

CITY OF LA JUNTA, COLORADO

FINANCIAL STATEMENTS

DECEMBER 31, 2021

CITY OF LA JUNTA, COLORADO

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# HANCOCK FROESE & COMPANY LLC

CERTIFIED PUBLIC ACCOUNTANTS  
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## INDEPENDENT AUDITOR'S REPORT

To the City Council  
City of La Junta, Colorado

### Opinions

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, 2021, and the related notes to the financial statements, which collectively comprise City of La Junta, Colorado basic financial statements as listed in the table of contents.

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

### Basis for Opinions

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

### Responsibilities of Management for the Financial Statements

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

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

### Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of La Junta, Colorado's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of La Junta, Colorado's ability to continue as a going concern for a reasonable period of time.

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

#### **Required Supplementary Information**

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

#### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of La Junta, Colorado's basic financial statements. The combining and individual fund financial statements, budget schedules and local highway finance report are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, budget schedules and the local highway finance report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Hancock Froese & Company LLC

Rocky Ford, Colorado  
May 4, 2022

## **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, 2021. Readers are encouraged to consider the information presented here in conjunction with the financial statement information.

### FINANCIAL HIGHLIGHTS

1. Assets of the City exceed its liabilities by \$64,079,684 in 2021 compared to \$63,073,886 in 2020. Of these amounts, the City's Business-type Activities were \$40,024,648 in 2021 compared to \$38,819,373 in 2020 and the City's Governmental Activities were \$24,055,036 in 2021 compared to \$24,254,513 in 2020. Unrestricted net position total was \$12,882,488 in 2021 compared to \$11,678,509 in 2020 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 \$49,312,185 in 2021 compared to \$49,495,469 in 2020. 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 \$16,518,312 as of December 31, 2021. Also included in enterprise fund debt are post closure costs on landfill and compensated absences for a total liability balance reported of \$17,497,822 in 2021 compared to \$18,976,164 in 2020. Otero County Landfill Inc. (OCLI) required the City to fund post closure costs for the Sanitation Fund of \$326,000.
4. The Restricted Net Position includes 1) \$277,500 required by TABOR, the emergency contingency required by Article X, Section 20 of the Colorado Constitution, 2) \$382,413 restricted for endowments of the library and cemetery, 3) \$110,275 restricted for capital projects, 4) \$238,823 for conservation trust, and 5) \$876,000 of cash restricted for operations and maintenance.
5. The City continues working with ARPA with the power plant in Lamar.
6. The City's **governmental funds** reported a combined ending fund balance of \$6,107,381 in 2021 compared to \$5,577,719 in 2020 including the General Fund with \$4,252,669 in 2021 compared to \$3,913,163 in 2020 and other non-major Governmental Funds with \$1,854,712 in 2021 compared to \$1,664,556 in 2020.
7. The **governmental funds** reported total assigned and unassigned fund balances of \$5,092,345 in 2021 compared to \$4,565,500 in 2020. The combined assigned and unassigned fund balance is made up of \$3,864,894 in 2021 compared to \$3,523,641 in 2020 from the General Fund and \$1,227,451 in 2021 compared to \$1,041,859 in 2020 from other non-major funds.
8. The City's **proprietary funds** reported a combined Total Net Position of \$39,168,862 in 2021 compared to \$37,773,446 in 2020 of which \$6,662,907 in 2021 compared to \$5,699,826 in 2020 is unrestricted.
9. The City's **proprietary funds** reported combined cash or equivalents and cash with trustee of \$3,621,297 in 2021 compared to \$4,205,034 in 2020.

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## 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.

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

***Net Position***

Net position may serve as a useful indicator of a government's financial position. In the case of the City of La Junta, assets exceeded liabilities by \$64,079,684 in 2021 compared to \$63,073,886 in 2020. 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.

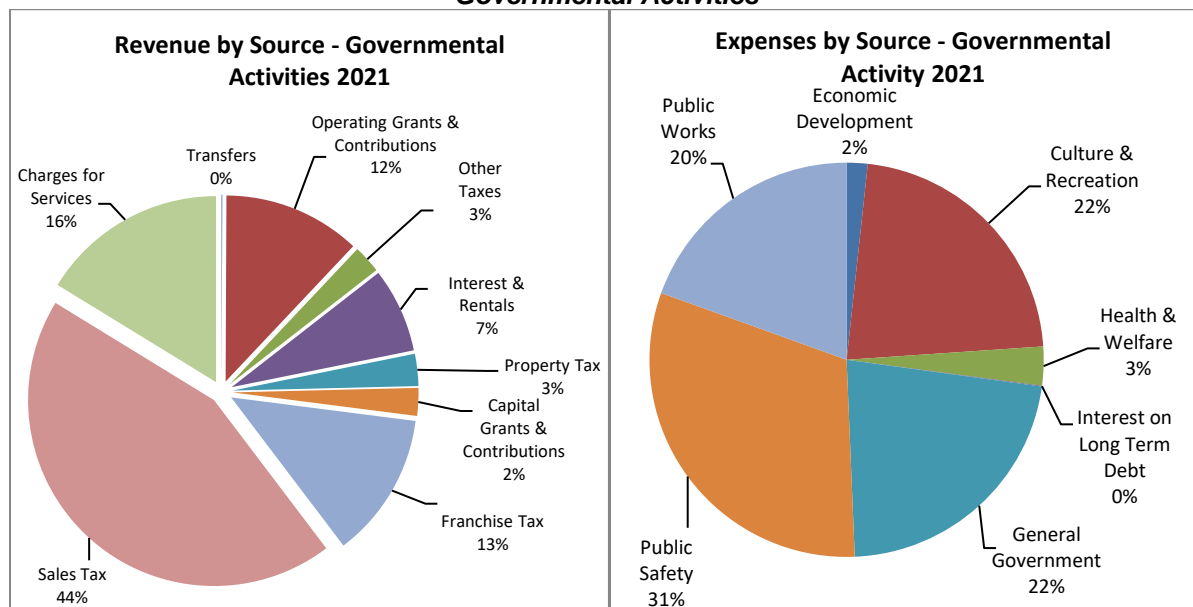
The City's combined net position was:

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

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2021	2020	2021	2020	2021	2020
<b>Assets:</b>						
Current and other	\$10,046,252	\$ 9,426,040	\$12,296,142	\$11,936,478	\$22,342,394	\$21,362,518
Capital assets	<u>17,779,531</u>	<u>18,455,415</u>	<u>48,148,267</u>	<u>49,140,024</u>	<u>65,927,798</u>	<u>67,595,439</u>
Total Assets	27,825,783	27,881,455	60,444,409	61,076,502	88,270,192	88,957,957
Deferred Outflows	<u>181,616</u>	<u>194,954</u>	<u>-</u>	<u>-</u>	<u>181,616</u>	<u>194,954</u>
Total Assets and Deferred Outflow	<u>\$28,007,399</u>	<u>\$28,076,409</u>	<u>\$60,444,409</u>	<u>\$61,076,502</u>	<u>\$88,451,808</u>	<u>\$89,152,911</u>
<b>Liabilities:</b>						
Other Liabilities	\$ 1,387,152	\$ 1,055,984	\$ 2,921,939	\$ 3,280,965	\$ 4,309,091	\$ 4,336,949
Long-term debt-current	31,325	30,265	1,552,487	1,482,431	1,583,812	1,512,696
Long-term debt	<u>2,332,906</u>	<u>2,549,428</u>	<u>15,945,335</u>	<u>17,493,733</u>	<u>18,278,241</u>	<u>20,043,161</u>
Total Liabilities	<u>3,751,383</u>	<u>3,635,677</u>	<u>20,419,761</u>	<u>22,257,129</u>	<u>24,171,144</u>	<u>25,892,806</u>
Deferred Inflows	<u>200,980</u>	<u>186,219</u>	<u>-</u>	<u>-</u>	<u>200,980</u>	<u>186,219</u>
<b>Net Position:</b>						
Net investment in capital assets	17,682,230	18,327,849	31,629,955	31,167,620	49,312,185	49,495,469
Restricted	1,009,011	993,908	876,000	906,000	1,885,011	1,899,908
Unrestricted	<u>5,363,795</u>	<u>4,932,756</u>	<u>7,518,693</u>	<u>6,745,753</u>	<u>12,882,488</u>	<u>11,678,509</u>
Total Net Position	<u>24,055,036</u>	<u>24,254,513</u>	<u>40,024,648</u>	<u>38,819,373</u>	<u>64,079,684</u>	<u>63,073,886</u>
Total Liabilities, Deferred Inflows and Net Position	<u>\$28,007,399</u>	<u>\$28,076,409</u>	<u>\$60,444,409</u>	<u>\$61,076,502</u>	<u>\$88,451,808</u>	<u>\$89,152,911</u>

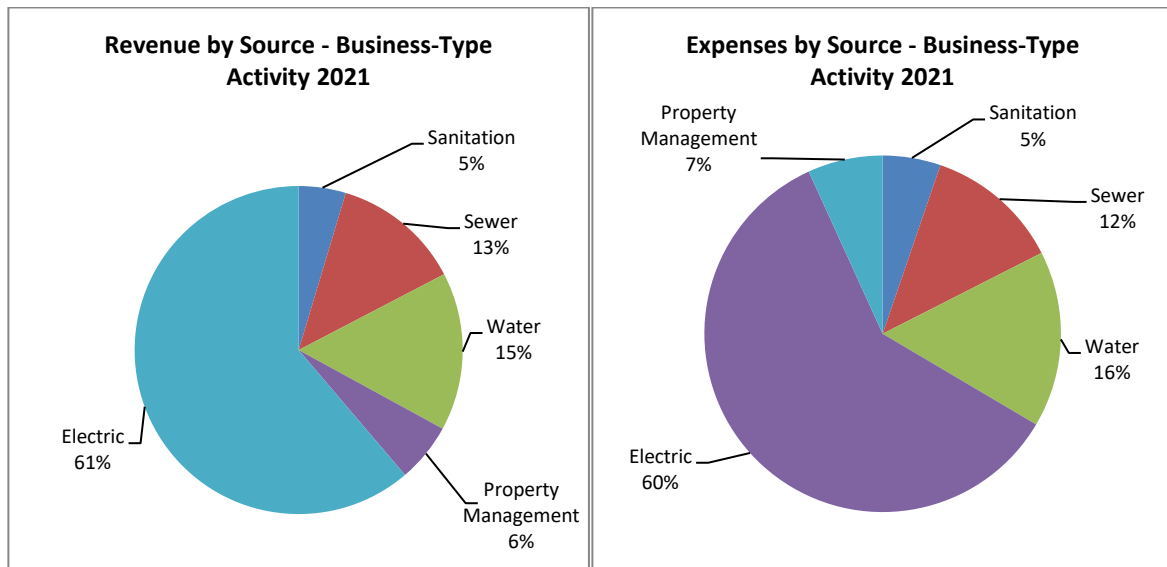
Restrictions in the governmental activities include \$277,500 for statutory reserves for emergencies by TABOR.

**Changes in Net Position  
Governmental Activities**



- Governmental activities decreased the City of La Junta’s net position by \$199,477 in 2021 compared to a decrease of \$1,087,837 in 2020. 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 71% 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 5% of all taxes and 3% 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 \$1,205,275 in 2021 compared to \$43,036 in 2020.

Charges for services for the business-type activities for 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Electric	\$ 11,291,559	\$ 11,389,837
Water	3,024,683	3,032,684
Sewer	2,316,902	2,497,368
Sanitation	994,216	947,447
Property Management	<u>1,287,148</u>	<u>1,316,418</u>
<b>Total Charges for Services</b>	<b><u>\$ 18,914,508</u></b>	<b><u>\$ 19,183,754</u></b>

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>	
	2021	2020	2021	2020	2021	2020
<b>Program Revenues</b>						
Charges for Services	\$ 1,723,716	\$ 1,442,273	\$19,321,938	\$19,183,754	\$20,638,224	\$20,626,027
Operating Grants & Contributions	1,269,585	700,997	-	-	1,269,585	700,997
Capital Grants & Contributions	256,106	852,421	113,732	8,073	369,838	860,494

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
<b>General Revenues</b>						
Property Tax	295,806	272,783	-	-	295,806	272,783
Sales Tax	4,675,962	4,170,250	-	-	4,675,962	4,170,250
Franchise Tax	1,342,452	1,336,234	-	-	1,342,452	1,363,234
Other Taxes	258,118	161,174	-	-	258,118	161,174
Interest	15,823	58,104	9,983	31,718	25,806	89,822
Other & Rentals	764,477	254,540	724,330	119,455	1,488,807	373,995
Total Revenues	<u>\$10,602,045</u>	<u>\$ 9,275,776</u>	<u>\$20,169,983</u>	<u>\$19,343,000</u>	<u>\$30,772,028</u>	<u>\$28,618,776</u>
<b>Expenses</b>						
General Government	\$ 2,204,641	\$ 1,466,949	\$ -	\$ -	\$ 2,204,641	\$ 1,466,949
Public Safety	2,907,094	3,648,336	-	-	2,907,094	3,648,336
Public Works	2,365,890	2,669,449	-	-	2,365,890	2,669,449
Health & Welfare	361,656	315,127	-	-	361,656	315,127
Culture & Recreation	2,802,692	2,135,916	-	-	2,806,692	2,135,916
Economic Development	163,348	120,590	-	-	163,348	120,590
Interest-Long Term Debt	3,801	4,846	-	-	3,801	4,846
Electric	-	-	11,291,559	11,848,405	11,291,559	11,848,405
Water	-	-	3,024,683	2,902,959	3,024,683	2,902,959
Sewer	-	-	2,316,902	2,263,508	2,316,902	2,263,508
Sanitation	-	-	994,216	994,395	994,216	994,395
Property Management	-	-	1,287,148	1,293,097	1,287,148	1,293,097
Total Expenses	<u>10,809,122</u>	<u>\$10,361,213</u>	<u>18,914,508</u>	<u>19,302,364</u>	<u>29,723,630</u>	<u>29,663,577</u>
Excess (Deficiency) Before Transfers and Special Items	(207,077)	\$(1,085,437)	1,255,475	40,636	1,048,398	(1,044,801)
Transfers In (Out)	7,600	(2,400)	(7,600)	2,400	-	-
Special Items	-	-	(42,600)	-	(42,600)	-
Change in Net Position	(199,477)	(1,087,837)	1,205,275	43,036	1,005,798	(1,044,801)
Net Position - Beginning	<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>
Net Position Ending	<u>\$24,055,036</u>	<u>\$24,254,513</u>	<u>\$40,024,648</u>	<u>\$38,819,373</u>	<u>\$64,079,684</u>	<u>\$63,073,886</u>

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**FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

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

**GOVERNMENTAL FUNDS**

The focus of the City of La Junta's governmental funds is to provide information on current year revenue, expenditures, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, the unassigned fund balance may serve as a useful measure of government's net resources available for spending at the end of the fiscal year. As of the end of the year, the City's governmental funds reported a combined fund balance of \$6,107,381 in 2021 compared to \$5,577,719 in 2020. This is an increase of \$529,662. Of that fund balance, \$2,428,794 in 2021 compared to \$2,291,641 in 2020 constitutes unassigned fund balance, which is available for spending at the government's discretion. This is an increase of \$137,153. Restricted and Nonspendable fund balances increased to \$1,015,036 in 2021 from \$1,012,219 in 2020.

A portion of the fund balance is restricted for permanent endowments in the amount of \$382,413, for a state constitution mandated emergency reserve-TABOR of \$277,500, conservation trust of \$238,823 and capital projects of \$110,275.

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 \$2,428,794 in 2021 compared to \$2,291,641 in 2020, while the total fund balance was \$4,252,669 in 2021 compared to \$3,913,163 in 2020. The General Fund had revenues over expenditures and other financing uses in the amount of \$339,506 in 2021 compared to revenues under expenditures in 2020 in the amount of \$832,715.

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:

	<b><u>Change in Net Position – Proprietary Funds</u></b>			
	<b>Unrestricted Net Position</b>		<b>Change in Net Position</b>	
	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>
<b><u>Major Enterprise Funds</u></b>				
Electric	\$ 4,721,855	\$ 4,520,786	\$ 336,029	\$ (360,455)
Water	(33,591)	47,528	160,298	143,026
Sewer	286,319	371,962	230,812	246,603
Sanitation	1,341,505	1,315,895	(32,994)	(45,486)
Property Management	<u>346,819</u>	<u>(556,345)</u>	<u>701,271</u>	<u>33,275</u>
Total Enterprise Funds	<u>\$ 6,662,907</u>	<u>\$ 5,699,826</u>	<u>\$ 1,395,416</u>	<u>\$ 16,963</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 2021, operating revenues in the Employee Benefit Fund increased by \$54 which is consistent with prior year due to little change in the number of employees enrolled in the city offered benefit. Operating expenses for the Employee Benefit fund increased \$347,402.

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 need replaced, adequate funds have been generated through the on-going rental fees to make a replacement purchase. Revenues totaled \$1,306,349 in 2021 compared to \$1,136,697 in 2020. Increases are due to the adjustments in maintenance, fuel prices, and computer services that are paid by the city departments. The change in net position was \$(45,019) in 2021 compared to \$143,829 in 2020.

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**BUDGETARY HIGHLIGHTS**

The General Fund’s original and final budget was \$8,625,400 in Revenues (not including transfers in). Compared to actual revenues of \$9,571,716, this was a positive variance of \$946,316 from the original budget and final budget.

The General Fund’s original and final budget was \$9,868,200 in Expenditures. Compared to actual expenditures of \$9,242,210, this was a positive variance of \$625,990 from the original budget and final budget.

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

- Placed distributed generation at each critical load sites including RO plant in order to increase resiliency from big weather events.
- The City is still working on the design with CDOT 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 to demolish vacant or burnt-out structures or assist other departments with their needs. The EPA demolished 4 more structures in 2021. The City will continue this program in 2022.
- The City also helped Commercial businesses 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.
- Made more safety improvements to La Junta Raceway which now has over 20 races per year.
- Tourism worked with the State Tourism Office on Restart Destinations to help us move past the pandemic. Tarantula season was a success with people coming from around the Nation.
- Participating in Colorado Main Street and Certified Local Government programs.
- We received our first Economic Development plan.
- We finished building a new parking lot and made further progress on Live Well Park on Santa Fe Avenue between 3<sup>rd</sup> & 4<sup>th</sup> St.
- We continued working 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.
- We also finished replacing the water, wastewater lines and asphalt on Mountain View Avenue.
- We started helping with the new Nursing Home located on South San Juan. The Electric, Water, and Sewer Departments started building the required infrastructure to this project.
- Property Management sold Coffee Holdings to the Company. The City purchased and leased to own the Fox Theater. They applied and received Main Street Open for Business grant from the State to make much needed improvements. Five other businesses received assistance from the program.
- Working with the Counties and Cities in our part of the State to start building workforce housing.

Supplemental Budget Appropriations were made for the following funds:

- Water Utility Fund

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**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of 2021, the City had invested \$65,927,798 compared to \$67,595,439 in 2020, 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 asset disposals in the Electric Fund.

**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.

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**ECONOMIC FACTORS  
AFFECTING FUTURE FINANCIAL CONDITIONS**

- Factors, which have the potential to significantly impact the City's 2022 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, wages increasing, 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 purchased 887.70 shares of Holbrook Canal. The City is currently working on converting these water rights for beneficial use. Now a pending drought.
- 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 is affecting us.
- We see growth with our industries and the housing market is booming as we see people from the Front Range relocating here.

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**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, 2021

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<b>ASSETS</b>			
CASH OR EQUIVALENTS	\$ 7,119,592	\$ 3,621,297	\$ 10,740,889
RESTRICTED CASH	110,275	-	110,275
CASH WITH TRUSTEE	2,588	-	2,588
INVESTMENTS	2,061,080	3,626,126	5,687,206
RECEIVABLES - NET			
ACCOUNTS	147,502	1,944,443	2,091,945
GRANTS	474,445	-	474,445
TAXES	602,658	-	602,658
NOTES	6,025	-	6,025
OTHER	293,690	-	293,690
INTERNAL BALANCES	(855,786)	855,786	-
INVENTORIES	84,183	2,221,523	2,305,706
DEPOSITS	-	26,967	26,967
CAPITAL ASSETS			
LAND AND WATER RIGHTS	1,135,355	3,120,856	4,256,211
CONSTRUCTION IN PROGRESS	243,252	116,832	360,084
BUILDINGS	7,895,579	34,863,013	42,758,592
SYSTEMS	-	38,296,587	38,296,587
IMPROVEMENTS	8,355,315	-	8,355,315
EQUIPMENT	7,008,746	4,689,673	11,698,419
INFRASTRUCTURE	32,699,401	-	32,699,401
ACCUMULATED DEPRECIATION	(39,558,117)	(32,938,694)	(72,496,811)
TOTAL ASSETS	<u>27,825,783</u>	<u>60,444,409</u>	<u>88,270,192</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
PENSION RELATED	181,616	-	181,616
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 28,007,399</u>	<u>\$ 60,444,409</u>	<u>\$ 88,451,808</u>
<b>LIABILITIES</b>			
ACCOUNTS PAYABLE	\$ 301,602	\$ 868,293	\$ 1,169,895
ACCRUED EXPENSES	2,137	139,723	141,860
CUSTOMERS DEPOSITS	-	198,412	198,412
UNEARNED REVENUES	1,083,413	1,715,511	2,798,924
NON CURRENT LIABILITIES:			
DUE WITHIN ONE YEAR	31,325	1,552,487	1,583,812
DUE IN MORE THAN ONE YEAR	2,332,906	15,945,335	18,278,241
TOTAL LIABILITIES	<u>3,751,383</u>	<u>20,419,761</u>	<u>24,171,144</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
DEFERRED REVENUES - PENSION RELATED	92,180	-	92,180
DEFERRED REVENUES - PROPERTY TAXES	108,800	-	108,800
	<u>200,980</u>	<u>-</u>	<u>200,980</u>
<b>NET POSITION</b>			
NET INVESTMENT IN CAPITAL ASSETS	17,682,230	31,629,955	49,312,185
RESTRICTED FOR:			
EMERGENCIES - TABOR	277,500	-	277,500
CAPITAL PROJECTS	110,275	-	110,275
ENDOWMENTS - NONEXPENDABLE	382,413	-	382,413
CONSERVATION TRUST	238,823	-	238,823
OPERATIONS & MAINTENANCE	-	876,000	876,000
UNRESTRICTED	<u>5,363,795</u>	<u>7,518,693</u>	<u>12,882,488</u>
TOTAL NET POSITION	<u>24,055,036</u>	<u>40,024,648</u>	<u>64,079,684</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ 28,007,399</u>	<u>\$ 60,444,409</u>	<u>\$ 88,451,808</u>

CITY OF LA JUNTA, COLORADO  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2021

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSES) REVENUE AND CHANGES IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES	OPERATING	CAPITAL	PRIMARY GOVERNMENT		TOTAL
			GRANTS AND CONTRIBUTIONS	GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	
<b>GOVERNMENTAL ACTIVITIES:</b>							
GENERAL GOVERNMENT	\$ 2,204,641	\$ 680,100	\$ 342,048	\$ -	\$ (1,182,493)	\$ -	\$ (1,182,493)
PUBLIC SAFETY	2,907,094	431,857	110,851	-	(2,364,386)	-	(2,364,386)
PUBLIC WORKS	2,365,890	280,626	467,373	98,204	(1,519,687)	-	(1,519,687)
HEALTH AND WELFARE	361,656	65,878	-	-	(295,778)	-	(295,778)
CULTURE AND RECREATION	2,802,692	265,255	349,313	157,902	(2,030,222)	-	(2,030,222)
ECONOMIC DEVELOPMENT	163,348	-	-	-	(163,348)	-	(163,348)
INTEREST ON LONG TERM DEBT	3,801	-	-	-	(3,801)	-	(3,801)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>10,809,122</b>	<b>1,723,716</b>	<b>1,269,585</b>	<b>256,106</b>	<b>(7,559,715)</b>	<b>-</b>	<b>(7,559,715)</b>
<b>BUSINESS-TYPE ACTIVITIES:</b>							
ELECTRIC	11,291,559	11,489,088	-	-	-	197,529	197,529
WATER	3,024,683	3,033,749	-	103,332	-	112,398	112,398
SEWER	2,316,902	2,491,744	-	10,400	-	185,242	185,242
SANITATION	994,216	975,464	-	-	-	(18,752)	(18,752)
PROPERTY MANAGEMENT	1,287,148	1,331,893	-	-	-	44,745	44,745
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>18,914,508</b>	<b>19,321,938</b>	<b>-</b>	<b>113,732</b>	<b>-</b>	<b>521,162</b>	<b>521,162</b>
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 29,723,630</b>	<b>\$ 21,045,654</b>	<b>\$ 1,269,585</b>	<b>\$ 369,838</b>	<b>(7,559,715)</b>	<b>521,162</b>	<b>(7,038,553)</b>
<b>GENERAL REVENUES:</b>							
PROPERTY TAXES					295,806	-	295,806
SALES TAXES					4,675,962	-	4,675,962
FRANCHISE TAXES					1,342,452	-	1,342,452
OTHER TAXES					258,118	-	258,118
INTEREST					15,823	9,983	25,806
MISCELLANEOUS					764,477	724,330	1,488,807
<b>TOTAL GENERAL REVENUES</b>					<b>7,352,638</b>	<b>734,313</b>	<b>8,086,951</b>
TRANSFERS					7,600	(7,600)	-
SPECIAL ITEM					-	(42,600)	(42,600)
<b>TOTAL GENERAL REVENUES, TRANSFERS, AND SPECIAL ITEM</b>					<b>7,360,238</b>	<b>684,113</b>	<b>8,044,351</b>
CHANGE IN NET POSITION					(199,477)	1,205,275	1,005,798
NET POSITION JANUARY 1					24,254,513	38,819,373	63,073,886
NET POSITION DECEMBER 31					<b>\$ 24,055,036</b>	<b>\$ 40,024,648</b>	<b>\$ 64,079,684</b>

## CITY OF LA JUNTA, COLORADO

## GOVERNMENTAL FUNDS

## BALANCE SHEET

DECEMBER 31, 2021

	GENERAL	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS</b>			
CASH OR EQUIVALENTS	\$ 3,325,887	\$ 1,349,496	\$ 4,675,383
CASH WITH TRUSTEE	2,588	-	2,588
RESTRICTED CASH	110,275	-	110,275
INVESTMENTS	710,388	499,971	1,210,359
RECEIVABLES:			
ACCOUNTS RECEIVABLE	77,571	-	77,571
GRANTS RECEIVABLE	242,097	232,348	474,445
TAXES RECEIVABLE	590,190	12,468	602,658
NOTES RECEIVABLE	-	6,025	6,025
OTHER RECEIVABLE	277,440	16,250	293,690
DUE FROM (TO) OTHER FUNDS	11,011	(11,011)	-
<b>TOTAL ASSETS</b>	<b>\$ 5,347,447</b>	<b>\$ 2,105,547</b>	<b>\$ 7,452,994</b>
<b>LIABILITIES</b>			
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	\$ 151,407	\$ 1,993	\$ 153,400
UNEARNED REVENUE	834,571	248,842	1,083,413
<b>TOTAL LIABILITIES</b>	<b>985,978</b>	<b>250,835</b>	<b>1,236,813</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
DEFERRED REVENUES - PROPERTY TAXES	108,800	-	108,800
<b>FUND BALANCE</b>			
NONSPENDABLE FOR NOTES	-	6,025	6,025
RESTRICTED FOR			
EMERGENCIES - TABOR	277,500	-	277,500
CAPITAL PROJECTS	110,275	-	110,275
CONSERVATION TRUST	-	238,823	238,823
ENDOWMENTS - NONEXPENDABLE	-	382,413	382,413
ASSIGNED			
SUBSEQUENT YEARS' EXPENDITURES	1,436,100	-	1,436,100
COMMUNITY AND ECONOMIC DEVELOPMENT	-	1,218,419	1,218,419
SURCHARGE	-	9,032	9,032
UNASSIGNED	2,428,794	-	2,428,794
<b>TOTAL FUND BALANCES</b>	<b>4,252,669</b>	<b>1,854,712</b>	<b>6,107,381</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>	<b>\$ 5,347,447</b>	<b>\$ 2,105,547</b>	<b>\$ 7,452,994</b>

CITY OF LA JUNTA, COLORADO

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

DECEMBER 31, 2021

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

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS		\$ 6,107,381
ASSETS NOT AVAILABLE FOR CURRENT PERIOD EXPENDITURES AND THEREFORE ARE NOT REPORTED IN FUNDS		
LONG TERM RECEIVABLES	\$ 65,933	
DEFERRED OUTFLOWS - PENSION RELATED AMOUNTS	<u>181,616</u>	
		247,549
CAPITAL ASSETS USED IN GOVERNMENTAL ACTIVITIES ARE NOT FINANCIAL RESOURCES AND THEREFORE ARE NOT REPORTED IN FUNDS.		
THE COST OF CAPITAL ASSETS IS	51,459,978	
ACCUMULATED DEPRECIATION IS	<u>(35,597,444)</u>	
		15,862,534
INVENTORIES ARE EXPENSED IN THE GOVERNMENTAL FUNDS UPON ACQUISITION BUT RECOGNIZED AS AN ASSET IN THE GOVERNMENT WIDE FINANCIAL STATEMENTS		49,936
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.		4,166,095
LONG-TERM LIABILITIES ARE NOT DUE AND PAYABLE IN THE CURRENT PERIOD AND THEREFORE ARE NOT REPORTED IN THE FUNDS.		
COMPENSATED ABSENCES	(490,662)	
LOAN PAYABLE DEVELOPER	(97,301)	
ACCRUED INTEREST ON THE LOAN	(2,137)	
NET PENSION LIABILITIES	(1,696,179)	
DEFERRED INFLOWS - PENSION RELATED AMOUNTS	<u>(92,180)</u>	
		<u>(2,378,459)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES		<u>\$ 24,055,036</u>

CITY OF LA JUNTA, COLORADO

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED DECEMBER 31, 2021

	GENERAL	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES			
TAXES	\$ 6,170,403	\$ 408,261	\$ 6,578,664
LICENSES AND PERMITS	47,379	-	47,379
INTERGOVERNMENTAL	1,442,118	83,573	1,525,691
CHARGES FOR SERVICES	1,723,716	-	1,723,716
FINES	47,481	-	47,481
INTEREST	9,734	1,889	11,623
MISCELLANEOUS AND RENTALS	130,885	538,732	669,617
TOTAL REVENUES	<u>9,571,716</u>	<u>1,032,455</u>	<u>10,604,171</u>
EXPENDITURES			
GENERAL GOVERNMENT	1,940,609	110,627	2,051,236
PUBLIC SAFETY	2,780,940	-	2,780,940
PUBLIC WORKS	1,939,023	-	1,939,023
HEALTH AND WELFARE	342,207	-	342,207
CULTURE AND RECREATION	2,239,431	531,194	2,770,625
ECONOMIC DEVELOPMENT	-	163,348	163,348
DEBT SERVICE	-	34,730	34,730
TOTAL EXPENDITURES	<u>9,242,210</u>	<u>839,899</u>	<u>10,082,109</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>329,506</u>	<u>192,556</u>	<u>522,062</u>
OTHER FINANCING SOURCES (USES)			
TRANSFERS IN	10,000	10,000	20,000
TRANSFERS OUT	-	(12,400)	(12,400)
TOTAL OTHER FINANCING SOURCES (USES)	<u>10,000</u>	<u>(2,400)</u>	<u>7,600</u>
NET CHANGE IN FUND BALANCE	339,506	190,156	529,662
FUND BALANCE JANUARY 1	<u>3,913,163</u>	<u>1,664,556</u>	<u>5,577,719</u>
FUND BALANCE DECEMBER 31	<u>\$ 4,252,669</u>	<u>\$ 1,854,712</u>	<u>\$ 6,107,381</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, 2021

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

NET CHANGE IN FUND BALANCE		\$ 529,662
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	(6,326)	
OTHER RECEIVABLE	<u>(25,000)</u>	(31,326)
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	535,917	
DEPRECIATION EXPENSE AND LOSS ON DISPOSITION	<u>(1,158,986)</u>	(623,069)
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	77,378	
PAYMENTS ON NOTE TO DEVELOPER FOR ELIGIBLE REIMBURSEMENT COSTS	30,265	
ACCRUED INTEREST EXPENSE ON LOAN	664	
PENSION RELATED AMOUNTS	<u>69,528</u>	177,835
INVENTORIES ARE EXPENSED AT ACQUISITION IN THE GOVERNMENTAL FUNDS AND REPORTED AS EXPENSES WHEN USED IN THE GOVERNMENT WIDE STATEMENTS		20,143
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>(272,722)</u>
CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES		<u><u>\$ (199,477)</u></u>

CITY OF LA JUNTA, COLORADO  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION  
 DECEMBER 31, 2021

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS					GOVERNMENTAL ACTIVITY INTERNAL SERVICE FUNDS	
	ELECTRIC	WATER	SEWER	SANITATION	PROPERTY MANAGEMENT		TOTAL
CURRENT ASSETS							
CASH OR EQUIVALENTS	\$ 1,981,646	\$ 54,610	\$ 533,982	\$ 309,676	\$ 741,383	\$ 3,621,297	\$ 2,444,209
INVESTMENTS	800,619	-	75,138	1,350,234	1,400,135	3,626,126	850,721
ACCOUNTS RECEIVABLE							
CUSTOMERS - NET	1,259,657	272,727	284,892	103,709	23,458	1,944,443	3,998
INVENTORIES	1,736,772	463,956	20,795	-	-	2,221,523	34,247
PREPAIDS AND ACCRUALS	477	26,389	-	101	-	26,967	-
TOTAL CURRENT ASSETS	<u>5,779,171</u>	<u>817,682</u>	<u>914,807</u>	<u>1,763,720</u>	<u>2,164,976</u>	<u>11,440,356</u>	<u>3,333,175</u>
PROPERTY AND EQUIPMENT							
LAND, SYSTEMS, AND EQUIPMENT	12,282,387	21,699,782	27,415,075	922,412	18,767,306	81,086,962	5,877,671
ACCUMULATED DEPRECIATION	<u>(7,190,284)</u>	<u>(9,887,258)</u>	<u>(5,536,430)</u>	<u>(667,955)</u>	<u>(9,656,768)</u>	<u>(32,938,695)</u>	<u>(3,960,673)</u>
NET PROPERTY AND EQUIPMENT	<u>5,092,103</u>	<u>11,812,524</u>	<u>21,878,645</u>	<u>254,457</u>	<u>9,110,538</u>	<u>48,148,267</u>	<u>1,916,998</u>
TOTAL ASSETS	<u>\$ 10,871,274</u>	<u>\$ 12,630,206</u>	<u>\$ 22,793,452</u>	<u>\$ 2,018,177</u>	<u>\$ 11,275,514</u>	<u>\$ 59,588,623</u>	<u>\$ 5,250,173</u>
CURRENT LIABILITIES							
ACCOUNTS PAYABLE	\$ 659,451	\$ 126,119	\$ 26,133	\$ 38,348	\$ 18,242	\$ 868,293	\$ 148,202
ACCRUED EXPENSES	-	-	94,717	-	45,006	139,723	-
CUSTOMERS DEPOSITS	198,412	-	-	-	-	198,412	-
UNEARNED REVENUE	32,008	-	-	-	190,025	222,033	-
LANDFILL COSTS	-	-	-	32,600	-	32,600	-
LOANS PAYABLE	-	792,372	727,515	-	-	1,519,887	-
TOTAL CURRENT LIABILITIES	<u>889,871</u>	<u>918,491</u>	<u>848,365</u>	<u>70,948</u>	<u>253,273</u>	<u>2,980,948</u>	<u>148,202</u>
NONCURRENT LIABILITIES							
ACCRUED PAID TIME OFF	167,445	205,154	151,638	57,867	71,406	653,510	80,089
UNEARNED REVENUE	-	-	-	-	1,493,478	1,493,478	-
LANDFILL COSTS	-	-	-	293,400	-	293,400	-
LOANS PAYABLE	-	686,250	14,312,175	-	-	14,998,425	-
TOTAL NONCURRENT LIABILITIES	<u>167,445</u>	<u>891,404</u>	<u>14,463,813</u>	<u>351,267</u>	<u>1,564,884</u>	<u>17,438,813</u>	<u>80,089</u>
TOTAL LIABILITIES	<u>1,057,316</u>	<u>1,809,895</u>	<u>15,312,178</u>	<u>422,215</u>	<u>1,818,157</u>	<u>20,419,761</u>	<u>228,291</u>
NET POSITION							
NET INVESTMENT IN CAPITAL ASSETS	5,092,103	10,333,902	6,838,955	254,457	9,110,538	31,629,955	1,916,998
RESTRICTED FOR:							
OPERATIONS & MAINTENANCE	-	520,000	356,000	-	-	876,000	-
UNRESTRICTED	<u>4,721,855</u>	<u>(33,591)</u>	<u>286,319</u>	<u>1,341,505</u>	<u>346,819</u>	<u>6,662,907</u>	<u>3,104,884</u>
TOTAL NET POSITION	<u>9,813,958</u>	<u>10,820,311</u>	<u>7,481,274</u>	<u>1,595,962</u>	<u>9,457,357</u>	<u>39,168,862</u>	<u>5,021,882</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 10,871,274</u>	<u>\$ 12,630,206</u>	<u>\$ 22,793,452</u>	<u>\$ 2,018,177</u>	<u>\$ 11,275,514</u>	<u>\$ 59,588,623</u>	<u>\$ 5,250,173</u>

CITY OF LA JUNTA, COLORADO  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
 YEAR ENDED DECEMBER 31, 2021

	BUSINESS-TYPE ACTIVITIES -			ENTERPRISE FUNDS		TOTAL	GOVERNMENTAL ACTIVITY INTERNAL SERVICE FUNDS
	ELECTRIC	WATER	SEWER	SANITATION	PROPERTY MANAGEMENT		
OPERATING REVENUES							
CHARGES FOR SERVICES	\$ 11,489,088	\$ 2,864,343	\$ 2,491,744	\$ 916,774	\$ 1,331,893	\$ 19,093,842	\$ 3,095,468
OTHER BILLINGS	-	169,406	-	58,690	-	228,096	-
TOTAL OPERATING REVENUES	11,489,088	3,033,749	2,491,744	975,464	1,331,893	19,321,938	3,095,468
OPERATING EXPENSES							
PERSONAL SERVICES, MATERIALS AND SUPPLIES	10,826,043	2,360,317	1,421,660	908,242	814,926	16,331,188	3,189,521
DEPRECIATION	381,445	614,140	619,758	58,604	469,840	2,143,787	401,691
TOTAL OPERATING EXPENSES	11,207,488	2,974,457	2,041,418	966,846	1,284,766	18,474,975	3,591,212
OPERATING INCOME (LOSS)	281,600	59,292	450,326	8,618	47,127	846,963	(495,744)
NONOPERATING REVENUES (EXPENSES)							
INTEREST INCOME	6,104	1,510	128	988	1,253	9,983	4,199
GRANTS AND OTHER	49,578	7,250	-	-	-	56,828	-
GAIN (LOSS) ON SALE OF ASSETS	(1,253)	-	8,264	-	660,491	667,502	28,683
INTEREST EXPENSE	-	(11,086)	(238,306)	-	-	(249,392)	-
TOTAL NONOPERATING REVENUES (EXPENSES)	54,429	(2,326)	(229,914)	988	661,744	484,921	32,882
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS, TRANSFERS AND SPECIAL ITEM	336,029	56,966	220,412	9,606	708,871	1,331,884	(462,862)
CAPITAL CONTRIBUTIONS	-	103,332	10,400	-	-	113,732	-
TRANSFERS IN (OUT)	-	-	-	-	(7,600)	(7,600)	-
SPECIAL ITEM	-	-	-	(42,600)	-	(42,600)	-
CHANGE IN NET POSITION	336,029	160,298	230,812	(32,994)	701,271	1,395,416	(462,862)
NET POSITION JANUARY 1	9,477,929	10,660,013	7,250,462	1,628,956	8,756,086	37,773,446	5,484,744
NET POSITION DECEMBER 31	\$ 9,813,958	\$ 10,820,311	\$ 7,481,274	\$ 1,595,962	\$ 9,457,357	\$ 39,168,862	\$ 5,021,882

CITY OF LA JUNTA, COLORADO

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

DECEMBER 31, 2021

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

TOTAL NET POSITION - PROPRIETARY FUNDS	\$ 39,168,862
ADJUSTMENT TO REFLECT CONSOLIDATION OF INTERNAL SERVICE FUND ACTIVITIES RELATED TO ENTERPRISE FUNDS	<u>855,786</u>
NET POSITION OF BUSINESS-TYPE ACTIVITIES	<u><u>\$ 40,024,648</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, 2021

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

CHANGE IN NET POSITION	\$ 1,395,416
ADJUSTMENT TO REFLECT CONSOLIDATION OF INTERNAL SERVICE FUND ACTIVITIES RELATED TO ENTERPRISE FUNDS	<u>(190,141)</u>
CHANGES IN NET POSITION OF BUSINESS-TYPE ACTIVITIES	<u><u>\$ 1,205,275</u></u>

CITY OF LA JUNTA, COLORADO  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 YEAR ENDED DECEMBER 31, 2021

	BUSINESS-TYPE		ACTIVITIES - ENTERPRISE FUNDS			TOTAL	GOVERNMENTAL ACTIVITY INTERNAL SERVICE FUND
	ELECTRIC	WATER	SEWER	SANITATION	PROPERTY MANAGEMENT		
CASH FLOWS FROM OPERATING ACTIVITIES							
CASH RECEIVED FROM CUSTOMERS	\$ 11,616,252	\$ 2,845,216	\$ 2,507,243	\$ 920,279	\$ 1,127,159	\$ 19,016,149	\$ 3,092,805
CASH PAYMENTS TO SUPPLIERS FOR GOODS & SERVICES	(9,899,669)	(1,557,522)	(867,700)	(495,319)	(512,125)	(13,332,335)	(2,778,080)
CASH PAYMENTS TO EMPLOYEES SERVICES	(1,179,868)	(809,578)	(556,140)	(406,019)	(290,784)	(3,242,389)	(387,140)
OTHER OPERATING REVENUES	-	169,406	-	58,690	-	228,096	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>536,715</u>	<u>647,522</u>	<u>1,083,403</u>	<u>77,631</u>	<u>324,250</u>	<u>2,669,521</u>	<u>(72,415)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
RENTS RECEIVED AND OTHER	81,586	260	-	-	-	81,846	-
TRANSFER IN (OUT)	-	-	-	-	(7,600)	(7,600)	-
CUSTOMER DEPOSITS	9,900	-	-	-	-	9,900	-
NET CASH FLOWS PROVIDED (USED ) BY NONCAPITAL FINANCING ACTIVITIES	<u>91,486</u>	<u>260</u>	<u>-</u>	<u>-</u>	<u>(7,600)</u>	<u>84,146</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
ACQUISITION OF CAPITAL ASSETS	(759,791)	(57,941)	(213,162)	-	(505,582)	(1,536,476)	(348,876)
CASH PROCEEDS FROM INSURANCE , SALE OF ASSETS AND OTHER	-	-	8,264	-	-	8,264	28,683
CAPITAL CONTRIBUTED	-	103,332	10,400	-	898,126	1,011,858	-
PRINCIPAL PAID ON LOANS PAYABLE	-	(738,041)	(716,051)	-	-	(1,454,092)	-
INTEREST PAID ON LOANS PAYABLE AND OTHER	-	(36,172)	(242,417)	-	-	(278,589)	-
NET CASH FLOWS PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(759,791)</u>	<u>(728,822)</u>	<u>(1,152,966)</u>	<u>-</u>	<u>392,544</u>	<u>(2,249,035)</u>	<u>(320,193)</u>
CASH FLOWS FROM INVESTING ACTIVITIES							
INTEREST ON INVESTMENTS AND LOANS	6,102	1,510	857	1,055	1,253	10,777	4,607
PURCHASE OF INVESTMENTS	-	-	-	(1,199,788)	(1,400,006)	(2,599,794)	(1,451,976)
CASH PROCEEDS FROM SALE OF INVESTMENTS	399,905	-	-	800,743	300,000	1,500,648	1,201,888
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>406,007</u>	<u>1,510</u>	<u>857</u>	<u>(397,990)</u>	<u>(1,098,753)</u>	<u>(1,088,369)</u>	<u>(245,481)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	274,417	(79,530)	(68,706)	(320,359)	(389,559)	(583,737)	(638,089)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	1,707,229	134,140	602,688	630,035	1,130,942	4,205,034	3,082,298
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,981,646</u>	<u>\$ 54,610</u>	<u>\$ 533,982</u>	<u>\$ 309,676</u>	<u>\$ 741,383</u>	<u>\$ 3,621,297</u>	<u>\$ 2,444,209</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES							
OPERATING INCOME (LOSS)	\$ 281,600	\$ 59,292	\$ 450,326	\$ 8,618	\$ 47,127	\$ 846,963	\$ (495,744)
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:							
DEPRECIATION	381,445	614,140	619,758	58,604	469,840	2,143,787	401,691
CHANGE IN ASSETS AND LIABILITIES (INCREASE) DECREASE IN ASSET ACCOUNTS	(11,219)	(23,841)	11,074	3,505	(14,709)	(35,190)	(14,435)
INCREASE (DECREASE) IN LIABILITY ACCOUNTS	(115,111)	(2,069)	2,245	6,904	(178,008)	(286,039)	36,073
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 536,715</u>	<u>\$ 647,522</u>	<u>\$ 1,083,403</u>	<u>\$ 77,631</u>	<u>\$ 324,250</u>	<u>\$ 2,669,521</u>	<u>\$ (72,415)</u>
SUPPLEMENTAL SCHEDULE OF NONCASH ACTIVITIES							
EQUIPMENT ACQUISITION COSTS IN ACCOUNTS PAYABLE	\$ -	\$ 96,575	\$ -	\$ -	\$ -	\$ 96,575	\$ -

**NOTES TO THE BASIC 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, 2021, the City's share of the cost is estimated at \$326,000 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, 2021, 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, 2021 since the amounts are measurable but not available until 2022. 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		41,614
Contributions Made Subsequent to the Measurement Date		<u>140,002</u>
Total Pension Related Deferred Outflows	\$	<u>181,616</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 items 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>92,180</u>
Total Pension Related Deferred Inflows	\$	<u>92,180</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, 2021, the Conservation Trust Fund, Economic Development Fund, Electric Utility Fund, Property Management Fund, City Services Fund, and the Employee Benefit Claim Fund were in violation.

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

NOTE -2      DEPOSITS AND INVESTMENTS

DEPOSITS:

Custodial Credit Risk – Deposits - Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. As of December 31, 2021, \$10,559,250 of the City's bank balance of \$11,309,250 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, 2021, 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	\$ -	\$ 5,687,206	\$ -	\$ 5,687,206	\$ 5,687,206	\$ -

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	\$ 108,800	\$ 834,571
Conservation Trust Fund	-	248,842
	<u>\$ 108,800</u>	<u>\$ 1,083,413</u>
<u>Proprietary Funds:</u>		
Electric Utility Fund	\$ -	\$ 32,008
Property Management Fund	-	1,683,503
	<u>\$ -</u>	<u>\$ 1,715,511</u>

CITY OF LA JUNTA, COLORADO  
NOTES TO FINANCIAL STATEMENTS

NOTE -4 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2021 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	\$ -	\$ (67,410)	\$ 1,135,355
Construction in progress	<u>838,074</u>	<u>122,999</u>	<u>(717,821)</u>	<u>243,252</u>
	<u>2,040,839</u>	<u>122,999</u>	<u>(785,231)</u>	<u>1,378,607</u>
Capital assets being depreciated				
Buildings	7,768,268	127,311	-	7,895,579
Improvements	7,518,744	863,069	(26,498)	8,355,315
Infrastructure	32,699,401	-	-	32,699,401
Equipment	<u>6,751,545</u>	<u>493,901</u>	<u>(236,700)</u>	<u>7,008,746</u>
	<u>54,737,958</u>	<u>1,484,281</u>	<u>(263,198)</u>	<u>55,959,041</u>
Less accumulated depreciation for				
Buildings	(5,059,971)	(206,320)	-	(5,266,291)
Improvements	(3,713,851)	(306,555)	26,498	(3,993,908)
Infrastructure	(25,036,957)	(415,586)	-	(25,452,543)
Equipment	<u>(4,512,603)</u>	<u>(517,417)</u>	<u>184,645</u>	<u>(4,845,375)</u>
	<u>(38,323,382)</u>	<u>(1,445,878)</u>	<u>211,143</u>	<u>(39,558,117)</u>
<b>GOVERNMENTAL ACTIVITIES</b>				
CAPITAL ASSETS - NET	<u>\$ 18,455,415</u>	<u>\$ 161,402</u>	<u>\$ (837,286)</u>	<u>\$ 17,779,531</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>2,027,630</u>	<u>111,972</u>	<u>(2,022,770)</u>	<u>116,832</u>
	<u>5,148,486</u>	<u>111,972</u>	<u>(2,022,770)</u>	<u>3,237,688</u>
Capital assets being depreciated				
Buildings	33,689,944	2,784,635	(1,611,566)	34,863,013
Systems	41,817,366	328,172	(3,848,951)	38,296,587
Equipment	<u>4,563,067</u>	<u>188,913</u>	<u>(62,307)</u>	<u>4,689,673</u>
	<u>80,070,377</u>	<u>3,301,720</u>	<u>(5,522,824)</u>	<u>77,849,273</u>
Less accumulated depreciation for				
Buildings	(17,159,165)	(859,097)	1,373,930	(16,644,332)
Systems	(15,554,888)	(969,792)	3,847,696	(12,676,984)
Equipment	<u>(3,364,786)</u>	<u>(314,898)</u>	<u>62,306</u>	<u>(3,617,378)</u>
	<u>(36,078,839)</u>	<u>(2,143,787)</u>	<u>5,283,932</u>	<u>(32,938,694)</u>
<b>BUSINESS-TYPE ACTIVITIES</b>				
CAPITAL ASSETS - NET	<u>\$ 49,140,024</u>	<u>\$ 1,269,905</u>	<u>\$ (2,261,662)</u>	<u>\$ 48,148,267</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	\$ 85,811
Public safety	113,924
Public works	553,973
Public health and welfare	3,851
Culture and recreation	286,628
Capital assets held by the government's internal service funds are charged to various functions based on their usage of the assets	<u>401,691</u>
Total depreciation expense – governmental activities	<u>\$ 1,445,878</u>

Business-Type Activities:

Electric	\$ 381,445
Water	614,140
Sewer	619,758
Sanitation	58,604
Property Management	<u>469,840</u>
Total depreciation expense – business-type activities	<u>\$ 2,143,787</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.

\$ 6,025

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, 2021 is as follows:

<u>Transfer To</u>	<u>Transfer From</u>	<u>Amount Transferred</u>
Property Management	Urban Renewal Authority	\$ 12,400
General Fund	Property Management	\$ 10,000
Economic Development	Property Management	\$ 10,000

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, 2021, \$700,872 is outstanding and \$700,872 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, 2021, \$777,750 is outstanding and \$91,500 is due within one year.

The Sewer Utility Fund entered into a loan agreement and a Governmental Agency Bond Agreement with Colorado Water Resources and Power Development Authority in the amount of \$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, 2021, \$10,186,328 is outstanding and \$555,692 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, 2021, \$2,700,000 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, 2021, \$2,153,362 is outstanding and \$71,823 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, 2021, the City reported a restricted fund balance for operations and maintenance of \$520,000 and \$356,000 in the Water Utility Fund and Sewer Utility Fund, respectively. As of December 31, 2021, the City was in compliance with all loan covenants.

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, 2021, \$97,301 is outstanding and \$31,325 is due within one year. For the year ended December 31, 2021, interest incurred and expensed was \$3,801.

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
2022	\$ 1,519,887	\$ 207,713	\$ 31,325	\$ 3,405
2023	830,189	218,950	32,421	2,309
2024	845,568	207,588	33,555	1,174
2025	857,168	196,475	-	-
2026	863,173	185,610	-	-
2027 - 2031	4,293,219	827,599	-	-
2032 - 2036	4,315,280	490,106	-	-
2037 - 2041	1,647,346	41,379	-	-
2042 - 2046	900,829	11,666	-	-
2047 - 2049	445,653	2,151	-	-
TOTAL	<u>\$ 16,518,312</u>	<u>\$ 2,389,237</u>	<u>\$ 97,301</u>	<u>\$ 6,888</u>

The following is a summary of activity for long-term liabilities for the year ended December 31, 2021:

	BEGINNING BALANCE	INCREASES	DECREASES	ENDING BALANCE	DUE WITHIN ONE YEAR
<u>Governmental activities:</u>					
Reimbursement amt	\$ 127,566	\$ -	\$ (30,265)	\$ 97,301	\$ 31,325
Compensated absences	667,321	-	(96,570)	570,751	-
Net pension liabilities	<u>1,784,806</u>	<u>-</u>	<u>(88,627)</u>	<u>1,696,179</u>	<u>-</u>
Governmental activity					
Long-term liabilities	<u>\$ 2,579,693</u>	<u>\$ -</u>	<u>\$ (215,462)</u>	<u>\$ 2,364,231</u>	<u>\$ 31,325</u>
<u>Business-type activities:</u>					
Loans payable	\$17,972,403	\$ -	\$ (1,454,091)	\$16,518,312	\$ 1,519,887
Estimated closure and post-closure costs	283,400	42,600	-	326,000	32,600
Compensated absences	<u>720,360</u>	<u>-</u>	<u>(66,850)</u>	<u>653,510</u>	<u>-</u>
Business-type activities					
Long-term liabilities	<u>\$18,976,163</u>	<u>\$ 42,600</u>	<u>\$ (1,520,941)</u>	<u>\$17,497,822</u>	<u>\$ 1,552,487</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 \$1,714,000 in closure and postclosure costs amounting to \$326,000. These amounts are based on estimates of what it would cost to perform all closure and post closure care in 2021. 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 increased from 2020 to 2021 therefore increasing the City's allocation by \$42,600 from the prior year which is reported as a special item on the statement of activities and statement of revenues, expenses and changes in net position in the Sanitation Utility Fund.

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	2022	Closed	2023	2023	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, 2021 was \$905,000. 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, 2021 was \$1,315,605. 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>
Retirees and Beneficiaries	4
Inactive, Nonretired Members	0
Active Members	0
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, 2020 actuarial valuation. Total contribution for the year ended December 31, 2021 was \$74,822. 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, 2020, determines the contribution amounts for 2021 and 2022.

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, 2020:

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

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

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

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

- Investment Rate of Return – 4.50%
- Mortality – Post-retirement: 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.  
Disabled (pre-1980): Post-retirement rates set forward three years.

Long-Term Expected 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, 2020 are summarized in the following table:

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

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 2.00% (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, 2020, the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated January 1, 2018, and the City's fiscal year ending date, or reporting date, is December 31, 2021.

*Changes in Net Pension Liability*

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balances at December 31, 2020	<u>\$ 1,885,442</u>	<u>\$ 785,833</u>	<u>\$ 1,099,609</u>
Change for the year:			
Interest	82,039	-	82,039
Difference between Expected & Actual Experience of the Total Pension Liability	-	-	-
Changes of Assumptions	-	-	-
Contributions – Employer	-	71,924	(71,924)
Contributions – Member	-	-	-
Net Investment Income	-	60,017	(60,017)
Benefit payments	(126,081)	(126,081)	-
Administrative Expense	-	(2,935)	2,935
Net Changes	<u>(44,042)</u>	<u>2,925</u>	<u>(46,967)</u>
Balances at December 31, 2021	<u>1,841,400</u>	<u>788,758</u>	<u>1,052,642</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, 2021, for the measurement period ending December 31, 2020, calculated using a Single Discount Rate of 4.50%, as well as what the plan's net pension liability / (asset) would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	1% Decrease (3.50%)	Current Single Discount Rate Assumption (4.50%)	1% Increase (5.50%)
Net Pension Liability	\$ 1,248,254	\$ 1,052,642	\$ 886,284

*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, 2021; the City recognized pension revenue of \$31,380. At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ -
Assumption Changes	-	-
Net difference between projected and actual earnings on pension plan investments	22,848	51,839
Contributions subsequent to the measurement date	74,822	-
Total	\$ 97,670	\$ 51,839

\$74,822 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31, 2021:	
2022	\$ (10,650)
2023	(866)
2024	(12,290)
2025	(5,185)
2026	-
Thereafter	-
Total	(28,991)

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>
Retirees and Beneficiaries	3
Inactive, Nonretired Members	0
Active Members	0
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, 2020 actuarial valuation. Total contribution for the year ended December 31, 2021 was \$65,180. 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, 2020, determines the contribution amounts for 2021 and 2022.

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

- Actuarial Cost Method – Entry Age Normal
- Amortization Method – Level Dollar, Open\*
- Remaining Amortization Period – 10 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, 2020. Following an experience study in 2018 and asset allocation study in 2018-2019, the Board adopted a new assumption set for first use in January 1, 2020 valuations.

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

Investment Rate of Return – 4.50%

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

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

Long-Term Expected 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, 2020, are summarized in the following table:

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

Single Discount Rate

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

For the purpose of this valuation, the long-term expected rate of return on pension plan investments is 4.50%; the municipal bond rate is 2.00% (based on the weekly rate 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, 2020, the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated January 1, 2020, and the City's fiscal year ending date, or reporting date, is December 31, 2021.

*Changes in Net Pension Liability*

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balances at December 31, 2020	<u>\$ 1,298,841</u>	<u>\$ 613,644</u>	<u>\$ 685,197</u>
Change for the year:			
Interest	55,660	-	55,660
Difference between Expected & Actual Experience of the Total Pension Liability	-	-	-
Changes in Assumptions	-	-	-
Contributions – Employer	-	54,550	(54,550)
Contributions – Member	-	-	-
Net Investment Income	-	45,493	(45,493)
Benefit payments	(125,299)	(125,299)	-
Administrative Expense	-	(2,723)	2,723
Net Changes	<u>(69,639)</u>	<u>(27,979)</u>	<u>(41,660)</u>
Balances at December 31, 2021	<u>1,229,202</u>	<u>585,665</u>	<u>643,537</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, 2021, for the measurement period ending December 31, 2020, calculated using a Single Discount Rate of 4.50%, as well as what the plan's net pension liability / (asset) would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	1% Decrease (3.50%)	Current Single Discount Rate Assumption (4.50%)	1% Increase (5.50%)
Net Pension Liability	\$ 757,674	\$ 643,537	\$ 545,506

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

*Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions* – For the year ended December 31, 2021; the City recognized pension revenue of \$38,148. At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CITY OF 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	18,766	40,341
Contributions subsequent to the measurement date	65,180	-
Total	\$ 83,946	\$ 40,341

\$65,180 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31, 2021:	
2022	\$ (8,218)
2023	(36)
2024	(9,419)
2025	(3,902)
2026	-
Thereafter	-
Total	\$ (21,575)

**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 2021 was \$571,808 and \$505,514, respectively. The City's contributions were calculated using a base salary amount of \$557,064 and \$501,360. Both City and the covered employees made the required 8 percent contribution, amounting to \$2,971 each for Firemen or a total of \$44,565 and \$3,085 each for Policemen or a total of \$40,109. As of December 31, 2021, the market value of assets held by the plans is \$969,501 for Fire and \$917,736 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 2021 was \$6,295,504. The City's contributions were calculated using the base salary amount of \$4,524,036. Both the City and the covered employees made the required contributions amounting to \$224,269 and \$258,524, respectively, for a total of \$482,793. As of December 31, 2021, the market value of assets held was \$11,860,161.

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, 2021 is as follows:

	Governmental Activities	Business-Type Activities	Total
Emergencies - TABOR	\$ 277,500	\$ -	\$ 277,500
Capital Projects	110,275	-	110,275
Endowments - Nonexpendable	382,413	-	382,413
Conservation Trust	238,823	-	238,823
Operations and Maintenance	-	876,000	876,000
	\$ 1,009,011	\$ 876,000	\$ 1,885,011

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

*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, 2021, fund balances for governmental funds consist of the following:

	Restricted Fund Balance				Total
	Emergencies TABOR	Capital Projects	Conservation Trust	Endowments - Nonexpendable	
General Fund	\$ 277,500	\$ 110,275	\$ -	\$ -	\$ 387,775
Conservation Trust	-	-	238,823	-	238,823
Library Endowment	-	-	-	100,573	100,573
Cemetery Endowment	-	-	-	281,840	281,840
<b>Total</b>	<b>\$ 277,500</b>	<b>\$ 110,275</b>	<b>\$ 238,823</b>	<b>\$ 382,413</b>	<b>\$ 1,009,011</b>

	Assigned Fund Balance			
	Subsequent Years' Expenditures	Community and Economic Development	Surcharge	Total
General Fund	\$ 1,436,100	\$ -	\$ -	\$ 1,436,100
Economic Development	-	129,683	-	129,683
La Junta Urban Renewal Authority	-	317,435	-	317,435
La Junta Capital, Inc.	-	8,404	-	8,404
Moving Violation Surcharge	-	-	9,032	9,032
Lodging Tax Tourism	-	762,897	-	762,897
<b>Total</b>	<b>\$ 1,436,100</b>	<b>\$ 1,218,419</b>	<b>\$ 9,032</b>	<b>\$ 2,663,551</b>

NOTE -12 RELATED PARTY TRANSACTIONS

The City had expenditures of \$41,894 made to related parties of which \$1,638 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, 2021, the City had paid OCLI \$180,964 for its share of the costs of which \$31,549 was due and recorded as accounts payable in the Sanitation Utility Fund. The City has recognized \$326,000 for its share of estimated closure and post closure care costs.

The City purchased \$8,138,225 of power from ARPA (a jointly governed entity), of which \$603,639 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, 2021, the balance remaining was \$1,683,503 with \$190,025 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, 2021 are as follows:

2022	\$	993,062
2023		861,877
2024		759,148
2025		724,133
2026		603,371
Thereafter		1,008,575

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, 2021, there were approximately 280 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 \$118,000 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, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Liability Balance January 1,	\$ 85,000	\$ 143,000
Claims and Changes in Estimates	1,604,284	1,220,464
Claims Payments	<u>(1,571,284)</u>	<u>(1,278,464)</u>
Liability Balance December 31,	<u>\$ 118,000</u>	<u>\$ 85,000</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.

On November 3, 2020 the voters of the City approved an amendment to allow the City to retain and spend all revenues it receives from all sources, beginning in 2021 and thereafter, as a voter approved revenue change under Article X, Section 20 of the Colorado Constitution.

Emergency Reserves have been provided for as required by Article X, Section 20 of the constitution of the State of Colorado. \$277,500 of the fund balance has been reserved in compliance with this requirement.

NOTE -16 SUBSEQUENT EVENTS

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

NOTE -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, 2021

MEASUREMENT PERIOD ENDED DECEMBER 31,	2020	2019	2018	2017	2016	2015	2014
TOTAL PENSION LIABILITY							
SERVICE COST	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
INTEREST	82,039	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	(126,081)	(122,409)	(118,843)	(115,382)	(112,021)	(108,759)	(105,591)
NET CHANGE IN TOTAL PENSION LIABILITY	(44,042)	463,922	(15,447)	24,828	(9,521)	95,016	(9,284)
TOTAL PENSION LIABILITY - BEGINNING	1,885,442	1,421,520	1,436,967	1,412,139	1,421,660	1,326,644	1,335,928
TOTAL PENSION LIABILITY - ENDING (a)	<u>\$ 1,841,400</u>	<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	\$ 71,924	\$ 60,388	\$ 60,388	\$ 48,084	\$ 48,084	\$ 44,595
CONTRIBUTIONS - EMPLOYEE	-	-	-	-	-	-	-
NET INVESTMENT INCOME	60,017	89,732	1,285	103,956	40,569	14,680	54,916
BENEFIT PAYMENTS	(126,081)	(122,409)	(118,843)	(115,382)	(112,021)	(108,759)	(105,591)
ADMINISTRATIVE EXPENSES	(2,935)	(1,794)	(3,616)	(1,253)	(3,084)	283	(4,139)
NET CHANGE IN PLAN FIDUCIARY NET POSITION	2,925	37,453	(60,786)	47,709	(26,452)	(45,712)	(10,219)
PLAN FIDUCIARY NET POSITION - BEGINNING	785,833	748,380	809,166	761,457	787,909	833,621	843,840
PLAN FIDUCIARY NET POSITION - ENDING (b)	<u>\$ 788,758</u>	<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	1,099,609	673,140	627,801	650,682	633,751	493,023	492,088
PLAN'S NET PENSION LIABILITY - ENDING (a) - (b)	<u>\$ 1,052,642</u>	<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)	42.83%	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	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	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, 2021

MEASUREMENT PERIOD ENDED DECEMBER 31,	2020	2019	2018	2017	2016	2015	2014
TOTAL PENSION LIABILITY							
SERVICE COST	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
INTEREST	55,660	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 ASSUMPTION CHANGES	-	85,518	-	(38,164)	-	61,291	-
BENEFIT PAYMENTS	(125,299)	(121,649)	(118,106)	(114,666)	(111,327)	(108,084)	(104,936)
NET CHANGE IN TOTAL PENSION LIABILITY	(69,639)	287,893	(43,380)	(72,537)	(28,755)	93,038	(27,076)
TOTAL PENSION LIABILITY - BEGINNING	1,298,841	1,010,948	1,054,328	1,126,865	1,155,620	1,062,582	1,089,658
TOTAL PENSION LIABILITY - ENDING (a)	<u>\$ 1,229,202</u>	<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	\$ 54,550	\$ 55,128	\$ 55,128	\$ 55,128	\$ 37,190	\$ 37,190	\$ 29,105
CONTRIBUTIONS - EMPLOYEE	-	-	-	-	-	-	-
NET INVESTMENT INCOME	45,493	70,887	1,334	87,372	34,775	13,305	50,250
BENEFIT PAYMENTS	(125,299)	(121,649)	(118,106)	(114,666)	(111,327)	(108,084)	(104,936)
ADMINISTRATIVE EXPENSES	(2,723)	(1,585)	(3,401)	(1,065)	(2,918)	(1,302)	(4,030)
NET CHANGE IN PLAN FIDUCIARY NET POSITION	(27,979)	2,781	(65,045)	26,769	(42,280)	(58,891)	(29,611)
PLAN FIDUCIARY NET POSITION - BEGINNING	613,644	610,863	675,908	649,139	691,419	750,310	779,921
PLAN FIDUCIARY NET POSITION - ENDING (b)	<u>\$ 585,665</u>	<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	685,197	400,085	378,420	477,726	464,201	312,272	309,737
PLAN'S NET PENSION LIABILITY - ENDING (a) - (b)	<u>\$ 643,537</u>	<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)	47.65%	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	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	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)
2021	\$ 74,822	\$ 74,822	\$ -	N/A	N/A
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

\* 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)
2021	\$ 65,180	\$ 65,180	\$ -	N/A	N/A
2020	\$ 54,550	\$ 54,550	\$ -	N/A	N/A
2019	\$ 54,550	\$ 55,128	\$ (578)	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

\* 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, 2021

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
REVENUES				
TAXES	\$ 5,471,600	\$ 5,471,600	\$ 6,170,403	\$ 698,803
LICENSES AND PERMITS	18,400	18,400	47,379	28,979
INTERGOVERNMENTAL	1,413,200	1,413,200	1,442,118	28,918
CHARGES FOR SERVICES	1,613,700	1,613,700	1,723,716	110,016
FINES	32,000	32,000	47,481	15,481
INTEREST	20,000	20,000	9,734	(10,266)
MISCELLANEOUS AND RENTALS	56,500	56,500	130,885	74,385
TOTAL REVENUES	<u>8,625,400</u>	<u>8,625,400</u>	<u>9,571,716</u>	<u>946,316</u>
EXPENDITURES				
GENERAL GOVERNMENT	1,648,400	1,648,400	1,940,609	(292,209)
PUBLIC SAFETY	3,115,800	3,115,800	2,780,940	334,860
PUBLIC WORKS	2,638,600	2,638,600	1,939,023	699,577
HEALTH AND WELFARE	331,800	331,800	342,207	(10,407)
CULTURE AND RECREATION	2,133,600	2,133,600	2,239,431	(105,831)
TOTAL EXPENDITURES	<u>9,868,200</u>	<u>9,868,200</u>	<u>9,242,210</u>	<u>625,990</u>
REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES	(1,242,800)	(1,242,800)	329,506	1,572,306
OTHER FINANCING SOURCES				
TRANSFERS IN	<u>10,800</u>	<u>10,800</u>	<u>10,000</u>	<u>(800)</u>
REVENUE OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES	(1,232,000)	(1,232,000)	339,506	1,571,506
FUND BALANCE JANUARY 1	<u>3,913,163</u>	<u>3,913,163</u>	<u>3,913,163</u>	<u>-</u>
FUND BALANCE DECEMBER 31	<u>\$ 2,681,163</u>	<u>\$ 2,681,163</u>	<u>\$ 4,252,669</u>	<u>\$ 1,571,506</u>

CITY OF LA JUNTA, COLORADO

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2021

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

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

NOTE -2 SCHEDULES OF PLAN CONTRIBUTIONS

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.

**SUPPLEMENTARY INFORMATION**

## CITY OF LA JUNTA, COLORADO

## GENERAL FUND

## BALANCE SHEET

DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
CASH OR EQUIVALENTS	\$ 3,325,887	\$ 2,628,382
CASH WITH TRUSTEE	2,588	120
RESTRICTED CASH	110,275	101,522
INVESTMENTS	710,388	809,731
RECEIVABLES:		
ACCOUNTS RECEIVABLE	77,571	128,143
GRANTS RECEIVABLE	242,097	56,710
ACCRUED INTEREST RECEIVABLE	358	356
PROPERTY TAXES RECEIVABLE	108,800	99,800
SALES TAX RECEIVABLE	481,390	440,708
DUE FROM OTHER GOVERNMENTS	277,082	124,783
DUE FROM OTHER FUND	11,011	-
	<u>5,347,447</u>	<u>4,390,255</u>
<b>TOTAL ASSETS</b>	<b>\$ 5,347,447</b>	<b>\$ 4,390,255</b>
<b>LIABILITIES</b>		
ACCOUNTS PAYABLE AND ACCRUED PAYROLL TAXES	\$ 151,407	\$ 377,292
UNEARNED REVENUE	834,571	-
	<u>985,978</u>	<u>377,292</u>
<b>TOTAL LIABILITIES</b>	<b>985,978</b>	<b>377,292</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
DEFERRED REVENUES - PROPERTY TAXES	108,800	99,800
	<u>108,800</u>	<u>99,800</u>
<b>FUND BALANCE</b>		
RESTRICTED FOR EMERGENCIES - TABOR	277,500	288,000
RESTRICTED ASSETS	110,275	101,522
ASSIGNED FOR SUBSEQUENT YEARS' EXPENDITURES	1,436,100	1,232,000
UNASSIGNED	2,428,794	2,291,641
	<u>4,252,669</u>	<u>3,913,163</u>
<b>TOTAL FUND BALANCE</b>	<b>4,252,669</b>	<b>3,913,163</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>	<b>\$ 5,347,447</b>	<b>\$ 4,390,255</b>

CITY OF LA JUNTA, COLORADO

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
REVENUES		
TAXES	\$ 6,170,403	\$ 5,682,607
LICENSES AND PERMITS	47,379	14,836
INTERGOVERNMENTAL	1,442,118	1,481,788
CHARGES FOR SERVICES	1,723,716	1,442,274
FINES	47,481	46,634
INTEREST	9,734	32,419
MISCELLANEOUS AND RENTALS	<u>130,885</u>	<u>69,429</u>
TOTAL REVENUES	<u>9,571,716</u>	<u>8,769,987</u>
EXPENDITURES		
GENERAL GOVERNMENT	1,940,609	1,841,423
PUBLIC SAFETY	2,780,940	2,847,301
PUBLIC WORKS	1,939,023	2,705,002
HEALTH AND WELFARE	342,207	328,331
CULTURE AND RECREATION	<u>2,239,431</u>	<u>1,891,213</u>
TOTAL EXPENDITURES	<u>9,242,210</u>	<u>9,613,270</u>
REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES	329,506	(843,283)
OTHER FINANCING SOURCES		
TRANSFERS IN	<u>10,000</u>	<u>10,568</u>
REVENUE OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES	339,506	(832,715)
FUND BALANCE JANUARY 1	<u>3,913,163</u>	<u>4,745,878</u>
FUND BALANCE DECEMBER 31	<u>\$ 4,252,669</u>	<u>\$ 3,913,163</u>

CITY OF LA JUNTA, COLORADO

EXPLANATION OF FUNDS

DECEMBER 31, 2021

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, 2021

	SPECIAL REVENUE FUNDS					PERMANENT FUNDS		TOTAL NONMAJOR GOVERNMENTAL FUND	
	CONSERVATION TRUST	ECONOMIC DEVELOPMENT	URBAN RENEWAL AUTHORITY	LA JUNTA CAPITAL INC.	MOVING VIOLATION SURCHARGE	LODGING TAX TOURISM	LIBRARY ENDOWMENT		CEMETERY ENDOWMENT
<b>ASSETS</b>									
CASH OR EQUIVALENTS	\$ 270,010	\$ 117,951	\$ 317,478	\$ 8,404	\$ 9,032	\$ 250,458	\$ 100,573	\$ 275,590	\$ 1,349,496
INVESTMENTS	-	-	-	-	-	499,971	-	-	499,971
RECEIVABLES:									
LODGING TAX RECEIVABLE	-	-	-	-	-	12,468	-	-	12,468
NOTES RECEIVABLE	-	-	6,025	-	-	-	-	-	6,025
GRANTS RECEIVABLE	228,666	3,682	-	-	-	-	-	-	232,348
OTHER RECEIVABLE	-	10,000	-	-	-	-	-	6,250	16,250
<b>TOTAL ASSETS</b>	<b>\$ 498,676</b>	<b>\$ 131,633</b>	<b>\$ 323,503</b>	<b>\$ 8,404</b>	<b>\$ 9,032</b>	<b>\$ 762,897</b>	<b>\$ 100,573</b>	<b>\$ 281,840</b>	<b>\$ 2,116,558</b>
<b>LIABILITIES</b>									
ACCOUNTS PAYABLE	\$ -	\$ 1,950	\$ 43	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,993
DUE TO OTHER FUNDS	11,011	-	-	-	-	-	-	-	11,011
UNEARNED REVENUE	248,842	-	-	-	-	-	-	-	248,842
<b>TOTAL LIABILITIES</b>	<b>259,853</b>	<b>1,950</b>	<b>43</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>261,846</b>
<b>FUND BALANCE</b>									
NONSPENDABLE FOR:									
NOTES	-	-	6,025	-	-	-	-	-	6,025
RESTRICTED FOR:									
CONSERVATION TRUST	238,823	-	-	-	-	-	-	-	238,823
ENDOWMENTS -	-	-	-	-	-	-	100,573	281,840	382,413
NONEXPENDABLE	-	129,683	317,435	8,404	9,032	762,897	-	-	1,227,451
ASSIGNED	-	-	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCE</b>	<b>238,823</b>	<b>129,683</b>	<b>323,460</b>	<b>8,404</b>	<b>9,032</b>	<b>762,897</b>	<b>100,573</b>	<b>281,840</b>	<b>1,854,712</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 498,676</b>	<b>\$ 131,633</b>	<b>\$ 323,503</b>	<b>\$ 8,404</b>	<b>\$ 9,032</b>	<b>\$ 762,897</b>	<b>\$ 100,573</b>	<b>\$ 281,840</b>	<b>\$ 2,116,558</b>

CITY OF LA JUNTA, COLORADO

NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS BALANCE

YEAR ENDED DECEMBER 31, 2021

	SPECIAL REVENUE FUNDS					PERMANENT FUNDS		TOTAL NONMAJOR GOVERNMENTAL FUNDS	
	CONSERVATION TRUST	ECONOMIC DEVELOPMENT	URBAN RENEWAL AUTHORITY	LA JUNTA CAPITAL INC.	MOVING VIOLATION SURCHARGE	LODGING TAX TOURISM	LIBRARY ENDOWMENT		CEMETERY ENDOWMENT
REVENUES									
TAXES	\$ -	\$ -	\$ 187,121	\$ -	\$ -	\$ 221,140	\$ -	\$ -	\$ 408,261
INTERGOVERNMENTAL	83,573	-	-	-	-	-	-	-	83,573
INTEREST	246	386	85	7	-	231	573	361	1,889
GRANTS AND OTHER	457,041	39,750	3,856	-	567	31,268	-	6,250	538,732
<b>TOTAL REVENUES</b>	<b>540,860</b>	<b>40,136</b>	<b>191,062</b>	<b>7</b>	<b>567</b>	<b>252,639</b>	<b>573</b>	<b>6,611</b>	<b>1,032,455</b>
EXPENDITURES									
GENERAL GOVERNMENT	-	-	5,583	-	-	105,044	-	-	110,627
CULTURE AND RECREATION	531,194	-	-	-	-	-	-	-	531,194
ECONOMIC DEVELOPMENT	-	54,043	109,305	-	-	-	-	-	163,348
DEBT SERVICE	-	-	34,730	-	-	-	-	-	34,730
<b>TOTAL EXPENDITURES</b>	<b>531,194</b>	<b>54,043</b>	<b>149,618</b>	<b>-</b>	<b>-</b>	<b>105,044</b>	<b>-</b>	<b>-</b>	<b>839,899</b>
REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	9,666	(13,907)	41,444	7	567	147,595	573	6,611	192,556
OTHER FINANCING SOURCES (USES)									
TRANSFERS IN	-	10,000	-	-	-	-	-	-	10,000
TRANSFERS OUT	-	-	(12,400)	-	-	-	-	-	(12,400)
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>-</b>	<b>10,000</b>	<b>(12,400)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,400)</b>
REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	9,666	(3,907)	29,044	7	567	147,595	573	6,611	190,156
FUND BALANCE JANUARY 1	229,157	133,590	294,416	8,397	8,465	615,302	100,000	275,229	1,664,556
FUND BALANCE DECEMBER 31	\$ 238,823	\$ 129,683	\$ 323,460	\$ 8,404	\$ 9,032	\$ 762,897	\$ 100,573	\$ 281,840	\$ 1,854,712

CITY OF LA JUNTA, COLORADO

CONSERVATION TRUST FUND

BALANCE SHEET

DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
CASH OR EQUIVALENTS	\$ 270,010	\$ 697,843
GRANT RECEIVABLE	<u>228,666</u>	<u>75,000</u>
TOTAL ASSETS	<u>\$ 498,676</u>	<u>\$ 772,843</u>
LIABILITIES		
ACCOUNTS PAYABLE	\$ -	\$ 75,000
DUE TO OTHER FUND	11,011	-
UNEARNED REVENUE	<u>248,842</u>	<u>468,686</u>
TOTAL LIABILITIES	<u>259,853</u>	<u>543,686</u>
FUND BALANCE		
RESTRICTED	<u>238,823</u>	<u>229,157</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 498,676</u>	<u>\$ 772,843</u>

CITY OF LA JUNTA, COLORADO

CONSERVATION TRUST FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021		VARIANCE FAVORABLE (UNFAVORABLE)	2020 ACTUAL
	ACTUAL	FINAL BUDGET		
REVENUES				
INTERGOVERNMENTAL	\$ 83,573	\$ 67,000	\$ 16,573	\$ 71,629
GRANTS	457,041	-	457,041	106,000
INTEREST	246	200	46	180
TOTAL REVENUES	540,860	67,200	473,660	177,809
EXPENDITURES				
CULTURE AND RECREATION	531,194	45,000	(486,194)	165,057
REVENUES OVER (UNDER) EXPENDITURES	9,666	22,200	(12,534)	12,752
FUND BALANCE JANUARY 1	229,157	229,157	-	216,405
FUND BALANCE DECEMBER 31	<u>\$ 238,823</u>	<u>\$ 251,357</u>	<u>\$ (12,534)</u>	<u>\$ 229,157</u>

CITY OF LA JUNTA, COLORADO  
ECONOMIC DEVELOPMENT FUND  
BALANCE SHEET  
DECEMBER 31, 2021 AND 2020

	2021	2020
ASSETS		
CASH OR EQUIVALENTS	\$ 117,951	\$ 148,590
RECEIVABLES:		
ACCOUNTS RECEIVABLE	10,000	-
GRANT RECEIVABLE	3,682	-
TOTAL LIABILITIES	131,633	148,590
LIABILITIES		
ACCOUNTS PAYABLE	\$ 1,950	\$ -
UNEARNED REVENUE	-	15,000
TOTAL LIABILITIES	1,950	15,000
FUND BALANCE		
ASSIGNED	129,683	133,590
TOTAL LIABILITIES AND FUND BALANCE	\$ 131,633	\$ 148,590

CITY OF LA JUNTA, COLORADO  
ECONOMIC DEVELOPMENT FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021		VARIANCE FAVORABLE (UNFAVORABLE)	2020 ACTUAL
	ACTUAL	FINAL BUDGET		
REVENUES				
INTEREST INCOME	\$ 386	\$ 800	\$ (414)	\$ 885
GRANT	25,000	-	25,000	2,500
OTHER	14,750	-	14,750	4,850
<b>TOTAL REVENUES</b>	<b>40,136</b>	<b>800</b>	<b>39,336</b>	<b>8,235</b>
EXPENDITURES				
CONTRACT SERVICES	28,613	6,600	(22,013)	7,775
GRANT	25,000	-	(25,000)	2,500
MISCELLANEOUS	430	4,800	4,370	1,520
<b>TOTAL EXPENDITURES</b>	<b>54,043</b>	<b>11,400</b>	<b>(42,643)</b>	<b>11,795</b>
REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES	(13,907)	(10,600)	(3,307)	(3,560)
OTHER FINANCING SOURCES TRANSFERS IN	10,000	4,200	5,800	-
REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES	(3,907)	(6,400)	2,493	(3,560)
FUND BALANCE JANUARY 1	133,590	133,590	-	137,150
<b>FUND BALANCE DECEMBER 31</b>	<b>\$ 129,683</b>	<b>\$ 127,190</b>	<b>\$ 2,493</b>	<b>\$ 133,590</b>

CITY OF LA JUNTA, COLORADO  
 LA JUNTA URBAN RENEWAL AUTHORITY  
 BALANCE SHEET  
 DECEMBER 31, 2021 AND 2020

	2021	2020
ASSETS		
CASH OR EQUIVALENTS	\$ 317,478	\$ 162,549
INVESTMENTS	-	109,965
RECEIVABLES:		
ACCOUNTS RECEIVABLE	-	3,591
NOTES RECEIVABLE	6,025	18,311
TOTAL ASSETS	\$ 323,503	\$ 294,416
LIABILITIES		
ACCOUNTS PAYABLE	\$ 43	\$ -
TOTAL LIABILITIES	43	-
FUND BALANCE		
NONSPENDABLE - NOTES RECEIVABLE	6,025	18,311
ASSIGNED	317,435	276,105
TOTAL FUND BALANCE	323,460	294,416
TOTAL LIABILITIES AND FUND BALANCE	\$ 323,503	\$ 294,416

CITY OF LA JUNTA, COLORADO

LA JUNTA URBAN RENEWAL AUTHORITY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021		VARIANCE FAVORABLE (UNFAVORABLE)	2020 ACTUAL
	ACTUAL	FINAL BUDGET		
REVENUES				
PROPERTY TAXES	\$ 187,121	\$ 125,000	\$ 62,121	\$ 158,515
INTEREST	85	1,000	(915)	720
OTHER	3,856	-	3,856	-
TOTAL REVENUES	191,062	126,000	65,062	159,235
EXPENDITURES				
ECONOMIC DEVELOPMENT	109,305	115,000	5,695	108,795
GENERAL GOVERNMENT	5,583	20,000	14,417	11,556
DEBT SERVICE	34,730	35,000	270	34,730
TOTAL EXPENDITURES	149,618	170,000	20,382	155,081
REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES	41,444	(44,000)	85,444	4,154
OTHER FINANCING SOURCES				
TRANSFER OUT	(12,400)	(12,400)	-	(12,400)
REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES	29,044	(56,400)	85,444	(8,246)
FUND BALANCE JANUARY 1	294,416	294,416	-	302,662
FUND BALANCE DECEMBER 31	\$ 323,460	\$ 238,016	\$ 85,444	\$ 294,416

CITY OF LA JUNTA, COLORADO

LA JUNTA CAPITAL, INC.

BALANCE SHEET

DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
CASH OR EQUIVALENTS	<u>\$ 8,404</u>	<u>\$ 8,397</u>
LIABILITIES		
ACCOUNTS PAYABLE	\$ -	\$ -
FUND BALANCE		
ASSIGNED	<u>8,404</u>	<u>8,397</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 8,404</u>	<u>\$ 8,397</u>

CITY OF LA JUNTA, COLORADO

LA JUNTA CAPITAL, INC.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021		VARIANCE FAVORABLE (UNFAVORABLE)	2020 ACTUAL
	ACTUAL	FINAL BUDGET		
REVENUES				
INTEREST	\$ 7	\$ -	\$ 7	\$ 38
OTHER	-	500	(500)	-
TOTAL REVENUES	7	500	(493)	38
EXPENDITURES				
ADMINISTRATION	-	500	500	-
REVENUES OVER (UNDER) EXPENDITURES	7	-	7	38
FUND BALANCE JANUARY 1	8,397	8,397	-	8,359
FUND BALANCE DECEMBER 31	\$ 8,404	\$ 8,397	\$ 7	\$ 8,397

CITY OF LA JUNTA, COLORADO  
MOVING VIOLATION SURCHARGE  
BALANCE SHEET  
DECEMBER 31, 2021 AND 2020

	2021	2020
ASSETS		
CASH OR EQUIVALENTS	\$ 9,032	\$ 8,465
LIABILITIES		
ACCOUNTS PAYABLE	\$ -	\$ -
FUND BALANCE		
ASSIGNED	9,032	8,465
TOTAL LIABILITIES AND FUND BALANCE	\$ 9,032	\$ 8,465

CITY OF LA JUNTA, COLORADO

MOVING VIOLATION SURCHARGE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021		VARIANCE FAVORABLE (UNFAVORABLE)	2020 ACTUAL
	ACTUAL	FINAL BUDGET		
REVENUES				
SURCHARGE	\$ 567	\$ 500	\$ 67	\$ 582
EXPENDITURES				
GENERAL GOVERNMENT	-	-	-	-
REVENUES OVER EXPENDITURES	567	500	67	582
FUND BALANCE JANUARY 1	8,465	8,465	-	7,883
FUND BALANCE DECEMBER 31	<u>\$ 9,032</u>	<u>\$ 8,965</u>	<u>\$ 67</u>	<u>\$ 8,465</u>

CITY OF LA JUNTA, COLORADO

LODGING TAX TOURISM FUND

BALANCE SHEET

DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
CASH OR EQUIVALENTS	\$ 250,458	\$ 327,178
INVESTMENTS	499,971	299,970
TAX RECEIVABLE	<u>12,468</u>	<u>12,422</u>
TOTAL ASSETS	<u>\$ 762,897</u>	<u>\$ 639,570</u>
LIABILITIES		
ACCOUNTS PAYABLE	\$ -	\$ 3,000
UNEARNED REVENUE	<u>-</u>	<u>21,268</u>
TOTAL LIABILITIES	<u>-</u>	<u>24,268</u>
FUND BALANCE		
ASSIGNED	<u>762,897</u>	<u>615,302</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 762,897</u>	<u>\$ 639,570</u>

CITY OF LA JUNTA, COLORADO

LODGING TAX TOURISM FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021		VARIANCE FAVORABLE (UNFAVORABLE)	2020 ACTUAL
	ACTUAL	FINAL BUDGET		
REVENUES				
TOURISM TAX	\$ 221,140	\$ 125,000	\$ 96,140	\$ 125,681
GRANTS	26,268	-	26,268	7,178
INTEREST	231	6,000	(5,769)	4,409
OTHER	5,000	-	5,000	-
TOTAL REVENUES	<u>252,639</u>	<u>131,000</u>	<u>121,639</u>	<u>137,268</u>
EXPENDITURES				
ADVERTISING	21,400	40,200	18,800	24,305
SUPPLIES	172	5,000	4,828	5,000
EVENTS	43,000	52,000	9,000	41,696
MARKETING AND PROMOTION	7,522	19,000	11,478	2,354
ADMINISTRATIVE FEES	6,633	3,800	(2,833)	3,725
GRANTS	25,500	-	(25,500)	7,178
MISCELLANEOUS	817	11,000	10,183	4,403
TOTAL EXPENDITURES	<u>105,044</u>	<u>131,000</u>	<u>25,956</u>	<u>88,661</u>
REVENUES OVER (UNDER) EXPENDITURES	147,595	-	147,595	48,607
FUND BALANCE JANUARY 1	<u>615,302</u>	<u>615,302</u>	-	<u>566,695</u>
FUND BALANCE DECEMBER 31	<u>\$ 762,897</u>	<u>\$ 615,302</u>	<u>\$ 147,595</u>	<u>\$ 615,302</u>

CITY OF LA JUNTA, COLORADO

LIBRARY ENDOWMENT FUND

BALANCE SHEET

DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
CASH IN SAVINGS	<u>\$ 100,573</u>	<u>\$ 100,000</u>
LIABILITIES		
ACCOUNTS PAYABLE	\$ -	\$ -
FUND BALANCE		
RESTRICTED FOR ENDOWMENTS	<u>100,573</u>	<u>100,000</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 100,573</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, 2021 AND 2020

	2021		VARIANCE	2020
	ACTUAL	FINAL BUDGET	FAVORABLE (UNFAVORABLE)	ACTUAL
REVENUES				
INTEREST INCOME	\$ 573	\$ 500	\$ 73	\$ 568
EXPENDITURES	-	-	-	-
REVENUES OVER EXPENDITURES BEFORE TRANSFER	573	500	73	568
TRANSFER	-	-	-	(568)
NET CHANGE IN FUND BALANCE	573	500	73	-
FUND BALANCE JANUARY 1	100,000	100,000	-	100,000
FUND BALANCE DECEMBER 31	<u>\$ 100,573</u>	<u>\$ 100,500</u>	<u>\$ 73</u>	<u>\$ 100,000</u>

CITY OF LA JUNTA, COLORADO  
CEMETERY ENDOWMENT FUND  
BALANCE SHEET  
DECEMBER 31, 2021 AND 2020

	2021	2020
ASSETS		
CASH AND EQUIVALENTS	\$ 275,590	\$ 34,236
INVESTMENTS	-	239,616
RECEIVABLES:		
ACCOUNTS RECEIVABLE	6,250	-
ACCRUED INTEREST RECEIVABLE	-	1,377
TOTAL ASSETS	\$ 281,840	\$ 275,229
LIABILITIES		
ACCOUNTS PAYABLE	\$ -	\$ -
FUND BALANCE		
RESTRICTED FOR ENDOWMENTS	281,840	275,229
TOTAL LIABILITIES AND FUND BALANCE	\$ 281,840	\$ 275,229

CITY OF LA JUNTA

CEMETERY ENDOWMENT FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE

YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021		VARIANCE FAVORABLE (UNFAVORABLE)	2020 ACTUAL
	ACTUAL	FINAL BUDGET		
REVENUES				
INTEREST INCOME	\$ 361	\$ 500	\$ (139)	\$ 3,376
OTHER	6,250	3,500	2,750	5,300
TOTAL REVENUES	6,611	4,000	2,611	8,676
EXPENDITURES				
GENERAL GOVERNMENT	-	-	-	-
REVENUES OVER EXPENDITURES BEFORE CONTRIBUTIONS AND TRANSFERS	6,611	4,000	2,611	8,676
CONTRIBUTIONS	-	-	-	-
TRANSFERS	-	-	-	-
NET CHANGE IN FUND BALANCE	6,611	4,000	2,611	8,676
FUND BALANCE JANUARY 1	275,229	275,229	-	266,553
FUND BALANCE DECEMBER 31	\$ 281,840	\$ 279,229	\$ 2,611	\$ 275,229

CITY OF LA JUNTA, COLORADO

ELECTRIC UTILITY FUND

BALANCE SHEET

DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
CURRENT ASSETS		
CASH OR EQUIVALENTS	\$ 1,981,646	\$ 1,707,229
INVESTMENTS	800,619	1,200,524
ACCOUNTS RECEIVABLE BILLED CUSTOMERS - NET	738,857	760,421
ACCOUNTS RECEIVABLE - UNBILLED CUSTOMERS	520,800	626,400
INVENTORIES	1,736,772	1,597,924
PREPAID AND ACCRUALS	<u>477</u>	<u>940</u>
TOTAL CURRENT ASSETS	<u>5,779,171</u>	<u>5,893,438</u>
PROPERTY AND EQUIPMENT		
LAND, ELECTRIC SYSTEM, AND EQUIPMENT	12,282,387	15,683,522
ACCUMULATED DEPRECIATION	<u>(7,190,284)</u>	<u>(10,726,379)</u>
NET PROPERTY AND EQUIPMENT	<u>5,092,103</u>	<u>4,957,143</u>
TOTAL ASSETS	<u>\$ 10,871,274</u>	<u>\$ 10,850,581</u>
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	\$ 659,451	\$ 934,572
CUSTOMER DEPOSITS	198,412	188,512
UNEARNED REVENUE	<u>32,008</u>	<u>-</u>
TOTAL CURRENT LIABILITIES	889,871	1,123,084
NONCURRENT LIABILITIES		
ACCRUED PAID TIME OFF	<u>167,445</u>	<u>249,568</u>
TOTAL LIABILITIES	<u>1,057,316</u>	<u>1,372,652</u>
NET POSITION		
NET INVESTMENT IN CAPITAL ASSETS	5,092,103	4,957,143
UNRESTRICTED	<u>4,721,855</u>	<u>4,520,786</u>
TOTAL NET POSITION	<u>9,813,958</u>	<u>9,477,929</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 10,871,274</u>	<u>\$ 10,850,581</u>

CITY OF LA JUNTA, COLORADO

ELECTRIC UTILITY FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
OPERATING REVENUES		
CHARGES FOR SERVICES	\$ 11,489,088	\$ 11,389,837
TOTAL OPERATING REVENUES	<u>11,489,088</u>	<u>11,389,837</u>
OPERATING EXPENSES		
GENERATION	8,459,044	9,096,008
DISTRIBUTION	1,006,872	1,035,390
ACCOUNTING AND GENERAL ADMINISTRATION	1,360,127	1,353,623
DEPRECIATION	<u>381,445</u>	<u>374,912</u>
TOTAL OPERATING EXPENSES	<u>11,207,488</u>	<u>11,859,933</u>
OPERATING (LOSS) INCOME	<u>281,600</u>	<u>(470,096)</u>
NONOPERATING REVENUES (EXPENSES)		
INTEREST INCOME	6,104	20,590
GRANTS AND OTHER	49,578	93,232
GAIN (LOSS) ON SALE OF ASSETS	<u>(1,253)</u>	<u>(4,181)</u>
TOTAL NONOPERATING REVENUES	<u>54,429</u>	<u>109,641</u>
CHANGE IN NET POSITION	336,029	(360,455)
NET POSITION JANUARY 1	<u>9,477,929</u>	<u>9,838,384</u>
NET POSITION DECEMBER 31	<u>\$ 9,813,958</u>	<u>\$ 9,477,929</u>

CITY OF LA JUNTA, COLORADO

ELECTRIC UTILITY FUND

STATEMENT OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
CASH RECEIVED FROM CUSTOMERS	\$ 11,616,252	\$ 11,241,202
CASH PAYMENTS TO SUPPLIERS FOR GOODS AND SERVICES	(9,899,669)	(10,275,942)
CASH PAYMENTS TO EMPLOYEES FOR SERVICES	<u>(1,179,868)</u>	<u>(1,328,065)</u>
NET CASH FLOWS USED BY OPERATING ACTIVITIES	<u>536,715</u>	<u>(362,805)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
OTHER REVENUES	81,586	93,232
CUSTOMER DEPOSITS	<u>9,900</u>	<u>(11,373)</u>
NET CASH FLOWS PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	<u>91,486</u>	<u>81,859</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
ACQUISITION OF CAPITAL ASSETS	(759,791)	(1,774,758)
BORROWINGS TO OTHER FUND	<u>-</u>	<u>970,700</u>
NET CASH FLOWS USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(759,791)</u>	<u>(804,058)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
INTEREST ON INVESTMENTS AND LOANS	6,102	20,587
PURCHASE OF INVESTMENTS	-	(1,700,000)
CASH PROCEEDS FROM SALE OF INVESTMENTS	<u>399,905</u>	<u>1,935,921</u>
NET CASH FLOWS USED BY INVESTING ACTIVITIES	<u>406,007</u>	<u>256,508</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	274,417	(828,496)
CASH AND CASH EQUIVALENTS BEGINNING OF YEAR	<u>1,707,229</u>	<u>2,535,725</u>
CASH AND CASH EQUIVALENTS END OF YEAR	<u>\$ 1,981,646</u>	<u>\$ 1,707,229</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
OPERATING LOSS	\$ 281,600	\$ (470,096)
ADJUSTMENTS TO RECONCILE OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
DEPRECIATION	381,445	374,912
CHANGE IN ASSETS AND LIABILITIES		
(INCREASE) DECREASE IN ACCOUNTS RECEIVABLE AND PREPAIDS	127,629	(148,398)
(INCREASE) DECREASE IN INVENTORIES	(138,848)	29,216
INCREASE (DECREASE) IN ACCOUNTS PAYABLE	(32,988)	(24,696)
INCREASE (DECREASE) IN ACCRUED BENEFITS	<u>(82,123)</u>	<u>(123,743)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 536,715</u>	<u>\$ (362,805)</u>
SUPPLEMENTAL SCHEDULE OF NON-CASH ACTIVITIES		
EQUIPMENT ACQUISITIONS IN ACCOUNTS PAYABLE	<u>\$ -</u>	<u>\$ 242,133</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, 2021

	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
CHARGES FOR SERVICES	\$ 12,188,500	\$ 12,188,500	\$ 11,489,088	\$ (699,412)
INTEREST INCOME	40,000	40,000	6,104	(33,896)
OTHER	93,000	93,000	48,325	(44,675)
TOTAL REVENUES	<u>12,321,500</u>	<u>12,321,500</u>	<u>11,543,517</u>	<u>(777,983)</u>
EXPENDITURES				
GENERATION	9,347,500	9,347,500	8,459,044	888,456
DISTRIBUTION	1,179,400	1,179,400	1,006,872	172,528
GENERAL ADMINISTRATION	1,359,500	1,359,500	1,360,127	(627)
DEPRECIATION	450,000	450,000	381,445	68,555
CAPITAL OUTLAY	391,000	391,000	2,502,149	(2,111,149)
TOTAL EXPENDITURES	<u>12,727,400</u>	<u>12,727,400</u>	<u>13,709,637</u>	<u>(982,237)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (405,900)</u>	<u>\$ (405,900)</u>	<u>(2,166,120)</u>	<u>\$ (1,760,220)</u>
ADJUSTMENTS TO RECONCILE BUDGETARY BASIS TO GAAP BASIS ADJUSTMENT FOR: CAPITALIZATION OF FIXED ASSETS			<u>2,502,149</u>	
CHANGE IN NET POSITION			336,029	
TOTAL NET POSITION JANUARY 1			<u>9,477,929</u>	
TOTAL NET POSITION DECEMBER 31			<u>\$ 9,813,958</u>	

CITY OF LA JUNTA, COLORADO

WATER UTILITY FUND

BALANCE SHEET

DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
CURRENT ASSETS		
CASH OR EQUIVALENTS	\$ 54,610	\$ 134,140
ACCOUNTS RECEIVABLE - CUSTOMERS	184,127	185,100
ACCOUNTS RECEIVABLE - UNBILLED CUSTOMERS	88,600	68,500
INVENTORIES	439,117	427,451
WATER INVENTORY	24,839	31,791
PREPAID AND ACCRUALS	<u>26,389</u>	<u>26,389</u>
TOTAL CURRENT ASSETS	<u>817,682</u>	<u>873,371</u>
PROPERTY AND EQUIPMENT		
LAND, WATER SYSTEM, AND EQUIPMENT	21,699,782	21,545,265
ACCUMULATED DEPRECIATION	<u>(9,887,258)</u>	<u>(9,273,117)</u>
NET PROPERTY AND EQUIPMENT	<u>11,812,524</u>	<u>12,272,148</u>
TOTAL ASSETS	<u>\$ 12,630,206</u>	<u>\$ 13,145,519</u>
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	\$ 126,119	\$ 33,827
ACCRUED LOAN INTEREST	-	25,086
UNEARNED REVENUE - WATER LEASES	-	6,990
CURRENT PORTION - LOAN PAYABLE	<u>792,372</u>	<u>738,041</u>
TOTAL CURRENT LIABILITIES	<u>918,491</u>	<u>803,944</u>
NONCURRENT LIABILITIES		
ACCRUED PAID TIME OFF	205,154	202,940
LOAN PAYABLE	<u>686,250</u>	<u>1,478,622</u>
TOTAL NONCURRENT LIABILITIES	<u>891,404</u>	<u>1,681,562</u>
TOTAL LIABILITIES	<u>1,809,895</u>	<u>2,485,506</u>
NET POSITION		
NET INVESTMENT IN CAPITAL ASSETS	10,333,902	10,055,485
RESTRICTED FOR OPERATIONS & MAINTENANCE	520,000	557,000
UNRESTRICTED	<u>(33,591)</u>	<u>47,528</u>
TOTAL NET POSITION	<u>10,820,311</u>	<u>10,660,013</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 12,630,206</u>	<u>\$ 13,145,519</u>

CITY OF LA JUNTA, COLORADO

WATER UTILITY FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
OPERATING REVENUES		
CHARGES FOR SERVICES	\$ 2,864,343	\$ 2,911,227
OTHER BILLINGS	169,406	121,457
	<u>3,033,749</u>	<u>3,032,684</u>
OPERATING EXPENSES		
SOURCE OF SUPPLY	137,127	122,084
POWER AND PUMPING	288,394	241,190
PURIFICATION	782,281	718,710
TRANSMISSION AND STORAGE	41,782	39,649
DISTRIBUTION	355,435	370,651
ACCOUNTING AND GENERAL ADMINISTRATION	755,298	734,794
DEPRECIATION	614,140	613,593
	<u>2,974,457</u>	<u>2,840,671</u>
TOTAL OPERATING EXPENSES		
	<u>59,292</u>	<u>192,013</u>
NONOPERATING REVENUES (EXPENSES)		
INTEREST INCOME	1,510	2,236
INTEREST EXPENSE	(11,086)	(67,655)
RENT AND OTHER	7,250	18,929
GAIN (LOSS) ON SALE OF ASSETS	-	(9,517)
	<u>(2,326)</u>	<u>(56,007)</u>
TOTAL NONOPERATING REVENUES (EXPENSES)		
	56,966	136,006
INCOME BEFORE CAPITAL CONTRIBUTIONS		
	<u>103,332</u>	<u>7,020</u>
CAPITAL CONTRIBUTIONS		
	160,298	143,026
CHANGE IN NET POSITION		
	<u>10,660,013</u>	<u>10,516,987</u>
NET POSITION JANUARY 1		
	<u>\$ 10,820,311</u>	<u>\$ 10,660,013</u>
NET POSITION DECEMBER 31		

CITY OF LA JUNTA, COLORADO  
WATER UTILITY FUND  
STATEMENT OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
CASH RECEIVED FROM CUSTOMERS	\$ 2,845,216	\$ 2,889,487
CASH PAYMENTS TO SUPPLIERS FOR GOODS AND SERVICES	(1,557,522)	(1,417,391)
CASH PAYMENTS TO EMPLOYEES FOR SERVICES	(809,578)	(792,095)
OTHER OPERATING REVENUES	169,406	121,457
NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	647,522	801,458
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES		
RENTS RECEIVED AND OTHER	260	18,223
NET CASH FLOWS PROVIDED BY NONCAPITAL AND RELATED FINANCING ACTIVITIES	260	18,223
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
ACQUISITION OF CAPITAL ASSETS	(57,941)	(257,886)
CAPITAL CONTRIBUTED	103,332	7,020
PRINCIPAL PAID ON LOANS PAYABLE	(738,041)	(700,009)
INTEREST PAID ON LOANS PAYABLE	(36,172)	(75,832)
NET CASH FLOWS USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	(728,822)	(1,026,707)
CASH FLOWS FROM INVESTING ACTIVITIES		
INTEREST ON INVESTMENTS	1,510	2,236
NET CHANGE IN CASH AND CASH EQUIVALENTS	(79,530)	(204,790)
CASH AND CASH EQUIVALENTS BEGINNING OF YEAR	134,140	338,930
CASH AND CASH EQUIVALENTS END OF YEAR	\$ 54,610	\$ 134,140
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
OPERATING INCOME	\$ 59,292	\$ 192,013
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
DEPRECIATION	614,140	613,593
CHANGE IN ASSETS AND LIABILITIES		
(INCREASE) DECREASE IN ACCOUNTS RECEIVABLE	(19,127)	(21,740)
(INCREASE) DECREASE IN INVENTORIES	(4,714)	18,600
INCREASE (DECREASE) IN ACCOUNTS PAYABLE	(4,283)	8,458
INCREASE (DECREASE) IN ACCRUED EXPENSES	2,214	(9,466)
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 647,522	\$ 801,458
SUPPLEMENTAL SCHEDULE OF NON-CASH ACTIVITIES		
EQUIPMENT ACQUISITIONS IN ACCOUNTS PAYABLE	\$ 96,575	\$ -

## CITY OF LA JUNTA, COLORADO

## WATER UTILITY FUND

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

YEAR ENDED DECEMBER 31, 2021

	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		(NEGATIVE)
REVENUES				
CHARGES FOR SERVICES	\$ 2,750,700	\$ 2,750,700	\$ 2,864,343	\$ 113,643
INTEREST INCOME	1,000	1,000	1,510	510
OTHER BILLINGS AND INCOME	166,000	166,000	176,656	10,656
TOTAL REVENUES	<u>2,917,700</u>	<u>2,917,700</u>	<u>3,042,509</u>	<u>124,809</u>
EXPENDITURES				
SOURCE OF SUPPLY	155,700	155,700	137,127	18,573
POWER AND PUMPING	263,800	263,800	288,394	(24,594)
PURIFICATION	767,500	767,500	782,281	(14,781)
TRANSMISSION AND STORAGE	64,800	64,800	41,782	23,018
DISTRIBUTION	411,500	411,500	355,435	56,065
GENERAL ADMINISTRATION	743,200	793,000	755,298	37,702
DEPRECIATION AND AMORTIZATION	510,000	510,000	614,140	(104,140)
INTEREST	100,600	100,600	11,086	89,514
CAPITAL OUTLAY	116,000	116,000	192,798	(76,798)
DEBT SERVICE	738,100	738,100	738,041	59
TOTAL EXPENDITURES	<u>3,871,200</u>	<u>3,921,000</u>	<u>3,916,382</u>	<u>4,618</u>
REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES	(953,500)	(1,003,300)	(873,873)	129,427
OTHER FINANCING SOURCES (USES)				
CONTRIBUTIONS	-	-	103,332	103,332
	<u>\$ (953,500)</u>	<u>\$ (1,003,300)</u>	<u>(770,541)</u>	<u>\$ 232,759</u>
ADJUSTMENTS TO RECONCILE BUDGETARY BASIS TO GAAP BASIS ADJUSTMENT FOR:				
CAPITALIZATION OF FIXED ASSETS			192,798	
PRINCIPAL PAID ON LOANS			<u>738,041</u>	
TOTAL ADJUSTMENTS TO BASIS			<u>930,839</u>	
CHANGE IN NET POSITION			160,298	
TOTAL NET POSITION JANUARY 1			<u>10,660,013</u>	
TOTAL NET POSITION DECEMBER 31			<u>\$ 10,820,311</u>	

CITY OF LA JUNTA, COLORADO

SEWER UTILITY FUND

BALANCE SHEET

DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
CURRENT ASSETS		
CASH OR EQUIVALENTS	\$ 533,982	\$ 602,688
INVESTMENTS	75,138	75,867
ACCOUNTS RECEIVABLE - CUSTOMERS	184,792	199,791
ACCOUNTS RECEIVABLE - UNBILLED CUSTOMERS	100,100	100,600
INVENTORIES	<u>20,795</u>	<u>16,370</u>
TOTAL CURRENT ASSETS	<u>914,807</u>	<u>995,316</u>
PROPERTY AND EQUIPMENT		
LAND, SEWER SYSTEM, AND EQUIPMENT	27,415,075	27,218,412
ACCUMULATED DEPRECIATION	<u>(5,536,430)</u>	<u>(4,933,171)</u>
NET PROPERTY AND EQUIPMENT	<u>21,878,645</u>	<u>22,285,241</u>
TOTAL ASSETS	<u>\$ 22,793,452</u>	<u>\$ 23,280,557</u>
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	\$ 26,133	\$ 25,444
ACCRUED INTEREST	94,717	98,828
CURRENT PORTION - LOANS PAYABLE	<u>727,515</u>	<u>716,050</u>
TOTAL CURRENT LIABILITIES	<u>848,365</u>	<u>840,322</u>
NONCURRENT LIABILITIES		
ACCRUED PAID TIME OFF	151,638	150,082
LOANS PAYABLE	<u>14,312,175</u>	<u>15,039,691</u>
TOTAL NONCURRENT LIABILITIES	<u>14,463,813</u>	<u>15,189,773</u>
TOTAL LIABILITIES	<u>15,312,178</u>	<u>16,030,095</u>
NET POSITION		
NET INVESTMENT IN CAPITAL ASSETS	6,838,955	6,529,500
RESTRICTED FOR OPERATIONS & MAINTENANCE	356,000	349,000
UNRESTRICTED	<u>286,319</u>	<u>371,962</u>
TOTAL NET POSITION	<u>7,481,274</u>	<u>7,250,462</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 22,793,452</u>	<u>\$ 23,280,557</u>

CITY OF LA JUNTA, COLORADO

SEWER UTILITY FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
OPERATING REVENUES		
CHARGES FOR SERVICES	<u>\$ 2,491,744</u>	<u>\$ 2,497,368</u>
OPERATING EXPENSES		
COLLECTION SYSTEM	302,448	269,513
PUMPING STATIONS	53,931	63,190
TREATMENT PLANT	570,216	640,020
PRETREATMENT	130,867	77,239
ACCOUNTING AND GENERAL ADMINISTRATION	364,198	343,056
DEPRECIATION	<u>619,758</u>	<u>628,443</u>
TOTAL OPERATING EXPENSES	<u>2,041,418</u>	<u>2,021,461</u>
OPERATING INCOME (LOSS)	<u>450,326</u>	<u>475,907</u>
NONOPERATING REVENUES (EXPENSES)		
INTEREST INCOME	128	1,761
INTEREST EXPENSE	(238,306)	(247,145)
GRANTS AND OTHER	-	10,488
GAIN (LOSS) ON SALE OF ASSETS	<u>8,264</u>	<u>4,539</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(229,914)</u>	<u>(230,357)</u>
INCOME BEFORE CAPITAL CONTRIBUTIONS	220,412	245,550
CAPITAL CONTRIBUTIONS	<u>10,400</u>	<u>1,053</u>
CHANGE IN NET POSITION	230,812	246,603
NET POSITION JANUARY 1	<u>7,250,462</u>	<u>7,003,859</u>
NET POSITION DECEMBER 31	<u>\$ 7,481,274</u>	<u>\$ 7,250,462</u>

CITY OF LA JUNTA, COLORADO

SEWER UTILITY FUND

STATEMENT OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
CASH RECEIVED FROM CUSTOMERS	\$ 2,507,243	\$ 2,481,239
CASH PAYMENTS TO SUPPLIERS FOR GOODS AND SERVICES	(867,700)	(786,894)
CASH PAYMENTS TO EMPLOYEES FOR SERVICES	<u>(556,140)</u>	<u>(650,055)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>1,083,403</u>	<u>1,044,290</u>
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES		
GRANT AND OTHER	<u>-</u>	<u>10,488</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
ACQUISITION OF CAPITAL ASSETS	(213,162)	(876,906)
CASH PROCEEDS FROM SALE OF ASSET	8,264	4,539
CAPITAL CONTRIBUTED	10,400	1,053
PRINCIPAL PAID ON LOANS PAYABLE	(716,051)	(1,411,255)
INTEREST PAID ON LOANS PAYABLE	<u>(242,417)</u>	<u>(250,033)</u>
NET CASH FLOWS PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(1,152,966)</u>	<u>(2,532,602)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
INTEREST ON INVESTMENTS	857	831
PURCHASE OF INVESTMENTS	-	(74,937)
CASH PROCEEDS FROM SALE OF INVESTMENTS	<u>-</u>	<u>50,968</u>
NET CASH FLOWS USED BY INVESTING ACTIVITIES	<u>857</u>	<u>(23,138)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(68,706)	(1,500,962)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>602,688</u>	<u>2,103,650</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 533,982</u>	<u>\$ 602,688</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
OPERATING INCOME	\$ 450,326	\$ 475,907
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
DEPRECIATION	619,758	628,443
CHANGE IN ASSETS AND LIABILITIES		
(INCREASE) DECREASE IN ACCOUNTS RECEIVABLE	15,499	(16,129)
(INCREASE) DECREASE IN INVENTORIES	(4,425)	2,441
INCREASE (DECREASE) IN ACCOUNTS PAYABLE	689	14,955
INCREASE (DECREASE) IN ACCRUED BENEFITS	<u>1,556</u>	<u>(61,327)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$1,083,403</u>	<u>\$ 1,044,290</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, 2021

	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
CHARGES FOR SERVICES	\$ 2,472,000	\$ 2,472,000	\$ 2,491,744	\$ 19,744
INTEREST INCOME	1,000	1,000	128	(872)
OTHER INCOME (LOSS)	10,000	10,000	8,264	(1,736)
TOTAL REVENUES	<u>2,483,000</u>	<u>2,483,000</u>	<u>2,500,136</u>	<u>17,136</u>
EXPENDITURES				
COLLECTION SYSTEM	288,300	288,300	302,448	(14,148)
PUMPING STATION	97,700	97,700	53,931	43,769
TREATMENT PLANT	677,700	677,700	570,216	107,484
PRETREATMENT	70,000	70,000	130,867	(60,867)
GENERAL ADMINISTRATION	385,000	385,000	364,198	20,802
DEPRECIATION	650,000	650,000	619,758	30,242
INTEREST	246,000	246,000	238,306	7,694
CAPITAL OUTLAY	370,000	370,000	213,163	156,837
DEBT SERVICE	739,400	739,400	716,050	23,350
TOTAL EXPENDITURES	<u>3,524,100</u>	<u>3,524,100</u>	<u>3,208,937</u>	<u>315,163</u>
REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES	(1,041,100)	(1,041,100)	(708,801)	332,299
OTHER FINANCING SOURCES				
CONTRIBUTIONS	-	-	10,400	10,400
	<u>\$ (1,041,100)</u>	<u>\$ (1,041,100)</u>	<u>(698,401)</u>	<u>\$ 342,699</u>
ADJUSTMENTS TO RECONCILE BUDGETARY BASIS TO GAAP BASIS ADJUSTMENT FOR:				
CAPITALIZATION OF FIXED ASSETS			213,163	
PRINCIPAL PAID ON LOANS			716,050	
TOTAL ADJUSTMENTS TO BASIS			<u>929,213</u>	
CHANGE IN NET POSITION			230,812	
TOTAL NET POSITION JANUARY 1			<u>7,250,462</u>	
TOTAL NET POSITION DECEMBER 31			<u>\$ 7,481,274</u>	

CITY OF LA JUNTA, COLORADO

SANITATION UTILITY FUND

BALANCE SHEET

DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
CURRENT ASSETS		
CASH OR EQUIVALENTS	\$ 309,676	\$ 630,035
INVESTMENTS	1,350,234	951,189
ACCOUNTS RECEIVABLE - CUSTOMERS	67,109	71,514
ACCOUNTS RECEIVABLE - UNBILLED CUSTOMERS	36,600	35,700
PREPAID AND ACCRUALS	<u>101</u>	<u>168</u>
TOTAL CURRENT ASSETS	<u>1,763,720</u>	<u>1,688,606</u>
PROPERTY AND EQUIPMENT		
STRUCTURES AND EQUIPMENT	922,412	922,412
ACCUMULATED DEPRECIATION	<u>(667,955)</u>	<u>(609,351)</u>
NET PROPERTY AND EQUIPMENT	<u>254,457</u>	<u>313,061</u>
TOTAL ASSETS	<u>\$ 2,018,177</u>	<u>\$ 2,001,667</u>
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	\$ 38,348	\$ 31,067
CURRENT PORTION - LANDFILL COSTS	<u>32,600</u>	<u>28,340</u>
TOTAL CURRENT LIABILITIES	<u>70,948</u>	<u>59,407</u>
NONCURRENT LIABILITIES		
ACCRUED PAID TIME OFF	57,867	58,244
ACCRUED CLOSURE AND POST CLOSURE COSTS	<u>293,400</u>	<u>255,060</u>
TOTAL NONCURRENT LIABILITIES	<u>351,267</u>	<u>313,304</u>
TOTAL LIABILITIES	<u>422,215</u>	<u>372,711</u>
NET POSITION		
NET INVESTMENT IN CAPITAL ASSETS	254,457	313,061
UNRESTRICTED	<u>1,341,505</u>	<u>1,315,895</u>
TOTAL NET POSITION	<u>1,595,962</u>	<u>1,628,956</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 2,018,177</u>	<u>\$ 2,001,667</u>

## CITY OF LA JUNTA, COLORADO

## SANITATION UTILITY FUND

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
OPERATING REVENUES		
CHARGES FOR SERVICES	\$ 916,774	\$ 902,095
OTHER BILLINGS	<u>58,690</u>	<u>45,352</u>
TOTAL OPERATING REVENUES	<u>975,464</u>	<u>947,447</u>
OPERATING EXPENSES		
SALARIES AND BENEFITS	414,298	411,933
SUPPLIES	66,497	48,158
MAINTENANCE	84,569	92,317
RECYCLING	30,179	37,547
LANDFILL AND POST CLOSURE COSTS	180,964	210,744
ACCOUNTING AND GENERAL ADMINISTRATION	131,735	115,343
DEPRECIATION	<u>58,604</u>	<u>82,106</u>
TOTAL OPERATING EXPENSES	<u>966,846</u>	<u>998,148</u>
OPERATING INCOME	<u>8,618</u>	<u>(50,701)</u>
NONOPERATING REVENUES		
INTEREST INCOME	<u>988</u>	<u>5,215</u>
TOTAL NONOPERATING REVENUES	<u>988</u>	<u>5,215</u>
INCOME BEFORE SPECIAL ITEM	9,606	(45,486)
SPECIAL ITEM		
CHANGE IN ACCOUNTING ESTIMATE	<u>(42,600)</u>	<u>-</u>
CHANGE IN NET POSITION	(32,994)	(45,486)
NET POSITION JANUARY 1	<u>1,628,956</u>	<u>1,674,442</u>
NET POSITION DECEMBER 31	<u>\$ 1,595,962</u>	<u>\$ 1,628,956</u>

## CITY OF LA JUNTA, COLORADO

## SANITATION UTILITY FUND

## STATEMENT OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
CASH RECEIVED FROM CUSTOMERS	\$ 920,279	\$ 895,764
CASH PAYMENTS TO SUPPLIERS FOR GOODS AND SERVICES	(495,319)	(470,878)
CASH PAYMENTS TO EMPLOYEES FOR SERVICES	(406,019)	(403,407)
OTHER OPERATING REVENUES	<u>58,690</u>	<u>45,352</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>77,631</u>	<u>66,831</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
INTEREST ON INVESTMENTS	1,055	5,260
PURCHASE OF INVESTMENTS	(1,199,788)	(950,908)
CASH PROCEEDS FROM SALE OF INVESTMENTS	<u>800,743</u>	<u>300,469</u>
NET CASH FLOWS USED BY INVESTING ACTIVITIES	<u>(397,990)</u>	<u>(645,179)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(320,359)	(578,348)
CASH AND CASH EQUIVALENTS BEGINNING OF YEAR	<u>630,035</u>	<u>1,208,383</u>
CASH AND CASH EQUIVALENTS END OF YEAR	<u>\$ 309,676</u>	<u>\$ 630,035</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
OPERATING INCOME (LOSS)	\$ 8,618	\$ (50,701)
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
DEPRECIATION	58,604	82,106
CHANGE IN ASSETS AND LIABILITIES		
(INCREASE) DECREASE IN ACCOUNTS RECEIVABLE	3,505	(6,331)
INCREASE (DECREASE) IN ACCOUNTS PAYABLE	7,281	30,623
INCREASE (DECREASE) IN ACCRUED BENEFITS	<u>(377)</u>	<u>11,134</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 77,631</u>	<u>\$ 66,831</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, 2021

	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
CHARGES FOR SERVICES	\$ 864,300	\$ 864,300	\$ 916,774	\$ 52,474
INTEREST	2,000	2,000	988	(1,012)
OTHER BILLINGS	32,000	32,000	58,690	26,690
TOTAL REVENUES	<u>898,300</u>	<u>898,300</u>	<u>976,452</u>	<u>78,152</u>
EXPENDITURES				
SALARIES AND BENEFITS	439,500	439,500	414,298	25,202
SUPPLIES	70,000	70,000	66,497	3,503
MAINTENANCE	85,100	85,100	84,569	531
RECYCLING	25,000	25,000	30,179	(5,179)
LANDFILL AND POST CLOSURE COSTS	210,000	210,000	180,964	29,036
GENERAL ADMINISTRATION	129,500	129,500	131,735	(2,235)
DEPRECIATION	100,000	100,000	58,604	41,396
TOTAL EXPENDITURES	<u>1,059,100</u>	<u>1,059,100</u>	<u>966,846</u>	<u>92,254</u>
REVENUE OVER (UNDER) EXPENDITURES	(160,800)	(160,800)	9,606	170,406
SPECIAL ITEM				
CHANGE IN ACCOUNTING ESTIMATE	<u>(100)</u>	<u>(100)</u>	<u>(42,600)</u>	<u>(42,500)</u>
	<u>\$ (160,900)</u>	<u>\$ (160,900)</u>	<u>(32,994)</u>	<u>\$ 127,906</u>
ADJUSTMENTS TO RECONCILE BUDGETARY BASIS TO GAAP BASIS ADJUSTMENT FOR: CAPITALIZATION OF FIXED ASSETS			<u>-</u>	
CHANGE IN NET POSITION			(32,994)	
TOTAL NET POSITION JANUARY 1			<u>1,628,956</u>	
TOTAL NET POSITION DECEMBER 31			<u>\$ 1,595,962</u>	

CITY OF LA JUNTA, COLORADO  
PROPERTY MANAGEMENT FUND  
BALANCE SHEET  
DECEMBER 31, 2021 AND 2020

	2021	2020
CURRENT ASSETS		
CASH OR EQUIVALENTS	\$ 741,383	\$ 1,130,942
INVESTMENTS	1,400,135	300,129
RENT RECEIVABLE	23,458	8,749
	2,164,976	1,439,820
TOTAL CURRENT ASSETS		
PROPERTY AND EQUIPMENT		
STRUCTURES AND EQUIPMENT	18,767,306	19,849,252
ACCUMULATED DEPRECIATION	(9,656,768)	(10,536,821)
	9,110,538	9,312,431
NET PROPERTY AND EQUIPMENT		
TOTAL ASSETS	\$ 11,275,514	\$ 10,752,251
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	\$ 18,242	\$ 15,570
ACCRUED PROPERTY TAXES	45,006	47,541
UNEARNED LEASE REVENUES - CURRENT	190,025	195,976
	253,273	259,087
TOTAL CURRENT LIABILITIES		
NONCURRENT LIABILITIES		
ACCRUED PAID TIME OFF	71,406	59,526
UNEARNED LEASE REVENUES	1,493,478	1,677,552
	1,564,884	1,737,078
TOTAL NONCURRENT LIABILITIES		
TOTAL LIABILITIES	1,818,157	1,996,165
NET POSITION		
NET INVESTMENT IN CAPITAL ASSETS	9,110,538	9,312,431
UNRESTRICTED	346,819	(556,345)
	9,457,357	8,756,086
TOTAL NET POSITION		
TOTAL LIABILITIES AND NET POSITION	\$ 11,275,514	\$ 10,752,251

CITY OF LA JUNTA, COLORADO

PROPERTY MANAGEMENT FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
OPERATING REVENUES		
RENT	<u>\$ 1,331,893</u>	<u>\$ 1,316,418</u>
OPERATING EXPENSES		
SALARIES AND BENEFITS	302,333	297,749
SUPPLIES	15,120	11,494
UTILITIES	121,927	114,956
MAINTENANCE	134,081	95,700
PROPERTY TAXES	44,380	53,967
GENERAL ADMINISTRATION	197,085	170,152
DEPRECIATION	<u>469,840</u>	<u>549,406</u>
TOTAL OPERATING EXPENSES	<u>1,284,766</u>	<u>1,293,424</u>
OPERATING INCOME (LOSS)	<u>47,127</u>	<u>22,994</u>
NONOPERATING REVENUES (EXPENSES)		
INTEREST	1,253	1,916
GAIN (LOSS) ON SALE OF ASSET	660,491	4,321
GRANTS AND OTHER	<u>-</u>	<u>1,644</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>661,744</u>	<u>7,881</u>
INCOME (LOSS) BEFORE OTHER FINANCING SOURCES (USES)	<u>708,871</u>	<u>30,875</u>
OTHER FINANCING SOURCES (USES)		
TRANSFERS IN	12,400	12,400
TRANSFERS OUT	<u>(20,000)</u>	<u>(10,000)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(7,600)</u>	<u>2,400</u>
CHANGE IN NET POSITION	701,271	33,275
NET POSITION JANUARY 1	<u>8,756,086</u>	<u>8,722,811</u>
NET POSITION DECEMBER 31	<u><u>\$ 9,457,357</u></u>	<u><u>\$ 8,756,086</u></u>

CITY OF LA JUNTA, COLORADO  
PROPERTY MANAGEMENT FUND  
STATEMENT OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
CASH RECEIVED FROM RENT	\$ 1,127,159	\$ 2,422,994
CASH PAYMENTS TO SUPPLIERS FOR GOODS AND SERVICES	(512,125)	(389,678)
CASH PAYMENTS TO EMPLOYEES FOR SERVICES	(290,784)	(367,115)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>324,250</u>	<u>1,666,201</u>
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES		
TRANSFERS IN	12,400	12,400
TRANSFERS OUT	(20,000)	(10,000)
OTHER	-	1,644
NET CASH FLOWS FROM (USED) BY NONCAPITAL AND RELATED FINANCING ACTIVITIES	<u>(7,600)</u>	<u>4,044</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
ACQUISITION OF CAPITAL ASSETS	(505,582)	(285,354)
BORROWINGS FROM OTHER FUNDS	-	(970,700)
CASH PROCEEDS FROM SALE OF ASSET	898,126	5,000
NET CASH FLOWS FROM (USED) BY NONCAPITAL AND RELATED FINANCING ACTIVITIES	<u>392,544</u>	<u>(1,251,054)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
INTEREST ON INVESTMENTS	1,253	1,916
PURCHASE OF INVESTMENTS	(1,400,006)	(300,129)
CASH PROCEEDS FROM SALE OF INVESTMENTS	300,000	
NET CASH FLOWS FROM (USED) BY INVESTING ACTIVITIES	<u>(1,098,753)</u>	<u>(298,213)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(389,559)	120,978
CASH AND CASH EQUIVALENTS BEGINNING OF YEAR	<u>1,130,942</u>	<u>1,009,964</u>
CASH AND CASH EQUIVALENTS END OF YEAR	<u>\$ 741,383</u>	<u>\$ 1,130,942</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
OPERATING INCOME (LOSS)	\$ 47,127	\$ 22,994
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
DEPRECIATION	469,840	549,406
CHANGE IN ASSETS AND LIABILITIES		
(INCREASE) DECREASE IN RECEIVABLES AND PREPAIDS	(14,709)	(3,439)
INCREASE (DECREASE) IN ACCOUNTS PAYABLE	2,672	9,412
INCREASE (DECREASE) IN DEFERRED REVENUE	(190,025)	1,110,015
INCREASE (DECREASE) IN ACCRUED TAXES AND BENEFITS	9,345	(22,187)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 324,250</u>	<u>\$ 1,666,201</u>

CITY OF LA JUNTA, COLORADO

PROPERTY MANAGEMENT FUND

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

YEAR ENDED DECEMBER 31, 2021

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
RENT	\$ 1,003,000	\$ 1,003,000	\$ 1,331,893	\$ 328,893
INTEREST	1,000	1,000	1,253	253
OTHER	-	-	660,491	660,491
<b>TOTAL REVENUES</b>	<b>1,004,000</b>	<b>1,004,000</b>	<b>1,993,637</b>	<b>989,637</b>
EXPENDITURES				
SALARIES AND BENEFITS	336,200	336,200	302,333	33,867
SUPPLIES	13,000	13,000	15,120	(2,120)
UTILITIES	107,500	107,500	121,927	(14,427)
MAINTENANCE	121,600	121,600	134,081	(12,481)
PROPERTY TAXES	56,500	56,500	44,380	12,120
GENERAL ADMINISTRATION	209,000	209,000	197,085	11,915
DEPRECIATION	550,000	550,000	469,840	80,160
CAPITAL OUTLAY	338,000	338,000	505,584	(167,584)
<b>TOTAL EXPENDITURES</b>	<b>1,731,800</b>	<b>1,731,800</b>	<b>1,790,350</b>	<b>(58,550)</b>
REVENUES OVER (UNDER) EXPENDITURES	(727,800)	(727,800)	203,287	931,087
OTHER FINANCING SOURCES (USES) TRANSFERS	2,400	2,400	(7,600)	(10,000)
	<u>\$ (725,400)</u>	<u>\$ (725,400)</u>	195,687	<u>\$ 921,087</u>
ADJUSTMENTS TO RECONCILE BUDGETARY BASIS TO GAAP BASIS ADJUSTMENT FOR CAPITALIZATION OF FIXED ASSETS			505,584	
CHANGE IN NET POSITION			701,271	
TOTAL NET POSITION JANUARY 1			8,756,086	
TOTAL NET POSITION DECEMBER 31			<u>\$ 9,457,357</u>	

## CITY OF LA JUNTA, COLORADO

## INTERNAL SERVICE FUNDS

## COMBINING BALANCE SHEET

DECEMBER 31, 2021 AND 2020

	CITY SERVICES	EMPLOYEE BENEFIT	TOTALS	
			MEMORANDUM ONLY 2021	2020
CURRENT ASSETS				
CASH OR EQUIVALENTS	\$ 1,526,170	\$ 918,039	\$ 2,444,209	\$ 3,082,298
INVESTMENTS	100,905	749,816	850,721	601,042
ACCOUNTS RECEIVABLE (NET)	3,993	5	3,998	1,335
INVENTORIES	34,247	-	34,247	22,475
TOTAL CURRENT ASSETS	<u>1,665,315</u>	<u>1,667,860</u>	<u>3,333,175</u>	<u>3,707,150</u>
PROPERTY AND EQUIPMENT				
LAND, BUILDINGS AND EQUIPMENT	5,877,671	-	5,877,671	5,654,285
ACCUMULATED DEPRECIATION	(3,960,673)	-	(3,960,673)	(3,684,473)
NET PROPERTY AND EQUIPMENT	<u>1,916,998</u>	<u>-</u>	<u>1,916,998</u>	<u>1,969,812</u>
TOTAL ASSETS	<u>\$ 3,582,313</u>	<u>\$ 1,667,860</u>	<u>\$ 5,250,173</u>	<u>\$ 5,676,962</u>
CURRENT LIABILITIES				
ACCOUNTS PAYABLE	\$ 30,202	\$ -	\$ 30,202	\$ 7,937
CLAIMS PAYABLE	-	118,000	118,000	85,000
TOTAL CURRENT LIABILITIES	<u>30,202</u>	<u>118,000</u>	<u>148,202</u>	<u>92,937</u>
NONCURRENT LIABILITIES				
ACCRUED BENEFITS	80,089	-	80,089	99,281
TOTAL LIABILITIES	<u>110,291</u>	<u>118,000</u>	<u>228,291</u>	<u>192,218</u>
NET POSITION				
NET INVESTMENT IN CAPITAL ASSETS	1,916,998	-	1,916,998	1,969,812
UNRESTRICTED	1,555,024	1,549,860	3,104,884	3,514,932
TOTAL NET POSITION	<u>3,472,022</u>	<u>1,549,860</u>	<u>5,021,882</u>	<u>5,484,744</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 3,582,313</u>	<u>\$ 1,667,860</u>	<u>\$ 5,250,173</u>	<u>\$ 5,676,962</u>

CITY OF LA JUNTA, COLORADO

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEARS ENDED DECEMBER 31, 2021 AND 2020

	CITY SERVICES	EMPLOYEE BENEFIT	TOTALS MEMORANDUM ONLY	
			2021	2020
OPERATING REVENUES				
CHARGES FOR SERVICES	\$ 1,306,349	\$ 1,789,119	\$ 3,095,468	\$ 2,925,870
OPERATING EXPENSES				
PERSONAL SERVICES, MATERIALS AND SUPPLIES	982,220	2,207,301	3,189,521	2,718,533
DEPRECIATION	401,691	-	401,691	333,622
TOTAL OPERATING EXPENSES	1,383,911	2,207,301	3,591,212	3,052,155
OPERATING INCOME	(77,562)	(418,182)	(495,744)	(126,285)
NONOPERATING REVENUES (EXPENSES)				
INTEREST INCOME	3,860	339	4,199	12,739
RENT AND OTHER	28,683	-	28,683	190,330
TOTAL NONOPERATING REVENUES (EXPENSES)	32,543	339	32,882	203,069
CHANGE IN NET POSITION	(45,019)	(417,843)	(462,862)	76,784
NET POSITION JANUARY 1	3,517,041	1,967,703	5,484,744	5,407,960
NET POSITION DECEMBER 31	\$ 3,472,022	\$ 1,549,860	\$ 5,021,882	\$ 5,484,744

CITY OF LA JUNTA, COLORADO  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2021 AND 2020

	CITY SERVICES	EMPLOYEE BENEFIT	TOTALS	
			MEMORANDUM ONLY 2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES				
CASH RECEIVED FROM CUSTOMERS	\$ 1,303,686	\$ 1,789,119	\$ 3,092,805	\$ 2,929,648
CASH PAYMENTS TO SUPPLIERS FOR GOODS AND SERVICES	(603,779)	(2,174,301)	(2,778,080)	(2,388,553)
CASH PAYMENTS TO EMPLOYEES FOR SERVICES	(387,140)	-	(387,140)	(405,389)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>312,767</u>	<u>(385,182)</u>	<u>(72,415)</u>	<u>135,706</u>
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES				
OTHER	-	-	-	169,409
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
ACQUISITION OF CAPITAL ASSETS	(348,876)	-	(348,876)	(491,154)
CASH PROCEEDS FROM SALE OF ASSETS	28,683	-	28,683	20,921
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(320,193)</u>	<u>-</u>	<u>(320,193)</u>	<u>(470,233)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
INTEREST ON INVESTMENTS	4,145	462	4,607	12,542
PURCHASE OF INVESTMENTS	(202,204)	(1,249,772)	(1,451,976)	(1,100,318)
CASH PROCEEDS FROM SALE OF INVESTMENTS	202,011	999,877	1,201,888	1,097,241
NET CASH FLOWS FROM INVESTING ACTIVITIES	<u>3,952</u>	<u>(249,433)</u>	<u>(245,481)</u>	<u>9,465</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(3,474)	(634,615)	(638,089)	(155,653)
CASH AND CASH EQUIVALENTS BEGINNING OF YEAR	1,529,644	1,552,654	3,082,298	3,237,951
CASH AND CASH EQUIVALENTS END OF YEAR	<u>\$ 1,526,170</u>	<u>\$ 918,039</u>	<u>\$ 2,444,209</u>	<u>\$ 3,082,298</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
OPERATING LOSS	\$ (77,562)	\$ (418,182)	\$ (495,744)	\$ (126,285)
ADJUSTMENTS TO RECONCILE OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
DEPRECIATION	401,691	-	401,691	333,622
CHANGE IN ASSETS AND LIABILITIES				
(INCREASE) DECREASE IN RECEIVABLES	(2,663)	-	(2,663)	3,778
(INCREASE) DECREASE IN INVENTORIES	(11,772)	-	(11,772)	9,990
INCREASE (DECREASE) IN PAYABLES	22,265	33,000	55,265	(57,163)
INCREASE (DECREASE) IN ACCRUED BENEFITS	(19,192)	-	(19,192)	(28,236)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 312,767</u>	<u>\$ (385,182)</u>	<u>\$ (72,415)</u>	<u>\$ 135,706</u>

CITY OF LA JUNTA, COLORADO

CITY SERVICES FUND

BALANCE SHEET

DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
CURRENT ASSETS		
CASH OR EQUIVALENTS	\$ 1,526,170	\$ 1,529,644
INVESTMENTS	100,905	100,998
ACCOUNTS RECEIVABLE	3,993	1,330
INVENTORIES	<u>34,247</u>	<u>22,475</u>
TOTAL CURRENT ASSETS	<u>1,665,315</u>	<u>1,654,447</u>
PROPERTY AND EQUIPMENT		
LAND, BUILDINGS AND EQUIPMENT	5,877,671	5,654,285
ACCUMULATED DEPRECIATION	<u>(3,960,673)</u>	<u>(3,684,473)</u>
NET PROPERTY AND EQUIPMENT	<u>1,916,998</u>	<u>1,969,812</u>
TOTAL ASSETS	<u>\$ 3,582,313</u>	<u>\$ 3,624,259</u>
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	\$ 30,202	\$ 7,937
NONCURRENT LIABILITIES		
ACCRUED PAID TIME OFF	<u>80,089</u>	<u>99,281</u>
TOTAL LIABILITIES	<u>110,291</u>	<u>107,218</u>
NET POSITION		
NET INVESTMENT IN CAPITAL ASSETS	1,916,998	1,969,812
UNRESTRICTED	<u>1,555,024</u>	<u>1,547,229</u>
TOTAL NET POSITION	<u>3,472,022</u>	<u>3,517,041</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 3,582,313</u>	<u>\$ 3,624,259</u>

CITY OF LA JUNTA, COLORADO

CITY SERVICES FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
OPERATING REVENUES		
MAINTENANCE SERVICES AND RENTALS	\$ 900,849	\$ 757,197
PURCHASING DEPARTMENT	278,700	242,100
COMPUTER SERVICES	<u>126,800</u>	<u>137,400</u>
TOTAL OPERATING REVENUES	<u>1,306,349</u>	<u>1,136,697</u>
OPERATING EXPENSES		
MOTOR POOL SERVICES	639,231	526,157
PURCHASING DEPARTMENT	194,397	242,372
COMPUTER SUPPLIES AND TRAINING	148,592	90,105
DEPRECIATION	<u>401,691</u>	<u>333,622</u>
TOTAL OPERATING EXPENSES	<u>1,383,911</u>	<u>1,192,256</u>
OPERATING INCOME (LOSS)	<u>(77,562)</u>	<u>(55,559)</u>
NONOPERATING REVENUES (EXPENSES)		
INTEREST INCOME	3,860	9,058
GRANTS AND OTHER	-	169,409
GAIN (LOSS) ON SALE OF ASSETS	<u>28,683</u>	<u>20,921</u>
TOTAL NONOPERATING REVENUES	<u>32,543</u>	<u>199,388</u>
CHANGE IN NET POSITION	(45,019)	143,829
NET POSITION JANUARY 1	<u>3,517,041</u>	<u>3,373,212</u>
NET POSITION DECEMBER 31	<u>\$ 3,472,022</u>	<u>\$ 3,517,041</u>

CITY OF LA JUNTA, COLORADO

CITY SERVICES FUND

STATEMENT OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
CASH RECEIVED FROM CUSTOMERS	\$ 1,303,686	\$ 1,140,453
CASH PAYMENTS TO SUPPLIERS FOR GOODS AND SERVICES	(603,779)	(470,654)
CASH PAYMENTS TO EMPLOYEES FOR SERVICES	<u>(387,140)</u>	<u>(405,389)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>312,767</u>	<u>264,410</u>
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES		
OTHER	<u>-</u>	<u>169,409</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
ACQUISITION OF CAPITAL ASSETS	(348,876)	(491,154)
CASH PROCEEDS FROM SALE OF ASSETS	<u>28,683</u>	<u>20,921</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(320,193)</u>	<u>(470,233)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
INTEREST ON INVESTMENTS	4,145	8,986
PURCHASE OF INVESTMENTS	(202,204)	(100,926)
CASH PROCEEDS FROM SALE OF INVESTMENTS	<u>202,011</u>	<u>100,148</u>
NET CASH FLOWS FROM INVESTING ACTIVITIES	<u>3,952</u>	<u>8,208</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(3,474)	(28,206)
CASH AND CASH EQUIVALENTS BEGINNING OF YEAR	<u>1,529,644</u>	<u>1,557,850</u>
CASH AND CASH EQUIVALENTS END OF YEAR	<u><u>\$ 1,526,170</u></u>	<u><u>\$ 1,529,644</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
OPERATING INCOME (LOSS)	\$ (77,562)	\$ (55,559)
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
DEPRECIATION	401,691	333,622
CHANGE IN ASSETS AND LIABILITIES		
(INCREASE) DECREASE IN ACCOUNTS RECEIVABLE	(2,663)	3,756
(INCREASE) DECREASE IN INVENTORIES	(11,772)	9,990
(INCREASE) DECREASE IN PREPAIDS	-	-
INCREASE (DECREASE) IN ACCOUNTS PAYABLE	22,265	837
INCREASE (DECREASE) IN ACCRUED BENEFITS	<u>(19,192)</u>	<u>(28,236)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>\$ 312,767</u></u>	<u><u>\$ 264,410</u></u>

CITY OF LA JUNTA, COLORADO

CITY SERVICES FUND

SCHEDULE OF REVENUES, EXPENDITURES AND BUDGET COMPARISON

YEAR ENDED DECEMBER 31, 2021

	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
MAINTENANCE SERVICES	\$ 904,100	\$ 904,100	\$ 900,849	\$ (3,251)
PURCHASING DEPARTMENT	278,600	278,600	278,700	100
COMPUTER RENTAL	126,900	126,900	126,800	(100)
INTEREST	2,000	2,000	3,860	1,860
OTHER	20,000	20,000	28,683	8,683
TOTAL REVENUES	<u>1,331,600</u>	<u>1,331,600</u>	<u>1,338,892</u>	<u>7,292</u>
EXPENDITURES				
MOTOR POOL SERVICES	679,500	679,500	639,231	40,269
PURCHASING DEPARTMENT	232,600	232,600	194,397	38,203
COMPUTER SUPPLIES AND TRAINING	110,500	110,500	148,592	(38,092)
DEPRECIATION	300,000	300,000	401,691	(101,691)
CAPITAL OUTLAY	336,400	336,400	353,543	(17,143)
TOTAL EXPENDITURES	<u>1,659,000</u>	<u>1,659,000</u>	<u>1,737,454</u>	<u>(78,454)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(327,400)</u>	<u>(327,400)</u>	(398,562)	<u>(71,162)</u>
ADJUSTMENT TO RECONCILE BUDGETARY BASIS TO GAAP BASIS ADJUSTMENT FOR CAPITALIZATION OF FIXED ASSETS			<u>353,543</u>	
CHANGE IN NET POSITION			(45,019)	
TOTAL NET POSITION JANUARY 1			<u>3,517,041</u>	
TOTAL NET POSITION DECEMBER 31			<u>\$ 3,472,022</u>	

CITY OF LA JUNTA, COLORADO  
EMPLOYEE BENEFIT CLAIM FUND  
BALANCE SHEET  
DECEMBER 31, 2021 AND 2020

	2021	2020
CURRENT ASSETS		
CASH OR EQUIVALENTS	\$ 918,039	\$ 1,552,654
INVESTMENTS	749,816	500,044
ACCOUNTS RECEIVABLE	5	5
TOTAL CURRENT ASSETS	\$ 1,667,860	\$ 2,052,703
 CURRENT LIABILITIES		
CLAIMS PAYABLE	\$ 118,000	\$ 85,000
 NET POSITION		
UNRESTRICTED	1,549,860	1,967,703
TOTAL LIABILITIES AND NET POSITION	\$ 1,667,860	\$ 2,052,703

CITY OF LA JUNTA, COLORADO

EMPLOYEE BENEFIT CLAIM FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
OPERATING REVENUES		
CHARGES FOR SERVICES-PREMIUMS	<u>\$ 1,789,119</u>	<u>\$ 1,789,173</u>
OPERATING EXPENSES		
INSURANCE	586,885	526,841
CLAIMS	1,571,284	1,278,464
ADMINISTRATION	<u>49,132</u>	<u>54,594</u>
TOTAL OPERATING EXPENSES	<u>2,207,301</u>	<u>1,859,899</u>
OPERATING INCOME	(418,182)	(70,726)
NONOPERATING REVENUES		
INTEREST	<u>339</u>	<u>3,681</u>
CHANGE IN NET POSITION	(417,843)	(67,045)
NET POSITION JANUARY 1	<u>1,967,703</u>	<u>2,034,748</u>
NET POSITION DECEMBER 31	<u><u>\$ 1,549,860</u></u>	<u><u>\$ 1,967,703</u></u>

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

YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
CASH RECEIVED FROM CUSTOMERS	\$ 1,789,119	\$ 1,789,195
CASH PAYMENTS FOR PREMIUMS AND CLAIMS	<u>(2,174,301)</u>	<u>(1,917,899)</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>(385,182)</u>	<u>(128,704)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
INTEREST ON INVESTMENTS	462	3,556
PURCHASE OF INVESTMENTS	(1,249,772)	(999,392)
CASH PROCEEDS FROM SALE OF INVESTMENTS	<u>999,877</u>	<u>997,093</u>
NET CASH FLOWS FROM INVESTING ACTIVITIES	<u>(249,433)</u>	<u>1,257</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(634,615)	(127,447)
CASH AND CASH EQUIVALENTS BEGINNING OF YEAR	<u>1,552,654</u>	<u>1,680,101</u>
CASH AND CASH EQUIVALENTS END OF YEAR	<u>\$ 918,039</u>	<u>\$ 1,552,654</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
OPERATING INCOME (LOSS)	\$ (418,182)	\$ (70,726)
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES:		
CHANGE IN ASSETS AND LIABILITIES		
INCREASE (DECREASE) IN ACCOUNTS RECEIVABLE	-	22
INCREASE (DECREASE) IN CLAIMS PAYABLE	<u>33,000</u>	<u>(58,000)</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ (385,182)</u>	<u>\$ (128,704)</u>

CITY OF LA JUNTA, COLORADO

EMPLOYEE BENEFIT CLAIM FUND

SCHEDULE OF REVENUES, EXPENDITURES AND BUDGET COMPARISON

YEAR ENDED DECEMBER 31, 2021

	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
CHARGES FOR SERVICES-PREMIUMS	\$ 1,451,500	\$ 1,451,500	\$ 1,789,119	\$ 337,619
INTEREST	1,000	1,000	339	(661)
TOTAL REVENUES	1,452,500	1,452,500	1,789,458	336,958
EXPENSES				
INSURANCE	471,000	471,000	586,885	(115,885)
CLAIMS	930,000	930,000	1,571,284	(641,284)
ADMINISTRATION	49,000	49,000	49,132	(132)
TOTAL EXPENSES	1,450,000	1,450,000	2,207,301	(757,301)
CHANGE IN NET POSITION	2,500	2,500	(417,843)	(420,343)
NET POSITION JANUARY 1	1,967,703	1,967,703	1,967,703	-
NET POSITION DECEMBER 31	\$ 1,970,203	\$ 1,970,203	\$ 1,549,860	\$ (420,343)

**LOCAL HIGHWAY FINANCE REPORT**

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

<b>LOCAL HIGHWAY FINANCE REPORT</b>		City or County: CITY OF LA JUNTA, COLORADO
		YEAR ENDING : December 2021
This Information From The Records Of (example - City of _ or County of _)	Prepared By: Phone:	Bill Jackson 719-384-7155

**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**

**III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES**

ITEM	AMOUNT	ITEM	AMOUNT
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	0
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	550,993
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	28,879
2. General fund appropriations	1,012,538	b. Snow and ice removal	7,799
3. Other local imposts (from page 2)	95,634	c. Other	203,604
4. Miscellaneous local receipts (from page 2)	0	d. Total (a. through c.)	240,282
5. Transfers from toll facilities		4. General administration & miscellaneous	68,660
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	505,469
a. Bonds - Original Issues		6. Total (1 through 5)	1,365,404
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	1,108,172	b. Redemption	
<b>B. Private Contributions</b>		c. Total (a. + b.)	0
<b>C. Receipts from State government</b> (from page 2)	257,232	2. Notes:	
<b>D. Receipts from Federal Government</b> (from page 2)	0	a. Interest	
<b>E. Total receipts (A.7 + B + C + D)</b>	1,365,404	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		<b>C. Payments to State for highways</b>	
		<b>D. Payments to toll facilities</b>	
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	1,365,404

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

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

**V. LOCAL ROAD AND STREET FUND BALANCE**

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	0	1,365,404	1,365,404	0	0

Notes and Comments:

**LOCAL HIGHWAY FINANCE REPORT**

STATE:  
Colorado  
YEAR ENDING (mm/yy):  
December 2021

**II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL**

ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
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	95,634	g. Other Misc. Receipts	
6. Total (1. through 5.)	95,634	h. Other	
c. Total (a. + b.)	95,634	i. Total (a. through h.)	0
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	229,831	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	27,401	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.)	27,401	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	257,232	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)
<b>A.1. Capital outlay:</b>			
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: