renewal Authority or the Housing Authority.

Jointly Governed Organization

Arkansas River Power Authority ("ARPA") - ARPA was created by an intergovernmental agreement between the cities of La Junta, Lamar, Las Animas (Las Animas Municipal Light and Power Company), Trinidad, Springfield and Holly to supply their wholesale electric power and energy requirements. Each of the participating municipalities has a residual interest in ARPA's assets upon dissolution that is proportional to total revenue received from each since ARPA was organized. The governing Board of ARPA consists of two members from each municipality. Because it is felt that the City cannot significantly influence the operations of ARPA it is considered a jointly governed organization and not part of the City's reporting entity.

Blended Component Unit

The Las Animas Municipal Light and Power Company (the "Light and Power Fund") 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.

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 of the nonfiduciary activities of the City and its component units, if applicable. 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.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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 and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Separate financial statements are provided for governmental funds and proprietary funds. The major individual governmental fund (General Fund) and the individual enterprise funds (Water, Sewer, Sanitation, Light and Power Funds) are reported as separate columns in the fund financial statements.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

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

Governmental 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 City 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 judgements, are recorded only when payment is due.

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

The City reports the following major governmental fund:

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

The City reports the following major proprietary funds:

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

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

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

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

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Additionally, the government reports the following fund types:

Special Revenue Funds - Accounts 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.

Capital Projects Funds – Accounts for the specific revenues received that are legally restricted for expenditures related to capital projects.

The proprietary funds account for transactions that are financed and operated in a manner similar to a private business enterprise where the intent of the governing body is that the costs and expenses of providing goods or services to the general public on a continuing basis, be financed or recovered primarily through charges. The 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 the funds principal ongoing operations. The principal operating revenues of the funds are charges to customers for sales and service. Operating expenses include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

STEWARDSHIP

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

Prior to October 15, the City Finance Officer submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.

Public hearings are conducted to obtain taxpayer comments. Prior to December 15, the budget is legally enacted through passage of an ordinance.

Revisions that alter total expenditures of any kind generally must be approved by City Council. Budget amounts in the accompanying financial statements include revisions to the original approval. Appropriations lapse at year end and any open purchase item must be reappropriated in the following year.

All budget amounts presented in the accompanying supplemental information reflect the final budgets.

Expenditures may not legally exceed appropriations at the fund level. For the year ended December 31, 2021, expenditures exceeded appropriations in the Water Fund and the Sanitation Fund.

ENCUMBRANCES

Outstanding encumbrances represent a commitment for the estimated amount of expenditures, which could ultimately result from the fulfillment of uncompleted purchase orders and contracts. Encumbrances lapse at the end of each fiscal year (December 31). Lapsed encumbrances are then reviewed by department heads to determine those which will remain canceled and those, which will be reinstated and paid from appropriations for the following year. Encumbrances are, therefore, not considered expenditures until an actual liability is incurred.

CASH AND CASH EQUIVALENTS

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and highly liquid investments held in banks. For purposes of the statement of cash flows, the City considers all highly liquid investments (including restricted assets) with a maturity of six months or less when purchased to be cash equivalents.

ACCOUNTS RECEIVABLE

The City grants credit terms in the normal course of business to its utility customers. Concentrations of credit risk with respect to accounts receivables which are uncollectible is limited due to customer deposits and account monitoring procedures which are utilized to minimize risk of loss. The City recognized amounts due from utility customers as of year-end but not billed due to cycle billings. Recognition is based upon a direct ratio of days in the current period to the total days in each individual billing cycle.

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

INVENTORIES

The inventories of the General Fund are accounted for as expenditures at the time they are purchased. Consumable supplies on hand are not recognized. The inventories of the Proprietary Funds are valued at cost using the first-in, first-out method.

WATER INVENTORY

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

CAPITAL ASSETS

Capital assets which include property, plant, equipment and current infrastructure (e.g. roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

Infrastructure assets have been capitalized on a prospective basis, from 2004. The City defines capital assets as assets with an initial life in excess of two years and an individual cost of \$5,000 or more. Such assets are recorded as historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value on the date of donation.

Expenditures for maintenance and repairs are charged to expenses as incurred; expenditures for renewals and betterments are generally capitalized. Gains or losses due to disposal are charged or credited to income.

Depreciation is determined using the straight-line method based on the estimated useful lives of the assets as follows:

Buildings & Improvements	7 - 30	Years
Streets and Improvements	4 - 15	Years
Vehicles	7	Years
Equipment	7 - 20	Years

DEFERRED OUTFLOWS / INFLOWS OF RESOURCES

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

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

	Pension-PERA	OPEB	Old Hire Police
Difference Between Expected and Actual Experience	\$ 46,067	\$ 352	\$ -
Changes of Assumptions or Other Inputs	230,254	990	-
Net Difference Between Projected and Actual Investment			
Earnings on Pension Plan Investments	183,376	8,900	6,959
Contributions Made Subsequent to the Measurement Date	166,887	13,165	29,203
Total Pension Related Deferred Outflows	\$ 626,584	\$ 23,407	\$ 36,162

More information on pension related items is included in Note 6 and on OPEB related items in Note 8.

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

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)
DEFERRED OUTFLOWS / INFLOWS OF RESOURCES (Continued)

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

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

	<u>Pension-PERA</u>	<u>OPEB</u>	<u>Old Hire Police</u>
Difference Between Expected and Actual Experience	\$ -	\$ 29,405	\$ -
Changes of Assumptions or Other Inputs	299,766	8,128	-
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	980,883	47,279	15,184
Contributions Made Subsequent to the Measurement Date	<u>-</u>	<u>-</u>	<u>-</u>
Total Pension Related Deferred Inflows	<u>\$ 1,280,649</u>	<u>\$ 84,812</u>	<u>\$ 15,184</u>

More information on pension related items is included in Note 6 and on OPEB related items in Note 8.

LEASE AGREEMENTS

Annual rentals pertaining to leases which convey merely the right to use the property are charged to current operations. Lease agreements which are substantially installment purchases of property have been recorded as purchases with a corresponding liability recognized in the government-wide financial statements.

NET POSITION / FUND BALANCE

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

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

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

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

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

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

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

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

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

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

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

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

NET POSITION / FUND BALANCE

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

COMPENSATED ABSENCES

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

LONG-TERM OBLIGATIONS

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

Bond premiums and discounts, as well as issuance costs, except any portion related to prepaid insurance costs, are recognized as an expense in the period incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts as well as bond issuance costs during the current period. The face amount of debt is reported as other financing sources while discounts on issuances are reported as other financing uses. Issuance costs are recorded as debt service expenditures.

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

PENSION PLANS

The employees of the City are covered by a variety of pension plans. Police personnel who were hired prior to April 1978, and elected to do so, are covered by a defined benefit plan (Old Hire Police Fund). All other employees are covered by defined benefit plans (Local Government Division Trust Fund and Health Care Trust Fund).

More information on pension plans is included in Notes 6, 7 and 8.

INTERFUND TRANSACTIONS

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

ESTIMATES

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

ACCOUNTING PRINCIPLES

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -2 DEPOSITS

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. As of December 31, 2021, the carrying value of cash deposits was \$6,163,159 and the bank balances were \$6,773,128 of which \$500,000 was covered by federal deposit insurance and the remaining balance was exposed to custodial credit risk. Deposits exposed to credit risk are collateralized with securities held by the pledging financial institution through PDPA.

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

NOTE -3 CAPITAL ASSETS

A summary of the various fund types' property and equipment follows:

GOVERNMENTAL ACTIVITIES:

	Balances January 1, 2021	Additions	Deletions	Balances December 31, 2021
Capital assets not being depreciated:				
Land	\$ 250,258	\$ -	\$ -	\$ 250,258
Capital assets being depreciated:				
Buildings & Improvements	1,111,821	15,000	-	1,126,821
Vehicles	203,054	-	-	203,054
Equipment	639,403	-	-	639,403
Infrastructure	<u>2,135,280</u>	<u>-</u>	<u>-</u>	<u>2,135,280</u>
Total	<u>4,089,558</u>	<u>15,000</u>	<u>-</u>	<u>4,104,558</u>
Less Accumulated Depreciation:				
Buildings & Improvements	(856,479)	(69,929)	-	(926,408)
Vehicles	(194,387)	(1,444)	-	(195,831)
Equipment	(627,911)	(2,441)	-	(630,352)
Infrastructure	<u>(1,037,551)</u>	<u>(106,763)</u>	<u>-</u>	<u>(1,144,314)</u>
	<u>(2,716,328)</u>	<u>(180,577)</u>	<u>-</u>	<u>(2,896,905)</u>
Governmental Activities				
Net Capital Assets	<u>\$ 1,623,488</u>	<u>\$ (165,577)</u>	<u>\$ -</u>	<u>\$ 1,457,911</u>

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -3 CAPITAL ASSETS (Continued)

BUSINESS-TYPE ACTIVITIES:

	Balances January 1, <u>2021</u>	<u>Additions</u>	<u>Deletions</u>	Balances December 31, <u>2021</u>
Capital assets not being depreciated:				
Land, Equity, Water Rights	\$ 170,821	\$ -	\$ -	\$ 170,821
Preliminary Survey	181,901	-	-	181,901
Construction in Progress	<u>-</u>	<u>587,116</u>	<u>-</u>	<u>587,116</u>
Total	<u>352,722</u>	<u>587,116</u>	<u>-</u>	<u>939,838</u>
Capital assets being depreciated:				
Buildings & Systems	22,071,480	-	-	22,071,480
Equipment	<u>4,150,511</u>	<u>30,600</u>	<u>-</u>	<u>4,181,111</u>
Total	<u>26,221,991</u>	<u>30,600</u>	<u>-</u>	<u>26,252,591</u>
Less Accumulated Depreciation	<u>(15,381,707)</u>	<u>(631,424)</u>	<u>-</u>	<u>(16,013,131)</u>
Business-Type Activities Net Capital Assets	<u>\$11,193,006</u>	<u>\$ (13,708)</u>	<u>\$ -</u>	<u>\$11,179,298</u>

Depreciation expense was charged to functions as follows:

Governmental Activities	
General Government	\$ 4,308
Public Works	107,496
Culture and Recreation	<u>68,773</u>
Total Governmental Activities Depreciation	<u>\$ 180,577</u>
Business-Type Activities	
Light & Power	\$ 102,966
Water	244,997
Sewer	203,950
Sanitation	<u>79,511</u>
Total Business-Type Activities Depreciation	<u>\$ 631,424</u>

NOTE -4 PROPERTY TAXES AND DEFERRED REVENUES

Property taxes are levied on November 15 and attached as a lien on property the following January 1. They are payable in full by April 30 or in two equal installments due February 28 and June 15. The County bills and collects property taxes for all taxing districts in the County. The City's share of property tax receipts collected by the County are remitted to the City in the subsequent month. Property taxes are reported as a receivable and a deferred revenue when levied and as a revenue when due for collection in the following year.

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -5 CHANGES IN LONG-TERM OBLIGATIONS

The following is a summary of long-term obligation transactions of the City for the year ended December 31, 2021:

	<u>BEGINNING BALANCE</u>	<u>INCREASES</u>	<u>DECREASES</u>	<u>ENDING BALANCE</u>	<u>CURRENT PORTION</u>
<u>Governmental Activities:</u>					
Land Reclamation Costs	\$ 16,000	\$ -	\$ -	\$ 16,000	\$ -
Compensated Absences	<u>18,427</u>	<u>2,773</u>	<u>-</u>	<u>21,200</u>	<u>-</u>
Totals	<u>\$ 34,427</u>	<u>\$ 2,773</u>	<u>\$ -</u>	<u>\$ 37,200</u>	<u>\$ -</u>
<u>Business-Type Activities:</u>					
Bonds Payable	\$ 695,200	\$ -	\$ (31,200)	\$ 664,000	\$ 32,700
Notes Payable	905,689	1,535,619	(68,084)	2,373,224	96,165
Compensated Absences	137,585	15,680	-	153,265	-
Estimated Closure & Post-Closure Costs	<u>265,403</u>	<u>-</u>	<u>(1,503)</u>	<u>263,900</u>	<u>-</u>
Totals	<u>\$2,003,877</u>	<u>\$1,551,299</u>	<u>\$ (100,787)</u>	<u>\$3,454,389</u>	<u>\$ 128,865</u>

All outstanding notes from direct borrowings contain an event of default that changes the timing of repayment of outstanding amounts to become immediately due if the City is unable to make payment. The City's outstanding notes from direct borrowings, as applicable, contains a subjective acceleration clause that allows the lender to accelerate payment of the entire principal amount to become immediately due if the lender determines that a material adverse change occurs.

REVENUE BONDS - WATER

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%. The loan is collateralized by a first lien (but not necessarily an exclusive lien) on the Water Fund revenues. Following is a bond schedule:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	22,800	13,185	35,985
2027-2031	130,600	49,373	179,973
2032-2036	<u>145,300</u>	<u>16,816</u>	<u>162,116</u>
Total	<u>\$ 380,500</u>	<u>\$141,634</u>	<u>\$ 522,134</u>

REVENUE BONDS - WATER

Water Revenue Bonds dated December 17, 1996, mature serially on June 1 and December 1, 1998, through December 1, 2026, and bear interest at 4.50%. The loan is collateralized by a first lien (but not necessarily an exclusive lien) on the Water Fund revenues. Following is a bond schedule:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	16,200	9,996	26,196
2027-2031	93,000	37,992	130,992
2032-2035	<u>116,200</u>	<u>14,810</u>	<u>131,010</u>
Total	<u>\$ 283,500</u>	<u>\$109,402</u>	<u>\$ 392,902</u>

Total Bonds Payable \$ 664,000

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -5 CHANGES IN LONG-TERM OBLIGATIONS (Continued)

The required USDA reserves as of December 31, 2021, were as follows and is included in the restricted operations and maintenance fund balance of the Water Fund:

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

NOTE PAYABLE – WATER FUND

Water Pollution Control 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 loan is collateralized by a first lien (but not necessarily an exclusive lien) on the Water Fund revenues. The following is a loan schedule:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 27,067	\$ -	\$ 27,067
2023	27,067	-	27,067
2024	27,067	-	27,067
2025	27,067	-	27,067
2026	27,067	-	27,067
2027-2031	135,335	-	135,335
2032-2036	135,335	-	135,335
2037-2038	<u>54,128</u>	<u>-</u>	<u>54,128</u>
Total	<u>\$ 460,133</u>	<u>\$ -</u>	<u>\$ 460,133</u>

NOTE PAYABLE – 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 loan is collateralized by a first lien (but not necessarily an exclusive lien) on the Sewer Fund revenues. The following is a loan schedule:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 15,780	\$ -	\$ 15,780
2023	15,780	-	15,780
2024	15,780	-	15,780
2025	15,780	-	15,780
2026	15,780	-	15,780
2027-2031	78,750	-	78,750
2032	<u>8,041</u>	<u>-</u>	<u>8,041</u>
Total	<u>\$ 165,691</u>	<u>\$ -</u>	<u>\$ 165,691</u>

NOTE PAYABLE – SEWER FUND

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 loan is collateralized by a first lien (but not necessarily an exclusive lien) on the Sewer Fund revenues. The following is a loan schedule:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 18,850	\$ -	\$ 18,850
2023	18,850	-	18,850
2024	18,850	-	18,850
2025	18,850	-	18,850
2026	18,850	-	18,850
2027-2028	<u>37,700</u>	<u>-</u>	<u>37,700</u>
Total	<u>\$ 131,950</u>	<u>\$ -</u>	<u>\$ 131,950</u>

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -5 CHANGES IN LONG-TERM OBLIGATIONS (Continued)

NOTE PAYABLE – SEWER FUND

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 loan is collateralized by a first lien (but not necessarily an exclusive lien) on the Sewer Fund revenues. The following is a loan schedule:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 6,387	\$ -	\$ 6,387
2023	6,387	-	6,387
2024	6,387	-	6,387
2025	6,387	-	6,387
2026	6,387	-	6,387
2027-2031	31,933	-	31,933
2032-2034	<u>15,963</u>	<u>-</u>	<u>15,963</u>
Total	<u>\$ 79,831</u>	<u>\$ -</u>	<u>\$ 79,831</u>

NOTE PAYABLE – SEWER FUND

Water Pollution Control Revolving Fund payable to Colorado Water Resources and Power Development Authority, dated February 26, 2021, maturing serially on May 1, 2022 through November 1, 2051 and bearing interest at a rate of 0.50%. The loan is collateralized by a first lien (but not necessarily an exclusive lien) on the Sewer Fund revenues. The following is a loan schedule:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 28,081	\$ 4,472	\$ 32,553
2023	48,431	7,478	55,909
2024	48,674	7,235	55,909
2025	48,918	6,991	55,909
2026	49,162	6,747	55,909
2027-2031	249,529	30,014	279,543
2032-2036	255,838	23,705	279,543
2037-2041	262,306	17,237	279,543
2042-2046	268,938	10,605	279,543
2047-2051	<u>275,742</u>	<u>3,801</u>	<u>279,543</u>
Total	<u>\$1,535,619</u>	<u>\$118,285</u>	<u>\$1,653,904</u>

COMPLIANCE WITH LOAN AGREEMENTS

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 requirements. The following is an analysis of these requirements.

	<u>Sewer Fund</u>	<u>Water Fund</u>
Operation and Maintenance Reserve	<u>\$ 111,000</u>	<u>\$ 236,000</u>
Rate Covenant - amount in excess requirement	<u>\$ 510,166</u>	<u>\$ 51,555</u>

CASH WITH TRUSTEE

As of December 31, 2021, the City had cash held with trustees of \$1,535,617 in the Sewer Fund for the use according to debt agreements entered into by the City. The trust cash balance is recorded in the balance due to the Colorado Water Resources and Power Development Authority (note payable); therefore, the net position is not restricted for the balance.

LAND RECLAMATION COSTS

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

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -5 CHANGES IN LONG-TERM OBLIGATIONS (Continued)

ESTIMATED CLOSURE AND POSTCLOSURE CARE 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 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 \$263,900 reported in the Long-Term Debt as landfill closure and postclosure care liability at December 31, 2021, 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 2021. 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 \$385,200 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2021. The City expects to close the landfill in the year 2059. Actual costs 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.

	LABC #1	LABC #2	
		CELL #1	CELL #2
Percent of capacity	100%	32%	32%
Estimated closure date	Closed	2059	2059

The estimated closure and post closure costs had a minimal change from 2020 to 2021; therefore, no amount was reported as a special item on the statement of activities and statement of revenues, expenses and changes in net position in the Sanitation Fund.

NOTE -6 DEFINED BENEFIT PENSION PLANS

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

- Old Hire Police Pension Fund (Note -6)
- Local Government Division Trust Fund (PERA) (Note -6)
- Health Care Trust Fund (PERA) (Note -8)

OLD HIRE POLICE PENSION FUND

Summary of Significant Accounting Policies

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

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

Investments - Investments are reported at fair value.

Plan Information

Plan Description - The City, on behalf of certain full-time paid Police Officers, contributes to the Old Hire Police Pension Fund which is affiliated with the Colorado Fire and Police Pension Association (FPPA) to administer the funds for the City.

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -6 DEFINED BENEFIT PENSION PLANS (Continued)

Assets of the plan are commingled for investment purposes in the Fire Member's Benefit Fund, an agent multiple-employer defined benefit pension plan administered by FPPA. The plan provides retirement benefits for members and beneficiaries according to the plan provisions as enacted and governed by the Board of Directors of each plan.

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

The following is a summary of the participants:

	<u>Old Hire Police</u>
Active Members	0
Retirees and Beneficiaries	2
Inactive, Nonretired Members	0

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

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 20 years of service and age 55 or after 25 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 of 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.

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

Contributions

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

The contribution rate for members and the City for the Old Hire Police Pension Fund is 0% of covered salaries. Contribution was determined as part of the January 1, 2018 actuarial valuation. Total contribution for the year ended December 31, 2020 was \$29,203 and the actuarially determined contribution was \$29,203.

Actuarial Assumptions – Actuarially determined contribution rates are calculated as of January 1 of even numbered years. The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 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 – 13 years*
- Asset Valuation Method – 5-Year smoothed fair value
- Inflation – 2.50%
- Salary Increases – N/A
- Investment Rate of Return – 7.50%
- Retirement Age – Any remaining actives are assumed to retire immediately

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -6 DEFINED BENEFIT PENSION PLANS (Continued)

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

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

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

Assumption Changes – The assumptions shown above pertain to the actuarial valuation as of January 1, 2018 and the associated Actuarially Determined Contribution for the year ending December 31, 2020. Following an experience study in 2018 and asset allocation study in 2018-2019, the Board adopted a new assumption set for first use in January 1, 2020 valuations.

The primary changes, which can be observed in the January 1, 2020 valuation, as compared to the assumptions shown are as follows:

Investment Rate of Return – 4.50%

Mortality – Post-retirement: 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.

Disabled (pre-1980): Post-retirement rates set forward three years.

Long-Term Expected Rate of Return on Pension Plan Investments

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic nominal rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2020, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Nominal Rate of Return
Cash	10.0%	0.1%
Fixed Income - Rates	70.0%	2.3%
Fixed Income - Credit	10.0%	3.5%
Absolute Return	0.0%	5.6%
Long Short	0.0%	6.9%
Global Public Equity	10.0%	7.8%
Private Capital	0.0%	10.5%
Total	100.0%	

Single Discount Rate

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

For the purpose of this valuation, the long-term expected rate of return on pension plan investments is 4.50%; the municipal bond rate is 2.00% (based on the weekly rate closest to but no later than the measurement date of the "state & local bonds" rate from Federal Reserve statically release (H.15)); and the resulting Single Discount Rate is 4.50%. Projected cash flows used in determining the Single Discount Rate are available upon request to FPPA.

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -6 DEFINED BENEFIT PENSION PLANS (Continued)

Net Pension Liability

The net pension liability was measured at December 31, 2020, the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated January 1, 2018, and the City's fiscal year ending date, or reporting date, is December 31, 2021.

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) – (b)
Balances at December 31, 2020	\$ 497,925	\$ 258,557	\$ 239,368
Change for the year:			
Interest	21,458	-	21,458
Difference between Expected & Actual Experience of the Total Pension Liability	-	-	-
Changes in Assumptions	-	-	-
Contributions – Employer	-	29,203	(29,203)
Contributions – Member	-	-	-
Net Investment Income	-	18,801	(18,801)
Benefit Payments	(42,651)	(42,651)	-
Administrative Expense	-	(2,511)	2,511
Net Changes	<u>(21,193)</u>	<u>2,842</u>	<u>(24,035)</u>
Balances at December 31, 2021	\$ 476,732	\$ 261,399	\$ 215,333

Sensitivity of the Net Pension Liability / (Asset) to the Single Discount Rate Assumption – The following table presents the net pension liability of the City at December 31, 2021, for the measurement period ending December 31, 2020, calculated using a Single Discount Rate of 4.50%, as well as what the plan's net pension liability / (asset) would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	1% Decrease (3.50%)	Current Single Discount Rate Assumption (4.50%)	1% Increase (5.50%)
Net Pension Liability	\$ 255,276	\$ 215,333	\$ 180,416

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

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – For the year ended December 31, 2021; the City recognized pension revenue of \$18,389. At December 31, 2021, the City 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

NOTE -6 DEFINED BENEFIT PENSION PLANS (Continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ -
Assumption Changes	-	-
Net difference between projected and actual earnings on pension plan investments	6,959	(15,184)
Contributions subsequent to the measurement date	29,203	-
Total	\$ 36,162	\$ (15,184)

\$29,203 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, 2021:	
2022	\$ (3,184)
2023	(29)
2024	(3,507)
2025	(1,505)
2026	-
Thereafter	-
Total	\$ (8,225)

LOCAL GOVERNMENT DIVISION TRUST FUND (PERA)

Summary of Significant Accounting Policies

Pensions. City of Las Animas participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension plan 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 (FNP) and additions to/deductions from the FNP 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 made changes to certain benefit provisions. Most of these changes were in effect as of December 31, 2021.

General Information about the Pension Plan

Plan description. Eligible employees of the City are provided with pensions through the 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 (Annual Report) that can be obtained at www.copera.org/investments/pera-financial-reports.

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -6 DEFINED BENEFIT PENSION PLANS (Continued)

Benefits provided as of December 31, 2020. 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.

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, 2020, 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, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, and all eligible 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. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007 will receive the lessor 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 in 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, 2021: Eligible employees and the City 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 January 1, 2021 through December 31, 2021 are summarized in the table below:

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -6 DEFINED BENEFIT PENSION PLANS (Continued)

	January 1, 2020 Through June 30, 2020	July 1, 2020 Through December 31, 2020	January 1, 2021 Through June 30, 2021	July 1, 2021 Through December 31, 2021
Employee contribution (all employees other than State Troopers)	8.00%	8.50%	8.50%	8.50%
State Troopers	10.75%	12.00%	12.00%	12.50%

**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 other than State Troopers are summarized in the table below:

	January 1, 2020 Through June 30, 2020	July 1, 2020 Through December 31, 2020	January 1, 2021 Through June 30, 2021	July 1, 2021 Through December 31, 2021
Employer contribution rate	10.00%	10.50%	10.50%	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)%	(1.02)%	(1.02)%
Amount apportioned to the LGDTF	8.98%	9.48%	9.48%	9.48%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	2.20%	2.20%	2.20%	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	1.50%	1.50%	1.50%	1.50%
Defined Contribution Supplement as specified in C.R.S. § 24-51-415	N/A	N/A	0.02%	0.02%
Total employer contribution rate to the LGDTF	12.68%	13.18%	13.20%	13.20%

**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 is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the City were \$166,887 for the year ended December 31, 2021.

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

At December 31, 2021, the City reported a liability of \$952,798 for its proportionate share of the net pension liability. The net pension liability for the LGDTF was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. Standard update procedures were used to roll-forward the total pension liability to December 31, 2020. The City's proportion of the net pension liability was based on the City's contributions to the LGDTF for the calendar year 2020 relative to the total contributions of participating employers to the LGDTF.

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -6 DEFINED BENEFIT PENSION PLANS (Continued)

At December 31, 2020, the City's proportion was 0.18283 percent, which was an increase of 0.00555 from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the City recognized pension expense of \$10,541. At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	46,067	-
Changes of assumptions or other inputs	230,254	(299,766)
Net difference between projected and actual earnings on pension plan investments	183,376	(980,883)
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	166,887	N/A
Total	626,584	(1,280,649)

\$166,887 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, 2022. 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,	
2022	(91,836)
2023	(246,561)
2024	(307,359)
2025	(175,196)
2026	-
Thereafter	(820,952)

Actuarial assumptions. The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -6 DEFINED BENEFIT PENSION PLANS (Continued)

Actuarial cost method	Entry age
Price inflation	2.40%
Real wage growth	1.10%
Wage inflation	3.50%
Salary increases, including wage inflation	3.50%–10.45%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (compounded)	1.25%
PERA benefit structure hired after 12/31/06 ¹	Financed by the AIR

¹ Post-retirement benefit increases are provided by the AIR, accounted separately within each Division Trust Fund, and subject to moneys being available; therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

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.

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.

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

The actuarial assumptions used in the December 31, 2019, valuation were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by PERA's Board during the November 18, 2016, Board meeting.

The actuarial assumptions used in the December 31, 2019, valuation were based on the results of the 2016 experience analysis for the period January 1, 2012, through December 31, 2015, as well as the October 28, 2016, actuarial assumptions workshop and were adopted by PERA's Board during the November 18, 2016, Board meeting.

Based on the 2020 experience analysis, dated October 28, 2020, for the period January 1, 2016, through December 31, 2019, revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020, and were effective as of December 31, 2020. The assumptions shown below were reflected in the roll forward calculation of the total pension liability from December 31, 2019, to December 31, 2020.

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -6 DEFINED BENEFIT PENSION PLANS (Continued)

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation:	
Members other than State Troopers	3.20%-11.30%
State Troopers ¹	3.20%-12.40%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (compounded	1.25%
PERA benefit structure hired after 12/31/06 ²	Financed by the AIR

¹ C.R.S. § 24-51-101 (46), as amended, expanded the definition of “State Troopers” to include certain employees within the LGDTF, effective January 1, 2020. See Note 4 of the Notes to the Financial Statements in PERA’s 2020 Annual Report for more information.

² Post-retirement benefit increases are provided by the AIR, accounted separately within each Division Trust Fund, and subject to moneys being available; therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

Salary scale assumptions were revised to align with revised economic assumptions and to more closely reflect actual experience.

Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

Pre-retirement mortality assumptions for Members other than State Troopers were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019.

Pre-retirement mortality assumptions for State Troopers were based upon the PubS-2010 Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for Members other than State Troopers were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

- Males: 94 percent of the rates prior to age 80 and 90 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Females: 87 percent of the rates prior to age 80 and 107 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- Males: 97 percent of the rates for all ages, with generational projection using scale MP-2019.
- Females: 105 percent of the rates for all ages, with generational projection using scale MP-2019.

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -6 DEFINED BENEFIT PENSION PLANS (Continued)

Disabled mortality assumptions for Members other than State Troopers were based upon the PubNS-2010 Disabled Retiree Table using 99 percent of the rates for all ages with generational projection using scale MP-2019.

Disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.

The mortality tables described above are generational mortality tables on a benefit-weighted basis.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020. As a result of the November 20, 2020, PERA Board meeting, the following economic assumptions were changed, effective December 31, 2020:

- Price inflation assumption decreased from 2.40 percent per year to 2.30 percent per year.
- Real rate of investment return assumption increased from 4.85 percent per year, net of investment expenses to 4.95 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.50 percent per year to 3.00 percent per year.

Several factors are considered in evaluating the long-term rate of return assumption, 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 percentages and then adding expected inflation.

The PERA Board first adopted the 7.25 percent long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	30 Year Expected
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives ¹	6.00%	4.70%
Total	100.00%	

¹ The Opportunity Fund's name changed to Alternatives, effective January 1, 2020.

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 nominal 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 3.00 percent.

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -6 DEFINED BENEFIT PENSION PLANS (Continued)

- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increase in SB 18-200. 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 scheduled increase in SB 18-200. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103 percent, 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 FNP, 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 FNP position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

Sensitivity of the City of Las Animas's proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25 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	2,194,867	952,798	(84,168)

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

NOTE -7 DEFINED CONTRIBUTION PENSION PLAN

Voluntary Investment Program

Plan Description - Employees of the City of Las Animas that are also members of the LGDTF may voluntarily contribute to the Voluntary Investment Program, an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available Annual Report 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 does not match employee contributions. Employees are immediately vested in their own contributions, employer contributions and investment earnings. For the year ended December 31, 2021, program members contributed \$6,237 and the City recognized pension expense and a liability of \$0 and \$0, respectively, for the Voluntary Investment Program.

CITY OF LAS ANIMAS, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE - 8 DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

HEALTH CARE TRUST FUND (PERA)

Summary of Significant Accounting Policies

OPEB. 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 (FNP) and additions to/deductions from the FNP 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 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 (Annual Report) that can be obtained at www.copera.org/investments/pera-financial-reports.

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

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

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

PERA Benefit Structure

The maximum service-based premium subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The 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.

CITY OF LAS ANIMAS, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE – 8 DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (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 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 is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the City were \$13,165 for the year ended December 31, 2021.

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

At December 31, 2021, the City reported a liability of \$132,545 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2019. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2020. The City's proportion of the net OPEB liability was based on the City's contributions to the HCTF for the calendar year 2020 relative to the total contributions of participating employers to the HCTF.

At December 31, 2020, the City of Las Animas's proportion was 0.01395 percent, which was an increase of 0.0004 from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the City recognized OPEB expense of \$34,993. At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE – 8 DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$352	\$(29,405)
Changes of assumptions or other inputs	990	(8,128)
Net difference between projected and actual earnings on OPEB plan investments	8,900	(47,279)
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	13,165	N/A
Total	23,407	(84,812)

\$13,165 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, 2022. 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, 2021:	
2022	\$ (11,726)
2023	(11,726)
2024	(11,881)
2025	(12,149)
2026	(12,201)
Thereafter	(14,887)

Actuarial assumptions. The total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.40%
Real wage growth	1.10%
Wage inflation	3.50%
Salary increases, including wage inflation	3.50% in aggregate
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	8.10% in 2020, gradually decreasing to 4.50% in 2029
Medicare Part A premiums	3.50% in 2020, gradually increasing to 4.50% in 2029
DPS benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

In determining the additional liability for PERACare enrollees who are age 65 or older and who are not eligible for premium-free Medicare Part A in the December 31, 2019, valuation, the following monthly costs/premiums (actual dollars) are assumed for 2020 for the PERA Benefit Structure:

CITY OF LAS ANIMAS, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE – 8 DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

Medicare Plan	Initial Costs for Members without Medicare Part A		
	Monthly Cost	Monthly Premium	Monthly Cost Adjusted to Age 65
Medicare Advantage/Self-Insured Rx	\$588	\$227	\$550
Kaiser Permanente Medicare Advantage HMO	621	232	586

The 2020 Medicare Part A premium is \$458 (actual dollars) per month.

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, 2019, 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 used to measure the total OPEB liability are summarized in the table below:

Year	PERACare Medicare Plans	Medicare Part A Premiums
2020	8.10%	3.50%
2021	6.40%	3.75%
2022	6.00%	3.75%
2023	5.70%	3.75%
2024	5.50%	4.00%
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 used in the December 31, 2019 valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below were 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.

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

CITY OF LAS ANIMAS, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE – 8 DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

The actuarial assumptions used in the December 31, 2019, valuation were based on the results of the 2016 experience analysis for the period January 1, 2012, through December 31, 2015, as well as the October 28, 2016, actuarial assumptions workshop and were adopted by PERA's Board during the November 18, 2016, Board meeting.

Based on the 2020 experience analysis, dated October 28, 2020, and November 4, 2020, for the period of January 1, 2016, through December 31, 2019, revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020, and were effective as of December 31, 2020. The assumptions shown below were reflected in the roll forward calculation of the total OPEB liability from December 31, 2019, to December 31, 2020.

Medicare Plan	Trust Fund			
	State Division	School Division	Local Government Division	Judicial Division
Actuarial cost method	Entry age	Entry age	Entry age	Entry age
Price Inflation	2.30%	2.30%	2.30%	2.30%
Real wage growth	0.70%	0.70%	0.70%	0.70%
Wage inflation	3.00%	3.00%	3.00%	3.00%
Salary increases, including wage inflation:				
Members other than State Troopers	3.30% - 10.90%	3.40% - 11.00%	3.20% - 11.30%	2.80% - 5.30%
State Troopers	3.20% - 12.40%	N/A	3.20% - 12.40% ¹	N/A

¹ C.R.S. § 24-51-101 (46), as amended, expanded the definition of "State Troopers" to include certain employees within the Local Government Division, effective January 1, 2020. See Note 4 of the Notes to the Financial Statements in PERA's 2020 Annual Report for more information.

The long-term rate of return, net of OPEB plan investment expenses, including price inflation and discount rate assumptions were 7.25 percent.

Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

Mortality assumptions used in the roll forward calculations for the determination of the total pension liability for each of the Division Trust Funds as shown below were applied, as applicable, in the roll forward calculation for the HCTF, using a headcount-weighted basis.

Pre-retirement mortality assumptions for the State and Local Government Divisions (Members other than State Troopers) were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019.

Pre-retirement mortality assumptions for State Troopers were based upon the PubS-2010 Employee Table with generational projection using scale MP-2019.

The pre-retirement mortality assumptions for the School Division were based upon the PubT-2010 Employee Table with generational projection using scale MP-2019.

Pre-retirement mortality assumptions for the Judicial Division were based upon the PubG-2010(A) Above-Median Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the State and Local Government Divisions (Members other than State Troopers) were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

- Males: 94 percent of the rates prior to age 80 and 90 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Females: 87 percent of the rates prior to age 80 and 107 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

CITY OF LAS ANIMAS, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE – 8 DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

Post-retirement non-disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the School Division were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows:

- Males: 112 percent of the rates prior to age 80 and 94 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Females: 83 percent of the rates prior to age 80 and 106 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the Judicial Division were based upon the unadjusted PubG-2010(A) Above-Median Healthy Retiree Table with generational projection using scale MP-2019.

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- Males: 97 percent of the rates for all ages, with generational projection using scale MP-2019.
- Females: 105 percent of the rates for all ages, with generational projection using scale MP-2019.

Disabled mortality assumptions for Members other than State Troopers were based upon the PubNS-2010 Disabled Retiree Table using 99 percent of the rates for all ages with generational projection using scale MP-2019.

Disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.

The mortality tables described above are generational mortality tables on a head-count weighted basis.

The following health care costs assumptions were updated and used in the roll forward calculation 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 2020 plan year.
- 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.

Actuarial assumptions pertaining to per capita health care costs and their related trend rates are analyzed and updated annually by the Board's actuary, as discussed above.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020. As a result of the November 20, 2020, PERA Board meeting, the following economic assumptions were changed, effective December 31, 2020:

- Price inflation assumption decreased from 2.40 percent per year to 2.30 percent per year.
- Real rate of investment return assumption increased from 4.85 percent per year, net of investment expenses to 4.95 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.50 percent per year to 3.00 percent per year.

Several factors are considered in evaluating the long-term rate of return assumption, 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 percentages and then adding expected inflation.

CITY OF LAS ANIMAS, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE – 8 DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

The PERA Board first adopted the 7.25 percent long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives ¹	6.00%	4.70%
Total	100.00%	

¹ The Opportunity Fund's name changed to Alternatives, effective January 1, 2020

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 nominal 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	7.10%	8.10%	9.10%
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	\$ 129,119	\$ 132,545	\$ 136,533

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, 2020, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- 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.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.

CITY OF LAS ANIMAS, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE – 8 DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

Based on the above assumptions and methods, the HCTF's FNP 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	\$ 151,833	\$ 132,545	\$ 116,065

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.

NOTE -9 NET POSITION

Restricted net position represents net position whose users are subject to constraints that are either 1.) legally imposed by creditors (such as debt covenants), grantors, or laws or regulations of other governments, or 2.) imposed by law through constitutional provisions or enabling legislation. Restricted net position at December 31, 2021 is as follows:

	Governmental Activities	Business-Type Activities	Total
Operations and Maintenance	\$ -	\$ 409,336	\$ 409,336
Customer Deposits	-	51,618	51,618
Asset Retirement	-	46,368	46,368
Capital Improvements	590,710	-	590,710
Parks and Recreation	25,485	-	25,485
Economic Development	136,328	-	136,328
Emergencies - TABOR	34,200	-	34,200
	<u>\$ 786,723</u>	<u>\$ 507,322</u>	<u>\$ 1,294,045</u>

Restricted for Operations and Maintenance – The City is required to maintain an operation and maintenance reserve as set forth by the creditors. As of December 31, 2021, the City reported \$298,336 in the Water Fund which is for the USDA Reserve (\$62,336) and the CWRPDA Reserve (\$236,000) and \$111,000 in the Sewer Fund which is for the CWRPDA Reserve (\$111,000).

Restricted for Customer Deposits – This represents money received from customers that is restricted for specific purposes.

Restricted for Asset Retirement – This represents the City's obligation associated with the future retirement of tangible long-lived assets.

Restricted for Capital Improvements – This represents revenues that are legally restricted to expenditures for capital purposes.

Restricted for Parks and Recreation – This represents money received from the State of Colorado for parks and open space related projects.

Restricted for Economic Development – This represents proceeds of specific revenue sources that are to be used to promote community services.

CITY OF LAS ANIMAS, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE -9 NET POSITION (Continued)

Restricted for Emergencies - TABOR – This represents approximately 3% of the City's 2021 fiscal year spending as that term is defined in the Colorado constitution. Under these provisions of the constitution, this portion of the City's net position can be used for declared emergencies only and the City must maintain 3% or more of its spending in this restricted account. The City does not believe this restriction meets the definition of a stabilization arrangement under generally accepted accounting principles.

NOTE -10 FUND BALANCES

At December 31, 2021, fund balances for governmental funds consist of the following:

	Restricted Fund Balance				Total
	Emergencies TABOR	Parks and Recreation	Capital Projects	Economic Development	
General Fund	\$ 34,200	\$ -	\$ -	\$ -	\$ 34,200
Conservation Trust	-	25,485	-	-	25,485
Infrastructure and Improvement	-	-	295,783	-	295,783
1% Street Improvement	-	-	294,927	-	294,927
Sales Tax Development	-	-	-	136,328	136,328
Total	<u>\$ 34,200</u>	<u>\$ 25,485</u>	<u>\$ 590,710</u>	<u>\$ 136,328</u>	<u>\$ 786,723</u>

	Committed Fund Balance	
	Employee Health Ins	Total
General Fund	<u>\$ 223,953</u>	<u>\$ 223,953</u>

	Assigned Fund Balance		
	Revolving Loan	Parks and Recreation	Total
General Fund	\$ 208,690	\$ -	\$ 208,690
Parks and Recreation	-	4,011	4,011
Total	<u>\$ 208,690</u>	<u>\$ 4,011</u>	<u>\$ 212,701</u>

NOTE -11 INTERFUND ACTIVITY

Interfund Transfers:

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

The composition of interfund transfers as of December 31, 2021 is as follows:

Transfer To	Transfer From	Amount Transferred
Water Fund	Infrastructure and Improvement Fund	\$ 97,000
Sewer Fund	Infrastructure and Improvement Fund	29,000
Sanitation Fund	Infrastructure and Improvement Fund	64,000
Parks and Recreation Fund	Infrastructure and Improvement Fund	6,000
General Fund	Infrastructure and Improvement Fund	14,547
Parks and Recreation Fund	Sales Tax Development Fund	51,500

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -11 INTERFUND ACTIVITY (Continued)

Interfund Receivables and Payables:

During the course of operations, numerous transactions occur between the City's funds for the reimbursement of expenditures. Related interfund receivables and payables are classified as "due from other funds" and "due to other funds" on the balance sheet and statement of net position and will be settled within a reasonable time period.

The composition of due to / from other funds as of December 31, 2021 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Water Fund	\$ 2,675
General Fund	Sewer Fund	3,242
General Fund	Sanitation Fund	2,750
		\$ 8,667

NOTE -12 RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

For risks related to property and liability and workers' compensation, the City is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to the provision of 24-10-115.5, Colorado Revised Statutes (1982 Replacement Volume) and Colorado Constitution, Article XIV, section 18(2). The purposes of CIRSA are to provide members defined liability and property coverage and to assist members to prevent and reduce losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees or officers.

It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability of loss, to the limit of the financial resources of CIRSA. It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverage at reasonable costs.

All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members. CIRSA is a separate legal entity and the City does not approve budgets nor does it have ability to significantly affect the operations of the unit. The City has not significantly changed its insurance coverage over the past three years, nor have settlements exceeded coverage during the same period.

The City purchases commercial insurance coverage for all items not covered by CIRSA. Settled claims for these risks have not exceeded insurance coverage the past three years.

NOTE -13 TAX SPENDING AND DEBT LIMITATIONS

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

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

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 on such revenue.

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -13 TAX SPENDING AND DEBT LIMITATIONS (Continued)

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). A portion of the fund balance has been restricted in compliance with this requirement. At December 31, 2021, \$34,200 of the fund balance has been restricted.

Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

During 1999, the authorized voters of the City of Las Animas, Colorado, 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 expenditures 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.

NOTE -14 SUBSEQUENT EVENTS

Subsequent events have been evaluated through the report date, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.

NOTE -15 NEW ACCOUNTING PRONOUNCEMENTS

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

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

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF LAS ANIMAS, COLORADO
 OLD HIRE POLICE PENSION FUND

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

YEAR ENDED DECEMBER 31, 2021

MEASUREMENT PERIOD ENDING DECEMBER 31,	2020	2019	2018	2017	2016	2015	2014
TOTAL PENSION LIABILITY							
INTEREST	\$ 21,458	\$ 32,127	\$ 32,989	\$ 39,848	\$ 40,851	\$ 38,887	\$ 40,548
DIFFERENCE BETWEEN EXPECTED AND ACTUAL EXPERIENCE	-	(38,409)	-	(81,395)	-	20,981	-
ASSUMPTION CHANGES	-	97,558	-	-	-	25,232	-
BENEFIT PAYMENTS, INCLUDING LUMP SUMS	(42,651)	(42,651)	(46,247)	(53,439)	(54,982)	(62,700)	(62,700)
NET CHANGE IN TOTAL PENSION LIABILITY	(21,193)	48,625	(13,258)	(94,986)	(14,131)	22,400	(22,152)
TOTAL PENSION LIABILITY - BEGINNING	497,925	449,300	462,558	557,544	571,675	549,275	571,427
TOTAL PENSION LIABILITY - ENDING (a)	476,732	497,925	449,300	462,558	557,544	571,675	549,275
PLAN FIDUCIARY NET POSITION							
CONTRIBUTIONS - EMPLOYER	29,203	29,203	67,924	-	26,510	50,206	-
CONTRIBUTIONS - EMPLOYEE	-	-	-	-	-	-	-
NET INVESTMENT INCOME	18,801	27,885	340	32,542	12,495	4,715	19,932
BENEFIT PAYMENTS, INCLUDING LUMP SUMS	(42,651)	(42,651)	(46,247)	(53,439)	(54,982)	(62,700)	(62,700)
ADMINISTRATIVE EXPENSES	(2,511)	(1,377)	(4,701)	(1,065)	(3,558)	(748)	(3,336)
NET CHANGE IN PLAN FIDUCIARY NET POSITION	2,842	13,060	17,316	(21,962)	(19,535)	(8,527)	(46,104)
PLAN FIDUCIARY NET POSITION - BEGINNING	258,557	245,497	228,181	250,143	269,678	278,205	324,309
PLAN FIDUCIARY NET POSITION - ENDING (b)	261,399	258,557	245,497	228,181	250,143	269,678	278,205
NET PENSION LIABILITY - ENDING	\$ 215,333	\$ 239,368	\$ 203,803	\$ 234,377	\$ 307,401	\$ 301,997	\$ 271,070
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY (b) / (a)	54.83%	51.93%	54.64%	49.33%	44.87%	47.17%	48.46%
COVERED PAYROLL	N/A	N/A	N/A	N/A	N/A	N/A	N/A
PLAN'S NET PENSION LIABILITY (ASSET) AS A PERCENTAGE OF COVERED PAYROLL	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

CITY OF LAS ANIMAS, COLORADO
 OLD HIRE POLICE PENSION FUND
 SCHEDULE OF PLAN CONTRIBUTIONS
 YEAR ENDED DECEMBER 31, 2021

FY ENDING DECEMBER 31, (a)	ACTUARIALLY DETERMINED CONTRIBUTION (b)	ACTUAL CONTRIBUTION* (c)	CONTRIBUTION DEFICIENCY (EXCESS) (d) = (b) - (c)	COVERED PAYROLL (e)	ACTUAL CONTRIBUTION AS A % OF COVERED PAYROLL (f)
2020	\$ 29,203	\$ 29,203	\$ -	N/A	N/A
2019	\$ 29,203	\$ 29,203	\$ -	N/A	N/A
2018	\$ 33,962	\$ 67,924	\$ (33,962)	N/A	N/A
2017	\$ 33,962	\$ 33,962	\$ -	N/A	N/A
2016	\$ 26,510	\$ 26,510	\$ -	N/A	N/A
2015	\$ 26,510	\$ 50,206	\$ (23,696)	N/A	N/A
2014	\$ 23,696	\$ -	\$ 23,696	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 - LOCAL GOVERNMENT DIVISION TRUST FUND

DEFINED BENEFIT PENSION PLAN

FOR THE LAST 10 FISCAL YEARS (AS AVAILABLE)

	2021	2020	2019	2018	2017	2016	2015
Plan measurement date	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015	12/31/2014
City's proportion of the net pension liability	0.1828%	0.1773%	0.1823%	0.1831%	0.1837%	0.1835%	0.1814%
City's proportionate share of the net pension liability	\$ 952,798	\$ 1,296,613	\$ 2,291,663	\$ 2,038,576	\$ 2,480,707	\$ 2,021,142	\$ 1,625,892
City's covered payroll	\$ 1,290,709	\$ 1,289,909	\$ 1,220,838	\$ 1,195,570	\$ 1,155,006	\$ 1,113,514	\$ 1,042,003
City's proportionate share of the net pension liability as a percentage of its covered payroll	73.82%	100.52%	187.71%	170.51%	214.78%	181.51%	156.04%
Plan fiduciary net position as a percentage of the total pension liability	90.88%	86.26%	75.96%	79.37%	73.60%	76.90%	80.72%

The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

The schedule is presented to show information for ten years. Until information for the full ten-year period is available, information will be presented for the year it is available.

CITY OF LAS ANIMAS, COLORADO

SCHEDULE OF CITY CONTRIBUTIONS - LOCAL GOVERNMENT DIVISION TRUST FUND

DEFINED BENEFIT PENSION PLAN

FOR THE LAST 10 FISCAL YEARS (AS AVAILABLE)

	2021	2020	2019	2018	2017	2016	2015
Plan measurement date	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015	12/31/2014
Contractually required contribution	\$ 166,887	\$ 166,860	\$ 154,802	\$ 151,598	\$ 146,455	\$ 141,194	\$ 132,126
Contributions in relation to the contractually required contribution	(166,887)	(166,860)	(154,802)	(151,598)	(146,455)	(141,194)	(132,126)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 1,290,709	\$ 1,289,909	\$ 1,220,838	\$ 1,195,570	\$ 1,155,006	\$ 1,113,514	\$ 1,042,003
Contributions as a percentage of covered payroll	12.93%	12.94%	12.68%	12.68%	12.68%	12.68%	12.68%

The schedule is presented to show information for ten years. Until information for the full ten year period is available, information will be presented for the year it is available.

CITY OF LAS ANIMAS, COLORADO

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE - HEALTH CARE TRUST FUND

DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

FOR THE LAST 10 FISCAL YEARS (AS AVAILABLE)

	2021	2020	2019	2018	2017
Plan measurement date	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016
City's proportion of the net OPEB liability	0.0140%	0.0136%	0.0141%	0.0142%	0.0141%
City's proportionate share of the net OPEB liability	132,545	152,612	192,325	184,893	182,841
City's covered payroll	1,290,709	1,289,909	1,220,838	1,195,570	1,155,006
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	10.27%	11.83%	15.75%	15.46%	15.83%
Plan fiduciary net position as a percentage of the total OPEB liability	32.78%	24.49%	17.03%	17.53%	16.71%

The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

The schedule is presented to show information for ten years. Until information for the full ten-year period is available, information will be presented for the year it is available.

CITY OF LAS ANIMAS, COLORADO

SCHEDULE OF CITY CONTRIBUTIONS - HEALTH CARE TRUST FUND
 DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
 FOR THE LAST 10 FISCAL YEARS (AS AVAILABLE)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Plan measurement date	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016
Statutorily required contribution	\$ 13,165	\$ 13,157	\$ 12,453	\$ 12,195	\$ 11,781
Contributions in relation to the statutorily required contribution	<u>(13,165)</u>	<u>(13,157)</u>	<u>(12,453)</u>	<u>(12,195)</u>	<u>(11,781)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 1,290,709	\$ 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%	1.02%

The amounts presented for each fiscal year were determined as of December 31.

The schedule is presented to show information for ten years. Until information for the full ten year period is available, information will be presented for the year it is available.

CITY OF LAS ANIMAS, COLORADO

GENERAL FUND

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

YEAR ENDED DECEMBER 31, 2021

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		(UNFAVORABLE)
REVENUES				
TAXES	\$ 795,404	\$ 795,404	\$ 1,087,739	\$ 292,335
FRANCHISE FEES	143,223	143,223	141,882	(1,341)
LICENSES AND PERMITS	8,000	8,000	13,975	5,975
INTERGOVERNMENTAL	93,369	93,369	104,527	11,158
CHARGES FOR SERVICES	142,000	142,000	128,752	(13,248)
INTEREST	4,000	4,000	1,502	(2,498)
FINES	2,000	2,000	30	(1,970)
EXCESS HEALTH INSURANCE CONTRIBUTIONS	15,000	15,000	8,021	(6,979)
COVID FUNDS	-	-	28,295	28,295
MARIJUANA REVENUE	20,000	20,000	32,500	12,500
OTHER	15,000	15,000	39,549	24,549
TOTAL REVENUES	1,237,996	1,237,996	1,586,772	348,776
EXPENDITURES				
GENERAL GOVERNMENT	463,093	463,093	448,550	14,543
PUBLIC SAFETY	434,524	434,524	415,728	18,796
PUBLIC WORKS	202,223	202,223	198,817	3,406
REVOLVING LOAN	58,000	58,000	1,575	56,425
TOTAL EXPENDITURES	1,157,840	1,157,840	1,064,670	93,170
REVENUES OVER (UNDER) EXPENDITURES	80,156	80,156	522,102	441,946
OTHER FINANCING SOURCES				
TRANSFERS IN	13,500	13,500	14,547	1,047
CONTRIBUTIONS	-	-	-	-
TOTAL OTHER FINANCING SOURCES	13,500	13,500	14,547	1,047
REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	93,656	93,656	536,649	442,993
FUND BALANCE JANUARY 1	982,397	982,397	982,397	-
FUND BALANCE DECEMBER 31	\$ 1,076,053	\$ 1,076,053	\$ 1,519,046	\$ 442,993

CITY OF LAS ANIMAS, COLORADO

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

NOTE -1 SCHEDULE OF CHANGES IN THE PLAN'S NET PENSION LIABILITY AND RELATED RATIOS – OLD HIRE POLICE PENSION FUND

Measurement Period: January 1, 2020 - December 31, 2020 for the Fiscal Year Ending December 31, 2021 (December 31, 2020 measurement date). The City elected the one-year lookback for measurement date and measurement period purposes.

NOTE -2 SCHEDULES OF PLAN CONTRIBUTIONS – OLD HIRE POLICE PENSION FUND

Actuarial Assumptions

Valuation Date: January 1, 2018

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.

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

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	- Entry Age Normal
Amortization Method	- Level Dollar, Open*
Remaining Amortization Period	- 13 Years*
Asset Valuation Method	- 5-Year smoothed fair value
Inflation	- 2.50%
Salary Increase	- N/A
Investment Rate of Return	- 7.50%
Retirement Age	- Any remaining actives are assumed to retire immediately
Mortality (Annuities)	- <u>Post-retirement</u> : 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. <u>Disabled (pre-1980)</u> : 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.

Assumption Changes – The assumptions shown above pertain to the actuarial valuation as of January 1, 2018 and the associated Actuarially Determined Contribution for the year ending December 31, 20120 Following an experience study in 2018 and asset allocation study in 2018-2019, the Board adopted a new assumption set for first use in January 1, 2020 valuations.

The primary changes, which can be observed in the January 1, 2020 valuation, as compared to the assumptions shown are as follows:

Investment Rate of Return – 4.50%

Mortality – Post-retirement: 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.

Disabled (pre-1980): Post-retirement rates set forward three years.

SUPPLEMENTARY INFORMATION

MAJOR GOVERNMENTAL FUNDS

MAJOR GOVERNMENTAL FUNDS

General Fund – It accounts for all financial resources of the general government, except those which are required to be accounted for in another fund.

CITY OF LAS ANIMAS, COLORADO

GENERAL FUND

BALANCE SHEET

DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
CASH OR EQUIVALENTS	\$ 1,505,869	\$ 900,196
RECEIVABLES:		
ACCOUNTS	84,437	98,462
PROPERTY TAXES	259,500	247,804
ACCRUED INTEREST	35	172
DUE FROM OTHER FUNDS	<u>8,667</u>	<u>8,667</u>
 TOTAL ASSETS	 <u>\$ 1,858,508</u>	 <u>\$ 1,255,301</u>
 LIABILITIES		
ACCOUNTS PAYABLE	\$ 12,918	\$ 10,655
ACCRUED EXPENSES	21,146	14,445
UNEARNED REVENUE	<u>45,898</u>	<u>-</u>
 TOTAL LIABILITIES	 <u>79,962</u>	 <u>25,100</u>
 DEFERRED INFLOWS OF RESOURCES		
DEFERRED REVENUES - PROPERTY TAXES	<u>259,500</u>	<u>247,804</u>
 FUND BALANCE		
RESTRICTED FOR		
EMERGENCIES - TABOR	34,200	67,830
COMMITTED FOR		
EMPLOYEE HEALTH INSURANCE	223,953	148,457
ASSIGNED FOR		
REVOLVING LOAN	208,690	197,066
UNASSIGNED	<u>1,052,203</u>	<u>569,044</u>
 TOTAL FUND BALANCE	 <u>1,519,046</u>	 <u>982,397</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	 <u>\$ 1,858,508</u>	 <u>\$ 1,255,301</u>

CITY OF LAS ANIMAS, COLORADO

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
REVENUES		
TAXES	\$ 1,087,739	\$ 1,075,144
FRANCHISE FEES	141,882	139,345
LICENSES AND PERMITS	13,975	18,338
INTERGOVERNMENTAL	104,527	92,099
CHARGES FOR SERVICES	128,752	128,760
INTEREST	1,502	2,651
FINES	30	279
EXCESS HEALTH INSURANCE CONTRIBUTIONS	8,021	7,025
COVID FUNDS	28,295	10,386
MARIJUANA REVENUE	32,500	32,515
OTHER	39,549	5,434
TOTAL REVENUES	<u>1,586,772</u>	<u>1,511,976</u>
EXPENDITURES		
GENERAL GOVERNMENT	448,550	443,186
PUBLIC SAFETY	415,728	355,830
PUBLIC WORKS	198,817	188,714
REVOLVING LOAN	1,575	14,808
TOTAL EXPENDITURES	<u>1,064,670</u>	<u>1,002,538</u>
REVENUES OVER (UNDER) EXPENDITURES	522,102	509,438
OTHER FINANCING SOURCES		
TRANSFERS IN	<u>14,547</u>	<u>(31,005)</u>
REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES	536,649	478,433
FUND BALANCE JANUARY 1	<u>982,397</u>	<u>503,964</u>
FUND BALANCE DECEMBER 31	<u>\$ 1,519,046</u>	<u>\$ 982,397</u>

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

Parks and Recreation Fund – This fund is used to account for the collection and disbursement of revenues received for the operation of the Parks and Recreation facilities of the City.

Sales Tax Development Fund – This fund is used to account for the collection and disbursement of revenues received from specified revenue sources that are to be used to promote community services.

CAPITAL PROJECTS FUNDS

Infrastructure and Improvement Fund – This fund is used to account for the collection and disbursement of sales tax receipts that are for the construction and improvement of infrastructure assets.

1% Street Improvement Fund – This fund is used to account for the collection and disbursement of revenues received from specified revenue sources that are legally restricted for street improvements.

CITY OF LAS ANIMAS, COLORADO

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET

DECEMBER 31, 2021

	CONSERVATION TRUST	PARKS AND RECREATION	SALES TAX DEVELOPMENT	INFRASTRUCTURE AND IMPROVEMENT CAPITAL PROJECTS		1% STREET IMPROVEMENT CAPITAL PROJECTS	TOTAL
ASSETS							
CASH OR EQUIVALENTS	\$ 25,485	\$ 4,011	\$ 122,687	\$ 273,058	\$ 272,202	\$ 697,443	
ACCOUNTS RECEIVABLE	-	-	13,641	22,725	22,725	59,091	
DUE FROM OTHER FUNDS	-	-	-	-	-	-	
TOTAL ASSETS	\$ 25,485	\$ 4,011	\$ 136,328	\$ 295,783	\$ 294,927	\$ 756,534	
LIABILITIES							
ACCOUNTS PAYABLE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
TOTAL LIABILITIES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
FUND BALANCE RESTRICTED							
PARKS AND RECREATION	25,485	-	-	-	-	25,485	
CAPITAL IMPROVEMENTS	-	-	-	295,783	294,927	590,710	
ECONOMIC DEVELOPMENT ASSIGNED	-	-	136,328	-	-	136,328	
PARKS AND RECREATION	-	4,011	-	-	-	4,011	
TOTAL FUND BALANCE	25,485	4,011	136,328	295,783	294,927	756,534	
TOTAL LIABILITIES AND FUND BALANCE	\$ 25,485	\$ 4,011	\$ 136,328	\$ 295,783	\$ 294,927	\$ 756,534	

CITY OF LAS ANIMAS, COLORADO
NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEAR ENDED DECEMBER 31, 2021

	CONSERVATION TRUST	PARKS AND RECREATION	SALES TAX DEVELOPMENT	INFRASTRUCTURE AND IMPROVEMENT CAPITAL PROJECTS		TOTAL
				IMPROVEMENT CAPITAL PROJECTS	1% STREET IMPROVEMENT CAPITAL PROJECTS	
REVENUES						
TAXES	\$ -	\$ -	\$ 161,246	\$ 291,543	\$ 291,543	\$ 744,332
INTERGOVERNMENTAL INTEREST	26,149	-	-	-	-	26,149
OTHER	20	5	117	196	243	581
	-	8,594	4,486	-	370	13,450
TOTAL REVENUES	26,169	8,599	165,849	291,739	292,156	784,512
EXPENDITURES						
HIGHWAYS AND STREETS	-	-	-	-	214,088	214,088
CULTURE AND RECREATION	17,609	73,222	-	-	-	90,831
COMMUNITY SERVICES	-	-	135,682	-	-	135,682
CAPITAL PROJECTS	-	-	-	2,000	-	2,000
TOTAL EXPENDITURES	17,609	73,222	135,682	2,000	214,088	442,601
REVENUES OVER (UNDER) EXPENDITURES	8,560	(64,623)	30,167	289,739	78,068	341,911
OTHER FINANCING SOURCES	-	57,500	(51,500)	(210,547)	-	(204,547)
REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES	8,560	(7,123)	(21,333)	79,192	78,068	137,364
FUND BALANCE JANUARY 1	16,925	11,134	157,661	216,591	216,859	619,170
FUND BALANCE DECEMBER 31	\$ 25,485	\$ 4,011	\$ 136,328	\$ 295,783	\$ 294,927	\$ 756,534

CITY OF LAS ANIMAS, COLORADO

CONSERVATION TRUST FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021		VARIANCE FAVORABLE (UNFAVORABLE)	2020 ACTUAL
	ACTUAL	BUDGET		
REVENUES				
INTERGOVERNMENTAL INTEREST	\$ 26,149 20	\$ 24,500 30	\$ 1,649 (10)	\$ 22,410 49
TOTAL REVENUES	26,169	24,530	1,639	22,459
EXPENDITURES				
CULTURE AND RECREATION	17,609	24,518	6,909	19,734
REVENUES OVER (UNDER) EXPENDITURES	8,560	12	8,548	2,725
FUND BALANCE JANUARY 1	16,925	16,925	-	14,200
FUND BALANCE DECEMBER 31	\$ 25,485	\$ 16,937	\$ 8,548	\$ 16,925

CITY OF LAS ANIMAS, COLORADO

PARKS AND RECREATION FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021		VARIANCE	2020
	ACTUAL	BUDGET	FAVORABLE (UNFAVORABLE)	ACTUAL
REVENUES				
INTEREST	\$ 5	\$ 50	\$ (45)	\$ 4
OTHER	8,594	14,500	(5,906)	9,435
TOTAL REVENUES	8,599	14,550	(5,951)	9,439
EXPENDITURES				
CULTURE AND RECREATION	73,222	95,962	22,740	60,967
REVENUES OVER (UNDER) EXPENDITURES	(64,623)	(81,412)	16,789	(51,528)
OTHER FINANCING SOURCES				
TRANSFERS IN (OUT)	57,500	81,500	(24,000)	52,395
REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES	(7,123)	88	(7,211)	867
FUND BALANCE JANUARY 1	11,134	11,134	-	10,267
FUND BALANCE DECEMBER 31	\$ 4,011	\$ 11,222	\$ (7,211)	\$ 11,134

CITY OF LAS ANIMAS, COLORADO

SALES TAX DEVELOPMENT FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021		VARIANCE FAVORABLE (UNFAVORABLE)	2020 ACTUAL
	ACTUAL	BUDGET		
REVENUES				
SALES TAX	\$ 161,246	\$ 170,000	\$ (8,754)	\$ 165,805
INTEREST	117	300	(183)	364
OTHER	4,486	1,000	3,486	3,930
TOTAL REVENUES	165,849	171,300	(5,451)	170,099
EXPENDITURES				
COMMUNITY SERVICES	135,682	141,850	6,168	73,084
REVENUES OVER (UNDER) EXPENDITURES	30,167	29,450	717	97,015
OTHER FINANCING SOURCES				
TRANSFERS IN (OUT)	(51,500)	(51,500)	-	(17,000)
REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES	(21,333)	(22,050)	717	80,015
FUND BALANCE JANUARY 1	157,661	157,661	-	77,646
FUND BALANCE DECEMBER 31	\$ 136,328	\$ 135,611	\$ 717	\$ 157,661

CITY OF LAS ANIMAS, COLORADO

INFRASTRUCTURE AND IMPROVEMENT FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021		VARIANCE	2020
	ACTUAL	BUDGET	FAVORABLE (UNFAVORABLE)	ACTUAL
REVENUES				
SALES TAX	\$ 291,543	\$ 220,000	\$ 71,543	\$ 272,848
INTEREST	196	300	(104)	236
TOTAL REVENUES	291,739	220,300	71,439	273,084
EXPENDITURES				
CAPITAL PROJECTS	2,000	17,000	15,000	-
TOTAL EXPENDITURES	2,000	17,000	15,000	-
REVENUES OVER (UNDER) EXPENDITURES	289,739	203,300	86,439	273,084
OTHER FINANCING SOURCES				
TRANSFERS IN (OUT)	(210,547)	(203,000)	(7,547)	(181,390)
REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES	79,192	300	78,892	91,694
FUND BALANCE JANUARY 1	216,591	216,591	-	124,897
FUND BALANCE DECEMBER 31	\$ 295,783	\$ 216,891	\$ 78,892	\$ 216,591

CITY OF LAS ANIMAS, COLORADO

1% STREET IMPROVEMENT FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021		VARIANCE	2020
	ACTUAL	BUDGET	FAVORABLE (UNFAVORABLE)	ACTUAL
REVENUES				
SALES TAX	\$ 291,543	\$ 220,000	\$ 71,543	\$ 272,848
INTEREST	243	400	(157)	421
OTHER	370	2,000	(1,630)	705
TOTAL REVENUES	292,156	222,400	69,756	273,974
EXPENDITURES				
HIGHWAYS AND STREETS	214,088	220,400	6,312	180,469
TOTAL EXPENDITURES	214,088	220,400	6,312	180,469
REVENUES OVER (UNDER) EXPENDITURES	78,068	2,000	76,068	93,505
FUND BALANCE JANUARY 1	216,859	216,859	-	123,354
FUND BALANCE DECEMBER 31	\$ 294,927	\$ 218,859	\$ 76,068	\$ 216,859

PROPRIETARY FUNDS

ENTERPRISE FUNDS

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

Water Fund - Accounts for the operations of the City's water utility. Activities of the fund include administration, operation and maintenance, treatment, and distribution of the water system, along with accumulation of resources for the payment of principal and interest on long-term debt.

Sewer Fund - Accounts for the operations of the City's sewer utility. Activities of the fund include administration, operation and maintenance, treatment, and collection of the waste water system, along with accumulation of resources for the payment of principal and interest on long-term debt.

Sanitation Fund - Accounts for the operations of the City's solid waste disposal utility. Activities of the fund include administration, operation and maintenance, and collection of trash related to the solid waste disposal system.

CITY OF LAS ANIMAS, COLORADO
LIGHT AND POWER FUND
BALANCE SHEET
DECEMBER 31, 2021 AND 2020

	2021	2020
CURRENT ASSETS		
CASH AND CASH EQUIVALENTS	\$ 2,968,745	\$ 2,661,392
ACCOUNTS RECEIVABLE (NET)	319,662	342,982
INVENTORIES	263,547	261,715
PREPAIDS	-	67,945
TOTAL CURRENT ASSETS	3,551,954	3,334,034
PROPERTY PLANT AND EQUIPMENT		
LAND	17,055	17,055
POWER PLANT SYSTEM, BUILDINGS, IMPROVEMENTS AND EQUIPMENT - AT COST	5,825,857	5,825,857
ACCUMULATED DEPRECIATION	(4,942,670)	(4,839,705)
NET PROPERTY PLANT AND EQUIPMENT	900,242	1,003,207
TOTAL ASSETS	4,452,196	4,337,241
DEFERRED OUTFLOW OF RESOURCES		
PENSION	247,568	288,335
OTHER POST EMPLOYMENT BENEFITS	9,415	6,993
TOTAL DEFERRED OUTFLOW OF RESOURCES	256,983	295,328
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	\$ 4,709,179	\$ 4,632,569
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	\$ 217,450	\$ 240,856
ACCRUED INTEREST PAYABLE	-	1,091
TOTAL CURRENT LIABILITIES	217,450	241,947
TERM LIABILITIES		
ACCRUED VACATION PAYABLE	74,956	67,680
METER DEPOSITS PAYABLE	24,689	26,880
NET PENSION LIABILITY	367,775	500,486
NET OPEB LIABILITY	52,643	60,613
TOTAL TERM LIABILITIES	520,063	655,659
TOTAL LIABILITIES	737,513	897,606
DEFERRED INFLOW OF RESOURCES		
PENSION	531,928	427,600
OTHER POST EMPLOYMENT BENEFITS	35,906	15,621
TOTAL DEFERRED INFLOW OF RESOURCES	567,834	443,221
NET POSITION		
NET INVESTMENT IN CAPITAL ASSETS	900,242	1,003,207
RESTRICTED FOR CUSTOMER DEPOSITS	24,689	26,880
RESTRICTED FOR ASSET RETIREMENT	46,368	46,368
UNRESTRICTED	2,432,533	2,215,287
TOTAL NET POSITION	3,403,832	3,291,742
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION	\$ 4,709,179	\$ 4,632,569

CITY OF LAS ANIMAS, COLORADO
 LIGHT AND POWER FUND
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
OPERATING REVENUES		
CHARGES FOR SERVICES	\$ 3,973,831	\$ 3,954,895
OTHER	41,859	45,390
	4,015,690	4,000,285
OPERATING EXPENSES		
PERSONAL SERVICES	755,720	778,190
PURCHASED SERVICES	217,964	201,075
SUPPLIES AND MATERIALS	102,092	160,721
POWER AND UTILITIES	2,651,244	2,657,120
MAINTENANCE AND REPAIRS	9,172	5,524
DEPRECIATION	102,966	97,545
PENSION AND OPEB EXPENSE	22,277	(67,787)
OTHER	53,494	58,827
	3,914,929	3,891,215
TOTAL OPERATING EXPENSES		
	100,761	109,070
NONOPERATING REVENUES (EXPENSES)		
INTEREST REVENUE	11,329	18,527
INTEREST EXPENSE	-	(314)
	11,329	18,213
TOTAL NONOPERATING REVENUES (EXPENSES)		
	112,090	127,283
CHANGE IN NET POSITION		
NET POSITION JANUARY 1	3,291,742	3,164,459
NET POSITION DECEMBER 31	\$ 3,403,832	\$ 3,291,742

CITY OF LAS ANIMAS, COLORADO
LIGHT AND POWER FUND
STATEMENT OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
CASH RECEIVED FROM CUSTOMERS AND USERS	\$ 4,039,010	\$ 3,984,311
CASH PAYMENTS TO EMPLOYEES AND BENEFIT PROVIDERS	(748,444)	(775,359)
CASH PAYMENTS TO VENDORS - SUPPLIES AND SERVICES	(2,991,259)	(3,167,500)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	299,307	41,452
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES		
CUSTOMER DEPOSITS	(2,191)	3,640
NET CASH PROVIDED BY (USED FOR) NONCAPITAL AND RELATED FINANCING ACTIVITIES	(2,191)	3,640
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
INTEREST PAID ON DEBT	(1,092)	(1)
NET CASH PROVIDED BY (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES	(1,092)	(1)
CASH FLOWS FROM INVESTING ACTIVITIES		
INTEREST RECEIVED	11,329	18,527
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	11,329	18,527
NET CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	307,353	63,618
CASH, CASH EQUIVALENTS AND RESTRICTED CASH - BEGINNING OF YEAR	2,661,392	2,597,774
CASH, CASH EQUIVALENTS AND RESTRICTED CASH - END OF YEAR	\$ 2,968,745	\$ 2,661,392
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES		
OPERATING INCOME (LOSS)	\$ 100,761	\$ 109,070
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:		
DEPRECIATION	102,966	97,545
PENSION EXPENSE (REVENUE)	22,277	(67,787)
CHANGE IN ASSETS AND LIABILITIES		
RECEIVABLES AND ACCRUALS	91,265	(36,402)
INVENTORIES	(1,832)	(66,666)
PAYABLES AND ACCRUALS	(16,130)	5,692
TOTAL ADJUSTMENTS	198,546	(67,618)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	\$ 299,307	\$ 41,452

CITY OF LAS ANIMAS, COLORADO
WATER FUND
BALANCE SHEET
DECEMBER 31, 2021 AND 2020

	2021	2020
CURRENT ASSETS		
CASH AND CASH EQUIVALENTS	\$ 565,424	\$ 515,304
ACCOUNTS RECEIVABLE (NET)	59,432	59,790
NOTE RECEIVABLE	1,012	-
INVENTORIES	61,497	50,866
TOTAL CURRENT ASSETS	687,365	625,960
PROPERTY PLANT AND EQUIPMENT		
LAND AND WATER RIGHTS	130,911	130,911
PRELIMINARY SURVEY	181,901	181,901
WATER SYSTEM, BUILDINGS, IMPROVEMENTS AND EQUIPMENT - AT COST	10,815,365	10,815,365
ACCUMULATED DEPRECIATION	(6,099,796)	(5,854,799)
NET PROPERTY PLANT AND EQUIPMENT	5,028,381	5,273,378
TOTAL ASSETS	5,715,746	5,899,338
DEFERRED OUTFLOW OF RESOURCES		
PENSION	109,045	127,002
OTHER POST EMPLOYMENT BENEFITS	4,036	2,998
TOTAL DEFERRED OUTFLOW OF RESOURCES	113,081	130,000
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	\$ 5,828,827	\$ 6,029,338
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	\$ 3,717	\$ 10,926
ACCRUED INTEREST PAYABLE	2,456	3,309
DUE TO OTHER FUNDS	2,675	2,675
DEBT PAYABLE - CURRENT	59,764	58,967
TOTAL CURRENT LIABILITIES	68,612	75,877
TERM LIABILITIES		
ACCRUED VACATION PAYABLE	45,859	39,919
METER DEPOSITS PAYABLE	18,749	19,388
DEBT PAYABLE - NONCURRENT	1,064,370	1,123,433
NET PENSION LIABILITY	167,748	228,280
NET OPEB LIABILITY	23,007	26,490
TOTAL TERM LIABILITIES	1,319,733	1,437,510
TOTAL LIABILITIES	1,388,345	1,513,387
DEFERRED INFLOW OF RESOURCES		
PENSION	217,108	174,526
OTHER POST EMPLOYMENT BENEFITS	14,227	6,189
TOTAL DEFERRED INFLOW OF RESOURCES	231,335	180,715
NET POSITION		
NET INVESTMENT IN CAPITAL ASSETS	3,904,247	4,090,978
RESTRICTED FOR CUSTOMER DEPOSITS	18,749	19,388
RESTRICTED FOR OPERATIONS AND MAINTENANCE	298,336	62,336
UNRESTRICTED	(12,185)	162,534
TOTAL NET POSITION	4,209,147	4,335,236
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION	\$ 5,828,827	\$ 6,029,338

CITY OF LAS ANIMAS, COLORADO

WATER FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
OPERATING REVENUES		
CHARGES FOR SERVICES	\$ 798,222	\$ 814,933
OTHER	21,154	19,308
TOTAL OPERATING REVENUES	<u>819,376</u>	<u>834,241</u>
OPERATING EXPENSES		
PERSONAL SERVICES	331,904	303,570
PURCHASED SERVICES	46,913	46,678
SUPPLIES AND MATERIALS	246,183	83,175
POWER AND UTILITIES	136,938	146,704
MAINTENANCE AND REPAIRS	191,250	23,728
DEPRECIATION	244,997	248,174
BAD DEBTS	2,660	1,340
PENSION AND OPEB EXPENSE	3,524	(26,705)
OTHER	10,664	6,841
TOTAL OPERATING EXPENSES	<u>1,215,033</u>	<u>833,505</u>
OPERATING INCOME (LOSS)	<u>(395,657)</u>	<u>736</u>
NONOPERATING REVENUES (EXPENSES)		
INTEREST REVENUE	3,234	4,664
COVID FUNDS	170,954	30
OTHER REVENUE	25,113	21,507
INTEREST EXPENSE	(31,070)	(32,696)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>168,231</u>	<u>(6,495)</u>
INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	<u>(227,426)</u>	<u>(5,759)</u>
TRANSFERS IN	97,000	98,000
CAPITAL CONTRIBUTIONS	4,337	-
CHANGE IN NET POSITION	<u>(126,089)</u>	<u>92,241</u>
NET POSITION JANUARY 1	<u>4,335,236</u>	<u>4,242,995</u>
NET POSITION DECEMBER 31	<u>\$ 4,209,147</u>	<u>\$ 4,335,236</u>

CITY OF LAS ANIMAS, COLORADO
WATER FUND
STATEMENT OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
CASH RECEIVED FROM CUSTOMERS AND USERS	\$ 819,734	\$ 838,290
CASH PAYMENTS TO EMPLOYEES AND BENEFIT PROVIDERS	(325,964)	(313,534)
CASH PAYMENTS TO VENDORS - SUPPLIES AND SERVICES	(652,448)	(339,731)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	(158,678)	185,025
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES		
CUSTOMER DEPOSITS	(639)	964
INTERFUND	-	2,675
TRANSFERS - OTHER FUNDS	97,000	98,000
OTHER	25,113	21,507
NET CASH PROVIDED BY (USED FOR) NONCAPITAL AND RELATED FINANCING ACTIVITIES	121,474	123,146
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
NON-FINANCED PURCHASE OF PROPERTY AND EQUIPMENT	-	(365,943)
CAPITAL GRANTS / COVID FUNDS	170,954	30
CAPITAL CONTRIBUTED	3,325	-
INTEREST PAID ON DEBT	(31,923)	(32,639)
PRINCIPAL PAID ON DEBT	(58,266)	(56,967)
NET CASH PROVIDED BY (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES	84,090	(455,519)
CASH FLOWS FROM INVESTING ACTIVITIES		
INTEREST RECEIVED	3,234	4,664
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	3,234	4,664
NET CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	50,120	(142,684)
CASH, CASH EQUIVALENTS AND RESTRICTED CASH - BEGINNING OF YEAR	515,304	657,988
CASH, CASH EQUIVALENTS AND RESTRICTED CASH - END OF YEAR	\$ 565,424	\$ 515,304
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES		
OPERATING INCOME (LOSS)	\$ (395,657)	\$ 736
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:		
DEPRECIATION	244,997	248,174
PENSION EXPENSE (REVENUE)	3,524	(26,705)
CHANGE IN ASSETS AND LIABILITIES		
RECEIVABLES AND ACCRUALS	358	4,049
INVENTORIES	(10,631)	(513)
PAYABLES AND ACCRUALS	(1,269)	(40,716)
TOTAL ADJUSTMENTS	236,979	184,289
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	\$ (158,678)	\$ 185,025

CITY OF LAS ANIMAS, COLORADO

SEWER FUND

BALANCE SHEET

DECEMBER 31, 2021 AND 2020

	2021	2020
CURRENT ASSETS		
CASH AND CASH EQUIVALENTS	\$ 150,003	\$ 520,586
CASH WITH TRUSTEE	1,535,617	-
RECEIVABLES:		
ACCOUNTS (NET)	45,850	45,302
GRANTS	448,476	-
NOTE	1,499	1,499
INVENTORIES	18,826	28,055
TOTAL CURRENT ASSETS	<u>2,200,271</u>	<u>595,442</u>
PROPERTY PLANT AND EQUIPMENT		
LAND	2,150	2,150
CONSTRUCTION IN PROGRESS	587,116	-
SEWER SYSTEM, BUILDINGS, IMPROVEMENTS AND EQUIPMENT - AT COST	8,153,441	8,153,441
ACCUMULATED DEPRECIATION	<u>(3,948,338)</u>	<u>(3,744,388)</u>
NET PROPERTY PLANT AND EQUIPMENT	<u>4,794,369</u>	<u>4,411,203</u>
TOTAL ASSETS	<u>6,994,640</u>	<u>5,006,645</u>
DEFERRED OUTFLOW OF RESOURCES		
PENSION	61,459	71,580
OTHER POST EMPLOYMENT BENEFITS	2,242	1,665
TOTAL DEFERRED OUTFLOW OF RESOURCES	<u>63,701</u>	<u>73,245</u>
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	<u>\$ 7,058,341</u>	<u>\$ 5,079,890</u>
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	\$ 152,107	\$ 9,744
DUE TO OTHER FUNDS	3,242	3,242
DEBT PAYABLE - CURRENT	69,101	41,016
TOTAL CURRENT LIABILITIES	<u>224,450</u>	<u>54,002</u>
TERM LIABILITIES		
ACCRUED VACATION PAYABLE	15,259	15,259
METER DEPOSITS PAYABLE	5,049	5,376
DEBT PAYABLE - NONCURRENT	1,843,989	377,473
NET PENSION LIABILITY	96,339	131,103
NET OPEB LIABILITY	12,910	14,865
TOTAL TERM LIABILITIES	<u>1,973,546</u>	<u>544,076</u>
TOTAL LIABILITIES	<u>2,197,996</u>	<u>598,078</u>
DEFERRED INFLOW OF RESOURCES		
PENSION	117,005	94,057
OTHER POST EMPLOYMENT BENEFITS	7,524	3,273
TOTAL DEFERRED INFLOW OF RESOURCES	<u>124,529</u>	<u>97,330</u>
NET POSITION		
NET INVESTMENT IN CAPITAL ASSETS	4,416,896	3,992,714
RESTRICTED FOR CUSTOMER DEPOSITS	5,049	5,376
RESTRICTED FOR OPERATIONS AND MAINTENANCE	111,000	-
UNRESTRICTED	202,871	386,392
TOTAL NET POSITION	<u>4,735,816</u>	<u>4,384,482</u>
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION	<u>\$ 7,058,341</u>	<u>\$ 5,079,890</u>

CITY OF LAS ANIMAS, COLORADO

SEWER FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
OPERATING REVENUES		
CHARGES FOR SERVICES	\$ 480,313	\$ 480,364
OTHER	3,421	1,026
TOTAL OPERATING REVENUES	<u>483,734</u>	<u>481,390</u>
OPERATING EXPENSES		
PERSONAL SERVICES	143,819	163,247
PURCHASED SERVICES	74,232	52,602
SUPPLIES AND MATERIALS	57,610	15,514
POWER AND UTILITIES	73,471	76,011
MAINTENANCE AND REPAIRS	92,013	37,647
DEPRECIATION	203,950	228,495
BAD DEBTS	614	1,445
PENSION AND OPEB EXPENSE	24	(14,068)
OTHER	1,395	16,784
TOTAL OPERATING EXPENSES	<u>647,128</u>	<u>577,677</u>
OPERATING INCOME (LOSS)	<u>(163,394)</u>	<u>(96,287)</u>
NONOPERATING REVENUES (EXPENSES)		
CAPITAL GRANTS / LOAN FORGIVENESS	448,476	-
INTEREST REVENUE	965	2,172
COVID FUNDS	28,840	816
OTHER REVENUE	4,400	8,038
INTEREST EXPENSE	(31)	(103)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>482,650</u>	<u>10,923</u>
INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	319,256	(85,364)
TRANSFERS	29,000	39,000
CAPITAL CONTRIBUTIONS	3,078	-
CHANGE IN NET POSITION	351,334	(46,364)
NET POSITION JANUARY 1	<u>4,384,482</u>	<u>4,430,846</u>
NET POSITION DECEMBER 31	<u>\$ 4,735,816</u>	<u>\$ 4,384,482</u>

CITY OF LAS ANIMAS, COLORADO
SEWER FUND
STATEMENT OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
CASH RECEIVED FROM CUSTOMERS AND USERS	\$ 483,186	\$ 480,387
CASH PAYMENTS TO EMPLOYEES AND BENEFIT PROVIDERS	(143,819)	(172,127)
CASH PAYMENTS TO VENDORS - SUPPLIES AND SERVICES	(147,536)	(208,799)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>191,831</u>	<u>99,461</u>
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES		
CUSTOMER DEPOSITS	(327)	128
INTERFUND	-	3,242
TRANSFERS - OTHER FUNDS	29,000	39,000
OTHER	4,400	8,038
NET CASH PROVIDED BY (USED FOR) NONCAPITAL AND RELATED FINANCING ACTIVITIES	<u>33,073</u>	<u>50,408</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
NON-FINANCED PURCHASE OF PROPERTY AND EQUIPMENT	(587,116)	(62,212)
CAPITAL GRANTS / COVID FUNDS	28,840	816
CAPITAL CONTRIBUTED	3,078	-
INTEREST PAID ON DEBT	(238)	(58)
PRINCIPAL PAID ON DEBT	(41,016)	(41,017)
NET CASH PROVIDED BY (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(596,452)</u>	<u>(102,471)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
INTEREST RECEIVED	965	2,172
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	<u>965</u>	<u>2,172</u>
NET CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	(370,583)	49,570
CASH, CASH EQUIVALENTS AND RESTRICTED CASH - BEGINNING OF YEAR	520,586	471,016
CASH, CASH EQUIVALENTS AND RESTRICTED CASH - END OF YEAR	<u>\$ 150,003</u>	<u>\$ 520,586</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES		
OPERATING INCOME (LOSS)	\$ (163,394)	\$ (96,287)
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:		
DEPRECIATION	203,950	228,495
PENSION EXPENSE (REVENUE)	24	(14,068)
CHANGE IN ASSETS AND LIABILITIES		
RECEIVABLES AND ACCRUALS	(548)	(1,003)
INVENTORIES	9,229	(4,972)
PAYABLES AND ACCRUALS	142,570	(12,704)
TOTAL ADJUSTMENTS	<u>355,225</u>	<u>195,748</u>
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>\$ 191,831</u>	<u>\$ 99,461</u>

CITY OF LAS ANIMAS, COLORADO
SANITATION FUND
BALANCE SHEET
DECEMBER 31, 2021 AND 2020

	2021	2020
CURRENT ASSETS		
CASH AND CASH EQUIVALENTS	\$ 275,675	\$ 280,589
ACCOUNTS RECEIVABLE (NET)	67,920	62,409
TOTAL CURRENT ASSETS	<u>343,595</u>	<u>342,998</u>
PROPERTY PLANT AND EQUIPMENT		
LAND	20,705	20,705
SANITATION SYSTEM, BUILDINGS, IMPROVEMENTS AND EQUIPMENT - AT COST	1,457,928	1,427,328
ACCUMULATED DEPRECIATION	<u>(1,022,327)</u>	<u>(942,816)</u>
NET PROPERTY PLANT AND EQUIPMENT	<u>456,306</u>	<u>505,217</u>
TOTAL ASSETS	<u>799,901</u>	<u>848,215</u>
DEFERRED OUTFLOW OF RESOURCES		
PENSION	53,194	61,953
OTHER POST EMPLOYMENT BENEFITS	<u>2,006</u>	<u>1,490</u>
TOTAL DEFERRED OUTFLOW OF RESOURCES	<u>55,200</u>	<u>63,443</u>
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	<u>\$ 855,101</u>	<u>\$ 911,658</u>
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	\$ 22,898	\$ 9,405
DUE TO OTHER FUNDS	<u>2,750</u>	<u>2,750</u>
TOTAL CURRENT LIABILITIES	<u>25,648</u>	<u>12,155</u>
TERM LIABILITIES		
ACCRUED VACATION PAYABLE	17,191	14,727
METER DEPOSITS PAYABLE	3,131	3,415
NET PENSION LIABILITY	79,880	108,704
NET OPEB LIABILITY	11,284	12,992
LANDFILL POSTCLOSURE PAYABLE	<u>263,900</u>	<u>265,403</u>
TOTAL TERM LIABILITIES	<u>375,386</u>	<u>405,241</u>
TOTAL LIABILITIES	<u>401,034</u>	<u>417,396</u>
DEFERRED INFLOW OF RESOURCES		
PENSION	111,733	89,819
OTHER POST EMPLOYMENT BENEFITS	<u>7,478</u>	<u>3,253</u>
TOTAL DEFERRED INFLOW OF RESOURCES	<u>119,211</u>	<u>93,072</u>
NET POSITION		
NET INVESTMENT IN CAPITAL ASSETS	456,306	505,217
RESTRICTED FOR CUSTOMER DEPOSITS	3,131	3,415
UNRESTRICTED (DEFICIT)	<u>(124,581)</u>	<u>(107,442)</u>
TOTAL NET POSITION	<u>334,856</u>	<u>401,190</u>
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION	<u>\$ 855,101</u>	<u>\$ 911,658</u>

CITY OF LAS ANIMAS, COLORADO

SANITATION FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
OPERATING REVENUES		
CHARGES FOR SERVICES	\$ 682,905	\$ 622,391
OTHER	3,368	13,950
	<u>686,273</u>	<u>636,341</u>
OPERATING EXPENSES		
PERSONAL SERVICES	196,235	159,819
PURCHASED SERVICES	370,797	252,861
SUPPLIES AND MATERIALS	44,780	36,428
MAINTENANCE AND REPAIRS	118,709	80,220
DEPRECIATION	79,511	91,721
BAD DEBTS	605	927
LANDFILL POST CLOSURE COSTS	4,912	19,189
PENSION AND OPEB EXPENSE	3,850	(14,095)
OTHER	2,484	7,267
	<u>821,883</u>	<u>634,337</u>
TOTAL OPERATING EXPENSES	<u>821,883</u>	<u>634,337</u>
OPERATING INCOME (LOSS)	<u>(135,610)</u>	<u>2,004</u>
NONOPERATING REVENUES (EXPENSES)		
INTEREST REVENUE	327	860
COVID FUNDS	-	847
OTHER REVENUE	4,979	-
INTEREST EXPENSE	(30)	(56)
	<u>5,276</u>	<u>1,651</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>5,276</u>	<u>1,651</u>
INCOME (LOSS) BEFORE TRANSFERS	(130,334)	3,655
TRANSFERS	64,000	40,000
CHANGE IN NET POSITION	(66,334)	43,655
NET POSITION JANUARY 1	<u>401,190</u>	<u>357,535</u>
NET POSITION DECEMBER 31	<u>\$ 334,856</u>	<u>\$ 401,190</u>

CITY OF LAS ANIMAS, COLORADO
SANITATION FUND
STATEMENT OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
CASH RECEIVED FROM CUSTOMERS AND USERS	\$ 680,762	\$ 642,092
CASH PAYMENTS TO EMPLOYEES AND BENEFIT PROVIDERS	(193,771)	(161,905)
CASH PAYMENTS TO VENDORS - SUPPLIES AND SERVICES	(530,298)	(421,810)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>(43,307)</u>	<u>58,377</u>
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES		
CUSTOMER DEPOSITS	(283)	47
INTERFUND	-	2,750
TRANSFERS - OTHER FUNDS	64,000	40,000
OTHER	4,979	-
NET CASH PROVIDED BY (USED FOR) NONCAPITAL AND RELATED FINANCING ACTIVITIES	<u>68,696</u>	<u>42,797</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
NON-FINANCED PURCHASE OF PROPERTY AND EQUIPMENT	(30,600)	(64,168)
CAPITAL GRANTS / COVID FUNDS	-	847
INTEREST PAID ON DEBT	(30)	(56)
NET CASH PROVIDED BY (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(30,630)</u>	<u>(63,377)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
INTEREST RECEIVED	327	860
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	<u>327</u>	<u>860</u>
NET CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	(4,914)	38,657
CASH, CASH EQUIVALENTS AND RESTRICTED CASH - BEGINNING OF YEAR	280,589	241,932
CASH, CASH EQUIVALENTS AND RESTRICTED CASH - END OF YEAR	<u>\$ 275,675</u>	<u>\$ 280,589</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES		
OPERATING INCOME (LOSS)	\$ (135,610)	\$ 2,004
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:		
DEPRECIATION	79,511	91,721
PENSION EXPENSE (REVENUE)	3,850	(14,095)
CHANGE IN ASSETS AND LIABILITIES		
RECEIVABLES AND ACCRUALS	(5,511)	5,751
PAYABLES AND ACCRUALS	14,453	(27,004)
TOTAL ADJUSTMENTS	<u>92,303</u>	<u>56,373</u>
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>\$ (43,307)</u>	<u>\$ 58,377</u>

CITY OF LAS ANIMAS, COLORADO

LIGHT AND POWER FUND

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

YEAR ENDED DECEMBER 31, 2021

	BUDGET		ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES				
CHARGES FOR SERVICES	\$ 4,020,639	\$ 4,020,639	\$ 3,973,831	\$ (46,808)
INTEREST REVENUE	14,687	14,687	11,329	(3,358)
OTHER	4,800	4,800	41,859	37,059
TOTAL REVENUES	<u>4,040,126</u>	<u>4,040,126</u>	<u>4,027,019</u>	<u>(13,107)</u>
EXPENDITURES				
PERSONAL SERVICES	809,647	809,647	755,720	53,927
PURCHASED SERVICES	353,551	353,551	217,964	135,587
SUPPLIES AND MATERIALS	133,730	133,730	102,092	31,638
POWER AND UTILITIES	2,435,785	2,435,785	2,651,244	(215,459)
MAINTENANCE AND REPAIRS	25,000	25,000	9,172	15,828
DEPRECIATION	130,250	130,250	102,966	27,284
PENSION AND OPEB EXPENSE	-	-	22,277	(22,277)
OTHER	72,400	72,400	53,494	18,906
INTEREST	500	500	-	500
TOTAL EXPENDITURES	<u>3,960,863</u>	<u>3,960,863</u>	<u>3,914,929</u>	<u>45,934</u>
CHANGE IN NET POSITION	<u>\$ 79,263</u>	<u>\$ 79,263</u>	112,090	<u>\$ 32,827</u>
NET POSITION JANUARY 1			<u>3,291,742</u>	
NET POSITION DECEMBER 31			<u>\$ 3,403,832</u>	

CITY OF LAS ANIMAS, COLORADO

WATER FUND

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

YEAR ENDED DECEMBER 31, 2021

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		FAVORABLE (UNFAVORABLE)
REVENUES				
CHARGES FOR SERVICES	\$ 849,500	\$ 849,500	\$ 819,376	\$ (30,124)
INTEREST REVENUE	3,000	3,000	3,234	234
GRANT REVENUE	-	-	170,954	170,954
OTHER	22,000	22,000	25,113	3,113
TOTAL REVENUES	874,500	874,500	1,018,677	144,177
EXPENDITURES				
PERSONAL SERVICES	352,326	352,326	331,904	20,422
PURCHASED SERVICES	97,900	97,900	46,913	50,987
SUPPLIES AND MATERIALS	83,000	83,000	246,183	(163,183)
POWER AND UTILITIES	150,000	150,000	136,938	13,062
MAINTENANCE AND REPAIRS	38,500	38,500	191,250	(152,750)
DEPRECIATION	-	-	244,997	(244,997)
BAD DEBTS	-	-	2,660	(2,660)
PENSION AND OPEB EXPENSE	-	-	3,524	(3,524)
OTHER	9,500	9,500	10,664	(1,164)
INTEREST	200	200	31,070	(30,870)
CAPITAL OUTLAY	151,000	151,000	-	151,000
DEBT RETIREMENT	89,500	89,500	58,267	31,233
TOTAL EXPENDITURES	971,926	971,926	1,304,370	(332,444)
REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES	(97,426)	(97,426)	(285,693)	(188,267)
OTHER FINANCING SOURCES				
TRANSFERS	90,500	90,500	97,000	6,500
CAPITAL CONTRIBUTIONS	7,000	7,000	4,337	(2,663)
	<u>\$ 74</u>	<u>\$ 74</u>	(184,356)	<u>\$ (184,430)</u>
ADJUSTMENTS TO RECONCILE BUDGETARY BASIS TO GAAP BASIS				
DEBT RETIREMENT			<u>58,267</u>	
CHANGE IN NET POSITION			(126,089)	
NET POSITION JANUARY 1			<u>4,335,236</u>	
NET POSITION DECEMBER 31			<u>\$ 4,209,147</u>	

CITY OF LAS ANIMAS, COLORADO

SEWER FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS BUDGET AND ACTUAL

YEAR ENDED DECEMBER 31, 2021

	BUDGET AMOUNTS		ACTUAL	VARIANCE
	ORIGINAL	FINAL		FAVORABLE (UNFAVORABLE)
REVENUES				
CHARGES FOR SERVICES	\$ 559,000	\$ 559,000	\$ 483,734	\$ (75,266)
INTEREST	1,500	1,500	965	(535)
GRANTS	1,600,000	1,600,000	477,316	(1,122,684)
OTHER	3,000	3,000	4,400	1,400
TOTAL REVENUES	<u>2,163,500</u>	<u>2,163,500</u>	<u>966,415</u>	<u>(1,197,085)</u>
EXPENDITURES				
PERSONAL SERVICES	168,062	168,062	143,819	24,243
PURCHASED SERVICES	108,700	108,700	74,232	34,468
SUPPLIES AND MATERIALS	26,300	26,300	57,610	(31,310)
POWER AND UTILITIES	80,000	80,000	73,471	6,529
MAINTENANCE AND REPAIRS	84,000	84,000	92,013	(8,013)
DEPRECIATION	-	-	203,950	(203,950)
BAD DEBTS	-	-	614	(614)
PENSION AND OPEB EXPENSE	-	-	24	(24)
OTHER	4,500	4,500	1,395	3,105
INTEREST	1,000	1,000	31	969
CAPITAL OUTLAY	3,096,000	3,096,000	587,116	2,508,884
DEBT RETIREMENT	41,500	41,500	41,017	483
TOTAL EXPENDITURES	<u>3,610,062</u>	<u>3,610,062</u>	<u>1,275,292</u>	<u>2,334,770</u>
REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES	(1,446,562)	(1,446,562)	(308,877)	1,137,685
OTHER FINANCING SOURCES				
TRANSFERS	44,000	44,000	29,000	(15,000)
CAPITAL CONTRIBUTIONS	3,000	3,000	3,078	78
DEBT PROCEEDS	1,400,000	1,400,000	1,535,617	135,617
	<u>\$ 438</u>	<u>\$ 438</u>	<u>1,258,818</u>	<u>\$ 1,258,380</u>
ADJUSTMENTS TO RECONCILE BUDGETARY BASIS TO GAAP BASIS				
CAPITALIZATION OF FIXED ASSETS			587,116	
DEBT RETIREMENT			41,017	
DEBT PROCEEDS			(1,535,617)	
CHANGE IN NET POSITION			351,334	
NET POSITION JANUARY 1			<u>4,384,482</u>	
NET POSITION DECEMBER 31			<u>\$ 4,735,816</u>	

CITY OF LAS ANIMAS, COLORADO

SANITATION FUND

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

YEAR ENDED DECEMBER 31, 2021

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		FAVORABLE (UNFAVORABLE)
REVENUES				
CHARGES FOR SERVICES	\$ 594,200	\$ 594,200	\$ 686,273	\$ 92,073
INTEREST	1,500	1,500	327	(1,173)
OTHER	10,000	10,000	4,979	(5,021)
TOTAL REVENUES	<u>605,700</u>	<u>605,700</u>	<u>691,579</u>	<u>85,879</u>
EXPENDITURES				
PERSONAL SERVICES	188,542	188,542	196,235	(7,693)
PURCHASED SERVICES	266,800	266,800	370,797	(103,997)
SUPPLIES AND MATERIALS	61,000	61,000	44,780	16,220
MAINTENANCE AND REPAIRS	64,500	64,500	118,709	(54,209)
DEPRECIATION	-	-	79,511	(79,511)
BAD DEBTS	-	-	605	(605)
LANDFILL POST CLOSURE COSTS	-	-	4,912	(4,912)
PENSION AND OPEB EXPENSE	-	-	3,850	(3,850)
OTHER	8,000	8,000	2,484	5,516
INTEREST	100	100	30	70
CAPITAL OUTLAY	56,750	56,750	30,600	26,150
TOTAL EXPENDITURES	<u>645,692</u>	<u>645,692</u>	<u>852,513</u>	<u>(206,821)</u>
REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES	(39,992)	(39,992)	(160,934)	(120,942)
TRANSFERS IN	40,000	40,000	64,000	24,000
	<u>\$ 8</u>	<u>\$ 8</u>	(96,934)	<u>\$ (96,942)</u>
ADJUSTMENTS TO RECONCILE BUDGETARY BASIS TO GAAP BASIS				
CAPITALIZATION OF FIXED ASSETS			<u>30,600</u>	
CHANGE IN NET POSITION			(66,334)	
NET POSITION JANUARY 1			<u>401,190</u>	
NET POSITION DECEMBER 31			<u>\$ 334,856</u>	

LOCAL HIGHWAY FINANCE REPORT

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

LOCAL HIGHWAY FINANCE REPORT		City or County: CITY OF LAS ANIMAS, COLORADO
		YEAR ENDING : December 2021
This Information From The Records Of (example - City of _ or County of)	Prepared By: Phone:	Charmaine D. Tripp (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	
3. Other local imposts (from page 2)	291,543
4. Miscellaneous local receipts (from page 2)	0
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	291,543
B. Private Contributions	
C. Receipts from State government (from page 2)	95,126
D. Receipts from Federal Government (from page 2)	0
E. Total receipts (A.7 + B + C + D)	386,669

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	412,900
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)	412,900
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)	412,900

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
	39,146	386,669	412,900	12,915	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado
	YEAR ENDING (mm/yy): December 2021

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	291,543	c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other		g. Other Misc. Receipts	
6. Total (1. through 5.)	291,543	h. Other	
c. Total (a. + b.)	291,543	i. Total (a. through h.)	0
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	95,126	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations		d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	0	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	95,126	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		412,900	412,900
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	412,900	412,900
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	412,900	412,900
			(Carry forward to page 1)

Notes and Comments: