

CITY OF LA JUNTA, COLORADO

FINANCIAL STATEMENTS

DECEMBER 31, 2020

CITY OF LA JUNTA, COLORADO

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INDEPENDENT AUDITOR'S REPORT

To the City Council
City of La Junta, Colorado

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion, analysis, pension schedules and budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 3, 2021, on our consideration of the City of La Junta, Colorado's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of La Junta, Colorado's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of La Junta, Colorado's internal control over financial reporting and compliance

Hancock Froese & Company LLC

Hancock Froese & Company LLC

Rocky Ford, Colorado
May 3, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS



MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of The City of La Junta, Colorado (the "City") offers readers of the City's annual financial report this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2020. Readers are encouraged to consider the information presented here in conjunction with the financial statement information.

FINANCIAL HIGHLIGHTS

1. Assets of the City exceed its liabilities by \$63,073,886 in 2020 compared to \$64,118,687 in 2019. Of these amounts, the City's Business-type Activities were \$38,819,373 in 2020 compared to \$38,776,337 in 2019 and the City's Governmental Activities were \$24,254,513 in 2020 compared to \$25,342,350 in 2019. Unrestricted net position total was \$11,678,509 in 2020 compared to \$14,888,772 in 2019 and may be used to meet the City's on-going obligations.
2. By far, the largest portion of the City's net position is its net investment in capital assets. Net investment in capital assets was \$49,495,469 in 2020 compared to \$47,430,937 in 2019. The infrastructure consists of streets, bridges, and storm sewers. Estimated historical cost was used to initially value the infrastructure.
3. The City's debt for the enterprise funds is for the construction of a waste-water treatment facility, the construction of a reverse osmosis water treatment plant with associated raw water mains and water main across the Arkansas River and the construction of new water tanks. The City has outstanding loans with Colorado Water Resource and Power Development Authority of \$17,972,404 as of December 31, 2020. Also included in enterprise fund debt are post closure costs on landfill and compensated absences for a total noncurrent liability balance reported of \$18,976,164 in 2020 compared to \$21,283,998 in 2019. Otero County Landfill Inc. (OCLI) required the City to fund post closure costs for the Sanitation Fund of \$283,400.
4. The Restricted Net Position includes 1) \$288,000 required by TABOR, the emergency contingency required by Article X, Section 20 of the Colorado Constitution, 2) \$375,229 restricted for endowments of the library and cemetery, 3) \$101,522 restricted for capital projects, 4) \$229,157 for conservation trust, and 5) \$906,000 of cash restricted for operations and maintenance.
5. The City continues working with ARPA with the power plant in Lamar. The plant is being demolished in 2021.
6. The City's **governmental funds** reported a combined ending fund balance of \$5,577,719 in 2020 compared to \$6,351,585 in 2019 including the General Fund with \$3,913,163 in 2020 compared to \$4,745,878 in 2019 and other non-major Governmental Funds with \$1,664,556 in 2020 compared to \$1,605,707 in 2019.
7. The **governmental funds** reported total assigned and unassigned fund balances of \$4,565,500 in 2020 compared to \$5,376,784 in 2019. The combined assigned and unassigned fund balance is made up of \$3,523,641 in 2020 compared to \$4,378,858 in 2019 from the General Fund and \$1,041,859 in 2020 compared to \$997,926 in 2019 from other non-major funds.
8. The City's **proprietary funds** reported a combined Total Net Position of \$37,773,446 in 2020 compared to \$37,756,483 in 2019 of which \$5,699,826 in 2020 compared to \$7,480,150 in 2019 is unrestricted.
9. The City's **proprietary funds** reported combined cash or equivalents and cash with trustee of \$4,205,034 in 2020 compared to \$7,196,652 in 2019.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

Government-wide Financial Statements:

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

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

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

Fund Financial Statements:

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

- Governmental funds
- Proprietary funds
- Internal service funds

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

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

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

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

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

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

Notes to the Basic Financial Statements:

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

Required Supplementary Information:

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

Other Information:

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

Financial Analysis of the City as a Whole

Net Position

Net position may serve as a useful indicator of a government's financial position. In the case of the City of La Junta, assets exceeded liabilities by \$63,073,886 in 2020 compared to \$64,118,687 in 2019. By far the largest portion of the City's net position (78%) reflects the net investment in capital assets (e.g. land, buildings, machinery, and equipment). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Restricted net position is designed to reflect the net position that is subject to restrictions beyond the City's control. Unrestricted net position may be used to meet the government's ongoing obligations to the citizens and creditors. The City is able to report positive balances in all three categories of net positions, both for the government as a whole, as well as for its separate governmental and business-type activities.

The City's combined net position was:

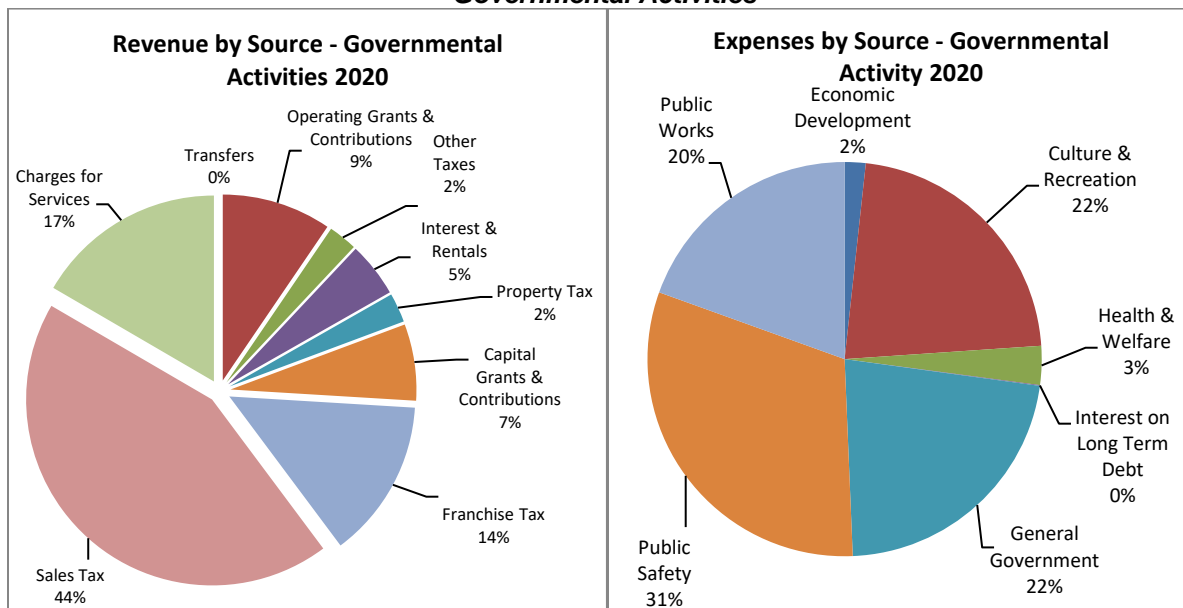
City of La Junta - Combined Net Position as of December 31,

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2020	2019	2020	2019	2020	2019
Assets:						
Current and other	\$ 9,426,040	\$ 9,650,466	\$11,936,478	\$14,016,739	\$21,362,518	\$23,667,205
Capital assets	<u>18,455,415</u>	<u>18,160,412</u>	<u>49,140,024</u>	<u>47,910,000</u>	<u>67,595,439</u>	<u>67,070,412</u>
Total Assets	27,881,455	27,810,878	61,076,502	62,926,739	88,957,957	90,737,617
Deferred Outflows	<u>194,954</u>	<u>239,582</u>	-	-	<u>194,954</u>	<u>239,582</u>
Total Assets and Deferred Outflow	<u>\$28,076,409</u>	<u>\$28,050,460</u>	<u>\$61,076,502</u>	<u>\$62,926,739</u>	<u>\$89,152,911</u>	<u>\$90,977,199</u>
Liabilities:						
Other Liabilities	\$ 1,055,984	\$ 390,668	\$ 3,280,965	\$ 2,866,404	\$ 4,336,949	\$ 3,257,072
Long-term debt-current	30,265	29,242	1,482,431	1,405,874	1,512,696	1,435,116
Long-term debt	<u>2,549,428</u>	<u>2,127,400</u>	<u>17,493,733</u>	<u>19,878,124</u>	<u>20,043,161</u>	<u>22,005,524</u>
Total Liabilities	<u>3,635,677</u>	<u>2,547,310</u>	<u>22,257,129</u>	<u>24,150,402</u>	<u>25,892,806</u>	<u>26,697,712</u>
Deferred Inflows	<u>186,219</u>	<u>160,800</u>	-	-	<u>186,219</u>	<u>160,800</u>
Net Position:						
Net investment in capital assets	18,327,849	18,003,604	31,167,620	29,427,333	49,495,469	47,430,937
Restricted	993,908	949,978	906,000	849,000	1,899,908	1,798,978
Unrestricted	<u>4,932,756</u>	<u>6,388,768</u>	<u>6,745,753</u>	<u>8,500,004</u>	<u>11,678,509</u>	<u>14,888,772</u>
Total Net Position	<u>24,254,513</u>	<u>25,342,350</u>	<u>38,819,373</u>	<u>38,776,337</u>	<u>63,073,886</u>	<u>64,118,687</u>
Total Liabilities, Deferred Inflows and Net Position	<u>\$28,076,409</u>	<u>\$28,050,460</u>	<u>\$61,076,502</u>	<u>\$62,926,739</u>	<u>\$89,152,911</u>	<u>\$90,977,199</u>

Restrictions in the governmental activities include \$288,000 for statutory reserves for emergencies by TABOR.

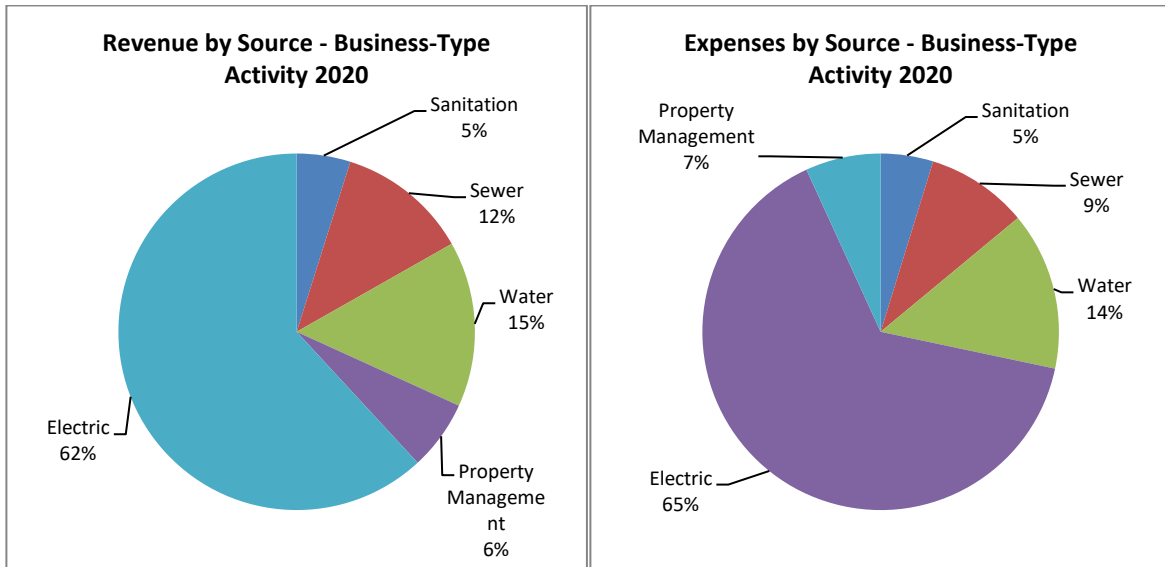
Changes in Net Position

Governmental Activities



- Governmental activities decreased the City of La Junta’s net position by \$1,087,837 in 2020 compared to a decrease of \$95,280 in 2019. This was due to an increase in operating expenses and a decrease in charges for services and operating grant and contributions
- Tax revenues are comprised of property tax, sales and use tax, franchise tax, and other taxes. Sales tax totaled 66% of all taxes and 44% of all governmental activity revenue. The property tax rate is 3.104 mills. It has remained unchanged for over 34 years. Property tax is 4% of all taxes and 2% of the governmental activity revenue.

Business-type activities



- The business-type activities include the Electric, Water, Sewer, Sanitation, and Property Management Funds.
- In the business-type activities, the net position change after transfers and special items was \$16,963 in 2020 compared to \$826,345 in 2019.

Charges for services for the business-type activities for 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Electric	\$ 11,389,837	\$ 11,445,871
Water	3,032,684	2,917,837
Sewer	2,497,368	2,473,065
Sanitation	947,447	951,142
Property Management	<u>1,316,418</u>	<u>1,200,591</u>
Total Charges for Services	<u>\$ 19,183,754</u>	<u>\$ 18,988,506</u>

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

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

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2020	2019	2020	2019	2020	2019
Program Revenues						
Charges for Services	\$ 1,442,273	\$ 1,563,442	\$19,183,754	\$18,988,506	\$20,626,027	\$20,551,948
Operating Grants & Contributions	700,997	896,062	-	-	700,997	896,062
Capital Grants & Contributions	852,421	626,020	8,073	17,795	860,494	643,815

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
General Revenues						
Property Tax	272,783	239,885	-	-	272,783	239,885
Sales Tax	4,170,250	4,105,845	-	-	4,170,250	4,105,845
Franchise Tax	1,363,234	1,302,558	-	-	1,363,234	1,302,558
Other Taxes	161,174	235,366	-	-	161,174	235,366
Interest	58,104	71,185	31,718	96,408	89,822	167,593
Other & Rentals	<u>254,540</u>	<u>376,461</u>	<u>119,455</u>	<u>369,686</u>	<u>373,995</u>	<u>746,147</u>
Total Revenues	<u>\$ 9,275,776</u>	<u>\$ 9,416,824</u>	<u>\$19,343,000</u>	<u>\$19,472,395</u>	<u>\$28,618,776</u>	<u>\$28,889,219</u>
Expenses						
General Government	\$ 1,466,949	\$ 2,075,046	\$ -	\$ -	\$ 1,466,949	\$ 2,075,046
Public Safety	3,648,336	2,916,276	-	-	3,648,336	2,916,276
Public Works	2,669,449	1,824,600	-	-	2,669,449	1,824,600
Health & Welfare	315,127	298,115	-	-	315,127	298,115
Culture & Recreation	2,135,916	2,077,384	-	-	2,135,916	2,077,384
Economic Development	120,590	161,057	-	-	120,590	161,057
Interest-Long Term Debt	4,846	5,856	-	-	4,846	5,856
Electric	-	-	11,848,405	12,221,522	11,848,405	12,221,522
Water	-	-	2,902,959	2,697,016	2,902,959	2,697,016
Sewer	-	-	2,263,508	1,728,733	2,263,508	1,728,733
Sanitation	-	-	994,395	969,878	994,395	969,878
Property Management	-	-	1,293,097	1,304,971	1,293,097	1,304,971
Total Expenses	<u>10,361,213</u>	<u>\$ 9,358,334</u>	<u>19,302,364</u>	<u>18,922,120</u>	<u>29,663,577</u>	<u>28,280,454</u>
Excess (Deficiency) Before Transfers and Special Items	(1,085,437)	\$ 58,490	40,636	550,275	(1,044,801)	608,765
Transfers In (Out)	(2,400)	(153,770)	2,400	153,770	-	-
Special Items	<u>-</u>	<u>-</u>	<u>-</u>	<u>122,300</u>	<u>-</u>	<u>122,300</u>
Change in Net Position	(1,087,837)	(95,280)	43,036	826,345	(1,044,801)	731,065
Net Position - Beginning	<u>25,342,350</u>	<u>25,437,630</u>	<u>38,776,337</u>	<u>37,949,992</u>	<u>64,118,687</u>	<u>63,387,622</u>
Net Position Ending	<u>\$24,254,513</u>	<u>\$25,342,350</u>	<u>\$38,819,373</u>	<u>\$38,776,337</u>	<u>\$63,073,886</u>	<u>\$64,118,687</u>

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

GOVERNMENTAL FUNDS

The focus of the City of La Junta's governmental funds is to provide information on current year revenue, expenditures, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, the unassigned fund balance may serve as a useful measure of government's net resources available for spending at the end of the fiscal year. As of the end of the year, the City's governmental funds reported a combined fund balance of \$5,577,719 in 2020 compared to \$6,351,585 in 2019. This is a decrease of \$773,866. Of that fund balance, \$2,291,641 in 2020 compared to \$2,412,558 in 2019 constitutes unassigned fund balance, which is available for spending at the government's discretion. This is a decrease of \$120,917. Restricted and Nonspendable fund balances increased to \$1,012,219 in 2020 from \$974,801 in 2019.

A portion of the fund balance is restricted for permanent endowments in the amount of \$375,229, for a state constitution mandated emergency reserve-TABOR of \$288,000, conservation trust of \$229,157 and cash of \$101,522.

The **General Fund** is the chief operating fund of the City. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$2,291,641 in 2020 compared to \$2,412,558 in 2019, while the total fund balance was \$3,913,163 in 2020 compared to \$4,745,878 in 2019. The General Fund had revenues under expenditures and other financing uses in the amount of \$832,715 in 2020 compared to revenues under expenditures in 2019 in the amount of \$331,503.

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

PROPRIETARY FUNDS

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

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

	<u>Change in Net Position – Proprietary Funds</u>			
	Unrestricted Net Position		Change in Net Position	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<u>Major Enterprise Funds</u>				
Electric	\$ 4,520,786	\$ 6,399,708	\$ (360,455)	\$ (379,432)
Water	47,258	280,288	143,026	258,037
Sewer	371,962	(591,215)	246,603	771,661
Sanitation	1,315,895	1,279,275	(45,486)	121,043
Property Management	<u>(556,345)</u>	<u>112,094</u>	<u>33,275</u>	<u>129,674</u>
Total Enterprise Funds	<u>\$ 5,699,826</u>	<u>\$ 7,480,150</u>	<u>\$ 16,963</u>	<u>\$ 900,983</u>

INTERNAL SERVICES FUNDS

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

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

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

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

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

In 2020, operating revenues in the Employee Benefit Fund increased by \$293,560 due to an increase in the number of employees enrolled in the city offered benefit. Operating expenses for the Employee Benefit fund increased \$133,327.

The **City Services Fund** is used as a resource base to purchase requested equipment (over \$5,000) for the various departments. Assets are purchased through the fund; amortized costs are then charged to each department as a "rental charge." When an item needs replaced, adequate funds have been generated through the on-going rental fees to make a replacement purchase. Revenues totaled \$1,136,697 in 2020 compared to \$1,222,264 in 2019. Decreases are due to the adjustments in maintenance, fuel prices, and computer services that are paid by the city departments. The change in net position was \$143,829 in 2020 compared to \$58,535 in 2019.

BUDGETARY HIGHLIGHTS

The General Fund's original budget was \$9,274,400 and final budget was \$9,374,400 in Revenues (including transfers in). Compared to actual revenues of \$8,780,555, this was a negative variance of \$493,845 from the original budget and a positive variance of \$593,845 from the final budget.

The General Fund's original budget was \$11,240,700 and final budget was \$11,356,500 in Expenditures. Compared to actual expenditures of \$9,613,270, this was a positive variance of \$1,627,430 from the original budget and a positive variance of \$1,743,230 from the final budget.

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

- Working with Engineers on a distributed generation at each critical load site in order to increase resiliency from big weather events,
- The City is working on the design for an intergenerational park and trail along the Anderson Arroyo.
- Working to make sure the City has a future water supply with the conversion of water rights along the Holbrook Canal and continuing the conduit project that will help 42 communities in Southeast Colorado meet water standards with a pipeline out of Pueblo Reservoir.
- The City continued work with excavator that is helping us clear the debris out of the King and Anderson Arroyos, but also used it to build sections of a trail system along it. We use the excavator to demolish vacant or burnt-out structures or assist other departments with their needs. The EPA demolished 3 structures in 2020. The City looks a lot better.
- The City also helped residences through a 50/50 curb & gutter/sidewalk replacement program.
- We continued working on a GIS system to better serve our customers in making better decisions for maintenance, replacement and increase knowledge of our infrastructure.
- Constructed an ADA elevator into St. Pat's office Suite
- Rehabilitated part of the apron and taxiway
- Made safety improvements to La Junta Raceway.
- Participated in Craft 201 training from Colorado Tourism Office
- Participating in Colorado Main Street and Certified Local Government programs
- The City closed its power plant at the end of the year
- We started a dedicated electric line for Lewis Bolt & Nut
- We received our first Parks & Recreation Master plan
- We started building a new parking lot and Live Well park on Santa Fe Avenue between 3rd & 4th St.
- During the Safer at Home health order, Sales tax roared to 9% increase then finished the year 2% above 2019. If we shop the valley, we will grow
- The pandemic showed us that we have a resilient economy in La Junta and region with Agriculture, Ranching, BNSF, Lewis Bolt & Nut, Lewis Anchor, DeBourgh and other service providers to our industries. They are all essential industries to our nation, so we didn't shut down like other areas had to.
- We started rehabilitation of our downtown streets. With COVID, it was an opportunity to help our downtown businesses with upgrading of the streets and alleys. We also reconstructed 3rd St. between Colorado and Raton Avenues and placed a water main in order to abandon a 100 years old main running under some of the buildings. We also started replacing the water and wastewater lines on Mountainview Avenue.
- We worked with Front Range Passenger Rail Commission to study a thru train off of Amtrak's Southwest Chief from La Junta to Pueblo and Colorado Springs.

Supplemental Budget Appropriations were made for the following funds:

- General Fund
- Water Utility Fund
- Sewer Utility Fund
- Conservation Trust Fund
- City Service Fund

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2020, the City had invested \$67,595,439 compared to \$67,070,412 in 2019, in a broad range of capital assets, including land, equipment, buildings, electric, water, and sewer lines. See Note-4 for additional information. The change is due to more acquisitions, the continued construction on the new waste-water treatment facility, fewer disposals of assets and the increase in depreciation expense.

Long-term Debt

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

**ECONOMIC FACTORS
AFFECTING FUTURE FINANCIAL CONDITIONS**

- Factors, which have the potential to significantly impact the City's 2021 budget, include the on-going world-wide economic conditions and federal appropriations with new administration that concerns us as well as the nation. Rising costs of health insurance, increasing fuel costs, subsequent reductions in funding, rising cost of purchasing electricity, minimum wage going up, and increasingly restrictive EPA regulations on water and wastewater. Also, the additional water loss from farms to the Front Range.
- Colorado's economy is growing fast. Historically, La Junta has not experienced the booming economy that much of Colorado has experienced during the good times. Its economic trends have been relatively status quo, and the significant impacts are negative ones that have impacted us so drastically the last few years. The downward population trends can have long-term impacts, if not reversed.
- Water conservation began in 2003 and shortage of water has been a factor. The City has purchased 887.70 shares of Holbrook Canal. The City is currently working on converting these water rights for beneficial use.
- The Lamar Repowering project will have long term effect to our customers through the electric rates charged to ARPA member cities until 2042.
- The replacement of water mains that are nearing 100 years old in the edges of the Community and in key places that could affect us.
- The increase of Minimum wage up to \$12.31 per hour is having a negative effect of our ability to perform services as in the past.
- We see growth with our industries and the housing market is booming as we see people from the Front Range relocating here.

REQUESTS FOR INFORMATION

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

BASIC FINANCIAL STATEMENTS

CITY OF LA JUNTA, COLORADO

STATEMENT OF NET POSITION

DECEMBER 31, 2020

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
CASH OR EQUIVALENTS	\$ 7,197,938	\$ 4,205,034	\$ 11,402,972
RESTRICTED CASH	101,522	-	101,522
CASH WITH TRUSTEE	120	-	120
INVESTMENTS	2,060,324	2,527,709	4,588,033
RECEIVABLES - NET			
ACCOUNTS	483,230	2,056,775	2,540,005
TAXES	552,930	-	552,930
NOTES	18,311	-	18,311
OTHER	5,324	-	5,324
INTERNAL BALANCES	(1,045,927)	1,045,927	-
INVENTORIES	52,268	2,073,536	2,125,804
DEPOSITS	-	27,497	27,497
CAPITAL ASSETS			
LAND AND WATER RIGHTS	1,202,765	3,120,856	4,323,621
CONSTRUCTION IN PROGRESS	838,074	2,027,630	2,865,704
BUILDINGS	7,768,268	33,689,944	41,458,212
SYSTEMS	-	41,817,366	41,817,366
IMPROVEMENTS	7,518,744	-	7,518,744
EQUIPMENT	6,751,545	4,563,067	11,314,612
INFRASTRUCTURE	32,699,401	-	32,699,401
ACCUMULATED DEPRECIATION	(38,323,382)	(36,078,839)	(74,402,221)
TOTAL ASSETS	27,881,455	61,076,502	88,957,957
DEFERRED OUTFLOWS OF RESOURCES			
PENSION RELATED	194,954	-	194,954
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 28,076,409	\$ 61,076,502	\$ 89,152,911
LIABILITIES			
ACCOUNTS PAYABLE	\$ 548,229	\$ 1,040,480	\$ 1,588,709
ACCRUED EXPENSES	2,801	171,455	174,256
CUSTOMERS DEPOSITS	-	188,512	188,512
UNEARNED REVENUES	504,954	1,880,518	2,385,472
NON CURRENT LIABILITIES:			
DUE WITHIN ONE YEAR	30,265	1,482,431	1,512,696
DUE IN MORE THAN ONE YEAR	2,549,428	17,493,733	20,043,161
TOTAL LIABILITIES	3,635,677	22,257,129	25,892,806
DEFERRED INFLOWS OF RESOURCES			
DEFERRED REVENUES - PENSION RELATED	86,419	-	86,419
DEFERRED REVENUES - PROPERTY TAXES	99,800	-	99,800
	186,219	-	186,219
NET POSITION			
NET INVESTMENT IN CAPITAL ASSETS	18,327,849	31,167,620	49,495,469
RESTRICTED FOR:			
EMERGENCIES - TABOR	288,000	-	288,000
CAPITAL PROJECTS	101,522	-	101,522
ENDOWMENTS - NONEXPENDABLE	375,229	-	375,229
CONSERVATION TRUST	229,157	-	229,157
OPERATIONS & MAINTENANCE	-	906,000	906,000
UNRESTRICTED	4,932,756	6,745,753	11,678,509
TOTAL NET POSITION	24,254,513	38,819,373	63,073,886
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	\$ 28,076,409	\$ 61,076,502	\$ 89,152,911

CITY OF LA JUNTA, COLORADO

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2020

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
GOVERNMENTAL ACTIVITIES:				
GENERAL GOVERNMENT	\$ 1,466,949	\$ 622,600	\$ 14,075	\$ 172,920
PUBLIC SAFETY	3,648,336	349,860	149,608	-
PUBLIC WORKS	2,669,449	219,560	334,114	679,501
HEALTH AND WELFARE	315,127	54,739	-	-
CULTURE AND RECREATION	2,135,916	195,514	203,200	-
ECONOMIC DEVELOPMENT	120,590	-	-	-
INTEREST ON LONG TERM DEBT	4,846	-	-	-
TOTAL GOVERNMENTAL ACTIVITIES	10,361,213	1,442,273	700,997	852,421
BUSINESS-TYPE ACTIVITIES:				
ELECTRIC	11,848,405	11,389,837	-	-
WATER	2,902,959	3,032,684	-	7,020
SEWER	2,263,508	2,497,368	-	1,053
SANITATION	994,395	947,447	-	-
PROPERTY MANAGEMENT	1,293,097	1,316,418	-	-
TOTAL BUSINESS-TYPE ACTIVITIES	19,302,364	19,183,754	-	8,073
TOTAL PRIMARY GOVERNMENT	\$ 29,663,577	\$ 20,626,027	\$ 700,997	\$ 860,494

GENERAL REVENUES:

PROPERTY TAXES
 SALES TAXES
 FRANCHISE TAXES
 OTHER TAXES
 INTEREST
 MISCELLANEOUS
 TOTAL GENERAL REVENUES

TRANSFERS

TOTAL GENERAL REVENUES AND TRANSFERS

CHANGE IN NET POSITION

NET POSITION JANUARY 1

NET POSITION DECEMBER 31

SEE NOTES TO FINANCIAL STATEMENTS

NET (EXPENSES) REVENUE
AND CHANGES IN NET POSITION

PRIMARY GOVERNMENT		
GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
\$ (657,354)	\$ -	\$ (657,354)
(3,148,868)	-	(3,148,868)
(1,436,274)	-	(1,436,274)
(260,388)	-	(260,388)
(1,737,202)	-	(1,737,202)
(120,590)	-	(120,590)
(4,846)	-	(4,846)
<u>(7,365,522)</u>	<u>-</u>	<u>(7,365,522)</u>
-	(458,568)	(458,568)
-	136,745	136,745
-	234,913	234,913
-	(46,948)	(46,948)
-	23,321	23,321
<u>-</u>	<u>(110,537)</u>	<u>(110,537)</u>
<u>(7,365,522)</u>	<u>(110,537)</u>	<u>(7,476,059)</u>
272,783	-	272,783
4,170,250	-	4,170,250
1,363,234	-	1,363,234
161,174	-	161,174
58,104	31,718	89,822
254,540	119,455	373,995
<u>6,280,085</u>	<u>151,173</u>	<u>6,431,258</u>
<u>(2,400)</u>	<u>2,400</u>	<u>-</u>
<u>6,277,685</u>	<u>153,573</u>	<u>6,431,258</u>
(1,087,837)	43,036	(1,044,801)
<u>25,342,350</u>	<u>38,776,337</u>	<u>64,118,687</u>
<u>\$ 24,254,513</u>	<u>\$ 38,819,373</u>	<u>\$ 63,073,886</u>

CITY OF LA JUNTA, COLORADO

GOVERNMENTAL FUNDS

BALANCE SHEET

DECEMBER 31, 2020

	GENERAL	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS			
CASH OR EQUIVALENTS	\$ 2,628,382	\$ 1,487,258	\$ 4,115,640
CASH WITH TRUSTEE	120	-	120
RESTRICTED CASH	101,522	-	101,522
INVESTMENTS	809,731	649,551	1,459,282
RECEIVABLES			
ACCOUNTS AND GRANTS	309,636	75,000	384,636
TAXES	540,508	12,422	552,930
NOTES	-	18,311	18,311
OTHER	356	4,968	5,324
	<u>4,390,255</u>	<u>2,247,510</u>	<u>6,637,765</u>
TOTAL ASSETS	<u>\$ 4,390,255</u>	<u>\$ 2,247,510</u>	<u>\$ 6,637,765</u>
LIABILITIES			
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	\$ 377,292	\$ 78,000	\$ 455,292
UNEARNED REVENUE	-	504,954	504,954
	<u>377,292</u>	<u>582,954</u>	<u>960,246</u>
TOTAL LIABILITIES	<u>377,292</u>	<u>582,954</u>	<u>960,246</u>
DEFERRED INFLOWS OF RESOURCES			
DEFERRED REVENUES - PROPERTY TAXES	99,800	-	99,800
	<u>99,800</u>	<u>-</u>	<u>99,800</u>
FUND BALANCE			
NONSPENDABLE FOR			
NOTES	-	18,311	18,311
RESTRICTED FOR			
EMERGENCIES - TABOR	288,000	-	288,000
CAPITAL PROJECTS	101,522	-	101,522
CONSERVATION TRUST	-	229,157	229,157
ENDOWMENTS - NONEXPENDABLE	-	375,229	375,229
ASSIGNED			
SUBSEQUENT YEARS' EXPENDITURES	1,232,000	-	1,232,000
COMMUNITY AND ECONOMIC DEVELOPMENT	-	1,033,394	1,033,394
SURCHARGE	-	8,465	8,465
UNASSIGNED	2,291,641	-	2,291,641
	<u>3,913,163</u>	<u>1,664,556</u>	<u>5,577,719</u>
TOTAL FUND BALANCES	<u>3,913,163</u>	<u>1,664,556</u>	<u>5,577,719</u>
	<u>\$ 4,390,255</u>	<u>\$ 2,247,510</u>	<u>\$ 6,637,765</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	<u>\$ 4,390,255</u>	<u>\$ 2,247,510</u>	<u>\$ 6,637,765</u>

CITY OF LA JUNTA, COLORADO

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

DECEMBER 31, 2020

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

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS		\$ 5,577,719
ASSETS NOT AVAILABLE FOR CURRENT PERIOD EXPENDITURES AND THEREFORE ARE NOT REPORTED IN FUNDS		
LONG TERM RECEIVABLES	\$ 97,259	
DEFERRED OUTFLOWS - PENSION RELATED AMOUNTS	<u>194,954</u>	
		292,213
CAPITAL ASSETS USED IN GOVERNMENTAL ACTIVITIES ARE NOT FINANCIAL RESOURCES AND THEREFORE ARE NOT REPORTED IN FUNDS.		
THE COST OF CAPITAL ASSETS IS	51,124,512	
ACCUMULATED DEPRECIATION IS	<u>(34,638,909)</u>	
		16,485,603
INVENTORIES ARE EXPENSED IN THE GOVERNMENTAL FUNDS UPON ACQUISITION BUT RECOGNIZED AS AN ASSET IN THE GOVERNMENT WIDE FINANCIAL STATEMENTS		29,793
INTERNAL SERVICE FUNDS ARE USED BY MANAGEMENT TO CHARGE THE COSTS OF CERTAIN INFORMATION SYSTEMS, OTHER EQUIPMENT AND MEDICAL BENEFIT COSTS TO INDIVIDUAL FUNDS. THE ASSETS AND LIABILITIES OF THE INTERNAL SERVICES FUNDS ARE INCLUDED IN GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION.		4,438,817
LONG-TERM LIABILITIES ARE NOT DUE AND PAYABLE IN THE CURRENT PERIOD AND THEREFORE ARE NOT REPORTED IN THE FUNDS.		
COMPENSATED ABSENCES	(568,040)	
LOAN PAYABLE DEVELOPER	(127,566)	
ACCRUED INTEREST ON THE LOAN	(2,801)	
NET PENSION LIABILITIES	(1,784,806)	
DEFERRED INFLOWS - PENSION RELATED AMOUNTS	<u>(86,419)</u>	
		<u>(2,569,632)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES		<u>\$ 24,254,513</u>

CITY OF LA JUNTA, COLORADO

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED DECEMBER 31, 2020

	GENERAL	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES			
TAXES	\$ 5,682,607	\$ 284,196	\$ 5,966,803
LICENSES AND PERMITS	14,836	-	14,836
INTERGOVERNMENTAL	1,481,788	71,629	1,553,417
CHARGES FOR SERVICES	1,442,274	-	1,442,274
FINES	46,634	-	46,634
INTEREST	32,419	12,945	45,364
MISCELLANEOUS AND RENTALS	69,429	123,641	193,070
TOTAL REVENUES	<u>8,769,987</u>	<u>492,411</u>	<u>9,262,398</u>
EXPENDITURES			
GENERAL GOVERNMENT	1,841,423	100,217	1,941,640
PUBLIC SAFETY	2,847,301	-	2,847,301
PUBLIC WORKS	2,705,002	-	2,705,002
HEALTH AND WELFARE	328,331	-	328,331
CULTURE AND RECREATION	1,891,213	165,057	2,056,270
ECONOMIC DEVELOPMENT	-	120,590	120,590
DEBT SERVICE	-	34,730	34,730
TOTAL EXPENDITURES	<u>9,613,270</u>	<u>420,594</u>	<u>10,033,864</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(843,283)</u>	<u>71,817</u>	<u>(771,466)</u>
OTHER FINANCING SOURCES (USES)			
TRANSFERS IN	10,568	-	10,568
TRANSFERS OUT	-	(12,968)	(12,968)
TOTAL OTHER FINANCING SOURCES (USES)	<u>10,568</u>	<u>(12,968)</u>	<u>(2,400)</u>
NET CHANGE IN FUND BALANCE	(832,715)	58,849	(773,866)
FUND BALANCE JANUARY 1	<u>4,745,878</u>	<u>1,605,707</u>	<u>6,351,585</u>
FUND BALANCE DECEMBER 31	<u>\$ 3,913,163</u>	<u>\$ 1,664,556</u>	<u>\$ 5,577,719</u>

SEE NOTES TO FINANCIAL STATEMENTS

CITY OF LA JUNTA, COLORADO

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

YEAR ENDED DECEMBER 31, 2020

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

NET CHANGE IN FUND BALANCE \$ (773,866)

REVENUES IN THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES THAT DO NOT PROVIDE
CURRENT FINANCIAL RESOURCES ARE NOT REPORTED AS REVENUES IN THE FUNDS

CHANGE IN RECEIVABLE FOR FRANCHISE TAX - NOT CURRENT	639	
OTHER RECEIVABLE	<u>25,000</u>	25,639

GOVERNMENTAL FUNDS REPORT CAPITAL OUTLAYS AS EXPENDITURES. HOWEVER, IN
THE STATEMENT OF ACTIVITIES THE COST OF THOSE ASSETS IS ALLOCATED OVER THEIR
ESTIMATED USEFUL LIVES AND REPORTED AS DEPRECIATION EXPENSE. THIS IS THE
AMOUNT BY WHICH CAPITAL OUTLAYS DIFFER FROM DEPRECIATION IN THE CURRENT PERIOD.

CAPITAL OUTLAY	1,172,710	
DEPRECIATION EXPENSE AND LOSS ON DISPOSITION	<u>(1,035,239)</u>	137,471

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

COMPENSATED ABSENCES	231,052	
PAYMENTS ON NOTE TO DEVELOPER FOR ELIGIBLE REIMBURSEMENT COSTS	29,242	
ACCRUED INTEREST EXPENSE ON LOAN	642	
PENSION RELATED AMOUNTS	<u>(788,728)</u>	(527,792)

INVENTORIES ARE EXPENSED AT ACQUISITION IN THE GOVERNMENTAL FUNDS AND
REPORTED AS EXPENSES WHEN USED IN THE GOVERNMENT WIDE STATEMENTS

INTERNAL SERVICE FUNDS ARE USED BY MANAGEMENT TO CHARGE THE COSTS OF
CERTAIN INFORMATION SYSTEMS, OTHER EQUIPMENT AND MEDICAL BENEFIT COSTS
TO INDIVIDUAL FUNDS.

THE NET REVENUE OF CERTAIN ACTIVITIES OF THE INTERNAL SERVICE FUNDS IS REPORTED WITH THE GOVERNMENTAL ACTIVITIES.		<u>50,711</u>
--	--	---------------

CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES		<u><u>\$ (1,087,837)</u></u>
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CITY OF LA JUNTA, COLORADO

PROPRIETARY FUNDS

STATEMENT OF NET POSITION

DECEMBER 31, 2020

	BUSINESS-TYPE ACTIVITIES -		
	ELECTRIC	WATER	SEWER
CURRENT ASSETS			
CASH OR EQUIVALENTS	\$ 1,707,229	\$ 134,140	\$ 602,688
INVESTMENTS	1,200,524	-	75,867
ACCOUNTS RECEIVABLE CUSTOMERS - NET	1,386,821	253,600	300,391
INVENTORIES	1,597,924	459,242	16,370
PREPAIDS AND ACCRUALS	940	26,389	-
TOTAL CURRENT ASSETS	<u>5,893,438</u>	<u>873,371</u>	<u>995,316</u>
PROPERTY AND EQUIPMENT			
LAND, SYSTEMS, AND EQUIPMENT	15,683,522	21,545,265	27,218,412
ACCUMULATED DEPRECIATION	<u>(10,726,379)</u>	<u>(9,273,117)</u>	<u>(4,933,171)</u>
NET PROPERTY AND EQUIPMENT	<u>4,957,143</u>	<u>12,272,148</u>	<u>22,285,241</u>
TOTAL ASSETS	<u>\$ 10,850,581</u>	<u>\$ 13,145,519</u>	<u>\$ 23,280,557</u>
CURRENT LIABILITIES			
ACCOUNTS PAYABLE	\$ 934,572	\$ 33,827	\$ 25,444
ACCRUED EXPENSES	-	25,086	98,828
CUSTOMERS DEPOSITS	188,512	-	-
UNEARNED REVENUE	-	6,990	-
LANDFILL COSTS	-	-	-
LOANS PAYABLE	-	738,041	716,050
TOTAL CURRENT LIABILITIES	<u>1,123,084</u>	<u>803,944</u>	<u>840,322</u>
NONCURRENT LIABILITIES			
ACCRUED PAID TIME OFF	249,568	202,940	150,082
UNEARNED REVENUE	-	-	-
LANDFILL COSTS	-	-	-
LOANS PAYABLE	-	1,478,622	15,039,691
TOTAL NONCURRENT LIABILITIES	<u>249,568</u>	<u>1,681,562</u>	<u>15,189,773</u>
TOTAL LIABILITIES	<u>1,372,652</u>	<u>2,485,506</u>	<u>16,030,095</u>
NET POSITION			
NET INVESTMENT IN CAPITAL ASSETS	4,957,143	10,055,485	6,529,500
RESTRICTED FOR:			
OPERATIONS & MAINTENANCE	-	557,000	349,000
UNRESTRICTED	<u>4,520,786</u>	<u>47,528</u>	<u>371,962</u>
TOTAL NET POSITION	<u>9,477,929</u>	<u>10,660,013</u>	<u>7,250,462</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 10,850,581</u>	<u>\$ 13,145,519</u>	<u>\$ 23,280,557</u>

SEE NOTES TO FINANCIAL STATEMENTS

ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITY
SANITATION	PROPERTY MANAGEMENT	TOTAL	INTERNAL SERVICE FUNDS
\$ 630,035	\$ 1,130,942	\$ 4,205,034	\$ 3,082,298
951,189	300,129	2,527,709	601,042
107,214	8,749	2,056,775	1,335
-	-	2,073,536	22,475
168	-	27,497	-
<u>1,688,606</u>	<u>1,439,820</u>	<u>10,890,551</u>	<u>3,707,150</u>
922,412	19,849,252	85,218,863	5,654,285
<u>(609,351)</u>	<u>(10,536,821)</u>	<u>(36,078,839)</u>	<u>(3,684,473)</u>
<u>313,061</u>	<u>9,312,431</u>	<u>49,140,024</u>	<u>1,969,812</u>
<u>\$ 2,001,667</u>	<u>\$ 10,752,251</u>	<u>\$ 60,030,575</u>	<u>\$ 5,676,962</u>
\$ 31,067	\$ 15,570	\$ 1,040,480	\$ 92,937
-	47,541	171,455	-
-	-	188,512	-
-	195,976	202,966	-
28,340	-	28,340	-
-	-	1,454,091	-
<u>59,407</u>	<u>259,087</u>	<u>3,085,844</u>	<u>92,937</u>
58,244	59,526	720,360	99,281
-	1,677,552	1,677,552	-
255,060	-	255,060	-
-	-	16,518,313	-
<u>313,304</u>	<u>1,737,078</u>	<u>19,171,285</u>	<u>99,281</u>
<u>372,711</u>	<u>1,996,165</u>	<u>22,257,129</u>	<u>192,218</u>
313,061	9,312,431	31,167,620	1,969,812
-	-	906,000	-
<u>1,315,895</u>	<u>(556,345)</u>	<u>5,699,826</u>	<u>3,514,932</u>
<u>1,628,956</u>	<u>8,756,086</u>	<u>37,773,446</u>	<u>5,484,744</u>
<u>\$ 2,001,667</u>	<u>\$ 10,752,251</u>	<u>\$ 60,030,575</u>	<u>\$ 5,676,962</u>

CITY OF LA JUNTA, COLORADO

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEAR ENDED DECEMBER 31, 2020

	BUSINESS-TYPE ACTIVITIES -		
	ELECTRIC	WATER	SEWER
OPERATING REVENUES			
CHARGES FOR SERVICES	\$ 11,389,837	\$ 2,911,227	\$ 2,497,368
OTHER BILLINGS	-	121,457	-
TOTAL OPERATING REVENUES	<u>11,389,837</u>	<u>3,032,684</u>	<u>2,497,368</u>
OPERATING EXPENSES			
PERSONAL SERVICES, MATERIALS AND SUPPLIES	11,485,021	2,227,078	1,393,018
DEPRECIATION	374,912	613,593	628,443
TOTAL OPERATING EXPENSES	<u>11,859,933</u>	<u>2,840,671</u>	<u>2,021,461</u>
OPERATING INCOME (LOSS)	<u>(470,096)</u>	<u>192,013</u>	<u>475,907</u>
NONOPERATING REVENUES (EXPENSES)			
INTEREST INCOME	20,590	2,236	1,761
GRANTS AND OTHER	93,232	18,929	10,488
GAIN (LOSS) ON SALE OF ASSETS	(4,181)	(9,517)	4,539
INTEREST EXPENSE	-	(67,655)	(247,145)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>109,641</u>	<u>(56,007)</u>	<u>(230,357)</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS TRANSFERS AND SPECIAL ITEMS	(360,455)	136,006	245,550
CAPITAL CONTRIBUTIONS	-	7,020	1,053
TRANSFERS IN	-	-	-
CHANGE IN NET POSITION	(360,455)	143,026	246,603
NET POSITION JANUARY 1	<u>9,838,384</u>	<u>10,516,987</u>	<u>7,003,859</u>
NET POSITION DECEMBER 31	<u>\$ 9,477,929</u>	<u>\$ 10,660,013</u>	<u>\$ 7,250,462</u>

SEE NOTES TO FINANCIAL STATEMENTS

ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITY INTERNAL SERVICE FUNDS
SANITATION	PROPERTY MANAGEMENT	TOTAL	
\$ 902,095	\$ 1,316,418	\$ 19,016,945	\$ 2,925,870
45,352	-	166,809	-
947,447	1,316,418	19,183,754	2,925,870
916,042	744,018	16,765,177	2,718,533
82,106	549,406	2,248,460	333,622
998,148	1,293,424	19,013,637	3,052,155
(50,701)	22,994	170,117	(126,285)
5,215	1,916	31,718	12,739
-	1,644	124,293	-
-	4,321	(4,838)	190,330
-	-	(314,800)	-
5,215	7,881	(163,627)	203,069
(45,486)	30,875	6,490	76,784
-	-	8,073	-
-	2,400	2,400	-
(45,486)	33,275	16,963	76,784
1,674,442	8,722,811	37,756,483	5,407,960
\$ 1,628,956	\$ 8,756,086	\$ 37,773,446	\$ 5,484,744

CITY OF LA JUNTA, COLORADO

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

DECEMBER 31, 2020

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

TOTAL NET POSITION - PROPRIETARY FUNDS	\$ 37,773,446
ADJUSTMENT TO REFLECT CONSOLIDATION OF INTERNAL SERVICE FUND ACTIVITIES RELATED TO ENTERPRISE FUNDS	<u>1,045,927</u>
NET POSITION OF BUSINESS-TYPE ACTIVITIES	<u><u>\$ 38,819,373</u></u>

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

FOR THE YEAR ENDED DECEMBER 31, 2020

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

CHANGE IN NET POSITION	\$ 16,963
ADJUSTMENT TO REFLECT CONSOLIDATION OF INTERNAL SERVICE FUND ACTIVITIES RELATED TO ENTERPRISE FUNDS	<u>26,073</u>
CHANGES IN NET POSITION OF BUSINESS-TYPE ACTIVITIES	<u><u>\$ 43,036</u></u>

CITY OF LA JUNTA, COLORADO
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 YEAR ENDED DECEMBER 31, 2020

	BUSINESS-TYPE	
	ELECTRIC	WATER
CASH FLOWS FROM OPERATING ACTIVITIES		
CASH RECEIVED FROM CUSTOMERS	\$ 11,241,202	\$ 2,889,487
CASH PAYMENTS TO SUPPLIERS FOR GOODS & SERVICES	(10,275,942)	(1,417,391)
CASH PAYMENTS TO EMPLOYEES SERVICES	(1,328,065)	(792,095)
OTHER OPERATING REVENUES	-	121,457
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(362,805)</u>	<u>801,458</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
RENTS RECEIVED AND OTHER	93,232	18,223
TRANSFER OUT	-	-
CUSTOMER DEPOSITS	(11,373)	-
NET CASH FLOWS PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>81,859</u>	<u>18,223</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
ACQUISITION OF CAPITAL ASSETS	(1,774,758)	(257,886)
CASH PROCEEDS FROM INSURANCE , SALE OF ASSETS AND OTHER	-	-
CAPITAL CONTRIBUTED	-	7,020
BORROWINGS TO OTHER FUNDS	970,700	-
PRINCIPAL PAID ON LOANS PAYABLE	-	(700,009)
INTEREST PAID ON LOANS PAYABLE AND OTHER	-	(75,832)
NET CASH FLOWS PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(804,058)</u>	<u>(1,026,707)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
INTEREST ON INVESTMENTS AND LOANS	20,587	2,236
PURCHASE OF INVESTMENTS	(1,700,000)	-
CASH PROCEEDS FROM SALE OF INVESTMENTS	1,935,921	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>256,508</u>	<u>2,236</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(828,496)	(204,790)
CASH, EQUIVALENTS AND CASH WITH TRUSTEE - BEGINNING OF YEAR	<u>2,535,725</u>	<u>338,930</u>
CASH, EQUIVALENTS AND CASH WITH TRUSTEE - END OF YEAR	<u>\$ 1,707,229</u>	<u>\$ 134,140</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
OPERATING INCOME (LOSS)	\$ (470,096)	\$ 192,013
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
DEPRECIATION	374,912	613,593
CHANGE IN ASSETS AND LIABILITIES		
(INCREASE) DECREASE IN ACCOUNTS RECEIVABLE, PREPAIDS & INVENTORIES	(119,182)	(3,140)
INCREASE (DECREASE) IN ACCOUNTS PAYABLE AND ACCRUED EXPENSES	(148,439)	(1,008)
INCREASE (DECREASE) IN DEFERRED REVENUE	-	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (362,805)</u>	<u>\$ 801,458</u>
SUPPLEMENTAL SCHEDULE OF NONCASH ACTIVITIES		
EQUIPMENT ACQUISITION COSTS IN ACCOUNTS PAYABLE	<u>\$ 242,133</u>	<u>\$ -</u>

SEE NOTES TO FINANCIAL STATEMENTS

ACTIVITIES - ENTERPRISE FUNDS				GOVERNMENTAL ACTIVITY INTERNAL SERVICE FUND
SEWER	SANITATION	PROPERTY MANAGEMENT	TOTAL	
\$ 2,481,239	\$ 895,764	\$ 2,422,994	\$ 19,930,686	\$ 2,929,648
(786,894)	(470,878)	(389,678)	(13,340,783)	(2,388,553)
(650,055)	(403,407)	(367,115)	(3,540,737)	(405,389)
-	45,352	-	166,809	-
<u>1,044,290</u>	<u>66,831</u>	<u>1,666,201</u>	<u>3,215,975</u>	<u>135,706</u>
10,488	-	1,644	123,587	169,409
-	-	2,400	2,400	-
-	-	-	(11,373)	-
<u>10,488</u>	<u>-</u>	<u>4,044</u>	<u>114,614</u>	<u>169,409</u>
(876,906)	-	(285,354)	(3,194,904)	(491,154)
4,539	-	5,000	9,539	20,921
1,053	-	-	8,073	-
-	-	(970,700)	-	-
(1,411,255)	-	-	(2,111,264)	-
(250,033)	-	-	(325,865)	-
<u>(2,532,602)</u>	<u>-</u>	<u>(1,251,054)</u>	<u>(5,614,421)</u>	<u>(470,233)</u>
831	5,260	1,916	30,830	12,542
(74,937)	(950,908)	(300,129)	(3,025,974)	(1,100,318)
50,968	300,469	-	2,287,358	1,097,241
<u>(23,138)</u>	<u>(645,179)</u>	<u>(298,213)</u>	<u>(707,786)</u>	<u>9,465</u>
(1,500,962)	(578,348)	120,978	(2,991,618)	(155,653)
<u>2,103,650</u>	<u>1,208,383</u>	<u>1,009,964</u>	<u>7,196,652</u>	<u>3,237,951</u>
<u>\$ 602,688</u>	<u>\$ 630,035</u>	<u>\$ 1,130,942</u>	<u>\$ 4,205,034</u>	<u>\$ 3,082,298</u>
\$ 475,907	\$ (50,701)	\$ 22,994	\$ 170,117	\$ (126,285)
628,443	82,106	549,406	2,248,460	333,622
(13,688)	(6,331)	(3,439)	(145,780)	13,768
(46,372)	41,757	(12,775)	(166,837)	(85,399)
-	-	1,110,015	1,110,015	-
<u>\$ 1,044,290</u>	<u>\$ 66,831</u>	<u>\$ 1,666,201</u>	<u>\$ 3,215,975</u>	<u>\$ 135,706</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 242,133</u>	<u>\$ -</u>

NOTES TO FINANCIAL STATEMENTS

CITY OF LA JUNTA, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

THE FINANCIAL REPORTING ENTITY

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

Blended component units included within the reporting entity:

La Junta Urban Renewal Authority ("URA")

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

La Junta Capital Inc.

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

Joint Venture:

Otero County Landfill Inc. ("OCLI")

The City of La Junta is a participant along with six other entities within the County in a joint venture known as the Otero County Landfill Inc. As a participant, the City is responsible for a portion of closure and post closure costs of the landfill. As of December 31, 2020, the City's share of the cost is estimated at \$283,400 or approximately 19% of the total. A complete financial report may be obtained from the administrative offices of Otero County.

Related organizations:

La Junta Housing Authority

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

Jointly Governed Organizations:

Arkansas River Power Authority ("ARPA")

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

Based on electric revenues billed from inception to December 31, 2020, the City of La Junta has a residual equity interest in ARPA of approximately 30%. The governing Board of ARPA consists of two members from each municipality. Because it is felt that the City cannot significantly influence the operations of ARPA it is considered a jointly governed organization and not part of the City's reporting entity.

CITY OF LA JUNTA, COLORADO
NOTES TO FINANCIAL STATEMENTS

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

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

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

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

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

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

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

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

The City reports the following major governmental funds:

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

CITY OF LA JUNTA, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City reports the following major proprietary funds:

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

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

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

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

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

Additionally, the government reports the following fund types:

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

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

ASSETS, LIABILITIES, AND NET POSITION OR EQUITY

Cash, Cash Equivalents and Investments

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

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

CITY OF LA JUNTA, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Restricted Cash

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

Receivables/Payables

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

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

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

Property Tax Receivable

Property taxes are not due and payable until after the assessment year has ended, and are not included in the budgets or statements of revenues, expenditures and fund balance of the assessment year. Property taxes levied are recorded in the governmental funds as taxes receivable and deferred revenues as of December 31, 2020 since the amounts are measurable but not available until 2021. Property tax abatements are recorded as an offset to property tax revenues when they are paid. An allowance for uncollectible property taxes is not provided as the uncollectible amounts were determined to be negligible based on an analysis of historical trends. Property taxes are levied before December 22 each year and attach as an enforceable lien on the property as of January 1 of the following year. Taxes are payable in full on April 30 or in two installments due on February 28 and June 15.

Inventories

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

Water Inventory

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

Capital Assets

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

CITY OF LA JUNTA, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE -1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Deferred Outflows / Inflows of Resources

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

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

Difference Between Expected and Actual Experience	\$	-
Changes of Assumptions or Other Inputs		-
Net Difference Between Projected and Actual Investment		
Earnings on Pension Plan Investments		68,480
Contributions Made Subsequent to the Measurement Date		<u>126,474</u>
Total Pension Related Deferred Outflows	\$	<u>194,954</u>

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

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

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

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

Difference Between Expected and Actual Experience	\$	-
Changes of Assumptions or Other Inputs		-
Net Difference Between Projected and Actual Investment		
Earnings on Pension Plan Investments		<u>86,419</u>
Total Pension Related Deferred Inflows	\$	<u>86,419</u>

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

Unearned Revenues

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

CITY OF LA JUNTA, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences

It is the City's policy to permit full-time employees to accumulate earned but unused paid time off benefits. Paid time off leave shall be allowed to accrue to a ceiling not to exceed 1,200 hours. All paid time off pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-Term Obligations

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

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

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

Fund Balance/Net Position

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

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

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

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

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

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

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

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

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

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

CITY OF LA JUNTA, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Interfund Transactions

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

Estimates

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

STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

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

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

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

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

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

Expenditures may not legally exceed appropriations at the fund level. For the year ended December 31, 2020, the Employee Benefit Claim Fund was in violation.

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

NOTE -2 DEPOSITS AND INVESTMENTS

DEPOSITS:

Custodial Credit Risk – Deposits - Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. As of December 31, 2020, \$13,602,738 of the City's bank balance of \$14,352,738 was exposed to custodial credit risk. Deposits exposed to credit risk are collateralized with securities held by the pledging financial institution through PDPA.

CITY OF LA JUNTA, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -2 DEPOSITS AND INVESTMENTS (Continued)

INVESTMENTS:

Interest Rate Risk - The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value loss resulting from increasing interest rates. The Colorado revised statute 24-75-601 limits investment maturities to five years or less without governing board approval. This law, among other things, outlines the types of securities that public entities in Colorado may acquire and hold as investments. These include U.S. government and agency securities, certain bonds of political subdivisions, bankers' acceptances, commercial paper, local government investment pools, repurchase agreements, money market funds, guaranteed insurance contracts and U.S. dollar-denominated corporate or bank debt.

The City categorizes its fair value measurement within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in the active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

At December 31, 2020, the City had the following investments and maturities:

<u>Investment Type</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>	<u>Investment Maturities (in years)</u>	
					<u>Less Than One Year</u>	<u>1-5 Years</u>
U.S. treasuries	\$ -	\$ 4,588,033	\$ -	\$ 4,588,033	\$ 4,512,166	\$ 75,867

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

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

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

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

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

	<u>UNAVAILABLE</u>	<u>UNEARNED</u>
<u>Governmental Funds:</u>		
General Fund	\$ 99,800	\$ -
Conservation Trust Fund	-	468,686
Economic Development Fund	-	15,000
Lodging Tax Tourism Fund	-	21,268
	<u>\$ 99,800</u>	<u>\$ 504,954</u>
<u>Proprietary Funds:</u>		
Water Utility Fund	\$ -	\$ 6,990
Property Management Fund	-	1,873,528
	<u>\$ -</u>	<u>\$ 1,880,518</u>

CITY OF LA JUNTA, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -4 CAPITAL ASSETS

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

	<u>BEGINNING BALANCE</u>	<u>TRANSFERS/ INCREASES</u>	<u>TRANSFERS/ DECREASES</u>	<u>ENDING BALANCE</u>
<u>Governmental Activities:</u>				
Capital assets, not being depreciated				
Land	\$ 1,202,765	\$ -	\$ -	\$ 1,202,765
Construction in progress	<u>404,831</u>	<u>797,514</u>	<u>(364,270)</u>	<u>838,074</u>
	<u>1,607,596</u>	<u>797,513</u>	<u>(364,270)</u>	<u>2,040,839</u>
Capital assets being depreciated				
Buildings	7,772,061	-	(3,793)	7,768,268
Improvements	7,436,335	442,560	(360,151)	7,518,744
Infrastructure	32,581,909	117,492	-	32,699,401
Equipment	<u>6,289,436</u>	<u>682,403</u>	<u>(220,294)</u>	<u>6,751,545</u>
	<u>54,079,741</u>	<u>1,242,455</u>	<u>(584,237)</u>	<u>54,737,958</u>
Less accumulated depreciation for				
Buildings	(4,925,281)	(138,482)	3,792	(5,059,971)
Improvements	(3,700,007)	(353,916)	340,072	(3,713,851)
Infrastructure	(24,626,757)	(410,200)	-	(25,036,957)
Equipment	<u>(4,274,880)</u>	<u>(453,017)</u>	<u>215,294</u>	<u>(4,512,603)</u>
	<u>(37,526,925)</u>	<u>(1,355,615)</u>	<u>559,158</u>	<u>(38,323,382)</u>
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS - NET	<u>\$ 18,160,412</u>	<u>\$ 684,353</u>	<u>\$ (389,350)</u>	<u>\$ 18,455,415</u>
<u>Business-Type Activities:</u>				
Capital assets, not being depreciated				
Land	\$ 1,008,222	\$ -	\$ -	\$ 1,008,222
Water rights	2,112,634	-	-	2,112,634
Construction in progress	<u>173,190</u>	<u>1,854,440</u>	<u>-</u>	<u>2,027,630</u>
	<u>3,294,046</u>	<u>1,854,440</u>	<u>-</u>	<u>5,148,486</u>
Capital assets being depreciated				
Buildings	33,570,502	228,240	(108,798)	33,689,944
Systems	51,276,635	314,200	(9,773,469)	41,817,366
Equipment	<u>4,773,060</u>	<u>134,260</u>	<u>(344,253)</u>	<u>4,563,067</u>
	<u>89,620,197</u>	<u>676,700</u>	<u>(10,226,520)</u>	<u>80,070,377</u>
Less accumulated depreciation for				
Buildings	(16,326,172)	(941,741)	108,748	(17,159,165)
Systems	(24,309,110)	(967,320)	9,721,542	(15,554,888)
Equipment	<u>(3,368,961)</u>	<u>(339,399)</u>	<u>343,574</u>	<u>(3,364,786)</u>
	<u>(44,004,243)</u>	<u>(2,248,460)</u>	<u>10,173,864</u>	<u>(36,078,839)</u>
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS - NET	<u>\$ 48,910,000</u>	<u>\$ 282,680</u>	<u>\$ (52,656)</u>	<u>\$ 49,140,024</u>

CITY OF LA JUNTA, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -4 CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions as follows:

Governmental Activities:

General government	\$ 76,089
Public safety	113,750
Public works	544,058
Public health and welfare	3,961
Culture and recreation	278,300
Capital assets held by the government's internal service funds are charged to various functions based on their usage of the assets	<u>339,457</u>
Total depreciation expense – governmental activities	<u>\$ 1,355,615</u>

Business-Type Activities:

Electric	\$ 374,912
Water	613,593
Sewer	628,443
Sanitation	82,106
Property Management	<u>549,406</u>
Total depreciation expense – business-type activities	<u>\$ 2,248,460</u>

NOTE -5 NOTES AND LOANS RECEIVABLE

NOTES/LOAN
RECEIVABLE

Governmental Activities

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

\$ 18,311

NOTE -6 INTERFUND TRANSFERS

Interfund Transfers:

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

The composition of interfund transfers as of December 31, 2020 is as follows:

<u>Transfer To</u>	<u>Transfer From</u>	<u>Amount Transferred</u>
Property Management	Urban Renewal Authority	\$ 2,400
General Fund	Property Management	\$ 10,000
General Fund	Library Endowment	\$ 568

CITY OF LA JUNTA, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -7 LONG –TERM DEBT

LOANS PAYABLE

The Water Utility Fund entered into a loan agreement and a Governmental Agency Bond Agreement with Colorado Water Resources and Power Development Authority in the amount of \$9,812,211 with an interest rate of 4.0%. The loan proceeds were used to finance construction of a water treatment facility. The loan is payable in varying semi-annual installments of principal and interest beginning August 1, 2002 and maturing August 1, 2022. The loan is collateralized by a first lien (but not necessarily an exclusive lien) on the Water Utility Fund revenues. As of December 31, 2020, \$1,347,413 is outstanding and \$645,541 is due within one year.

The Water Utility Fund entered into a loan agreement and a Governmental Agency Bond Agreement with Colorado Water Resources and Power Development Authority in the amount of \$1,830,000, with a 0% interest rate. The loan proceeds were used to finance construction of water tanks. The loan is payable in semi-annual installments of \$47,500, beginning November 1, 2010 and maturing May 1, 2030. The loan is collateralized by a first lien (but not necessarily an exclusive lien) on the Water Utility Fund revenues. As of December 31, 2020, \$869,250 is outstanding and \$91,500 is due within one year.

The Sewer Utility Fund entered into a loan agreement and a Governmental Agency Bond Agreement with Colorado Water Resources and Power Development Authority in the amount of \$13,348,899. The loan proceeds are being used to finance construction of a waste water treatment facility. The loan is payable in varying semi-annual installments including interest at 2.17% per annum beginning August 1, 2015 and maturing August 1, 2037. The loan is collateralized by a first lien (but not necessarily an exclusive lien) on the Sewer Utility Fund revenues. As of December 31, 2020, \$10,730,912 is outstanding and \$544,584 is due within one year.

The Sewer Utility Fund entered into a loan agreement and a Governmental Agency Bond Agreement with Colorado Water Resources and Power Development Authority in the amount of \$3,000,000, with a 0% interest rate. The loan proceeds are being used to finance construction of a waste water treatment facility. The loan is payable in semi-annual installments of \$50,000, beginning May 1, 2019 and maturing November 1, 2048. The loan is collateralized by a first lien (but not necessarily an exclusive lien) on the Sewer Utility Fund revenues. As of December 31, 2020, \$2,800,000 is outstanding and \$100,000 is due within one year.

The Sewer Utility Fund entered into a loan agreement and a Governmental Agency Bond Agreement with Colorado Water Resources and Power Development Authority in the amount of \$3,000,000. The loan proceeds are being used to finance construction of a waste water treatment facility. The loan is payable in semi-annual installments of \$54,612, including interest at 4.5% per annum beginning May 1, 2020 and maturing November 1, 2049. The loan is collateralized by a first lien (but not necessarily an exclusive lien) on the Sewer Utility Fund revenues. As of December 31, 2020, \$2,224,829 is outstanding and \$71,466 is due within one year.

In connection with the above loan payables, the City is subject to various covenants with the Colorado Water Resources and Power Development Authority. The City is also required to maintain an operating and maintenance reserve fund in an amount equal to three months of operation and maintenance expenses, excluding depreciation. Said reserve may be in the form of unobligated fund balances or other unobligated cash or securities. As of December 31, 2020, the City reported a restricted fund balance for operations and maintenance of \$557,000 and \$349,000 in the Water Utility Fund and Sewer Utility Fund, respectively. As of December 31, 2020, the City was in compliance with all loan covenants except for the rate covenant in the Water Utility Fund.

The City issued a redevelopment and reimbursement agreement to a developer for building a hotel within the City. The agreement states that the City will reimburse the developer for eligible costs incurred by the developer in the amount of \$400,000. The loan is payable in yearly installments of \$34,730, including interest at 3.5% per annum, maturing May 16, 2024. As of December 31, 2020, \$127,566 is outstanding and \$30,265 is due within one year. For the year ended December 31, 2020, interest incurred and expensed was \$4,846.

CITY OF LA JUNTA, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -7 LONG –TERM DEBT (Continued)

Annual debt service requirements to maturity are as follows:

YEAR ENDING	BUSINESS-TYPE ACTIVITIES		GOVERNMENTAL ACTIVITIES	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2021	\$ 1,454,091	\$ 278,588	\$ 30,265	\$ 4,465
2022	1,519,888	207,713	31,325	3,405
2023	830,189	218,950	32,421	2,309
2024	845,568	207,588	33,555	1,175
2025	857,168	196,475	-	-
2026 - 2030	4,349,964	859,496	-	-
2031 - 2035	4,212,566	592,368	-	-
2036 - 2040	2,377,517	89,304	-	-
2041 - 2045	898,833	13,662	-	-
2046 - 2049	626,620	3,682	-	-
TOTAL	<u>\$ 17,972,404</u>	<u>\$ 2,667,826</u>	<u>\$ 127,566</u>	<u>\$ 11,354</u>

The following is a summary of activity for long-term liabilities for the year ended December 31, 2020:

	BEGINNING BALANCE	INCREASES	DECREASES	ENDING BALANCE	DUE WITHIN ONE YEAR
<u>Governmental activities:</u>					
Reimbursement amt	\$ 156,808	\$ -	\$ (29,242)	\$ 127,566	\$ 30,265
Compensated absences	926,609	-	(259,288)	667,321	-
Net pension liabilities	<u>1,073,225</u>	<u>711,581</u>	<u>-</u>	<u>1,784,806</u>	<u>-</u>
Governmental activity					
Long-term liabilities	<u>\$ 2,156,642</u>	<u>\$ 711,581</u>	<u>\$ (288,530)</u>	<u>\$ 2,579,693</u>	<u>\$ 30,265</u>
<u>Business-type activities:</u>					
Loans payable	\$20,083,668	\$ -	\$ (2,111,264)	\$17,972,404	\$ 1,454,091
Estimated closure and post-closure costs	283,400	-	-	283,400	28,340
Compensated absences	<u>916,930</u>	<u>-</u>	<u>(196,570)</u>	<u>720,360</u>	<u>-</u>
Business-type activities					
Long-term liabilities	<u>\$21,283,998</u>	<u>\$ -</u>	<u>\$ (2,307,834)</u>	<u>\$18,976,164</u>	<u>\$ 1,482,431</u>

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

ESTIMATED CLOSURE AND POSTCLOSURE CARE COSTS

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

Based on the current allocation the City's share is approximately 19% of the estimated \$1,483,000 in closure and postclosure costs amounting to \$283,400. These amounts are based on estimates of what it would cost to perform all closure and post closure care in 2020. Actual costs may be higher due to inflation or deflation, changes in technology, or changes in applicable laws or regulations.

The estimated closure and post closure costs had a minimal change from 2019 to 2020 therefore the City's allocation remained unchanged from the prior year and 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 Utility Fund.

CITY OF LA JUNTA, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -7 LONG –TERM DEBT (Continued)

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

	MANZANOLA	OTERO #1	OTERO #2		
			MODULE #1	MODULE #2	MODULE #3
Percent of capacity	97%	100%	86%	85%	36%
Estimated closure date	2021	Closed	2022	2022	2026

CONDUIT DEBT

The City authorized the issuance of the “City of La Junta, Colorado, Industrial Development Revenue Bonds (Colorado Mennonite Retirement Center Project) Series 1997” in the amount of \$1,550,000. In 2007 the City authorized the issuance of the “City of La Junta, Colorado, Industrial Development Revenue Bonds (Colorado Mennonite Retirement Center Project) Series 2007” in the amount of \$1,225,000 to finance a project for Colorado Mennonite Retirement Center and refund bonds issued in 1997. The amount outstanding as of December 31, 2020 was \$945,000. The above debt does not constitute indebtedness of the City and does not constitute or give rise to a pecuniary liability of the City or a charge against its general credit or taxing powers.

The City authorized the issuance of a bond in the principal amount of \$2,900,000 designated as the “City of La Junta, Colorado Revenue Bond (Inspiration Field Project) Series 2011”. The aggregate amount of installments of principal amount of the “City of La Junta, Colorado Revenue Bond (Inspiration Field Project) Series 2011” purchased shall not exceed \$2,900,000. The amount outstanding as of December 31, 2020 was \$1,545,872. The above debt does not constitute indebtedness of the City and does not constitute or give rise to a pecuniary liability of the City or a charge against its general credit or taxing powers.

NOTE -8 CONTINGENT LIABILITIES

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

NOTE -9 PENSION PLANS

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

OLD HIRE FIRE PENSION FUND – DEFINED BENEFIT PLAN

Summary of Significant Accounting Policies

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

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

Investments - Investments are reported at fair value.

CITY OF LA JUNTA, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -9 PENSION PLANS (Continued)

Plan Information

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

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

The following is a summary of the participants:

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

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

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

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

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

Contributions

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

The contribution rate for members and the City for the Old Hire Fire Pension Fund is 0% of covered salaries. Contribution was determined as part of the January 1, 2018 actuarial valuation. Total contribution for the year ended December 31, 2020 was \$71,924. The contribution of the City of La Junta Fire Department was equal to the required contribution for the year.

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

CITY OF LA JUNTA, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -9 PENSION PLANS (Continued)

Methods and Assumptions Used to Determine Contribution Rates for the Fiscal Year Ending December 31, 2019:

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

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

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, 2019. 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 Return on Plan Assets

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by 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, 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Nominal Rate of Return
Cash	10.0%	3.2%
Fixed Income	80.0%	5.0%
Managed Futures	0.0%	4.7%
Absolute Return	0.0%	5.0%
Long Short	0.0%	6.5%
Global Public Equity	10.0%	7.7%
Private Capital	0.0%	9.5%
Total	100.0%	

CITY OF LA JUNTA, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE -9 PENSION PLANS (Continued)

Single Discount Rate

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

For the purpose of this valuation, the long-term expected rate of return on pension plan investments is 4.50%; the municipal bond rate is 2.75% (based on the weekly rate closet to but no later than the measurement date of the "state & local bonds" rate from Federal Reserve statically release (H.15)); and the resulting Single Discount Rate is 4.50%.

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

Net Pension Liability

The net pension liability was measured at December 31, 2019, 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, 2020.

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, 2019	<u>\$ 1,421,520</u>	<u>\$ 748,380</u>	<u>\$ 673,140</u>
Change for the year:			
Interest	102,107	-	102,107
Difference between Expected & Actual Experience of the Total Pension Liability	45,580	-	45,580
Changes of Assumptions	438,644	-	438,644
Contributions – Employer	-	71,924	(71,924)
Contributions – Member	-	-	-
Net Investment Income	-	89,732	(89,732)
Benefit payments	(122,409)	(122,409)	-
Administrative Expense	-	(1,794)	1,794
Net Changes	<u>463,922</u>	<u>37,453</u>	<u>426,469</u>
Balances at December 31, 2020	<u>1,885,442</u>	<u>785,833</u>	<u>1,099,609</u>

Sensitivity of the Net Pension Liability / (Asset) to the Single Discount Rate Assumption – The following table presents the net pension liability of the City at December 31, 2020, for the measurement period ending December 31, 2019, 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	\$ 1,306,225	\$ 1,099,609	\$ 924,635

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.

CITY OF LA JUNTA, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -9 PENSION PLANS (Continued)

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – For the year ended December 31, 2020; the City recognized pension expense of \$468,864. At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ -
Assumption Changes	-	-
Net difference between projected and actual earnings on pension plan investments	37,483	47,989
Contributions subsequent to the measurement date	71,924	-
Total	\$ 109,407	\$ 47,989

\$71,924 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31, 2020:	
2021	\$ (2,255)
2022	(5,465)
2023	4,319
2024	(7,105)
2025	-
Thereafter	-
Total	(10,506)

OLD HIRE POLICE PENSION FUND – DEFINED BENEFIT PLAN

Summary of Significant Accounting Policies

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

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

Investments - Investments are reported at fair value.

Plan Information

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

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

CITY OF LA JUNTA, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -9 PENSION PLANS (Continued)

The following is a summary of the participants:

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

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

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

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

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

Contributions

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

The contribution rate for members and the City for the Old Hire Police Pension Fund is 0% of covered salaries. Contribution was determined as part of the January 1, 2018 actuarial valuation. Total contribution for the year ended December 31, 2020 was \$54,550. The contribution of the City of La Junta Police Department was equal to the required contribution for the year.

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

Methods and Assumptions Used to Determine Contribution Rates for the fiscal Year Ending December 31, 2019:

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

CITY OF LA JUNTA, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE -9 PENSION PLANS (Continued)

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

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

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

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, 2019. 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 Return on Plan Assets

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by 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, 2019, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Nominal Rate of Return
Cash	10.0%	3.2%
Fixed Income	80.0%	5.0%
Managed Futures	0.0%	4.7%
Absolute Return	0.0%	5.0%
Long Short	0.0%	6.5%
Global Public Equity	10.0%	7.7%
Private Capital	0.0%	9.5%
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 2.75% (based on the weekly rate closet to but no later than the measurement date of the “state & local bonds” rate from Federal Reserve statically release (H.15)); and the resulting Single Discount Rate is 4.50%.

CITY OF LA JUNTA, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -9 PENSION PLANS (Continued)

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

Net Pension Liability

The net pension liability was measured at December 31, 2019, 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, 2020.

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balances at December 31, 2019	\$ 1,010,948	\$ 610,863	\$ 400,085
Change for the year:			
Interest	71,342	-	71,342
Difference between Expected & Actual Experience of the Total Pension Liability	85,518	-	85,518
Changes in Assumptions	252,682	-	252,682
Contributions – Employer	-	55,128	(55,128)
Contributions – Member	-	-	-
Net Investment Income	-	70,887	(70,887)
Benefit payments	(121,649)	(121,649)	-
Administrative Expense	-	(1,585)	1,585
Net Changes	287,893	2,781	285,112
Balances at December 31, 2020	1,298,841	613,644	685,197

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, 2020, for the measurement period ending December 31, 2019, 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	\$ 807,430	\$ 685,197	\$ 580,545

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, 2020; the City recognized pension expense of \$319,864. At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CITY OF LA JUNTA, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -9 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	30,997	38,430
Contributions subsequent to the measurement date	54,550	-
Total	\$ 85,547	\$ 38,430

\$54,550 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31, 2020:	
2021	\$ (1,469)
2022	(4,315)
2023	3,867
2024	(5,516)
2025	-
Thereafter	-
Total	\$ (7,433)

FIRE DEFINED CONTRIBUTION PLAN AND POLICE DEFINED CONTRIBUTION PLAN

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

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

Funding Policy - The City's total Fire and Police payroll for 2020 was \$590,459 and \$478,774, respectively. The City's contributions were calculated using a base salary amount of \$581,883 and \$419,851. Both City and the covered employees made the required 8 percent contribution, amounting to \$3,103 each for Firemen or a total of \$46,551 and \$2,399 each for Policemen or a total of \$33,588. As of December 31, 2020, the market value of assets held by the plans is \$808,984 for Fire and \$745,569 for Police.

CITY RETIREMENT – DEFINED CONTRIBUTION PLAN

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

CITY OF LA JUNTA, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -9 PENSION PLANS (Continued)

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

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

The City's total payroll in fiscal year 2020 was \$6,518,111. The City's contributions were calculated using the base salary amount of \$5,232,541. Both the City and the covered employees made the required contributions amounting to \$258,395 and \$372,308, respectively, for a total of \$630,703. As of December 31, 2020, the market value of assets held was \$14,589,309.

NOTE -10 NET POSITION

Restricted net position represents net position whose users are subject to constraints that are either 1.) legally imposed by creditors (such as debt covenants), grantors, or laws or regulations of other governments, or 2.) imposed by law through constitutional provisions or enabling legislation. Restricted net position at December 31, 2020 is as follows:

	Governmental Activities	Business-Type Activities	Total
Emergencies - TABOR	\$ 288,000	\$ -	\$ 288,000
Capital Projects	101,522	-	101,522
Endowments - Nonexpendable	375,229	-	375,229
Conservation Trust	229,157	-	229,157
Operations and Maintenance	-	906,000	906,000
	\$ 993,908	\$ 906,000	\$ 1,899,908

Restricted for Emergencies - TABOR – This represents approximately 3% of the City's 2020 fiscal year spending as that term is defined in the Colorado constitution. Under these provisions of the constitution, this portion of the City's net position can be used for declared emergencies only and the City must maintain 3% or more of its spending in this restricted account. The City does not believe this restriction meets the definition of a stabilization arrangement under generally accepted accounting principles.

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

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

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

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

CITY OF LA JUNTA, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -11 FUND BALANCES

At December 31, 2020, fund balances for governmental funds consist of the following:

	Restricted Fund Balance				Total
	Emergencies TABOR	Capital Projects	Conservation Trust	Endowments - Nonexpendable	
General Fund	\$ 288,000	\$ 101,522	\$ -	\$ -	\$ 389,522
Conservation Trust	-	-	229,157	-	229,157
Library Endowment	-	-	-	100,000	100,000
Cemetery Endowment	-	-	-	275,229	275,229
Total	\$ 288,000	\$ 101,522	\$ 229,157	\$ 375,229	\$ 993,908

	Assigned Fund Balance			
	Subsequent Years' Expenditures	Community and Economic Development	Surcharge	Total
General Fund	\$ 1,232,000	\$ -	\$ -	\$ 1,232,000
Economic Development	-	133,590	-	133,590
La Junta Urban Renewal Authority	-	276,105	-	276,105
La Junta Capital, Inc.	-	8,397	-	8,397
Moving Violation Surcharge	-	-	8,465	8,465
Lodging Tax Tourism	-	615,302	-	615,302
Total	\$ 1,232,000	\$ 1,033,394	\$ 8,465	\$ 2,273,859

NOTE -12 RELATED PARTY TRANSACTIONS

The City had expenditures of \$42,891 made to related parties of which \$728 is recorded in accounts payable.

As indicated in Note -1, the City entered into an intergovernmental agreement with Otero County Landfill, Inc. (OCLI) regarding a landfill operation. For the year ended December 31, 2020, the City had paid OCLI \$210,744 for its share of the costs of which \$31,033 was due and recorded as accounts payable in the Sanitation Utility Fund. The City has recognized \$283,400 for its share of estimated closure and post closure care costs.

The City purchased \$9,400,642 of power from ARPA (a jointly governed entity), of which \$652,849 is recorded in accounts payable in the Electric Utility Fund, to be resold to its utility customers.

NOTE -13 UNEARNED LEASE REVENUES AND LEASES

Unearned Lease Revenue

The City's Property Management Fund has entered into lease agreements with entities for space in which the lessee paid advance amounts for improvements of \$1,938,666, \$65,000 and \$114,120. The City would be required to refund a proportion of this based on the life of the lease if they terminate the lease early. It is being recognized over the terms of the lease agreements of 20 years or 40 years, as applicable, with the unamortized balance included in unearned lease revenues. As of December 31, 2020, the balance remaining was \$1,873,528 with \$195,976 reported as unearned revenue – current.

CITY OF LA JUNTA, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -13 UNEARNED LEASE REVENUES AND LEASES (Continued)

Leases

The future minimum rentals on noncancellable leases as of December 31, 2020 are as follows:

2021	\$ 1,003,758
2022	944,130
2023	896,610
2024	837,489
2025	805,321
Thereafter	1,461,047

NOTE -14 RISK MANAGEMENT

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

All Colorado municipalities, which are members of the Colorado Municipal League, are eligible to participate in CIRSA. As of the most recent annual report filed, December 31, 2020, there were 278 members in the Property/Casualty/Liability Pool. CIRSA's general objectives are to provide member municipalities and special districts defined property and liability and workers' compensation coverage through joint self-insurance and excess insurance.

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

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

The City also handles health and life insurance claims for its employees. Premiums are charged to the employees as well as the City to cover medical claims with reinsurance provided by commercial carriers for claims in excess of \$35,000 annually. Incurred but not reported claims of \$85,000 have been accrued as a liability based primarily upon the claims administrator's historical estimate.

The following represents the changes in approximate aggregate liabilities for claims incurred but not reported for the City for the year ended December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Liability Balance January 1,	\$ 143,000	\$ 73,000
Claims and Changes in Estimates	1,220,464	1,267,954
Claims Payments	<u>(1,278,464)</u>	<u>(1,197,954)</u>
Liability Balance December 31,	<u>\$ 85,000</u>	<u>\$ 143,000</u>

NOTE -15 TAX SPENDING AND DEBT LIMITATIONS

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

CITY OF LA JUNTA, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE -15 TAX SPENDING AND DEBT LIMITATIONS (Continued)

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

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

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

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

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

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

Emergency Reserves have been provided for as required by Article X, Section 20 of the constitution of the State of Colorado. \$288,000 of the fund balance has been reserved in compliance with this requirement.

NOTE -16 SUBSEQUENT EVENTS

The City evaluated its December 31, 2020 financial statements for subsequent events through the date the financial statements were available to be issued. As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which are likely to negatively impact certain tax revenues and charges for services. Other financial impact could occur though such potential impact is unknown at this time.

NOTE -17 NEW ACCOUNTING PRONOUNCEMENTS

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

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

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF LA JUNTA, COLORADO

OLD HIRE FIRE PENSION FUND

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

YEAR ENDED DECEMBER 31, 2020

MEASUREMENT PERIOD ENDED DECEMBER 31,	2019	2018	2017	2016	2015	2014
TOTAL PENSION LIABILITY						
SERVICE COST	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
INTEREST	102,107	103,396	101,662	102,500	95,494	96,307
CHANGES TO BENEFIT TERMS	-	-	-	-	-	-
DIFFERENCE BETWEEN EXPECTED AND ACTUAL EXPERIENCE OF THE TOTAL PENSION LIABILITY	45,580	-	38,548	-	32,911	-
ASSUMPTION CHANGES	438,644	-	-	-	75,370	-
BENEFIT PAYMENTS	(122,409)	(118,843)	(115,382)	(112,021)	(108,759)	(105,591)
NET CHANGE IN TOTAL PENSION LIABILITY	463,922	(15,447)	24,828	(9,521)	95,016	(9,284)
TOTAL PENSION LIABILITY - BEGINNING	1,421,520	1,436,967	1,412,139	1,421,660	1,326,644	1,335,928
TOTAL PENSION LIABILITY - ENDING (a)	<u>\$ 1,885,442</u>	<u>\$ 1,421,520</u>	<u>\$ 1,436,967</u>	<u>\$ 1,412,139</u>	<u>\$ 1,421,660</u>	<u>\$ 1,326,644</u>
PLAN FIDUCIARY NET POSITION						
CONTRIBUTIONS - EMPLOYER	\$ 71,924	\$ 60,388	\$ 60,388	\$ 48,084	\$ 48,084	\$ 44,595
CONTRIBUTIONS - EMPLOYEE	-	-	-	-	-	-
NET INVESTMENT INCOME	89,732	1,285	103,956	40,569	14,680	54,916
BENEFIT PAYMENTS	(122,409)	(118,843)	(115,382)	(112,021)	(108,759)	(105,591)
ADMINISTRATIVE EXPENSES	(1,794)	(3,616)	(1,253)	(3,084)	283	(4,139)
NET CHANGE IN PLAN FIDUCIARY NET POSITION	37,453	(60,786)	47,709	(26,452)	(45,712)	(10,219)
PLAN FIDUCIARY NET POSITION - BEGINNING	748,380	809,166	761,457	787,909	833,621	843,840
PLAN FIDUCIARY NET POSITION - ENDING (b)	<u>\$ 785,833</u>	<u>\$ 748,380</u>	<u>\$ 809,166</u>	<u>\$ 761,457</u>	<u>\$ 787,909</u>	<u>\$ 833,621</u>
PLAN'S NET PENSION LIABILITY - BEGINNING	673,140	627,801	650,682	633,751	493,023	492,088
PLAN'S NET PENSION LIABILITY - ENDING (a) - (b)	<u>\$ 1,099,609</u>	<u>\$ 673,140</u>	<u>\$ 627,801</u>	<u>\$ 650,682</u>	<u>\$ 633,751</u>	<u>\$ 493,023</u>
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY (b) / (a)	41.68%	52.65%	56.31%	53.92%	55.42%	62.84%
COVERED PAYROLL	N/A	N/A	N/A	N/A	N/A	N/A
PLAN'S NET PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL	N/A	N/A	N/A	N/A	N/A	N/A

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

CITY OF LA JUNTA, COLORADO

OLD HIRE POLICE PENSION FUND

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

YEAR ENDED DECEMBER 31, 2020

MEASUREMENT PERIOD ENDED DECEMBER 31,	2019	2018	2017	2016	2015	2014
TOTAL PENSION LIABILITY						
SERVICE COST	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
INTEREST	71,342	74,726	80,293	82,572	75,714	77,860
CHANGES TO BENEFIT TERMS	-	-	-	-	-	-
DIFFERENCE BETWEEN EXPECTED AND ACTUAL EXPERIENCE OF THE TOTAL PENSION LIABILITY	85,518	-	(38,164)	-	61,291	-
ASSUMPTION CHANGES	252,682	-	-	-	64,117	-
BENEFIT PAYMENTS	(121,649)	(118,106)	(114,666)	(111,327)	(108,084)	(104,936)
NET CHANGE IN TOTAL PENSION LIABILITY	287,893	(43,380)	(72,537)	(28,755)	93,038	(27,076)
TOTAL PENSION LIABILITY - BEGINNING	1,010,948	1,054,328	1,126,865	1,155,620	1,062,582	1,089,658
TOTAL PENSION LIABILITY - ENDING (a)	<u>\$ 1,298,841</u>	<u>\$ 1,010,948</u>	<u>\$ 1,054,328</u>	<u>\$ 1,126,865</u>	<u>\$ 1,155,620</u>	<u>\$ 1,062,582</u>
PLAN FIDUCIARY NET POSITION						
CONTRIBUTIONS - EMPLOYER	\$ 55,128	\$ 55,128	\$ 55,128	\$ 37,190	\$ 37,190	\$ 29,105
CONTRIBUTIONS - EMPLOYEE	-	-	-	-	-	-
NET INVESTMENT INCOME	70,887	1,334	87,372	34,775	13,305	50,250
BENEFIT PAYMENTS	(121,649)	(118,106)	(114,666)	(111,327)	(108,084)	(104,936)
ADMINISTRATIVE EXPENSES	(1,585)	(3,401)	(1,065)	(2,918)	(1,302)	(4,030)
NET CHANGE IN PLAN FIDUCIARY NET POSITION	2,781	(65,045)	26,769	(42,280)	(58,891)	(29,611)
PLAN FIDUCIARY NET POSITION - BEGINNING	610,863	675,908	649,139	691,419	750,310	779,921
PLAN FIDUCIARY NET POSITION - ENDING (b)	<u>\$ 613,644</u>	<u>\$ 610,863</u>	<u>\$ 675,908</u>	<u>\$ 649,139</u>	<u>\$ 691,419</u>	<u>\$ 750,310</u>
PLAN'S NET PENSION LIABILITY - BEGINNING	400,085	378,420	477,726	464,201	312,272	309,737
PLAN'S NET PENSION LIABILITY - ENDING (a) - (b)	<u>\$ 685,197</u>	<u>\$ 400,085</u>	<u>\$ 378,420</u>	<u>\$ 477,726</u>	<u>\$ 464,201</u>	<u>\$ 312,272</u>
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY (b) / (a)	47.25%	60.42%	64.11%	57.61%	59.83%	70.61%
COVERED PAYROLL	N/A	N/A	N/A	N/A	N/A	N/A
PLAN'S NET PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL	N/A	N/A	N/A	N/A	N/A	N/A

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

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

<u>FY ENDING DECEMBER 31,</u> (a)	<u>ACTUARIALLY DETERMINED CONTRIBUTION</u> (b)	<u>ACTUAL CONTRIBUTION*</u> (c)	<u>CONTRIBUTION DEFICIENCY (EXCESS)</u> (d) = (b) - (c)	<u>COVERED PAYROLL</u> (e)	<u>ACTUAL CONTRIBUTION AS A % OF COVERED PAYROLL</u> (f)
2020	\$ 71,924	\$ 71,924	\$ -	N/A	N/A
2019	\$ 71,924	\$ 71,924	\$ -	N/A	N/A
2018	\$ 60,388	\$ 60,388	\$ -	N/A	N/A
2017	\$ 60,388	\$ 60,388	\$ -	N/A	N/A
2016	\$ 48,084	\$ 48,084	\$ -	N/A	N/A
2015	\$ 48,084	\$ 48,084	\$ -	N/A	N/A
2014	\$ 44,595	\$ 44,595	\$ -	N/A	N/A
2013	\$ 44,595	\$ 44,595	\$ -	N/A	N/A
2012	\$ 29,031	\$ 29,031	\$ -	N/A	N/A
2011	\$ 29,031	\$ 29,031	\$ -	N/A	N/A

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

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

<u>FY ENDING DECEMBER 31,</u> (a)	<u>ACTUARIALLY DETERMINED CONTRIBUTION</u> (b)	<u>ACTUAL CONTRIBUTION*</u> (c)	<u>CONTRIBUTION DEFICIENCY (EXCESS)</u> (d) = (b) - (c)	<u>COVERED PAYROLL</u> (e)	<u>ACTUAL CONTRIBUTION AS A % OF COVERED PAYROLL</u> (f)
2020	\$ 54,550	\$ 55,128	\$ (578)	N/A	N/A
2019	\$ 55,128	\$ 55,128	-	N/A	N/A
2018	\$ 55,128	\$ 55,128	-	N/A	N/A
2017	\$ 55,128	\$ 55,128	-	N/A	N/A
2016	\$ 37,190	\$ 37,190	-	N/A	N/A
2015	\$ 37,190	\$ 37,190	-	N/A	N/A
2014	\$ 29,105	\$ 29,105	-	N/A	N/A
2013	\$ 29,105	\$ 29,105	-	N/A	N/A
2012	\$ 28,596	\$ 28,596	-	N/A	N/A
2011	\$ 28,596	\$ 28,596	-	N/A	N/A

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

CITY OF LA JUNTA, COLORADO

GENERAL FUND

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

YEAR ENDED DECEMBER 31, 2020

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
REVENUES				
TAXES	\$ 5,494,600	\$ 5,494,600	\$ 5,682,607	\$ 188,007
LICENSES AND PERMITS	18,400	18,400	14,836	(3,564)
INTERGOVERNMENTAL	2,077,100	2,177,100	1,481,788	(695,312)
CHARGES FOR SERVICES	1,565,400	1,565,400	1,442,274	(123,126)
FINES	32,000	32,000	46,634	14,634
INTEREST	20,000	20,000	32,419	12,419
MISCELLANEOUS AND RENTALS	55,900	55,900	69,429	13,529
TOTAL REVENUES	<u>9,263,400</u>	<u>9,363,400</u>	<u>8,769,987</u>	<u>(593,413)</u>
EXPENDITURES				
GENERAL GOVERNMENT	1,722,300	1,838,100	1,841,423	(3,323)
PUBLIC SAFETY	3,071,700	3,071,700	2,847,301	224,399
PUBLIC WORKS	3,845,600	3,845,600	2,705,002	1,140,598
HEALTH AND WELFARE	351,200	351,200	328,331	22,869
CULTURE AND RECREATION	2,249,900	2,249,900	1,891,213	358,687
TOTAL EXPENDITURES	<u>11,240,700</u>	<u>11,356,500</u>	<u>9,613,270</u>	<u>1,743,230</u>
REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES	(1,977,300)	(1,993,100)	(843,283)	1,149,817
OTHER FINANCING SOURCES				
TRANSFERS IN	<u>11,000</u>	<u>11,000</u>	<u>10,568</u>	<u>(432)</u>
REVENUE OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES	(1,966,300)	(1,982,100)	(832,715)	1,149,385
FUND BALANCE JANUARY 1	<u>4,745,878</u>	<u>4,745,878</u>	<u>4,745,878</u>	<u>-</u>
FUND BALANCE DECEMBER 31	<u>\$ 2,779,578</u>	<u>\$ 2,763,778</u>	<u>\$ 3,913,163</u>	<u>\$ 1,149,385</u>

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

CITY OF LA JUNTA, COLORADO

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2020

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

Measurement Period: January 1, 2019 - December 31, 2019 for the Fiscal Year Ending December 31, 2020 (December 31, 2019 measurement date). The City elected the one-year lookback for measurement date and measurement period purposes.

NOTE -2 SCHEDULES OF PLAN CONTRIBUTIONS

Actuarial Assumptions

Valuation Date: January 1, 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 Fire Pension Fund and Old Hire Police Pension Fund are as follows:

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	- Entry Age Normal
Amortization Method	- Level Dollar, Open*
Remaining Amortization Period - Old Hire Fire	- 19 Years*
Remaining Amortization Period - Old Hire Police	- 13 Years*
Asset Valuation Method	- 5-Year smoothed fair value
Inflation	- 2.50%
Salary Increase	- N/A
Investment Rate of Return	- 7.50%
Retirement Age	- Any remaining actives are assumed to retire immediately
Mortality Rates	- Post-retirement: For ages less than 55, RP-2014 Mortality Tables for Blue Collar Employees. For ages 65 and older, RP-2014 Mortality Tables for Blue Collar Healthy Annuitants. For ages 55 through 64, a blend of the previous tables. All tables are projected with Scale BB. Disabled (pre-1980): RP-2014 Disabled Generational Mortality Table generationally projected with Scale BB with a minimum 3% rate for males and 2% rate for females.

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

OTHER INFORMATION

CITY OF LA JUNTA, COLORADO

GENERAL FUND

BALANCE SHEET

DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
CASH OR EQUIVALENTS	\$ 2,628,382	\$ 2,793,110
CASH WITH TRUSTEE	120	2,916
RESTRICTED CASH	101,522	88,020
INVESTMENTS	809,731	1,428,950
RECEIVABLES:		
ACCOUNTS RECEIVABLE	128,143	52,920
GRANTS	56,710	-
ACCRUED INTEREST	356	401
PROPERTY TAXES RECEIVABLE	99,800	106,900
SALES TAX RECEIVABLE	440,708	436,593
DUE FROM OTHER GOVERNMENTS	124,783	114,171
DUE FROM OTHER FUNDS	-	48,626
	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 4,390,255</u>	<u>\$ 5,072,607</u>
LIABILITIES		
ACCOUNTS PAYABLE AND ACCRUED PAYROLL TAXES	<u>\$ 377,292</u>	<u>\$ 219,829</u>
	<u> </u>	<u> </u>
TOTAL LIABILITIES	<u>377,292</u>	<u>219,829</u>
DEFERRED INFLOWS OF RESOURCES		
DEFERRED REVENUES - PROPERTY TAXES	<u>99,800</u>	<u>106,900</u>
FUND BALANCE		
RESTRICTED FOR EMERGENCIES - TABOR	288,000	279,000
RESTRICTED ASSETS	101,522	88,020
ASSIGNED FOR SUBSEQUENT YEARS' EXPENDITURES	1,232,000	1,966,300
UNASSIGNED	<u>2,291,641</u>	<u>2,412,558</u>
	<u> </u>	<u> </u>
TOTAL FUND BALANCE	<u>3,913,163</u>	<u>4,745,878</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	<u>\$ 4,390,255</u>	<u>\$ 5,072,607</u>

CITY OF LA JUNTA, COLORADO

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
REVENUES		
TAXES	\$ 5,682,607	\$ 5,559,637
LICENSES AND PERMITS	14,836	27,696
INTERGOVERNMENTAL	1,481,788	1,426,910
CHARGES FOR SERVICES	1,442,274	1,563,442
FINES	46,634	46,140
INTEREST	32,419	39,043
MISCELLANEOUS AND RENTALS	<u>69,429</u>	<u>277,847</u>
 TOTAL REVENUES	 <u>8,769,987</u>	 <u>8,940,715</u>
EXPENDITURES		
GENERAL GOVERNMENT	1,841,423	1,830,798
PUBLIC SAFETY	2,847,301	2,914,886
PUBLIC WORKS	2,705,002	2,175,591
HEALTH AND WELFARE	328,331	335,921
CULTURE AND RECREATION	<u>1,891,213</u>	<u>2,050,749</u>
 TOTAL EXPENDITURES	 <u>9,613,270</u>	 <u>9,307,945</u>
 REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES	 (843,283)	 (367,230)
OTHER FINANCING SOURCES		
TRANSFERS IN	<u>10,568</u>	<u>35,727</u>
 REVENUE OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES	 (832,715)	 (331,503)
 FUND BALANCE JANUARY 1	 <u>4,745,878</u>	 <u>5,077,381</u>
 FUND BALANCE DECEMBER 31	 <u>\$ 3,913,163</u>	 <u>\$ 4,745,878</u>

CITY OF LA JUNTA, COLORADO

EXPLANATION OF FUNDS

DECEMBER 31, 2020

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

PERMANENT FUNDS

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

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

CITY OF LA JUNTA, COLORADO
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2020

	SPECIAL REVENUE FUNDS			
	CONSERVATION TRUST	ECONOMIC DEVELOPMENT	URBAN RENEWAL AUTHORITY	LA JUNTA CAPITAL INC.
ASSETS				
CASH OR EQUIVALENTS	\$ 697,843	\$ 148,590	\$ 162,549	\$ 8,397
INVESTMENTS	-	-	109,965	-
RECEIVABLES				
LODGING TAX RECEIVABLE	-	-	-	-
NOTES RECEIVABLE	-	-	18,311	-
GRANTS RECEIVABLE	75,000	-	-	-
OTHER	-	-	3,591	-
TOTAL ASSETS	\$ 772,843	\$ 148,590	\$ 294,416	\$ 8,397
LIABILITIES				
ACCOUNTS PAYABLE	\$ 75,000	\$ -	\$ -	\$ -
UNEARNED REVENUE	468,686	15,000	-	-
TOTAL LIABILITIES	543,686	15,000	-	-
FUND BALANCE				
NONSPENDABLE FOR:				
NOTES	-	-	18,311	-
RESTRICTED FOR:				
CONSERVATION TRUST	229,157	-	-	-
ENDOWMENTS - NONEXPENDABLE	-	-	-	-
ASSIGNED	-	133,590	276,105	8,397
TOTAL FUND BALANCE	229,157	133,590	294,416	8,397
TOTAL LIABILITIES AND FUND BALANCE	\$ 772,843	\$ 148,590	\$ 294,416	\$ 8,397

MOVING VIOLATION SURCHARGE	LODGING TAX TOURISM	PERMANENT FUNDS		TOTAL NONMAJOR GOVERNMENTAL FUND
		LIBRARY ENDOWMENT	CEMETERY ENDOWMENT	
\$ 8,465	\$ 327,178	\$ 100,000	\$ 34,236	\$ 1,487,258
-	299,970	-	239,616	649,551
-	12,422	-	-	12,422
-	-	-	-	18,311
-	-	-	-	75,000
-	-	-	1,377	4,968
<u>\$ 8,465</u>	<u>\$ 639,570</u>	<u>\$ 100,000</u>	<u>\$ 275,229</u>	<u>\$ 2,247,510</u>
\$ -	\$ 3,000	\$ -	\$ -	\$ 78,000
-	21,268	-	-	504,954
-	24,268	-	-	582,954
-	-	-	-	18,311
-	-	-	-	229,157
-	-	100,000	275,229	375,229
8,465	615,302	-	-	1,041,859
<u>8,465</u>	<u>615,302</u>	<u>100,000</u>	<u>275,229</u>	<u>1,664,556</u>
<u>\$ 8,465</u>	<u>\$ 639,570</u>	<u>\$ 100,000</u>	<u>\$ 275,229</u>	<u>\$ 2,247,510</u>

CITY OF LA JUNTA, COLORADO

NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS BALANCE

YEAR ENDED DECEMBER 31, 2020

	SPECIAL REVENUE FUNDS			
	CONSERVATION TRUST	ECONOMIC DEVELOPMENT	URBAN RENEWAL AUTHORITY	LA JUNTA CAPITAL INC.
REVENUES				
TAXES	\$ -	\$ -	\$ 158,515	\$ -
INTERGOVERNMENTAL	71,629	-	-	-
INTEREST	180	885	720	38
GRANTS AND OTHER	106,000	7,350	-	-
TOTAL REVENUES	177,809	8,235	159,235	38
EXPENDITURES				
GENERAL GOVERNMENT	-	-	11,556	-
CULTURE AND RECREATION	165,057	-	-	-
ECONOMIC DEVELOPMENT	-	11,795	108,795	-
DEBT SERVICE	-	-	34,730	-
TOTAL EXPENDITURES	165,057	11,795	155,081	-
REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	12,752	(3,560)	4,154	38
OTHER FINANCING SOURCES (USES) TRANSFERS OUT	-	-	(12,400)	-
REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	12,752	(3,560)	(8,246)	38
FUND BALANCE JANUARY 1	216,405	137,150	302,662	8,359
FUND BALANCE DECEMBER 31	\$ 229,157	\$ 133,590	\$ 294,416	\$ 8,397

MOVING VIOLATION SURCHARGE	LODGING TAX TOURISM	PERMANENT FUNDS		TOTAL NONMAJOR GOVERNMENTAL FUNDS
		LIBRARY ENDOWMENT	CEMETERY ENDOWMENT	
\$ -	\$ 125,681	\$ -	\$ -	\$ 284,196
-	-	-	-	71,629
-	4,409	568	3,376	10,176
582	7,178	-	5,300	126,410
582	137,268	568	8,676	492,411
-	88,661	-	-	100,217
-	-	-	-	165,057
-	-	-	-	120,590
-	-	-	-	34,730
-	88,661	-	-	420,594
582	48,607	568	8,676	71,817
-	-	(568)	-	(12,968)
582	48,607	-	8,676	58,849
7,883	566,695	100,000	266,553	1,605,707
\$ 8,465	\$ 615,302	\$ 100,000	\$ 275,229	\$ 1,664,556

CITY OF LA JUNTA, COLORADO

CONSERVATION TRUST FUND

BALANCE SHEET

DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
CASH OR EQUIVALENTS	\$ 697,843	\$ 216,405
GRANT RECEIVABLE	<u>75,000</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 772,843</u>	<u>\$ 216,405</u>
LIABILITIES		
ACCOUNTS PAYABLE	\$ 75,000	\$ -
UNEARNED REVENUE	<u>468,686</u>	<u>-</u>
TOTAL LIABILITIES	<u>543,686</u>	<u>-</u>
FUND BALANCE		
RESTRICTED	<u>229,157</u>	<u>216,405</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 772,843</u>	<u>\$ 216,405</u>

CITY OF LA JUNTA, COLORADO

CONSERVATION TRUST FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020		VARIANCE FAVORABLE (UNFAVORABLE)	2019 ACTUAL
	ACTUAL	FINAL BUDGET		
REVENUES				
INTERGOVERNMENTAL	\$ 71,629	\$ 67,000	\$ 4,629	\$ 91,999
GRANTS	106,000	1,412,700	(1,306,700)	-
INTEREST	180	200	(20)	88
TOTAL REVENUES	177,809	1,479,900	(1,302,091)	92,087
EXPENDITURES				
CULTURE AND RECREATION	165,057	1,497,700	1,332,643	12,728
REVENUES OVER (UNDER) EXPENDITURES	12,752	(17,800)	30,552	79,359
FUND BALANCE JANUARY 1	216,405	216,405	-	137,046
FUND BALANCE DECEMBER 31	<u>\$ 229,157</u>	<u>\$ 198,605</u>	<u>\$ 30,552</u>	<u>\$ 216,405</u>

CITY OF LA JUNTA, COLORADO
 ECONOMIC DEVELOPMENT FUND
 BALANCE SHEET
 DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
CASH OR EQUIVALENTS	<u>\$ 148,590</u>	<u>\$ 137,251</u>
LIABILITIES		
ACCOUNTS PAYABLE	\$ -	\$ 101
UNEARNED REVENUE	<u>15,000</u>	<u>-</u>
TOTAL LIABILITIES	<u>15,000</u>	<u>101</u>
FUND BALANCE		
ASSIGNED	<u>133,590</u>	<u>137,150</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 148,590</u>	<u>\$ 137,251</u>

CITY OF LA JUNTA, COLORADO

ECONOMIC DEVELOPMENT FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020		VARIANCE	2019
	ACTUAL	FINAL BUDGET	FAVORABLE (UNFAVORABLE)	ACTUAL
REVENUES				
INTEREST INCOME	\$ 885	\$ 800	\$ 85	\$ 876
GRANT	2,500	300,000	(297,500)	13,353
OTHER	4,850	-	4,850	2,350
TOTAL REVENUES	8,235	300,800	(292,565)	16,579
EXPENDITURES				
CONTRACT SERVICES	7,775	6,600	(1,175)	9,535
GRANT	2,500	300,000	297,500	13,353
MISCELLANEOUS	1,520	4,800	3,280	3,235
TOTAL EXPENDITURES	11,795	311,400	299,605	26,123
REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES	(3,560)	(10,600)	7,040	(9,544)
OTHER FINANCING SOURCES TRANSFERS	-	9,200	(9,200)	-
REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES	(3,560)	(1,400)	(2,160)	(9,544)
FUND BALANCE JANUARY 1	137,150	137,150	-	146,694
FUND BALANCE DECEMBER 31	\$ 133,590	\$ 135,750	\$ (2,160)	\$ 137,150

CITY OF LA JUNTA, COLORADO
 LA JUNTA URBAN RENEWAL AUTHORITY
 BALANCE SHEET
 DECEMBER 31, 2020 AND 2019

	2020	2019
ASSETS		
CASH OR EQUIVALENTS	\$ 162,549	\$ 166,950
INVESTMENTS	109,965	109,382
ACCOUNTS RECEIVABLE	3,591	66
NOTES RECEIVABLE	18,311	26,264
TOTAL ASSETS	\$ 294,416	\$ 302,662
LIABILITIES		
ACCOUNTS PAYABLE	\$ -	\$ -
TOTAL LIABILITIES	-	-
FUND BALANCE		
NONSPENDABLE - NOTES RECEIVABLE	18,311	26,264
ASSIGNED	276,105	276,398
TOTAL FUND BALANCE	294,416	302,662
TOTAL LIABILITIES AND FUND BALANCE	\$ 294,416	\$ 302,662

CITY OF LA JUNTA, COLORADO

LA JUNTA URBAN RENEWAL AUTHORITY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020		VARIANCE FAVORABLE (UNFAVORABLE)	2019 ACTUAL
	ACTUAL	FINAL BUDGET		
REVENUES				
PROPERTY TAXES	\$ 158,515	\$ 100,000	\$ 58,515	\$ 128,784
INTEREST	720	500	220	3,087
TOTAL REVENUES	159,235	100,500	58,735	131,871
EXPENDITURES				
ECONOMIC DEVELOPMENT	108,795	231,000	122,205	134,934
GENERAL GOVERNMENT	11,556	20,200	8,644	10,114
DEBT SERVICE	34,730	35,000	270	34,730
TOTAL EXPENDITURES	155,081	286,200	131,119	179,778
REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES	4,154	(185,700)	189,854	(47,907)
OTHER FINANCING SOURCES				
TRANSFER OUT	(12,400)	(12,400)	-	(187,070)
REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES	(8,246)	(198,100)	189,854	(234,977)
FUND BALANCE JANUARY 1	302,662	302,662	-	537,639
FUND BALANCE DECEMBER 31	\$ 294,416	\$ 104,562	\$ 189,854	\$ 302,662

CITY OF LA JUNTA, COLORADO

LA JUNTA CAPITAL, INC.

BALANCE SHEET

DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
CASH OR EQUIVALENTS	<u>\$ 8,397</u>	<u>\$ 8,359</u>
LIABILITIES		
ACCOUNTS PAYABLE	\$ -	\$ -
FUND BALANCE		
ASSIGNED	<u>8,397</u>	<u>8,359</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 8,397</u>	<u>\$ 8,359</u>

CITY OF LA JUNTA, COLORADO

LA JUNTA CAPITAL, INC.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020		VARIANCE FAVORABLE (UNFAVORABLE)	2019 ACTUAL
	ACTUAL	FINAL BUDGET		
REVENUES				
INTEREST	\$ 38	\$ -	\$ 38	\$ 32
OTHER	-	500	(500)	-
TOTAL REVENUES	38	500	(462)	32
EXPENDITURES				
ADMINISTRATION	-	500	500	39
REVENUES OVER (UNDER) EXPENDITURES	38	-	38	(7)
FUND BALANCE JANUARY 1	8,359	8,359	-	8,366
FUND BALANCE DECEMBER 31	<u>\$ 8,397</u>	<u>\$ 8,359</u>	<u>\$ 38</u>	<u>\$ 8,359</u>

CITY OF LA JUNTA, COLORADO
MOVING VIOLATION SURCHARGE
BALANCE SHEET
DECEMBER 31, 2020 AND 2019

	2020	2019
ASSETS		
CASH OR EQUIVALENTS	\$ 8,465	\$ 7,883
LIABILITIES		
ACCOUNTS PAYABLE	\$ -	\$ -
FUND BALANCE		
ASSIGNED	8,465	7,883
TOTAL LIABILITIES AND FUND BALANCE	\$ 8,465	\$ 7,883

CITY OF LA JUNTA, COLORADO

MOVING VIOLATION SURCHARGE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020		VARIANCE FAVORABLE (UNFAVORABLE)	2019 ACTUAL
	ACTUAL	FINAL BUDGET		
REVENUES				
SURCHARGE	\$ 582	\$ 500	\$ 82	\$ 777
EXPENDITURES				
GENERAL GOVERNMENT	-	-	-	-
REVENUES OVER EXPENDITURES	582	500	82	777
FUND BALANCE JANUARY 1	7,883	7,883	-	7,106
FUND BALANCE DECEMBER 31	<u>\$ 8,465</u>	<u>\$ 8,383</u>	<u>\$ 82</u>	<u>\$ 7,883</u>

CITY OF LA JUNTA, COLORADO

LODGING TAX TOURISM FUND

BALANCE SHEET

DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
CASH OR EQUIVALENTS	\$ 327,178	\$ 397,145
INVESTMENTS	299,970	224,475
TAX RECEIVABLE	<u>12,422</u>	<u>10,896</u>
TOTAL ASSETS	<u>\$ 639,570</u>	<u>\$ 632,516</u>
LIABILITIES		
ACCOUNTS PAYABLE	\$ 3,000	\$ -
DUE TO OTHER FUNDS	-	48,626
UNEARNED REVENUE	<u>21,268</u>	<u>17,195</u>
TOTAL LIABILITIES	<u>24,268</u>	<u>65,821</u>
FUND BALANCE		
ASSIGNED	<u>615,302</u>	<u>566,695</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 639,570</u>	<u>\$ 632,516</u>

CITY OF LA JUNTA, COLORADO

LODGING TAX TOURISM FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020		VARIANCE FAVORABLE (UNFAVORABLE)	2019 ACTUAL
	ACTUAL	FINAL BUDGET		
REVENUES				
TOURISM TAX	\$ 125,681	\$ 165,000	\$ (39,319)	\$ 200,146
GRANTS	7,178	20,000	(12,822)	6,555
INTEREST	4,409	6,000	(1,591)	4,917
TOTAL REVENUES	137,268	191,000	(53,732)	211,618
EXPENDITURES				
ADVERTISING	24,305	57,500	33,195	23,017
SUPPLIES	5,000	5,000	-	518
EVENTS	41,696	52,000	10,304	45,983
MARKETING AND PROMOTION	2,354	19,000	16,646	-
ADMINISTRATIVE FEES	3,725	5,500	1,775	6,126
GRANTS	7,178	20,000	12,822	6,555
MISCELLANEOUS	4,403	11,000	6,597	399
TOTAL EXPENDITURES	88,661	170,000	81,339	82,598
REVENUES OVER (UNDER) EXPENDITURES	48,607	21,000	27,607	129,020
FUND BALANCE JANUARY 1	566,695	566,695	-	437,675
FUND BALANCE DECEMBER 31	\$ 615,302	\$ 587,695	\$ 27,607	\$ 566,695

CITY OF LA JUNTA, COLORADO

LIBRARY ENDOWMENT FUND

BALANCE SHEET

DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
CASH IN SAVINGS	<u>\$ 100,000</u>	<u>\$ 100,000</u>
LIABILITIES		
ACCOUNTS PAYABLE	\$ -	\$ -
FUND BALANCE		
RESTRICTED FOR ENDOWMENTS	<u>100,000</u>	<u>100,000</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 100,000</u>	<u>\$ 100,000</u>

CITY OF LA JUNTA, COLORADO

LIBRARY ENDOWMENT FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE

YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020		VARIANCE FAVORABLE (UNFAVORABLE)	2019 ACTUAL
	ACTUAL	FINAL BUDGET		
REVENUES				
INTEREST INCOME	\$ 568	\$ 500	\$ 68	\$ 417
EXPENDITURES	-	-	-	-
REVENUES OVER EXPENDITURES BEFORE TRANSFER	568	500	68	417
TRANSFER	(568)	(500)	(68)	(417)
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE JANUARY 1	100,000	100,000	-	100,000
FUND BALANCE DECEMBER 31	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ 100,000</u>

CITY OF LA JUNTA, COLORADO
CEMETERY ENDOWMENT FUND
BALANCE SHEET
DECEMBER 31, 2020 AND 2019

	2020	2019
ASSETS		
CASH AND EQUIVALENTS	\$ 34,236	\$ 26,798
INVESTMENTS	239,616	239,755
ACCRUED INTEREST RECEIVABLE	1,377	-
TOTAL ASSETS	\$ 275,229	\$ 266,553
LIABILITIES		
ACCOUNTS PAYABLE	\$ -	\$ -
FUND BALANCE		
RESTRICTED FOR ENDOWMENTS	275,229	266,553
TOTAL LIABILITIES AND FUND BALANCE	\$ 275,229	\$ 266,553

CITY OF LA JUNTA

CEMETERY ENDOWMENT FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE

YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020		VARIANCE FAVORABLE (UNFAVORABLE)	2019 ACTUAL
	ACTUAL	FINAL BUDGET		
REVENUES				
INTEREST INCOME	\$ 3,376	\$ 500	\$ 2,876	\$ 2,371
OTHER	5,300	3,500	1,800	1,744
TOTAL REVENUES	8,676	4,000	4,676	4,115
EXPENDITURES				
GENERAL GOVERNMENT	-	-	-	-
REVENUES OVER EXPENDITURES BEFORE CONTRIBUTIONS AND TRANSFERS	8,676	4,000	4,676	4,115
CONTRIBUTIONS	-	-	-	3,173
TRANSFERS	-	(500)	500	(2,010)
NET CHANGE IN FUND BALANCE	8,676	3,500	5,176	5,278
FUND BALANCE JANUARY 1	266,553	266,553	-	261,275
FUND BALANCE DECEMBER 31	<u>\$ 275,229</u>	<u>\$ 270,053</u>	<u>\$ 5,176</u>	<u>\$ 266,553</u>

CITY OF LA JUNTA, COLORADO

ELECTRIC UTILITY FUND

BALANCE SHEET

DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
CURRENT ASSETS		
CASH OR EQUIVALENTS	\$ 1,707,229	\$ 2,535,725
INVESTMENTS	1,200,524	1,436,445
ACCOUNTS RECEIVABLE BILLED CUSTOMERS - NET	760,421	639,486
ACCOUNTS RECEIVABLE - UNBILLED CUSTOMERS	626,400	598,700
BORROWINGS TO OTHER FUND - CURRENT	-	146,072
INVENTORIES	1,597,924	1,627,140
PREPAID AND ACCRUALS	<u>940</u>	<u>1,174</u>
TOTAL CURRENT ASSETS	<u>5,893,438</u>	<u>6,984,742</u>
PROPERTY AND EQUIPMENT		
LAND, ELECTRIC SYSTEM, AND EQUIPMENT	15,683,522	17,898,426
ACCUMULATED DEPRECIATION	<u>(10,726,379)</u>	<u>(14,459,750)</u>
NET PROPERTY AND EQUIPMENT	<u>4,957,143</u>	<u>3,438,676</u>
OTHER ASSETS		
BORROWINGS TO OTHER FUND	<u>-</u>	<u>824,628</u>
TOTAL ASSETS	<u>\$ 10,850,581</u>	<u>\$ 11,248,046</u>
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	\$ 934,572	\$ 836,466
CUSTOMER DEPOSITS	<u>188,512</u>	<u>199,885</u>
TOTAL CURRENT LIABILITIES	1,123,084	1,036,351
NONCURRENT LIABILITIES		
ACCRUED PAID TIME OFF	<u>249,568</u>	<u>373,311</u>
TOTAL LIABILITIES	<u>1,372,652</u>	<u>1,409,662</u>
NET POSITION		
NET INVESTMENT IN CAPITAL ASSETS	4,957,143	3,438,676
UNRESTRICTED	<u>4,520,786</u>	<u>6,399,708</u>
TOTAL NET POSITION	<u>9,477,929</u>	<u>9,838,384</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 10,850,581</u>	<u>\$ 11,248,046</u>

CITY OF LA JUNTA, COLORADO

ELECTRIC UTILITY FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
OPERATING REVENUES		
CHARGES FOR SERVICES	\$ 11,389,837	\$ 11,445,871
TOTAL OPERATING REVENUES	<u>11,389,837</u>	<u>11,445,871</u>
OPERATING EXPENSES		
GENERATION	9,096,008	9,363,029
DISTRIBUTION	1,035,390	1,005,192
ACCOUNTING AND GENERAL ADMINISTRATION	1,353,623	1,419,066
DEPRECIATION	<u>374,912</u>	<u>401,234</u>
TOTAL OPERATING EXPENSES	<u>11,859,933</u>	<u>12,188,521</u>
OPERATING (LOSS) INCOME	<u>(470,096)</u>	<u>(742,650)</u>
NONOPERATING REVENUES (EXPENSES)		
INTEREST INCOME	20,590	83,847
GRANTS AND OTHER	93,232	274,319
GAIN (LOSS) ON SALE OF ASSETS	<u>(4,181)</u>	<u>5,052</u>
TOTAL NONOPERATING REVENUES	<u>109,641</u>	<u>363,218</u>
CHANGE IN NET POSITION	(360,455)	(379,432)
NET POSITION JANUARY 1	<u>9,838,384</u>	<u>10,217,816</u>
NET POSITION DECEMBER 31	<u>\$ 9,477,929</u>	<u>\$ 9,838,384</u>

CITY OF LA JUNTA, COLORADO

ELECTRIC UTILITY FUND

STATEMENT OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
CASH RECEIVED FROM CUSTOMERS	\$ 11,241,202	\$ 11,471,654
CASH PAYMENTS TO SUPPLIERS FOR GOODS AND SERVICES	(10,275,942)	(10,553,234)
CASH PAYMENTS TO EMPLOYEES FOR SERVICES	<u>(1,328,065)</u>	<u>(1,195,376)</u>
NET CASH FLOWS USED BY OPERATING ACTIVITIES	<u>(362,805)</u>	<u>(276,956)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
OTHER REVENUES	93,232	200,710
CUSTOMER DEPOSITS	<u>(11,373)</u>	<u>38,289</u>
NET CASH FLOWS PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	<u>81,859</u>	<u>238,999</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
ACQUISITION OF CAPITAL ASSETS	(1,774,758)	(361,502)
CASH PROCEEDS FROM SALE OF ASSET	-	5,052
BORROWINGS TO OTHER FUND	<u>970,700</u>	<u>140,353</u>
NET CASH FLOWS USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(804,058)</u>	<u>(216,097)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
INTEREST ON INVESTMENTS AND LOANS	20,587	58,474
PURCHASE OF INVESTMENTS	(1,700,000)	(1,408,638)
CASH PROCEEDS FROM SALE OF INVESTMENTS	<u>1,935,921</u>	<u>211,149</u>
NET CASH FLOWS USED BY INVESTING ACTIVITIES	<u>256,508</u>	<u>(1,139,015)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(828,496)	(1,393,069)
CASH AND CASH EQUIVALENTS BEGINNING OF YEAR	<u>2,535,725</u>	<u>3,928,794</u>
CASH AND CASH EQUIVALENTS END OF YEAR	<u>\$ 1,707,229</u>	<u>\$ 2,535,725</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
OPERATING LOSS	\$ (470,096)	\$ (742,650)
ADJUSTMENTS TO RECONCILE OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
DEPRECIATION	374,912	401,234
CHANGE IN ASSETS AND LIABILITIES		
(INCREASE) DECREASE IN ACCOUNTS RECEIVABLE AND PREPAIDS	(148,398)	27,469
(INCREASE) DECREASE IN INVENTORIES	29,216	30,215
INCREASE (DECREASE) IN ACCOUNTS PAYABLE	(24,696)	(4,004)
INCREASE (DECREASE) IN ACCRUED BENEFITS	<u>(123,743)</u>	<u>10,780</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (362,805)</u>	<u>\$ (276,956)</u>
SUPPLEMENTAL SCHEDULE OF NON-CASH ACTIVITIES		
EQUIPMENT ACQUISITIONS IN ACCOUNTS PAYABLE	<u>\$ 242,133</u>	<u>\$ 119,331</u>

CITY OF LA JUNTA, COLORADO

ELECTRIC UTILITY FUND

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

YEAR ENDED DECEMBER 31, 2020

	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
CHARGES FOR SERVICES	\$ 11,482,000	\$ 11,482,000	\$ 11,389,837	\$ (92,163)
INTEREST INCOME	40,000	40,000	20,590	(19,410)
OTHER	93,000	93,000	89,051	(3,949)
TOTAL REVENUES	<u>11,615,000</u>	<u>11,615,000</u>	<u>11,499,478</u>	<u>(115,522)</u>
EXPENDITURES				
GENERATION	9,466,500	9,466,500	9,096,008	370,492
DISTRIBUTION	1,120,900	1,120,900	1,035,390	85,510
GENERAL ADMINISTRATION	1,356,500	1,356,500	1,353,623	2,877
DEPRECIATION	450,000	450,000	374,912	75,088
INTEREST	146,400	146,400	-	146,400
CAPITAL OUTLAY	3,424,000	3,424,000	1,897,560	1,526,440
DEBT SERVICE	237,600	237,600	-	237,600
TOTAL EXPENDITURES	<u>16,201,900</u>	<u>16,201,900</u>	<u>13,757,493</u>	<u>2,444,407</u>
REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES	(4,586,900)	(4,586,900)	(2,258,015)	2,328,885
OTHER FINANCING SOURCES (USES) PROCEEDS FROM BORROWING	<u>3,000,000</u>	<u>3,000,000</u>	<u>-</u>	<u>(3,000,000)</u>
	<u>\$ (1,586,900)</u>	<u>\$ (1,586,900)</u>	<u>(2,258,015)</u>	<u>\$ (671,115)</u>
ADJUSTMENTS TO RECONCILE BUDGETARY BASIS TO GAAP BASIS ADJUSTMENT FOR: CAPITALIZATION OF FIXED ASSETS			<u>1,897,560</u>	
CHANGE IN NET POSITION			(360,455)	
TOTAL NET POSITION JANUARY 1			<u>9,838,384</u>	
TOTAL NET POSITION DECEMBER 31			<u>\$ 9,477,929</u>	

CITY OF LA JUNTA, COLORADO

WATER UTILITY FUND

BALANCE SHEET

DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
CURRENT ASSETS		
CASH OR EQUIVALENTS	\$ 134,140	\$ 338,930
ACCOUNTS RECEIVABLE - CUSTOMERS	185,100	156,260
ACCOUNTS RECEIVABLE - UNBILLED CUSTOMERS	68,500	75,600
INVENTORIES	427,451	441,066
WATER INVENTORY	31,791	36,776
PREPAID AND ACCRUALS	<u>26,389</u>	<u>26,389</u>
TOTAL CURRENT ASSETS	<u>873,371</u>	<u>1,075,021</u>
PROPERTY AND EQUIPMENT		
LAND, WATER SYSTEM, AND EQUIPMENT	21,545,265	25,921,717
ACCUMULATED DEPRECIATION	<u>(9,273,117)</u>	<u>(13,284,346)</u>
NET PROPERTY AND EQUIPMENT	<u>12,272,148</u>	<u>12,637,371</u>
TOTAL ASSETS	<u>\$ 13,145,519</u>	<u>\$ 13,712,392</u>
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	\$ 33,827	\$ 25,369
ACCRUED WATER STORAGE FEE	-	9,019
ACCRUED LOAN INTEREST	25,086	33,263
UNEARNED REVENUE - WATER LEASES	6,990	7,695
CURRENT PORTION - LOAN PAYABLE	<u>738,041</u>	<u>700,009</u>
TOTAL CURRENT LIABILITIES	<u>803,944</u>	<u>775,355</u>
NONCURRENT LIABILITIES		
ACCRUED PAID TIME OFF	202,940	203,387
LOAN PAYABLE	<u>1,478,622</u>	<u>2,216,663</u>
TOTAL NONCURRENT LIABILITIES	<u>1,681,562</u>	<u>2,420,050</u>
TOTAL LIABILITIES	<u>2,485,506</u>	<u>3,195,405</u>
NET POSITION		
NET INVESTMENT IN CAPITAL ASSETS	10,055,485	9,720,699
RESTRICTED FOR OPERATIONS & MAINTENANCE	557,000	516,000
UNRESTRICTED	<u>47,528</u>	<u>280,288</u>
TOTAL NET POSITION	<u>10,660,013</u>	<u>10,516,987</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 13,145,519</u>	<u>\$ 13,712,392</u>

CITY OF LA JUNTA, COLORADO

WATER UTILITY FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
OPERATING REVENUES		
CHARGES FOR SERVICES	\$ 2,911,227	\$ 2,771,964
OTHER BILLINGS	121,457	145,873
	<u>3,032,684</u>	<u>2,917,837</u>
OPERATING EXPENSES		
SOURCE OF SUPPLY	122,084	124,280
POWER AND PUMPING	241,190	230,001
PURIFICATION	718,710	693,595
TRANSMISSION AND STORAGE	39,649	29,495
DISTRIBUTION	370,651	318,685
ACCOUNTING AND GENERAL ADMINISTRATION	734,794	641,271
DEPRECIATION	613,593	553,551
	<u>2,840,671</u>	<u>2,590,878</u>
TOTAL OPERATING EXPENSES		
	<u>192,013</u>	<u>326,959</u>
OPERATING INCOME		
	<u>192,013</u>	<u>326,959</u>
NONOPERATING REVENUES (EXPENSES)		
INTEREST INCOME	2,236	2,295
INTEREST EXPENSE	(67,655)	(90,774)
RENT AND OTHER	18,929	24,049
GAIN (LOSS) ON SALE OF ASSETS	(9,517)	3,013
	<u>(56,007)</u>	<u>(61,417)</u>
TOTAL NONOPERATING REVENUES (EXPENSES)		
	<u>(56,007)</u>	<u>(61,417)</u>
INCOME BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	136,006	265,542
TRANSFERS OUT	-	(23,300)
CAPITAL CONTRIBUTIONS	7,020	15,795
	<u>143,026</u>	<u>258,037</u>
CHANGE IN NET POSITION		
	<u>143,026</u>	<u>258,037</u>
NET POSITION JANUARY 1	<u>10,516,987</u>	<u>10,258,950</u>
NET POSITION DECEMBER 31	<u>\$ 10,660,013</u>	<u>\$ 10,516,987</u>

CITY OF LA JUNTA, COLORADO
WATER UTILITY FUND
STATEMENT OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
CASH RECEIVED FROM CUSTOMERS	\$ 2,889,487	\$ 2,772,162
CASH PAYMENTS TO SUPPLIERS FOR GOODS AND SERVICES	(1,417,391)	(1,349,804)
CASH PAYMENTS TO EMPLOYEES FOR SERVICES	(792,095)	(711,404)
OTHER OPERATING REVENUES	121,457	145,873
NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	801,458	856,827
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES		
TRANSFERS OUT	-	(23,300)
RENTS RECEIVED AND OTHER	18,223	21,502
NET CASH FLOWS PROVIDED BY NONCAPITAL AND RELATED FINANCING ACTIVITIES	18,223	(1,798)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
ACQUISITION OF CAPITAL ASSETS	(257,886)	(374,677)
CASH PROCEEDS FROM SALE OF ASSETS	-	3,013
CAPITAL CONTRIBUTED	7,020	15,795
PRINCIPAL PAID ON LOANS PAYABLE	(700,009)	(683,711)
INTEREST PAID ON LOANS PAYABLE	(75,832)	(94,125)
NET CASH FLOWS USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	(1,026,707)	(1,133,705)
CASH FLOWS FROM INVESTING ACTIVITIES		
INTEREST ON INVESTMENTS	2,236	2,295
NET CHANGE IN CASH AND CASH EQUIVALENTS	(204,790)	(276,381)
CASH AND CASH EQUIVALENTS BEGINNING OF YEAR	338,930	615,311
CASH AND CASH EQUIVALENTS END OF YEAR	\$ 134,140	\$ 338,930
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
OPERATING INCOME	\$ 192,013	\$ 326,959
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
DEPRECIATION	613,593	553,551
CHANGE IN ASSETS AND LIABILITIES		
(INCREASE) DECREASE IN ACCOUNTS RECEIVABLE	(21,740)	198
(INCREASE) DECREASE IN INVENTORIES	18,600	(27,598)
(INCREASE) DECREASE IN PREPAIDS	-	3,983
INCREASE (DECREASE) IN ACCOUNTS PAYABLE	8,458	(8,540)
INCREASE (DECREASE) IN ACCRUED EXPENSES	(9,466)	8,274
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 801,458	\$ 856,827

CITY OF LA JUNTA, COLORADO

WATER UTILITY FUND

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

YEAR ENDED DECEMBER 31, 2020

	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES				
CHARGES FOR SERVICES	\$ 2,764,800	\$ 2,764,800	\$ 2,911,227	\$ 146,427
INTEREST INCOME	1,000	1,000	2,236	1,236
OTHER BILLINGS AND INCOME	170,000	170,000	130,869	(39,131)
TOTAL REVENUES	<u>2,935,800</u>	<u>2,935,800</u>	<u>3,044,332</u>	<u>108,532</u>
EXPENDITURES				
SOURCE OF SUPPLY	151,400	151,400	122,084	29,316
POWER AND PUMPING	263,200	263,200	241,190	22,010
PURIFICATION	753,100	753,100	718,710	34,390
TRANSMISSION AND STORAGE	49,200	49,200	39,649	9,551
DISTRIBUTION	366,400	366,400	370,651	(4,251)
GENERAL ADMINISTRATION	695,700	695,700	734,794	(39,094)
DEPRECIATION AND AMORTIZATION	510,000	510,000	613,593	(103,593)
INTEREST	70,000	78,500	67,655	10,845
CAPITAL OUTLAY	560,000	560,000	257,886	302,114
DEBT SERVICE	651,500	700,000	700,009	(9)
TOTAL EXPENDITURES	<u>4,070,500</u>	<u>4,127,500</u>	<u>3,866,221</u>	<u>261,279</u>
REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES	(1,134,700)	(1,191,700)	(821,889)	369,811
OTHER FINANCING SOURCES (USES)				
CONTRIBUTIONS	5,000	5,000	7,020	2,020
	<u>\$ (1,129,700)</u>	<u>\$ (1,186,700)</u>	<u>(814,869)</u>	<u>\$ 371,831</u>
ADJUSTMENTS TO RECONCILE BUDGETARY BASIS TO GAAP BASIS ADJUSTMENT FOR:				
CAPITALIZATION OF FIXED ASSETS			257,886	
PRINCIPAL PAID ON LOANS			<u>700,009</u>	
TOTAL ADJUSTMENTS TO BASIS			<u>957,895</u>	
CHANGE IN NET POSITION			143,026	
TOTAL NET POSITION JANUARY 1			<u>10,516,987</u>	
TOTAL NET POSITION DECEMBER 31			<u>\$ 10,660,013</u>	

CITY OF LA JUNTA, COLORADO

SEWER UTILITY FUND

BALANCE SHEET

DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
CURRENT ASSETS		
CASH OR EQUIVALENTS	\$ 602,688	\$ 531,949
CASH WITH TRUSTEE	-	1,571,701
INVESTMENTS	75,867	50,968
ACCOUNTS RECEIVABLE - CUSTOMERS	199,791	182,962
ACCOUNTS RECEIVABLE - UNBILLED CUSTOMERS	100,600	101,300
INVENTORIES	16,370	18,811
	<u>995,316</u>	<u>2,457,691</u>
TOTAL CURRENT ASSETS		
PROPERTY AND EQUIPMENT		
LAND, SEWER SYSTEM, AND EQUIPMENT	27,218,412	28,601,201
ACCUMULATED DEPRECIATION	(4,933,171)	(5,743,832)
	<u>22,285,241</u>	<u>22,857,369</u>
NET PROPERTY AND EQUIPMENT		
TOTAL ASSETS	<u>\$ 23,280,557</u>	<u>\$ 25,315,060</u>
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	\$ 25,444	\$ 831,080
ACCRUED INTEREST	98,828	101,716
CURRENT PORTION - LOANS PAYABLE	716,050	677,525
	<u>840,322</u>	<u>1,610,321</u>
TOTAL CURRENT LIABILITIES		
NONCURRENT LIABILITIES		
ACCRUED PAID TIME OFF	150,082	211,409
LOANS PAYABLE	15,039,691	16,489,471
	<u>15,189,773</u>	<u>16,700,880</u>
TOTAL NONCURRENT LIABILITIES		
TOTAL LIABILITIES	<u>16,030,095</u>	<u>18,311,201</u>
NET POSITION		
NET INVESTMENT IN CAPITAL ASSETS	6,529,500	7,262,074
RESTRICTED FOR OPERATIONS & MAINTENANCE	349,000	333,000
UNRESTRICTED	371,962	(591,215)
	<u>7,250,462</u>	<u>7,003,859</u>
TOTAL NET POSITION		
TOTAL LIABILITIES AND NET POSITION	<u>\$ 23,280,557</u>	<u>\$ 25,315,060</u>

CITY OF LA JUNTA, COLORADO

SEWER UTILITY FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
OPERATING REVENUES		
CHARGES FOR SERVICES	<u>\$ 2,497,368</u>	<u>\$ 2,473,065</u>
OPERATING EXPENSES		
COLLECTION SYSTEM	269,513	299,096
PUMPING STATIONS	63,190	79,419
TREATMENT PLANT	640,020	561,195
PRETREATMENT	77,239	62,977
ACCOUNTING AND GENERAL ADMINISTRATION	343,056	327,248
DEPRECIATION	<u>628,443</u>	<u>244,323</u>
TOTAL OPERATING EXPENSES	<u>2,021,461</u>	<u>1,574,258</u>
OPERATING INCOME (LOSS)	<u>475,907</u>	<u>898,807</u>
NONOPERATING REVENUES (EXPENSES)		
INTEREST INCOME	1,761	1,255
INTEREST EXPENSE	(247,145)	(139,881)
GRANTS AND OTHER	10,488	8,640
GAIN (LOSS) ON SALE OF ASSETS	<u>4,539</u>	<u>840</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(230,357)</u>	<u>(129,146)</u>
INCOME BEFORE CAPITAL CONTRIBUTIONS	245,550	769,661
CAPITAL CONTRIBUTIONS	<u>1,053</u>	<u>2,000</u>
CHANGE IN NET POSITION	246,603	771,661
NET POSITION JANUARY 1	<u>7,003,859</u>	<u>6,232,198</u>
NET POSITION DECEMBER 31	<u><u>\$ 7,250,462</u></u>	<u><u>\$ 7,003,859</u></u>

CITY OF LA JUNTA, COLORADO

SEWER UTILITY FUND

STATEMENT OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
CASH RECEIVED FROM CUSTOMERS	\$ 2,481,239	\$ 2,461,221
CASH PAYMENTS TO SUPPLIERS FOR GOODS AND SERVICES	(786,894)	(778,659)
CASH PAYMENTS TO EMPLOYEES FOR SERVICES	<u>(650,055)</u>	<u>(540,720)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>1,044,290</u>	<u>1,141,842</u>
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES		
GRANT AND OTHER	<u>10,488</u>	<u>8,640</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
ACQUISITION OF CAPITAL ASSETS	(876,906)	(4,441,015)
CASH PROCEEDS FROM SALE OF ASSET	4,539	840
CAPITAL CONTRIBUTED	1,053	2,000
LOAN PROCEEDS	-	3,000,000
PRINCIPAL PAID ON LOANS PAYABLE	(1,411,255)	(669,200)
INTEREST PAID ON LOANS PAYABLE	<u>(250,033)</u>	<u>(133,391)</u>
NET CASH FLOWS PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(2,532,602)</u>	<u>(2,240,766)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
INTEREST ON INVESTMENTS	831	736
PURCHASE OF INVESTMENTS	(74,937)	-
CASH PROCEEDS FROM SALE OF INVESTMENTS	<u>50,968</u>	<u>-</u>
NET CASH FLOWS USED BY INVESTING ACTIVITIES	<u>(23,138)</u>	<u>736</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,500,962)	(1,089,548)
CASH, EQUIVALENTS AND CASH WITH TRUSTEE - BEGINNING OF YEAR	<u>2,103,650</u>	<u>3,193,198</u>
CASH, EQUIVALENTS AND CASH WITH TRUSTEE - END OF YEAR	<u>\$ 602,688</u>	<u>\$ 2,103,650</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
OPERATING INCOME	\$ 475,907	\$ 898,807
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
DEPRECIATION	628,443	244,323
CHANGE IN ASSETS AND LIABILITIES		
(INCREASE) DECREASE IN ACCOUNTS RECEIVABLE	(16,129)	(11,844)
(INCREASE) DECREASE IN INVENTORIES	2,441	(424)
(INCREASE) DECREASE IN PREPAIDS	-	964
INCREASE (DECREASE) IN ACCOUNTS PAYABLE	14,955	4,330
INCREASE (DECREASE) IN ACCRUED BENEFITS	<u>(61,327)</u>	<u>5,686</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 1,044,290</u>	<u>\$ 1,141,842</u>
SUPPLEMENTAL SCHEDULE OF NON-CASH ACTIVITIES		
EQUIPMENT ACQUISITIONS IN ACCOUNTS PAYABLE	<u>\$ -</u>	<u>\$ 820,591</u>

CITY OF LA JUNTA, COLORADO

SEWER UTILITY FUND

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

YEAR ENDED DECEMBER 31, 2020

	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
CHARGES FOR SERVICES	\$ 2,472,000	\$ 2,472,000	\$ 2,497,368	\$ 25,368
INTEREST INCOME	1,000	1,000	1,761	761
OTHER INCOME (LOSS)	10,000	10,000	15,027	5,027
TOTAL REVENUES	<u>2,483,000</u>	<u>2,483,000</u>	<u>2,514,156</u>	<u>31,156</u>
EXPENDITURES				
COLLECTION SYSTEM	290,800	290,800	269,513	21,287
PUMPING STATION	99,200	99,200	63,190	36,010
TREATMENT PLANT	762,900	762,900	640,020	122,880
PRETREATMENT	68,900	68,900	77,239	(8,339)
GENERAL ADMINISTRATION	368,700	368,700	343,056	25,644
DEPRECIATION	650,000	650,000	628,443	21,557
INTEREST	231,000	251,800	247,145	4,655
CAPITAL OUTLAY	135,000	135,000	56,314	78,686
DEBT SERVICE	496,000	641,000	677,218	(36,218)
TOTAL EXPENDITURES	<u>3,102,500</u>	<u>3,268,300</u>	<u>3,002,138</u>	<u>266,162</u>
REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES	(619,500)	(785,300)	(487,982)	297,318
OTHER FINANCING SOURCES				
CONTRIBUTIONS	-	-	1,053	1,053
	<u>\$ (619,500)</u>	<u>\$ (785,300)</u>	<u>(486,929)</u>	<u>\$ 298,371</u>
ADJUSTMENTS TO RECONCILE BUDGETARY BASIS TO GAAP BASIS ADJUSTMENT FOR:				
CAPITALIZATION OF FIXED ASSETS			56,314	
PRINCIPAL PAID ON LOANS			677,218	
TOTAL ADJUSTMENTS TO BASIS			<u>733,532</u>	
CHANGE IN NET POSITION			246,603	
TOTAL NET POSITION JANUARY 1			<u>7,003,859</u>	
TOTAL NET POSITION DECEMBER 31			<u>\$ 7,250,462</u>	

CITY OF LA JUNTA, COLORADO

SANITATION UTILITY FUND

BALANCE SHEET

DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
CURRENT ASSETS		
CASH OR EQUIVALENTS	\$ 630,035	\$ 1,208,383
INVESTMENTS	951,189	300,692
ACCOUNTS RECEIVABLE - CUSTOMERS	71,514	65,183
ACCOUNTS RECEIVABLE - UNBILLED CUSTOMERS	35,700	35,700
PREPAID AND ACCRUALS	<u>168</u>	<u>271</u>
TOTAL CURRENT ASSETS	<u>1,688,606</u>	<u>1,610,229</u>
PROPERTY AND EQUIPMENT		
STRUCTURES AND EQUIPMENT	922,412	934,711
ACCUMULATED DEPRECIATION	<u>(609,351)</u>	<u>(539,544)</u>
NET PROPERTY AND EQUIPMENT	<u>313,061</u>	<u>395,167</u>
TOTAL ASSETS	<u>\$ 2,001,667</u>	<u>\$ 2,005,396</u>
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	\$ 31,067	\$ 444
CURRENT PORTION - LANDFILL COSTS	<u>28,340</u>	<u>28,340</u>
TOTAL CURRENT LIABILITIES	<u>59,407</u>	<u>28,784</u>
NONCURRENT LIABILITIES		
ACCRUED PAID TIME OFF	58,244	47,110
ACCRUED CLOSURE AND POST CLOSURE COSTS	<u>255,060</u>	<u>255,060</u>
TOTAL NONCURRENT LIABILITIES	<u>313,304</u>	<u>302,170</u>
TOTAL LIABILITIES	<u>372,711</u>	<u>330,954</u>
NET POSITION		
NET INVESTMENT IN CAPITAL ASSETS	313,061	395,167
UNRESTRICTED	<u>1,315,895</u>	<u>1,279,275</u>
TOTAL NET POSITION	<u>1,628,956</u>	<u>1,674,442</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 2,001,667</u>	<u>\$ 2,005,396</u>

CITY OF LA JUNTA, COLORADO

SANITATION UTILITY FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
OPERATING REVENUES		
CHARGES FOR SERVICES	\$ 902,095	\$ 892,642
OTHER BILLINGS	45,352	58,500
	<u>947,447</u>	<u>951,142</u>
OPERATING EXPENSES		
SALARIES AND BENEFITS	411,933	370,012
SUPPLIES	48,158	53,857
MAINTENANCE	92,317	96,967
RECYCLING	37,547	25,339
LANDFILL AND POST CLOSURE COSTS	210,744	203,331
ACCOUNTING AND GENERAL ADMINISTRATION	115,343	118,706
DEPRECIATION	82,106	90,922
	<u>998,148</u>	<u>959,134</u>
OPERATING INCOME	<u>(50,701)</u>	<u>(7,992)</u>
NONOPERATING REVENUES		
INTEREST INCOME	5,215	6,735
	<u>5,215</u>	<u>6,735</u>
TOTAL NONOPERATING REVENUES	<u>5,215</u>	<u>6,735</u>
INCOME BEFORE SPECIAL ITEM	(45,486)	(1,257)
SPECIAL ITEM		
CHANGE IN ACCOUNTING ESTIMATE	-	122,300
CHANGE IN NET POSITION	(45,486)	121,043
NET POSITION JANUARY 1	<u>1,674,442</u>	<u>1,553,399</u>
NET POSITION DECEMBER 31	<u>\$ 1,628,956</u>	<u>\$ 1,674,442</u>

CITY OF LA JUNTA, COLORADO

SANITATION UTILITY FUND

STATEMENT OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
CASH RECEIVED FROM CUSTOMERS	\$ 895,764	\$ 881,476
CASH PAYMENTS TO SUPPLIERS FOR GOODS AND SERVICES	(470,878)	(503,935)
CASH PAYMENTS TO EMPLOYEES FOR SERVICES	(403,407)	(355,756)
OTHER OPERATING REVENUES	<u>45,352</u>	<u>58,500</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>66,831</u>	<u>80,285</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
INTEREST ON INVESTMENTS	5,260	5,557
PURCHASE OF INVESTMENTS	(950,908)	(399,309)
CASH PROCEEDS FROM SALE OF INVESTMENTS	<u>300,469</u>	<u>200,320</u>
NET CASH FLOWS USED BY INVESTING ACTIVITIES	<u>(645,179)</u>	<u>(193,432)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(578,348)	(113,147)
CASH AND CASH EQUIVALENTS BEGINNING OF YEAR	<u>1,208,383</u>	<u>1,321,530</u>
CASH AND CASH EQUIVALENTS END OF YEAR	<u>\$ 630,035</u>	<u>\$ 1,208,383</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
OPERATING INCOME (LOSS)	\$ (50,701)	\$ (7,992)
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
DEPRECIATION	82,106	90,922
CHANGE IN ASSETS AND LIABILITIES		
(INCREASE) DECREASE IN ACCOUNTS RECEIVABLE	(6,331)	(11,166)
(INCREASE) DECREASE IN PREPAIDS	-	1,670
INCREASE (DECREASE) IN ACCOUNTS PAYABLE	30,623	(5,986)
INCREASE (DECREASE) IN ACCRUED BENEFITS	<u>11,134</u>	<u>12,837</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 66,831</u>	<u>\$ 80,285</u>

CITY OF LA JUNTA, COLORADO

SANITATION UTILITY FUND

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

YEAR ENDED DECEMBER 31, 2020

	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		(NEGATIVE)
REVENUES				
CHARGES FOR SERVICES	\$ 849,300	\$ 849,300	\$ 902,095	\$ 52,795
INTEREST	2,000	2,000	5,215	3,215
OTHER BILLINGS	32,000	32,000	45,352	13,352
TOTAL REVENUES	<u>883,300</u>	<u>883,300</u>	<u>952,662</u>	<u>69,362</u>
EXPENDITURES				
SALARIES AND BENEFITS	434,400	434,400	411,933	22,467
SUPPLIES	67,000	67,000	48,158	18,842
MAINTENANCE	79,400	79,400	92,317	(12,917)
RECYCLING	25,000	25,000	37,547	(12,547)
LANDFILL AND POST CLOSURE COSTS	210,000	210,000	210,744	(744)
GENERAL ADMINISTRATION	121,900	121,900	115,343	6,557
DEPRECIATION	100,000	100,000	82,106	17,894
CAPITAL OUTLAY	18,000	18,000	-	18,000
TOTAL EXPENDITURES	<u>1,055,700</u>	<u>1,055,700</u>	<u>998,148</u>	<u>57,552</u>
REVENUE OVER (UNDER) EXPENDITURES	(172,400)	(172,400)	(45,486)	126,914
SPECIAL ITEM				
CHANGE IN ACCOUNTING ESTIMATE	(100)	(100)	-	100
	<u>\$ (172,500)</u>	<u>\$ (172,500)</u>	<u>(45,486)</u>	<u>\$ 127,014</u>
ADJUSTMENTS TO RECONCILE BUDGETARY BASIS TO GAAP BASIS ADJUSTMENT FOR:				
CAPITALIZATION OF FIXED ASSETS			-	
CHANGE IN NET POSITION			(45,486)	
TOTAL NET POSITION JANUARY 1			<u>1,674,442</u>	
TOTAL NET POSITION DECEMBER 31			<u>\$ 1,628,956</u>	

CITY OF LA JUNTA, COLORADO
PROPERTY MANAGEMENT FUND
BALANCE SHEET
DECEMBER 31, 2020 AND 2019

	2020	2019
CURRENT ASSETS		
CASH OR EQUIVALENTS	\$ 1,130,942	\$ 1,009,964
INVESTMENTS	300,129	-
RENT RECEIVABLE	8,749	5,310
	1,439,820	1,015,274
TOTAL CURRENT ASSETS		
PROPERTY AND EQUIPMENT		
STRUCTURES AND EQUIPMENT	19,849,252	19,558,188
ACCUMULATED DEPRECIATION	(10,536,821)	(9,976,771)
	9,312,431	9,581,417
NET PROPERTY AND EQUIPMENT		
TOTAL ASSETS	\$ 10,752,251	\$ 10,596,691
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	\$ 15,570	\$ 10,413
ACCRUED PROPERTY TAXES	47,541	47,541
UNEARNED LEASE REVENUES - CURRENT	195,976	39,758
BORROWINGS FROM OTHER FUND - CURRENT	-	146,072
	259,087	243,784
TOTAL CURRENT LIABILITIES		
NONCURRENT LIABILITIES		
ACCRUED PAID TIME OFF	59,526	81,713
UNEARNED LEASE REVENUES	1,677,552	723,755
BORROWINGS FROM OTHER FUND	-	824,628
	1,737,078	1,630,096
TOTAL NONCURRENT LIABILITIES		
TOTAL LIABILITIES	1,996,165	1,873,880
NET POSITION		
NET INVESTMENT IN CAPITAL ASSETS	9,312,431	8,610,717
UNRESTRICTED	(556,345)	112,094
	8,756,086	8,722,811
TOTAL NET POSITION		
TOTAL LIABILITIES AND NET POSITION	\$ 10,752,251	\$ 10,596,691

CITY OF LA JUNTA, COLORADO

PROPERTY MANAGEMENT FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
OPERATING REVENUES		
RENT	<u>\$ 1,316,418</u>	<u>\$ 1,200,591</u>
OPERATING EXPENSES		
SALARIES AND BENEFITS	297,749	288,326
SUPPLIES	11,494	11,184
UTILITIES	114,956	120,011
MAINTENANCE	95,700	94,257
PROPERTY TAXES	53,967	48,546
GENERAL ADMINISTRATION	170,152	177,935
DEPRECIATION	<u>549,406</u>	<u>563,777</u>
TOTAL OPERATING EXPENSES	<u>1,293,424</u>	<u>1,304,036</u>
OPERATING INCOME (LOSS)	<u>22,994</u>	<u>(103,445)</u>
NONOPERATING REVENUES (EXPENSES)		
INTEREST	1,916	2,276
INSURANCE PROCEEDS	-	42,902
GAIN (LOSS) ON SALE OF ASSET	4,321	3,218
GRANTS AND OTHER	<u>1,644</u>	<u>7,653</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>7,881</u>	<u>56,049</u>
INCOME (LOSS) BEFORE OTHER FINANCING SOURCES (USES)	<u>30,875</u>	<u>(47,396)</u>
OTHER FINANCING SOURCES (USES)		
TRANSFERS IN	12,400	187,070
TRANSFERS OUT	<u>(10,000)</u>	<u>(10,000)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>2,400</u>	<u>177,070</u>
CHANGE IN NET POSITION	33,275	129,674
NET POSITION JANUARY 1	<u>8,722,811</u>	<u>8,593,137</u>
NET POSITION DECEMBER 31	<u>\$ 8,756,086</u>	<u>\$ 8,722,811</u>

CITY OF LA JUNTA, COLORADO
PROPERTY MANAGEMENT FUND
STATEMENT OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
CASH RECEIVED FROM RENT	\$ 2,422,994	\$ 1,174,675
CASH PAYMENTS TO SUPPLIERS FOR GOODS AND SERVICES	(389,678)	(390,953)
CASH PAYMENTS TO EMPLOYEES FOR SERVICES	(367,115)	(355,243)
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,666,201	428,479
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES		
TRANSFERS IN	12,400	187,070
TRANSFERS OUT	(10,000)	(10,000)
OTHER	1,644	7,653
NET CASH FLOWS FROM (USED) BY NONCAPITAL AND RELATED FINANCING ACTIVITIES	4,044	184,723
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
ACQUISITION OF CAPITAL ASSETS	(285,354)	(371,555)
BORROWINGS FROM OTHER FUNDS	(970,700)	(140,353)
CASH PROCEEDS FROM SALE OF ASSET	5,000	3,218
INSURANCE PROCEEDS	-	17,095
NET CASH FLOWS FROM (USED) BY NONCAPITAL AND RELATED FINANCING ACTIVITIES	(1,251,054)	(491,595)
CASH FLOWS FROM INVESTING ACTIVITIES		
INTEREST ON INVESTMENTS	1,916	2,276
PURCHASE OF INVESTMENTS	(300,129)	-
NET CASH FLOWS FROM (USED) BY INVESTING ACTIVITIES	(298,213)	2,276
NET CHANGE IN CASH AND CASH EQUIVALENTS	120,978	123,883
CASH AND CASH EQUIVALENTS BEGINNING OF YEAR	1,009,964	886,081
CASH AND CASH EQUIVALENTS END OF YEAR	\$ 1,130,942	\$ 1,009,964
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
OPERATING INCOME (LOSS)	\$ 22,994	\$ (103,445)
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
DEPRECIATION	549,406	563,777
CHANGE IN ASSETS AND LIABILITIES		
(INCREASE) DECREASE IN RECEIVABLES AND PREPAIDS	(3,439)	21,021
INCREASE (DECREASE) IN ACCOUNTS PAYABLE	9,412	195
INCREASE (DECREASE) IN DEFERRED REVENUE	1,110,015	(46,092)
INCREASE (DECREASE) IN ACCRUED TAXES AND BENEFITS	(22,187)	(6,977)
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 1,666,201	\$ 428,479
SUPPLEMENTAL SCHEDULE OF NON-CASH ACTIVITIES		
EQUIPMENT ACQUISITIONS IN ACCOUNTS PAYABLE	\$ -	\$ 4,255

CITY OF LA JUNTA, COLORADO

PROPERTY MANAGEMENT FUND

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

YEAR ENDED DECEMBER 31, 2020

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
RENT	\$ 1,003,000	\$ 1,003,000	\$ 1,316,418	\$ 313,418
INTEREST	1,000	1,000	1,916	916
OTHER	27,000	27,000	5,965	(21,035)
TOTAL REVENUES	1,031,000	1,031,000	1,324,299	293,299
EXPENDITURES				
SALARIES AND BENEFITS	350,100	350,100	297,749	52,351
SUPPLIES	13,000	13,000	11,494	1,506
UTILITIES	107,100	107,100	114,956	(7,856)
MAINTENANCE	111,200	111,200	95,700	15,500
PROPERTY TAXES	56,500	56,500	53,967	2,533
GENERAL ADMINISTRATION	193,700	193,700	170,152	23,548
DEPRECIATION	600,000	600,000	549,406	50,594
CAPITAL OUTLAY	365,000	365,000	281,099	83,901
TOTAL EXPENDITURES	1,796,600	1,796,600	1,574,523	222,077
REVENUES OVER (UNDER) EXPENDITURES	(765,600)	(765,600)	(250,224)	515,376
OTHER FINANCING SOURCES (USES) TRANSFERS	2,400	2,400	2,400	-
	<u>\$ (763,200)</u>	<u>\$ (763,200)</u>	(247,824)	<u>\$ 515,376</u>
ADJUSTMENTS TO RECONCILE BUDGETARY BASIS TO GAAP BASIS ADJUSTMENT FOR CAPITALIZATION OF FIXED ASSETS			281,099	
CHANGE IN NET POSITION			33,275	
TOTAL NET POSITION JANUARY 1			8,722,811	
TOTAL NET POSITION DECEMBER 31			<u>\$ 8,756,086</u>	

CITY OF LA JUNTA, COLORADO

INTERNAL SERVICE FUNDS

COMBINING BALANCE SHEET

DECEMBER 31, 2020 AND 2019

	CITY SERVICES	EMPLOYEE BENEFIT	TOTALS	
			MEMORANDUM ONLY 2020	2019
CURRENT ASSETS				
CASH OR EQUIVALENTS	\$ 1,529,644	\$ 1,552,654	\$ 3,082,298	\$ 3,237,951
INVESTMENTS	100,998	500,044	601,042	597,768
ACCOUNTS RECEIVABLE (NET)	1,330	5	1,335	5,113
INVENTORIES	22,475	-	22,475	32,465
TOTAL CURRENT ASSETS	1,654,447	2,052,703	3,707,150	3,873,297
PROPERTY AND EQUIPMENT				
LAND, BUILDINGS AND EQUIPMENT	5,654,285	-	5,654,285	5,311,519
ACCUMULATED DEPRECIATION	(3,684,473)	-	(3,684,473)	(3,499,239)
NET PROPERTY AND EQUIPMENT	1,969,812	-	1,969,812	1,812,280
TOTAL ASSETS	\$ 3,624,259	\$ 2,052,703	\$ 5,676,962	\$ 5,685,577
CURRENT LIABILITIES				
ACCOUNTS PAYABLE	\$ 7,937	\$ -	\$ 7,937	\$ 7,100
CLAIMS PAYABLE	-	85,000	85,000	143,000
TOTAL CURRENT LIABILITIES	7,937	85,000	92,937	150,100
NONCURRENT LIABILITIES				
ACCRUED BENEFITS	99,281	-	99,281	127,517
TOTAL LIABILITIES	107,218	85,000	192,218	277,617
NET POSITION				
NET INVESTMENT IN CAPITAL ASSETS	1,969,812	-	1,969,812	1,812,280
UNRESTRICTED	1,547,229	1,967,703	3,514,932	3,595,680
TOTAL NET POSITION	3,517,041	1,967,703	5,484,744	5,407,960
TOTAL LIABILITIES AND NET POSITION	\$ 3,624,259	\$ 2,052,703	\$ 5,676,962	\$ 5,685,577

CITY OF LA JUNTA, COLORADO

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEARS ENDED DECEMBER 31, 2020 AND 2019

	CITY SERVICES	EMPLOYEE BENEFIT	TOTALS MEMORANDUM ONLY	
			2020	2019
OPERATING REVENUES				
CHARGES FOR SERVICES	\$ 1,136,697	\$ 1,789,173	\$ 2,925,870	\$ 2,717,877
OPERATING EXPENSES				
PERSONAL SERVICES, MATERIALS AND SUPPLIES	858,634	1,859,899	2,718,533	2,680,535
DEPRECIATION	333,622	-	333,622	249,152
TOTAL OPERATING EXPENSES	1,192,256	1,859,899	3,052,155	2,929,687
OPERATING INCOME	(55,559)	(70,726)	(126,285)	(211,810)
NONOPERATING REVENUES (EXPENSES)				
INTEREST INCOME	9,058	3,681	12,739	20,353
RENT AND OTHER	190,330	-	190,330	28,469
TOTAL NONOPERATING REVENUES (EXPENSES)	199,388	3,681	203,069	48,822
CHANGE IN NET POSITION	143,829	(67,045)	76,784	(162,988)
NET POSITION JANUARY 1	3,373,212	2,034,748	5,407,960	5,570,948
NET POSITION DECEMBER 31	\$ 3,517,041	\$ 1,967,703	\$ 5,484,744	\$ 5,407,960

CITY OF LA JUNTA, COLORADO

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2020 AND 2019

	CITY SERVICES	EMPLOYEE BENEFIT	TOTALS	
			MEMORANDUM ONLY 2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES				
CASH RECEIVED FROM CUSTOMERS	\$ 1,140,453	\$ 1,789,195	\$ 2,929,648	\$ 2,828,201
CASH PAYMENTS TO SUPPLIERS FOR GOODS AND SERVICES	(470,654)	(1,917,899)	(2,388,553)	(2,025,638)
CASH PAYMENTS TO EMPLOYEES FOR SERVICES	(405,389)	-	(405,389)	(575,983)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	264,410	(128,704)	135,706	226,580
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES				
OTHER	169,409	-	169,409	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
ACQUISITION OF CAPITAL ASSETS	(491,154)	-	(491,154)	(455,024)
CASH PROCEEDS FROM SALE OF ASSETS	20,921	-	20,921	28,469
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(470,233)	-	(470,233)	(426,555)
CASH FLOWS FROM INVESTING ACTIVITIES				
INTEREST ON INVESTMENTS	8,986	3,556	12,542	11,545
PURCHASE OF INVESTMENTS	(100,926)	(999,392)	(1,100,318)	(588,248)
CASH PROCEEDS FROM SALE OF INVESTMENTS	100,148	997,093	1,097,241	100,468
NET CASH FLOWS FROM INVESTING ACTIVITIES	8,208	1,257	9,465	(476,235)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(28,206)	(127,447)	(155,653)	(676,210)
CASH AND CASH EQUIVALENTS BEGINNING OF YEAR	1,557,850	1,680,101	3,237,951	3,914,161
CASH AND CASH EQUIVALENTS END OF YEAR	\$ 1,529,644	\$ 1,552,654	\$ 3,082,298	\$ 3,237,951
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
OPERATING LOSS	\$ (55,559)	\$ (70,726)	\$ (126,285)	\$ (211,810)
ADJUSTMENTS TO RECONCILE OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
DEPRECIATION	333,622	-	333,622	249,152
CHANGE IN ASSETS AND LIABILITIES				
(INCREASE) DECREASE IN RECEIVABLES	3,756	22	3,778	109,819
(INCREASE) DECREASE IN INVENTORIES	9,990	-	9,990	9,988
(INCREASE) DECREASE IN PREPAIDS	-	-	-	505
INCREASE (DECREASE) IN PAYABLES	837	(58,000)	(57,163)	67,335
INCREASE (DECREASE) IN ACCRUED BENEFITS	(28,236)	-	(28,236)	1,591
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 264,410	\$ (128,704)	\$ 135,706	\$ 226,580

CITY OF LA JUNTA, COLORADO

CITY SERVICES FUND

BALANCE SHEET

DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
CURRENT ASSETS		
CASH OR EQUIVALENTS	\$ 1,529,644	\$ 1,557,850
INVESTMENTS	100,998	100,148
ACCOUNTS RECEIVABLE	1,330	5,086
INVENTORIES	<u>22,475</u>	<u>32,465</u>
TOTAL CURRENT ASSETS	<u>1,654,447</u>	<u>1,695,549</u>
PROPERTY AND EQUIPMENT		
LAND, BUILDINGS AND EQUIPMENT	5,654,285	5,311,519
ACCUMULATED DEPRECIATION	<u>(3,684,473)</u>	<u>(3,499,239)</u>
NET PROPERTY AND EQUIPMENT	<u>1,969,812</u>	<u>1,812,280</u>
TOTAL ASSETS	<u>\$ 3,624,259</u>	<u>\$ 3,507,829</u>
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	\$ 7,937	\$ 7,100
NONCURRENT LIABILITIES		
ACCRUED SICK LEAVE AND VACATION PAY	<u>99,281</u>	<u>127,517</u>
TOTAL LIABILITIES	<u>107,218</u>	<u>134,617</u>
NET POSITION		
NET INVESTMENT IN CAPITAL ASSETS	1,969,812	1,812,280
UNRESTRICTED	<u>1,547,229</u>	<u>1,560,932</u>
TOTAL NET POSITION	<u>3,517,041</u>	<u>3,373,212</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 3,624,259</u>	<u>\$ 3,507,829</u>

CITY OF LA JUNTA, COLORADO

CITY SERVICES FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
OPERATING REVENUES		
MAINTENANCE SERVICES AND RENTALS	\$ 757,197	\$ 846,464
PURCHASING DEPARTMENT	242,100	231,800
COMPUTER SERVICES	<u>137,400</u>	<u>144,000</u>
TOTAL OPERATING REVENUES	<u>1,136,697</u>	<u>1,222,264</u>
OPERATING EXPENSES		
MOTOR POOL SERVICES	526,157	631,371
PURCHASING DEPARTMENT	242,372	194,480
COMPUTER SUPPLIES AND TRAINING	90,105	128,112
DEPRECIATION	<u>333,622</u>	<u>249,152</u>
TOTAL OPERATING EXPENSES	<u>1,192,256</u>	<u>1,203,115</u>
OPERATING INCOME (LOSS)	<u>(55,559)</u>	<u>19,149</u>
NONOPERATING REVENUES (EXPENSES)		
INTEREST INCOME	9,058	10,917
GRANTS AND OTHER	169,409	-
GAIN (LOSS) ON SALE OF ASSETS	<u>20,921</u>	<u>28,469</u>
TOTAL NONOPERATING REVENUES	<u>199,388</u>	<u>39,386</u>
CHANGE IN NET POSITION	143,829	58,535
NET POSITION JANUARY 1	<u>3,373,212</u>	<u>3,314,677</u>
NET POSITION DECEMBER 31	<u>\$ 3,517,041</u>	<u>\$ 3,373,212</u>

CITY OF LA JUNTA, COLORADO

CITY SERVICES FUND

STATEMENT OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
CASH RECEIVED FROM CUSTOMERS	\$ 1,140,453	\$ 1,223,198
CASH PAYMENTS TO SUPPLIERS FOR GOODS AND SERVICES	(470,654)	(369,066)
CASH PAYMENTS TO EMPLOYEES FOR SERVICES	<u>(405,389)</u>	<u>(575,983)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>264,410</u>	<u>278,149</u>
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES		
OTHER	<u>169,409</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
ACQUISITION OF CAPITAL ASSETS	(491,154)	(455,024)
CASH PROCEEDS FROM SALE OF ASSETS	<u>20,921</u>	<u>28,469</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(470,233)</u>	<u>(426,555)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
INTEREST ON INVESTMENTS	8,986	10,655
PURCHASE OF INVESTMENTS	(100,926)	(99,174)
CASH PROCEEDS FROM SALE OF INVESTMENTS	<u>100,148</u>	<u>100,468</u>
NET CASH FLOWS FROM INVESTING ACTIVITIES	<u>8,208</u>	<u>11,949</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(28,206)	(136,457)
CASH AND CASH EQUIVALENTS BEGINNING OF YEAR	<u>1,557,850</u>	<u>1,694,307</u>
CASH AND CASH EQUIVALENTS END OF YEAR	<u>\$ 1,529,644</u>	<u>\$ 1,557,850</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
OPERATING INCOME (LOSS)	\$ (55,559)	\$ 19,149
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
DEPRECIATION	333,622	249,152
CHANGE IN ASSETS AND LIABILITIES		
(INCREASE) DECREASE IN ACCOUNTS RECEIVABLE	3,756	429
(INCREASE) DECREASE IN INVENTORIES	9,990	9,988
(INCREASE) DECREASE IN PREPAIDS	-	505
INCREASE (DECREASE) IN ACCOUNTS PAYABLE	837	(2,665)
INCREASE (DECREASE) IN ACCRUED BENEFITS	<u>(28,236)</u>	<u>1,591</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 264,410</u>	<u>\$ 278,149</u>

CITY OF LA JUNTA, COLORADO

CITY SERVICES FUND

SCHEDULE OF REVENUES, EXPENDITURES AND BUDGET COMPARISON

YEAR ENDED DECEMBER 31, 2020

	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
MAINTENANCE SERVICES	\$ 859,700	\$ 859,700	\$ 757,197	\$ (102,503)
PURCHASING DEPARTMENT	242,100	242,100	242,100	-
COMPUTER RENTAL	137,400	137,400	137,400	-
INTEREST	2,000	2,000	9,058	7,058
OTHER	20,000	184,500	190,330	5,830
TOTAL REVENUES	1,261,200	1,425,700	1,336,085	(89,615)
EXPENDITURES				
MOTOR POOL SERVICES	623,000	623,000	526,157	96,843
PURCHASING DEPARTMENT	212,100	259,500	242,372	17,128
COMPUTER SUPPLIES AND TRAINING	137,400	144,000	90,105	53,895
DEPRECIATION	230,000	230,000	333,622	(103,622)
CAPITAL OUTLAY	474,000	638,500	491,154	147,346
TOTAL EXPENDITURES	1,676,500	1,895,000	1,683,410	211,590
REVENUES OVER (UNDER) EXPENDITURES	<u>(415,300)</u>	<u>(469,300)</u>	(347,325)	<u>121,975</u>
ADJUSTMENT TO RECONCILE BUDGETARY BASIS TO GAAP BASIS ADJUSTMENT FOR CAPITALIZATION OF FIXED ASSETS			<u>491,154</u>	
CHANGE IN NET POSITION			143,829	
TOTAL NET POSITION JANUARY 1			<u>3,373,212</u>	
TOTAL NET POSITION DECEMBER 31			<u>\$ 3,517,041</u>	

CITY OF LA JUNTA, COLORADO
EMPLOYEE BENEFIT CLAIM FUND
BALANCE SHEET
DECEMBER 31, 2020 AND 2019

	2020	2019
CURRENT ASSETS		
CASH OR EQUIVALENTS	\$ 1,552,654	\$ 1,680,101
INVESTMENTS	500,044	497,620
ACCOUNTS RECEIVABLE	5	27
TOTAL CURRENT ASSETS	\$ 2,052,703	\$ 2,177,748
 CURRENT LIABILITIES		
CLAIMS PAYABLE	\$ 85,000	\$ 143,000
 NET POSITION		
UNRESTRICTED	1,967,703	2,034,748
TOTAL LIABILITIES AND NET POSITION	\$ 2,052,703	\$ 2,177,748

CITY OF LA JUNTA, COLORADO

EMPLOYEE BENEFIT CLAIM FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
OPERATING REVENUES		
CHARGES FOR SERVICES-PREMIUMS	<u>\$ 1,789,173</u>	<u>\$ 1,495,613</u>
OPERATING EXPENSES		
INSURANCE	526,841	469,562
CLAIMS	1,278,464	1,197,954
ADMINISTRATION	<u>54,594</u>	<u>59,056</u>
TOTAL OPERATING EXPENSES	<u>1,859,899</u>	<u>1,726,572</u>
OPERATING INCOME	(70,726)	(230,959)
NONOPERATING REVENUES		
INTEREST	<u>3,681</u>	<u>9,436</u>
CHANGE IN NET POSITION	(67,045)	(221,523)
NET POSITION JANUARY 1	<u>2,034,748</u>	<u>2,256,271</u>
NET POSITION DECEMBER 31	<u><u>\$ 1,967,703</u></u>	<u><u>\$ 2,034,748</u></u>

CITY OF LA JUNTA, COLORADO
EMPLOYEE BENEFIT CLAIM FUND
STATEMENT OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
CASH RECEIVED FROM CUSTOMERS	\$ 1,789,195	\$ 1,605,003
CASH PAYMENTS FOR PREMIUMS AND CLAIMS	<u>(1,917,899)</u>	<u>(1,656,572)</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>(128,704)</u>	<u>(51,569)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
INTEREST ON INVESTMENTS	3,556	890
PURCHASE OF INVESTMENTS	(999,392)	(489,074)
CASH PROCEEDS FROM SALE OF INVESTMENTS	<u>997,093</u>	<u>-</u>
NET CASH FLOWS FROM INVESTING ACTIVITIES	<u>1,257</u>	<u>(488,184)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(127,447)	(539,753)
CASH AND CASH EQUIVALENTS BEGINNING OF YEAR	<u>1,680,101</u>	<u>2,219,854</u>
CASH AND CASH EQUIVALENTS END OF YEAR	<u>\$ 1,552,654</u>	<u>\$ 1,680,101</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
OPERATING INCOME (LOSS)	\$ (70,726)	\$ (230,959)
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES:		
CHANGE IN ASSETS AND LIABILITIES		
INCREASE (DECREASE) IN ACCOUNTS RECEIVABLE	22	109,390
INCREASE (DECREASE) IN CLAIMS PAYABLE	<u>(58,000)</u>	<u>70,000</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ (128,704)</u>	<u>\$ (51,569)</u>

CITY OF LA JUNTA, COLORADO

EMPLOYEE BENEFIT CLAIM FUND

SCHEDULE OF REVENUES, EXPENDITURES AND BUDGET COMPARISON

YEAR ENDED DECEMBER 31, 2020

	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
CHARGES FOR SERVICES-PREMIUMS	\$ 1,336,500	\$ 1,336,500	\$ 1,789,173	\$ 452,673
INTEREST	1,000	1,000	3,681	2,681
TOTAL REVENUES	1,337,500	1,337,500	1,792,854	455,354
EXPENSES				
INSURANCE	421,000	421,000	526,841	(105,841)
CLAIMS	870,000	870,000	1,278,464	(408,464)
ADMINISTRATION	46,500	46,500	54,594	(8,094)
TOTAL EXPENSES	1,337,500	1,337,500	1,859,899	(522,399)
CHANGE IN NET POSITION	-	-	(67,045)	67,045
NET POSITION JANUARY 1	2,034,748	2,034,748	2,034,748	-
NET POSITION DECEMBER 31	\$ 2,034,748	\$ 2,034,748	\$ 1,967,703	\$ 67,045

SINGLE AUDIT SECTION

CITY OF LA JUNTA, COLORADO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2020

PROGRAM TITLE	Federal CFDA Number	Grant Number / Pass Through Number	Program Award Amount	Passed through to Subrecipients	Expenditures
U.S. DEPARTMENT OF TRANSPORTATION					
Airport Improvement Program	20.106	AIP 03-08-0035-014-2020	159,069	-	73,736
Airport Improvement Program	20.106	AIP 03-08-0035-013-2020	634,258	-	605,765
Airport Improvement Program	20.106	DOT-FA20NM-K1038	20,000	-	20,000
					<u>699,501</u>
Passed Through the Colorado Department of Transportation					
Formula Grants for Rural Areas and Tribal Transit Program	20.509	20-HTR-ZL-03045	164,460	-	164,460
Formula Grants for Rural Areas and Tribal Transit Program	20.509	20-HTR-ZL-03104	85,930	-	83,240
Formula Grants for Rural Areas and Tribal Transit Program	20.509	20-HTR-ZL-03245	46,806	-	-
					<u>247,700</u>
Total U.S. Department of Transportation					<u>947,201</u>
U.S. DEPARTMENT OF TREASURY					
Passed Through the Otero County, Colorado					
Coronavirus Relief Fund	21.019	CVRF CM-042	190,330	-	190,330
Total U.S. Department of Treasury					<u>190,330</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS					<u><u>\$ 1,137,531</u></u>

CITY OF LA JUNTA, COLORADO

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2020

NOTE -1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the City of La Junta, Colorado under programs of the federal government for the year ended December 31, 2020. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the schedule presents only a selected portion of the operations of the City of La Junta, Colorado, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City of La Junta, Colorado.

NOTE -2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE -3 INDIRECT COST RATES

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

NOTE -4 SUB-RECIPIENTS

No payments were made to sub-recipients in the fiscal year ended December 31, 2020.

HANCOCK FROESE & COMPANY LLC

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

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

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

To the City Council
City of La Junta, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund of the City of La Junta, Colorado, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City of La Junta, Colorado's basic financial statements and have issued our report thereon dated May 3, 2021.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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



Hancock Froese & Company LLC

Rocky Ford, Colorado
May 3, 2021

HANCOCK FROESE & COMPANY LLC

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

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

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

To the City Council
City of La Junta, Colorado

Report on Compliance for Each Major Federal Program

We have audited the City of La Junta, Colorado's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of La Junta, Colorado's major federal programs for the year ended December 31, 2020. City of La Junta, Colorado's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the City of La Junta, Colorado, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

Report on Internal Control over Compliance

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

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

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

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

Hancock Froese & Company LLC

Hancock Froese & Company LLC

Rocky Ford, Colorado

May 3, 2021

CITY OF LA JUNTA, COLORADO
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED DECEMBER 31, 2020

I. Summary of Audit Results

A. Financial Statements

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

B. Federal Awards

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

CFDA Number	Name of Federal Program or Cluster	Grant Number	Expenditures
20.509	Formula Grants for Rural Areas and Tribal Transit Program	20-HTR-ZL-03045	\$ 164,460
20.509	Formula Grants for Rural Areas and Tribal Transit Program	20-HTR-ZL-03104	\$ 83,240
21.019	Coronavirus Relief Fund	CVRF CM-042	\$ 190,330

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

II. Financial Statement Findings

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

III. Federal Award Findings and Questioned Costs

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

IV. Prior Year Findings

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

LOCAL HIGHWAY FINANCE REPORT

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

LOCAL HIGHWAY FINANCE REPORT	City or County: La Junta
	YEAR ENDING : December 2020

This Information From The Records Of (example - City of _ or Count	Prepared By: Darren Adame Phone: (719) 363-1238
--	--

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	1,117,329
3. Other local imposts (from page 2)	96,458
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)	1,213,787
B. Private Contributions	
C. Receipts from State government (from page 2)	232,035
D. Receipts from Federal Government (from page 2)	0
E. Total receipts (A.7 + B + C + D)	1,445,822

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	0
2. Maintenance:	627,520
3. Road and street services:	
a. Traffic control operations	34,837
b. Snow and ice removal	11,378
c. Other	199,713
d. Total (a. through c.)	245,928
4. General administration & miscellaneous	78,678
5. Highway law enforcement and safety	493,696
6. Total (1 through 5)	1,445,822
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
3. Total (1.c + 2.c)	0
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total disbursements (A.6 + B.3 + C + D)	1,445,822

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	0	1,445,822	1,445,822	0	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2020

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	96,458	g. Other Misc. Receipts	
6. Total (1. through 5.)	96,458	h. Other	
c. Total (a. + b.)	96,458	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	205,989	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	26,046	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.)	26,046	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	232,035	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

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

Notes and Comments: