

**TOWN OF BUENA VISTA, COLORADO**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2019**

**TOWN OF BUENA VISTA, COLORADO**  
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## MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's discussion and analysis (MD&A) provides highlights of the financial activities of the Town of Buena Vista (the Town) and an overview of the financial statements included in this report. We encourage readers to consider this information in conjunction with the basic financial statements and information contained in the notes to the financial statements.

### Financial Highlights

- The Town's net position at the end of 2019 increased by \$2,313,641 which is attributable to:
  - In the General Fund; Establishment of "Incident Response" Department which is run by the Fire department staff. Incident response first year revenues were \$393,425.
  - Also, in the General Fund; Increase in Sales Tax receipts increase by \$497,502.
  - In the Water Fund; increase of \$168,371 in system development fees and an increase in investment revenue of \$44,937 which includes and increase in market value of \$23,183
  - In the Airport Fund; Increase in Rental fees associated with testing of \$259,697.
- Total assets on the Statement of Net Position were \$27,661,577 at the end of 2019, an increase of \$2,063,802 or 8.06% increase in Assets due to:
  - Placing the Water Project assets into service (\$1,822,165)
  - Purchase of equipment for the Fire and Water departments (\$288,140)
  - Completion of BLM Trail project (172,368)
- Total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$22,447,055 of which \$18,254,549 is attributed to fixed assets.
- Unrestricted net position of \$7,825,997 as of December 31, 2019 was available to meet the Town's future obligations to citizens, employees and creditors:
  - For government activities unrestricted net position was \$2,704,485, an increase of \$995,956 (58.29%). The increase is attributable to an increase of Sales Tax of \$497,502 over 2018 and an increase of Capital and Operating Grants of \$604,335
  - For business-type activities unrestricted net position was \$5,121,512 an decrease of \$348,379 (6.33%) due to an increase in restricted net position required by CWRPDA Loan covenant of \$158,452 and an increase of Current Liabilities of \$231,221.
- At December 31, 2019, total liabilities, fund balance and deferred inflows of resources for governmental activities was \$3,520,785, of which:
  - \$24,204 was held in the Conservation Trust Fund.
  - \$153,069 was held in the Capital Improvement Fund
  - \$298,307 was held in the Street Fund
  - \$3,045,205 was held in the General Fund
  - The total increase during 2019 was \$763,045 (27.67%). The government fund balance sheet excludes the value of capital assets, causing a different financial result when compared to the Statement of Net Position (as discussed above).
- The total cash and investments balance at December 31, 2019 was \$6,543,433 of which \$5,907,050 was unrestricted. Of the unrestricted amount, \$1,745,799 was available for general government activities and \$4,161,251 was held in funds for business-type activities. Funds designated by the trustees for specific uses are included in unrestricted cash and investments.
- Cash and investments decreased \$675,356 in 2019 due to the completion of the CWRDPA water project. During 2019, required debt service was \$386,923 of which \$211,948 represents the first payment on the 2018 CWRPDA loan associated with the Water Fund and \$174,975 was used to

service the bonds issued in the Street Fund with \$74,975 allocated to interest payment and \$100,000 used to retire bonds

- Within the business-type activities of the Town, unrestricted funds available for water operations decreased in 2019 by \$510,121 which is attributable to completing the water infrastructure project and is mostly offset by the large increase in system development fees collected from new construction. Unrestricted funds for the airport operations increased in 2019 by \$94,849 largely due to an increase in lease revenue associated with testing. The Alternative Energy Fund was shut down with the stations being transferred to Sangre de Cristo Electric Association. The Storm Water Fund an increase of \$68,723 unrestricted fund balance.

## Overview of the Financial Statements

The MD&A serves as an introduction to the Town's basic financial statements, which are comprised of three components:

- 1) Government-wide financial statements
- 2) Fund financial statements
  - a. Governmental Funds
  - b. Proprietary Funds
- 3) Notes to the financial statements
- 4) Supplementary information

Financial analysis and commentary on both types of financial statement views is included in the MD&A for more information and perspective than the numbers alone provide readers. In addition, the report contains supplementary information to the basic financial statements for more detailed information on some areas of expenditures.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances in a manner similar to a private-sector business. Government-wide financial statements combine information for all the Town's funds to reflect the entire financial picture. The government-wide financial statements consist of the *Statement of Net Position* and the *Statement of Activities*.

The *Statement of Net Position* presents all of Town's assets, liabilities and deferred inflows of resources, with the difference between assets and the liabilities plus deferred inflows of resources reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the Town's financial position is improving or deteriorating.

The *Statement of Activities* presents information showing how the Town'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 changes 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 periods (e.g. tax revenues earned but not collected and unused vacation leave).

Both government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (*government activities*) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The Town's governmental activities include general government; public safety; public works; and culture, parks and recreation. Business-type activities include the operations of water plant and airport.

The government-wide financial statements can be found on pages 3-4 of this report.

**Fund financial statements.** A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Buena Vista, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of Town's funds can be divided into two categories: governmental funds and proprietary funds. The fund financial statements consist of the *Balance Sheet* and the *Statement of Revenues, Expenditures and Changes in Fund Balances* for each type of fund.

- **Governmental funds** are used to account for the same functions reported as *government activities* in the government-wide financial statements. However, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. This information may be useful in evaluating a government's near-term financing requirements.

The focus of governmental funds is narrower than that of the government-wide financial statements; therefore, it is useful to compare the information presented for government funds with similar information presented for government activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the *Balance Sheet* and the *Statement of Revenues, Expenditures, and Changes in Fund Balances* provide a reconciliation to facilitate this comparison between governmental funds and governmental activities as presented in the government-wide financial statements.

The Town maintains four governmental funds, the General Fund, Capital Improvement Fund, the Street Fund and the Conservation Trust Fund, for which information is presented separately.

The basic governmental fund financial statements can be found on pages 5-7.

- **Proprietary funds** can be *enterprise funds*, to report the same functions presented as *business-type activities* in the government-wide financial statements, or *internal service funds*, used as an accounting device to accumulate and allocate costs internally among the Town's various functions. The Town maintains one enterprise fund to account for the water enterprise and one for the airport.

Proprietary funds provide the same type of information as the government-wide financial statements in more detail. The proprietary fund financial statements provide separate information for the water, storm water and airport operations, which are the major funds of the Town of Buena Vista.

The basic proprietary fund financial statements can be found on pages 8-9 of the report.

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

The notes to the financial statements can be found on pages 11- 48 of this report.

**Supplementary information.** In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information. Included in this report is a budgetary comparison statement for all funds to demonstrate compliance with the budget. Buena Vista's Town council adopts an annual appropriated budget for all its funds.

The budgetary comparison schedules are on pages 49-60 of this report, and the Local Highway Finance Report is included on page 61.

## Financial Analysis – Government-wide Financial Statements

This discussion of government-wide financial statements focuses primarily on the key indicator, net position, and activity that generated increases or decreases in this measurement. The Town's assets exceeded liabilities and deferred outflows of resources by \$22,447,055 at December 31, 2019 which is an increase of \$2,313,641 over the 2018 close.

**Statement of Net Position.** At December 31, 2019, 42.8% of the Town's total net position is held in the governmental activities and 57.2% is held in the business-type activities, which includes the Water Enterprise, the Storm Water Enterprise and the Airport Enterprise funds. The largest portion of the Town's net position (81.32%) reflects the investment of \$18,254,549 in capital assets such as: land, buildings, transportation infrastructure, water infrastructure, and machinery and equipment, net of any related outstanding debt used to acquire those assets. The Town uses these assets to provide services to the public; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

### CONDENSED STATEMENT OF NET POSITION

	Business-			Business-		
	Governmental	type	Total	Governmental	type	Total
	Activities	Activities		Activities	Activities	
	2019	2019	2019	2018	2018	2018
<b>ASSETS</b>						
Current Assets	\$ 3,787,989	\$ 5,619,039	\$ 9,407,028	\$ 2,958,158	\$ 5,631,973	\$ 8,590,131
Capital Assets	8,819,182	9,435,367	18,254,549	8,856,579	8,151,065	17,007,644
Total Assets	12,607,171	15,054,406	27,661,577	11,814,737	13,783,038	25,597,775
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
	312,314	-	312,314	10,822	-	10,822
<b>LIABILITIES</b>						
Current Liabilities	2,751,088	378,291	3,129,379	2,712,802	147,070	2,859,872
Noncurrent Liabilities	-	1,837,162	1,837,162	-	1,944,889	1,944,889
Total Liabilities	2,751,088	2,215,453	4,966,541	2,712,802	2,091,959	4,804,761
<b>DEFERRED INFLOWS OF RESOURCES</b>						
	560,295	-	560,295	670,422	-	670,422
<b>NET POSITION</b>						
Net Investment in Capital Assets	6,479,182	7,505,493	13,984,675	6,416,579	6,167,695	12,584,274
Restricted	424,435	211,948	636,383	317,227	53,496	370,723
Unrestricted	2,704,485	5,121,512	7,825,997	1,708,529	5,469,888	7,178,417
<b>Total Net Position</b>	<b>\$ 9,608,102</b>	<b>\$ 12,838,953</b>	<b>\$ 22,447,055</b>	<b>\$ 8,442,335</b>	<b>\$ 11,691,079</b>	<b>\$ 20,133,414</b>

An additional \$386,923 (1.72%) of the Town's total net position is restricted for debt service and \$127,700 restricted for emergencies (TABOR Reserve) and \$121,760 is restricted in compliance with the Street Bond covenants. The remaining \$7,825,997 (34.86%) is unrestricted net position available to meet the Town's on-going obligations to the public and creditors. Of the unrestricted net position, \$2,704,485 (34.56%) was held by Governmental Activities and \$5,121,512 (65.44%) was held by Business-Type Activities.

**Statement of Activities.** As the following table illustrates, the Town's total net position increased \$2,313,641 during 2019. By fund type, governmental activities net position increased by \$1,165,767 and business-type activities generated an increase in net position of \$1,147,874.

	CONDENSED STATEMENT OF ACTIVITIES					
	Governmental		Business-type		Total	
	Activities		Activities			
	2019	2018	2019	2018	2019	2018
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 292,588	\$ 265,878	\$ 1,810,813	\$ 1,705,274	\$ 2,103,401	\$ 1,971,152
Operating grants & contributions	493,118	114,977	645,591	451,498	1,138,709	566,475
Capital grants & contributions	271,194	45,000	291,275	47,151	562,469	92,151
General revenues:						
Property taxes	422,928	400,396	-	-	422,928	400,396
Sales taxes	3,925,576	3,428,074	-	-	3,925,576	3,428,074
Other taxes	326,548	308,001	7,727	9,297	334,275	317,298
Investment and other revenue	142,725	235,477	60,830	15,893	203,555	251,370
<b>Total Revenue</b>	<b>5,874,677</b>	<b>4,797,803</b>	<b>2,816,236</b>	<b>2,229,113</b>	<b>8,690,913</b>	<b>7,026,916</b>
<b>Expenses</b>						
General government	1,265,650	1,241,247	-	-	1,265,650	1,241,247
Public safety	1,886,343	1,414,998	-	-	1,886,343	1,414,998
Community services	344,334	366,013	-	-	344,334	366,013
Public works	353,654	529,570	-	-	353,654	529,570
Culture and recreation	818,929	668,713	-	-	818,929	668,713
Water	-	-	837,619	852,468	837,619	852,468
Airport	-	-	847,791	814,750	847,791	814,750
Alternative energy	-	-	3,645	3,661	3,645	3,661
Storm water	-	-	560	-	560	-
<b>Total Expenses</b>	<b>4,668,910</b>	<b>4,220,541</b>	<b>1,689,615</b>	<b>1,670,879</b>	<b>6,358,525</b>	<b>5,891,420</b>
<b>Changes in net position-</b>						
<b>normal operations</b>	<b>1,205,767</b>	<b>577,262</b>	<b>1,126,621</b>	<b>558,234</b>	<b>2,332,388</b>	<b>1,135,496</b>
<b>Non-operational changes:</b>						
Increase/(decrease)	(40,000)	-	21,253	-	(18,747)	-
Change in Net Position	<b>1,165,767</b>	<b>577,262</b>	<b>1,147,874</b>	<b>558,234</b>	<b>2,313,641</b>	<b>1,135,496</b>
Net Position, Beginning	8,442,335	7,865,073	11,691,079	11,132,845	20,133,414	18,997,918
Net Position, Ending	<b>\$ 9,608,102</b>	<b>\$ 8,442,335</b>	<b>\$ 12,838,953</b>	<b>\$ 11,691,079</b>	<b>\$ 22,447,055</b>	<b>\$ 20,133,414</b>

*Governmental activities.* Financing for governmental activities was primarily from Town and County sales tax revenues, which provided 66.82% of general fund revenue in 2019. Additionally, Property taxes provided 7.2% of general fund revenue. In 2019 Grants and Contributions provided 13% of General Fund revenue. No other income sources provided 10% or more of total General Fund.

Key elements of the \$1,165,767 increase in net position for governmental activities during 2019 and a comparison to 2018 follows:

- Total sales tax receipts increased \$497,502 (14.51%) over 2018. Town sales tax totaled \$2,754,101 and the allocation from Chaffee County tax totaled \$1,258,217 which represents an increase of 15.52% and 16.43%, respectively, compared to 2018. Sales taxes are an indicator of the level of general economic activity in the community which is dependent upon the influx of visitors throughout the year, but especially during the summer months.
- Charges for services (licenses, fees, permits and leases) increased \$26,710 (10%) compared to 2018.
- The Town collects franchise taxes from utility companies, including the providers of gas, electric and cable services. Franchise tax receipts increased in 2019 \$615 (0.75%).

*Business-Type Activities.* The money to pay for business-type activities is generated primarily from fees charged for services. Revenue derived from operations is supplemented by grants and capital contributions (including water system development fees).

Key elements of the \$1,147,874 increase in net position for business-type activities during 2019 compared to 2018 follows:

- Charges for Water services decreased \$20,922 (2.07%). Consumption decreased due to a late wet spring and a mild summer in 2019.
- Charges for services at the Airport increased \$177,374 (36.52%) due to increased rental activity associated with testing.
- Capital revenue in the Water Fund increased \$168,142 (38.03%) due to continued increase in system development fees for new building.
- Excluding transfers between funds, total expenses in Business Type Funds totaled \$1,684,303 increasing by \$28,424 (1.72%) which is a marginal increase in both Water and Airport Funds.

## **Financial Analysis – Fund Financial Statements**

As noted earlier, the Town of Buena Vista uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. This section of the report provides a narrative of the fund financial statements.

**Governmental funds.** The focus of the Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balances -- Governmental Funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town of Buena Vista's financial requirements.

The Town of Buena Vista Governmental Funds consists of the General Fund, the Conservation Trust Fund, the Streets Fund and the Capital Improvement Fund.

As of December 31, 2019, the Town of Buena Vista's combined governmental funds reported ending fund balance of \$2,763,113 an increase of \$593,487 compared to December 31, 2018. The unassigned fund balance, which is available for spending at the Town's discretion, was \$2,192,234 which represented 79.34% of the total Governmental funds' equity. The balance sheet reflects the categorization of fund balance in accordance with GASB 54.

The General Fund is the Town's primary operating fund. All activities that are not required to be accounted for in separate funds either by state or local ordinance or by a desire to maintain a matching of revenues and expenses are accounted for in this fund. The Statement of Revenues, Expenditures and Changes in Fund Balances shows 2019 General Fund revenues exceeded expenditures by \$882,432. This was the result of higher than expected sales tax collections and lower than planned expenditures.

The Conservation Trust Fund (CTF) decreased fund balance by \$21,991 due to additional spending on parks and trails in 2019. The CTF receives money from lottery proceeds that are distributed by the state to local governments based on population. The Fund Balance as of December 31, 2019 was \$24,204.

**Proprietary funds.** The Statement of Net Position and the Statement of Revenues, Expenditures and Changes in Net Fund Position – Proprietary Funds, provide the same type of information found in the government-wide financial statements but in more detail.

Total unrestricted net position as of December 31, 2019 was \$5,121,512, a decrease of \$348,376 (6.37%) over December 31, 2018.

The investment in capital assets net of depreciation increased by \$1,337,7988 (21.69%) in 2018 due to the completion of the water infrastructure project in the Water Fund. These capital investments help to ensure service for residents and serve to generate future revenues for the water fund.

### **Budgetary Highlights**

The budget comparison schedules are shown on Pages 49-52 and 59-63 which compares the final 2019 budget and actual expenditures. This section of the report primarily focuses on areas that were different from expectations set in the budget and changes from the prior year.

**General Fund.** Actual financial results differed from the original budget primarily due to greater sales tax revenue than was expected for the year. Sales tax collections for 2019 exceeded 2018 by 6% or more in all twelve months. Revenue from sales tax was budgeted to be 3.5% higher than 2018. Actual collections of the town sales tax grew by 15.52%% in 2019.

Buena Vista's share of the county-wide sales tax was \$1,258,217 in 2019 representing 16.43% growth over 2018

**Capital Improvement Fund.** Total actual expenditures for vehicles, equipment, street improvements, Buildings, Land, Infrastructures and park improvements in 2019 totaled \$658,785 which underspent the final budget by \$69,665.

**Water Enterprise Fund.** During 2019 revenue was realized in the amount of \$2,040,316, which was lower than the final budget by \$1,873,867 due to recognizing the full loan amount of the CWRPDA loan in 2018.

**Airport Enterprise Fund.** In 2019 the airport final budget for revenue was \$705,845. Actual revenue was \$40,3226 higher.

**Capital Assets.** Town's investment in capital assets for governmental activities as of December 31, 2019 totaled \$8,819,182 net of accumulated depreciation and investment in capital assets for business type activities as \$9,435,367 net of accumulated depreciation.

### **Long-term Debt**

In the business-type activities, the long-term debt was \$1,944,889 at a rate of 1% at December 31, 2019 payable to the Colorado Water Resources and Power Development Authority (CWRPDA) which will be fully retired in November 2038.

In the Governmental activities a bond was obtained in 2012 including expenses in the amount of \$3,029,955. The remaining balance on this long-term bond debt was \$2,340,000 as of December 31, 2019 and is serviced by Wells Fargo.

## Economic Factors and Financial Outlook

**2021 Budget.** As the Town moves into the 2021 budget cycle the economic outlook has become very uncertain due to the COVID-19 issue. Staff plans to budget conservatively, however, what form that will take remains to be seen since revenue receipts continue to evolve

Some of the key budget considerations are outlined below:

- Staffing – remain steady as we wait to see if and to what extent the economy rebounds;
- Employee health insurance – likely to show a 3%-6% increase;
- Sales tax revenue – revenue forecast remains uncertain and Town is adopting a wait and see policy until at least the 3<sup>rd</sup> Quarter sales tax numbers start coming in;
- Water rates – No increase in service / usage fees.

Total fund equity is likely to stay the same or show only a small increase in 2021.

The Town has debt in the street fund. Debt service obligations will be \$105,000 of principal and \$72,475 of interest in 2021.

2021 budget appropriations are expected to remain steady or decline based on the extent of any rebound in the economy after COVID-19.

**Fiscal Sustainability Issues.** The economy of Buena Vista has had three major fiscal components over the past approximately ten years. They are housing construction, the state prison and summer tourism. All three of these components play a role in the generation of sales tax which is the Town's main revenue source.

The effect of the 2008 credit meltdown has reversed and due to the Fed keeping interest rates relatively low has increased demand on housing inventory which has resulted in a severe shortage in affordable housing. This shortage has had a negative impact on the state prison and tourist related businesses as new employees are frequently commuting from other communities which have more affordable housing available. Several new businesses have opened throughout 2019 and 2020. If the housing issue can be addressed in a timely manner, the expectation is that retirees and young professionals will continue to relocate to Buena Vista to enjoy the recreational amenities and temperate weather.

Prior to the shutdown created by COVID-19 Buena Vista was showing robust growth in sales tax. During the shutdown sales tax lost due to the abrupt cessation of the service business activity was, at least in part, offset by sales tax remittances from remote sellers in response to the Wayfair-v-South Dakota ruling helping May sales tax to show a 5% increase over 2019

During the next calendar year, major fiscal sustainability concerns are expected. In addition to the as yet still unknown effect of COVID-19 and the economic recovery from the shutdown other issues loom on the horizon such as; cost inflation for employee healthcare, fuel, asphalt, natural gas and electricity, the uncertainty of tourism and how business models will have to change to attract visitors.

Town leaders are focused on defining the role of local government in our community and balancing limited resources with requests for additional services. In addition, decreases to government funding have had a deeper impact on the local economy. The Town plans to resume an increased level of capital spending for roads and public infrastructure as compared to historic levels.

**Requests for information**

This financial report is designed to provide a general overview of the Town of Buena Vista's financial position for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town of Buena Vista, Colorado, P.O. Box 2002, Buena Vista, CO 81211.

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## Independent Auditor's Report

To the Town Council  
Town of Buena Vista  
Buena Vista, Colorado

### Report on the Financial Statements

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

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

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

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

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

### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Town of Buena Vista, Colorado, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other-Matters**

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Buena Vista, Colorado's financial statements as a whole. The Capital Improvement Fund, Water Fund, Airport Enterprise Fund, Alternative Energy Fund and Storm Water Enterprise Fund budgetary comparison schedules and the Local Highway Finance Report are supplementary information for purposes of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal awards is required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated May 1, 2020, on our consideration of the Housing Authority of Weld County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Housing Authority of Weld County's internal control over financial reporting and compliance.

*Hamblin and Associates*

Golden, Colorado  
May 28, 2020

## **FINANCIAL SECTION**

## BASIC FINANCIAL STATEMENTS

**TOWN OF BUENA VISTA, COLORADO**

**STATEMENT OF NET POSITION**

**December 31, 2019**

	Governmental Activities	Business - Type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 125,241	\$ 1,298,559	\$ 1,423,800
Cash and cash equivalents - restricted	174,975	211,948	386,923
Investments	1,870,018	2,862,692	4,732,710
Grants receivable	257,194	738,283	995,477
Accounts receivable	21,170	384,947	406,117
Taxes receivable	582,131	-	582,131
Property taxes receivable	449,890	-	449,890
Intergovernmental receivable	8,380	-	8,380
Prepaid expenses	31,786	-	31,786
Net pension asset	267,204	-	267,204
Inventories, net	-	122,610	122,610
Capital assets, net	8,819,182	9,435,367	18,254,549
Total Assets	12,607,171	15,054,406	27,661,577
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows due to pensions	312,314	-	312,314
<b>LIABILITIES</b>			
Accounts payable	221,477	234,660	456,137
Accrued payroll liabilities	3,712	17,556	21,268
Accrued compensated absences	75,753	26,995	102,748
Deposits/escrow accounts	81,130	-	81,130
Unearned revenue	7,448	6,368	13,816
Premium on bond payable	21,568	-	21,568
Notes payable - due within one year	100,000	92,712	192,712
Notes payable - due in more than one year	2,240,000	1,837,162	4,077,162
Total Liabilities	2,751,088	2,215,453	4,966,541
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows due to pensions	116,390	-	116,390
Unavailable revenue - property taxes	443,905	-	443,905
Total Deferred inflows of resources	560,295	-	560,295
<b>NET POSITION</b>			
Net investment in capital assets	6,479,182	7,505,493	13,984,675
Restricted for emergencies (TABOR)	127,700	-	127,700
Restricted for debt service	174,975	211,948	386,923
Restricted for streets	121,760	-	121,760
Unrestricted	2,704,485	5,121,512	7,825,997
Total Net Position	\$ 9,608,102	\$ 12,838,953	\$ 22,447,055

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



**TOWN OF BUENA VISTA, COLORADO**

**BALANCE SHEET - GOVERNMENTAL FUNDS**

**December 31, 2019**

	GENERAL	CONSERVATION TRUST	CAPITAL IMPROVEMENT	STREETS	TOTAL
<b>ASSETS</b>					
Cash and cash equivalents	\$ 792,752	\$ (256,470)	\$ (434,512)	\$ 198,446	\$ 300,216
Investments	1,258,957	280,674	330,387	-	1,870,018
Accounts receivable	21,170	-	-	-	21,170
Taxes receivable	503,838	-	-	78,293	582,131
Property taxes receivable	449,890	-	-	-	449,890
Grants receivable	-	-	257,194	-	257,194
Intergovernmental receivable	8,380	-	-	-	8,380
Prepaid expenses	10,218	-	-	21,568	31,786
<b>TOTAL ASSETS</b>	<b>\$ 3,045,205</b>	<b>\$ 24,204</b>	<b>\$ 153,069</b>	<b>\$ 298,307</b>	<b>\$ 3,520,785</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 189,076	\$ -	\$ 30,829	\$ 1,572	\$ 221,477
Accrued payroll and related liabilities	3,712	-	-	-	3,712
Developer deposits - refundable	81,130	-	-	-	81,130
<b>TOTAL LIABILITIES</b>	<b>281,366</b>	<b>-</b>	<b>30,829</b>	<b>1,572</b>	<b>313,767</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - property taxes	443,905	-	-	-	443,905
<b>FUND BALANCES</b>					
Restricted for TABOR	127,700	-	-	-	127,700
Restricted for debt service	-	-	-	174,975	174,975
Restricted - Streets	-	-	-	121,760	121,760
Committed	-	24,204	-	-	24,204
Assigned	-	-	122,240	-	122,240
Unassigned	2,192,234	-	-	-	2,192,234
<b>TOTAL FUND BALANCE</b>	<b>2,319,934</b>	<b>24,204</b>	<b>122,240</b>	<b>296,735</b>	<b>2,763,113</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<b>\$ 3,045,205</b>	<b>\$ 24,204</b>	<b>\$ 153,069</b>	<b>\$ 298,307</b>	<b>\$ 3,520,785</b>
<b>TOTAL FUND BALANCE - GOVERNMENTAL FUNDS</b>					<b>\$ 2,763,113</b>
Capital assets used in governmental activities are not resources and are not reported in the funds:					
Capital Assets					16,077,405
Accumulated Depreciation					(7,258,223)
Pension assets and deferred outflows are not current, therefore are not reported in the funds:					
Net Pension Asset (Liability)					267,204
Deferred Outflows Because of Pensions					312,314
Deferred Inflows Because of Pensions					(116,390)
Earned but unpaid accumulated leave balances are not reported in the funds:					
Compensated Absences					(75,753)
Long-term liabilities are not due and payable in the current period:					
Bonds Payable					(2,340,000)
Premium on Bond Payable					(21,568)
<b>TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES</b>					<b>\$ 9,608,102</b>

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

**TOWN OF BUENA VISTA, COLORADO**

**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES -**  
**GOVERNMENTAL FUNDS**

**For the Year Ended December 31, 2019**

	<u>GENERAL</u>	<u>CONSERVATION TRUST</u>	<u>CAPITAL IMPROVEMENT</u>	<u>STREETS</u>	<u>TOTAL</u>
<b>REVENUES</b>					
Taxes	\$ 3,969,706	\$ -	\$ -	\$ 550,820	\$ 4,520,526
Licenses and permits	238,991	-	-	-	238,991
Fines	38,357	-	-	-	38,357
Rental income	-	-	-	-	-
Intergovernmental	618,285	33,005	271,194	-	922,484
Contributions	6,994	-	4,600	-	11,594
Interest income	35,470	6,004	10,127	7,813	59,414
Other	83,311	-	-	-	83,311
<b>TOTAL REVENUES</b>	<u>4,991,114</u>	<u>39,009</u>	<u>285,921</u>	<u>558,633</u>	<u>5,874,677</u>
<b>EXPENDITURES</b>					
General government	996,010	-	15,500	-	1,011,510
Public safety	1,799,220	-	294,469	-	2,093,689
Community services	359,623	-	40,072	-	399,695
Public works	450,673	-	47,843	473,725	498,516
Culture and recreation	503,156	-	260,901	-	764,057
<b>TOTAL EXPENDITURES</b>	<u>4,108,682</u>	<u>-</u>	<u>658,785</u>	<u>473,725</u>	<u>4,767,467</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	882,432	39,009	(372,864)	84,908	1,107,210
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in (out)	(319,440)	(61,000)	340,440	-	(40,000)
<b>CHANGE IN FUND BALANCE</b>	562,992	(21,991)	(32,424)	84,908	1,067,210
<b>FUND BALANCES - Beginning</b>	<u>1,756,942</u>	<u>46,195</u>	<u>154,664</u>	<u>211,827</u>	<u>2,169,628</u>
<b>FUND BALANCES - Ending</b>	<u>\$ 2,319,934</u>	<u>\$ 24,204</u>	<u>\$ 122,240</u>	<u>\$ 296,735</u>	<u>\$ 3,236,838</u>

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

TOWN OF BUENA VISTA, COLORADO

**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES -**  
**GOVERNMENTAL FUNDS (Continued)**  
For the Year Ended December 31, 2019

NET CHANGE IN FUND BALANCES - ALL GOVERNMENTAL FUNDS	\$ 1,067,210
Principal payments on debt are reported as expenditures in the funds and debt proceeds are shown as revenues:	
Principal Payments on Bonds Payable	100,000
Amortization of Bond Premium	1,198
Earned but unpaid accumulated leave balances are not reported in the funds:	
Change in Accrued Compensated Absences	9,384
FPPA pension changes are not recorded in the funds	25,372
Purchases of capital assets are expensed in governmental funds and depreciated on the statement of activities:	
Net Change Capitalized Assets	664,389
Depreciation Expense	<u>(701,786)</u>
CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES	<u>\$ 1,165,767</u>

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

**TOWN OF BUENA VISTA, COLORADO**

**STATEMENT OF NET POSITION-**  
**PROPRIETARY FUNDS**  
**December 31, 2019**

	<u>WATER</u>	<u>AIRPORT</u>	<u>ALTERNATIVE ENERGY</u>	<u>STORM WATER</u>	<u>TOTAL</u>
<b>ASSETS</b>					
Current Assets					
Cash and equivalents	\$ 1,272,453	\$ (153,390)	\$ (3,122)	182,618	\$ 1,298,559
Cash and equivalents - restricted	211,948	-	-	-	211,948
Investments	2,862,692	-	-	-	2,862,692
Grants receivable	735,853	2,430	-	-	738,283
Accounts receivable	82,513	296,005	-	6,429	384,947
Prepays	-	-	-	-	-
Inventory	81,586	41,024	-	-	122,610
Total Current Assets	<u>5,247,045</u>	<u>186,069</u>	<u>(3,122)</u>	<u>189,047</u>	<u>5,619,039</u>
Non-current Assets					
Capital assets					
Property, plant and equipment	10,753,162	10,250,414	-	-	21,003,576
Accumulated depreciation	<u>(4,455,655)</u>	<u>(7,112,554)</u>	-	-	<u>(11,568,209)</u>
Total Non-current Assets	<u>6,297,507</u>	<u>3,137,860</u>	<u>-</u>	<u>-</u>	<u>9,435,367</u>
<b>TOTAL ASSETS</b>	<u>11,544,552</u>	<u>3,323,929</u>	<u>(3,122)</u>	<u>189,047</u>	<u>15,054,406</u>
<b>LIABILITIES</b>					
Current Liabilities					
Accounts payable	230,981	3,679	-	-	234,660
Other accrued liabilities	6,753	9,723	-	-	16,476
Unearned revenue	6,368	-	-	-	6,368
Accrued salaries and benefits	782	298	-	-	1,080
Current portion of long-term debt	92,712	-	-	-	92,712
Total Current Liabilities	<u>337,596</u>	<u>13,700</u>	<u>-</u>	<u>-</u>	<u>351,296</u>
Long-Term Liabilities					
Notes and loans payable	1,837,162	-	-	-	1,837,162
Accrued compensated absences	23,757	3,238	-	-	26,995
Total Long-Term Liabilities	<u>1,860,919</u>	<u>3,238</u>	<u>-</u>	<u>-</u>	<u>1,864,157</u>
<b>TOTAL LIABILITIES</b>	<u>2,198,515</u>	<u>16,938</u>	<u>-</u>	<u>-</u>	<u>2,215,453</u>
<b>NET POSITION</b>					
Net investment in capital assets	4,367,633	3,137,860	-	-	7,505,493
Restricted for debt service	211,948	-	-	-	211,948
Unrestricted	<u>4,766,456</u>	<u>169,131</u>	<u>(3,122)</u>	<u>189,047</u>	<u>5,121,512</u>
<b>TOTAL NET POSITION</b>	<u>\$ 9,346,037</u>	<u>\$ 3,306,991</u>	<u>\$ (3,122)</u>	<u>\$ 189,047</u>	<u>\$ 12,838,953</u>

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

**TOWN OF BUENA VISTA, COLORADO**

**STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET POSITION -  
PROPRIETARY FUNDS**

**For the Year Ended December 31, 2019**

	WATER	AIRPORT	ALTERNATIVE ENERGY	STORM WATER	TOTAL
<b>OPERATING REVENUES</b>					
Water sales	\$ 987,437	\$ -	\$ -	\$ -	\$ 987,437
Water meter sales	22,230	-	-	-	22,230
Stormwater fees	-	-	-	69,284	69,284
EV charging	-	-	465	-	465
Finance charges	9,635	-	-	-	9,635
Fuel sales	-	385,134	-	-	385,134
Rental revenue	-	230,921	-	-	230,921
Other revenues	57,410	-	-	-	57,410
Other fees	1,338	46,959	-	-	48,297
<b>TOTAL OPERATING REVENUES</b>	<b>1,078,050</b>	<b>663,014</b>	<b>465</b>	<b>69,284</b>	<b>1,810,813</b>
<b>OPERATING EXPENSES</b>					
Salaries and benefits	399,783	212,316	-	-	612,099
Fuel for resale	-	252,755	-	-	252,755
Professional services	96,906	5,226	-	-	102,132
Insurance	6,692	19,036	-	-	25,728
Other general and administrative	35,395	79,742	47	560	115,744
Utilities	14,501	32,717	2,258	-	49,476
Repairs and maintenance	30,550	5,675	-	-	36,225
Plant and building operations	34,088	1,486	-	-	35,574
Capital outlay	19,731	276	-	-	20,007
Depreciation	194,661	238,562	1,340	-	434,563
<b>TOTAL OPERATING EXPENSES</b>	<b>832,307</b>	<b>847,791</b>	<b>3,645</b>	<b>560</b>	<b>1,684,303</b>
<b>OPERATING INCOME (LOSS)</b>	<b>245,743</b>	<b>(184,777)</b>	<b>(3,180)</b>	<b>68,724</b>	<b>126,510</b>
<b>NON-OPERATING REVENUE (EXPENSE)</b>					
Investment income	60,830	-	-	-	60,830
Grants and contributions	291,275	35,430	-	-	326,705
Other taxes	-	7,727	-	-	7,727
Interest and fiscal charges	(5,312)	-	-	-	(5,312)
Transfer in	-	40,000	-	-	40,000
Gain (loss) on sale of asset	-	-	(18,747)	-	(18,747)
Cash capital contributions	610,161	-	-	-	610,161
Infrastructure capital contributions	-	-	-	-	-
<b>TOTAL NON-OPERATING REVENUE</b>	<b>956,954</b>	<b>83,157</b>	<b>(18,747)</b>	<b>-</b>	<b>1,021,364</b>
<b>CHANGE IN NET POSITION</b>	<b>1,202,697</b>	<b>(101,620)</b>	<b>(21,927)</b>	<b>68,724</b>	<b>1,147,874</b>
<b>NET POSITION - Beginning</b>	<b>8,143,340</b>	<b>3,408,611</b>	<b>18,805</b>	<b>120,323</b>	<b>11,691,079</b>
<b>NET POSITION - Ending</b>	<b>\$ 9,346,037</b>	<b>\$ 3,306,991</b>	<b>\$ (3,122)</b>	<b>\$ 189,047</b>	<b>\$ 12,838,953</b>

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

TOWN OF BUENA VISTA, COLORADO

**STATEMENT OF CASH FLOWS -  
PROPRIETARY FUNDS**

For the Year Ended December 31, 2019

	WATER	AIRPORT	ALTERNATIVE ENERGY	STORM WATER	TOTAL
Cash Flows From Operating Activities:					
Cash received from customers	\$ 1,074,722	\$ 409,487	\$ 465	\$ 68,639	\$ 1,553,313
Cash paid to suppliers and employees	(480,325)	(610,664)	(2,912)	(560)	(1,094,461)
Net Cash Provided (Used) by Operating Activities	<u>594,397</u>	<u>(201,177)</u>	<u>(2,447)</u>	<u>68,079</u>	<u>458,852</u>
Cash Flows From Non-capital Financing Activities:					
Grants and contributions received	291,275	35,430	-	-	326,705
Net Cash Provided by Non-capital Financing Activities	<u>291,275</u>	<u>75,430</u>	<u>-</u>	<u>-</u>	<u>366,705</u>
Cash Flows From Capital and Related Financing Activities:					
System development/resources fees	610,161	-	-	-	610,161
Additions to fixed assets	(1,695,529)	(42,091)	-	-	(1,737,620)
Loan Principal Payments	(53,496)	-	-	-	(53,496)
Loan interest payments and fiscal charges	(5,312)	-	-	-	(5,312)
Net Cash (Used) by Capital and Related Financing Activities	<u>(1,144,176)</u>	<u>(42,091)</u>	<u>-</u>	<u>-</u>	<u>(1,186,267)</u>
Cash Flows From Investing Activities:					
Investments	(735,855)	-	-	-	(735,855)
Interest received	60,830	-	-	-	60,830
Net Cash Used by Investing Activities	<u>(675,025)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(675,025)</u>
Net Increase in Cash	(933,529)	(167,838)	(2,447)	68,079	(1,035,735)
Cash - Beginning	5,280,622	14,448	(675)	114,539	5,408,934
Cash - Ending	<u>\$ 4,347,093</u>	<u>\$ (153,390)</u>	<u>\$ (3,122)</u>	<u>\$ 182,618</u>	<u>\$ 4,373,199</u>
Cash and investments	\$ 1,272,453	\$ (153,390)	\$ (3,122)	\$ 182,618	\$ 1,298,559
Restricted cash	211,948	-	-	-	211,948
Investments	2,862,692	-	-	-	2,862,692
Total Cash - Ending	<u>\$ 4,347,093</u>	<u>\$ (153,390)</u>	<u>\$ (3,122)</u>	<u>\$ 182,618</u>	<u>\$ 4,373,199</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:					
Operating Income (Loss)	<u>\$ 245,743</u>	<u>\$ (184,777)</u>	<u>\$ (3,180)</u>	<u>\$ 68,724</u>	<u>\$ 126,510</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:					
Depreciation	194,661	238,562	1,340	-	434,563
(Increase) Decrease in:					
Accounts receivable	(2,566)	(263,752)	-	(645)	(266,963)
Inventory	(22,483)	10,225	-	-	(12,258)
Increase (decrease) in:					
Accounts payable	165,203	(3,278)	(607)	-	161,318
Unearned revenue	(762)	-	-	-	(762)
Accrued salaries and benefits	3,464	1,001	-	-	4,465
Accrued compensated absences	11,137	842	-	-	11,979
Total Adjustments	<u>348,654</u>	<u>(16,400)</u>	<u>733</u>	<u>(645)</u>	<u>332,342</u>
Net Cash Provided by Operating Activities	<u>\$ 594,397</u>	<u>\$ (201,177)</u>	<u>\$ (2,447)</u>	<u>\$ 68,079</u>	<u>\$ 458,852</u>

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

**TOWN OF BUENA VISTA, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2019**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Town of Buena Vista (the Town) was incorporated under Colorado statutes in 1879 and provides services related to public safety, highways and streets, airport, water, recreation, planning and zoning, and general administration. The Town is the lowest level of government having oversight responsibility and control over all activities within the geographical area organized as the Town of Buena Vista, Colorado. The Town is located in Chaffee County, Colorado and is governed by an elected Mayor and Board of Trustees (the Town Board), which are responsible for setting policy, appointing administrative personnel and adopting an annual budget.

The Town's financial statements are prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the town's accounting policies are described below.

**A. Reporting Entity**

The financial statements of the reporting entity include those of the Town (the primary government) and its component units. The criteria used in determining the scope of the reporting entity are based on the provisions of GASB Statement No. 14, *The Financial Reporting Entity* (GASB 14), as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units - an amendment of GASB 14*. The requirements for inclusion as a component unit are based primarily upon whether the Town is considered financially accountable for the potential component unit. The Town is financially accountable if it appoints a voting majority of a potential component unit's governing body and is able to impose its will on that potential component unit, or because the potential component unit will provide specific a financial benefit to or impose a specific financial burden on the Town. The Town does not have any component units.

**Basis of Presentation**

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds).

**Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the activities of the primary government, excluding fiduciary activities. The effect of interfund activity has been removed from these statements, with the exception of interfund services provided and used.

**TOWN OF BUENA VISTA, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2019**

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

The statement of activities demonstrates the degree to which the direct expenses of the given function or segments are 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, unrestricted interest earnings and other items not properly included among program revenues are reported instead as *general revenues*.

**Fund Financial Statements**

Following the government-wide financial statements are separate financial statements for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements. The total fund balances for all governmental funds is reconciled to total net position for governmental activities as shown on the statement of net position. The net change in fund balance for all governmental funds is reconciled to the total change in net position as shown on the statement of activities in the government-wide financial statements.

**Fund Accounting**

The Town uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with self-balancing accounts. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The Town has all three categories of funds: governmental, proprietary, and fiduciary.

**Governmental Funds**

Governmental funds are those through which most governmental functions of the Town are financed. The acquisition, use, and balances of the Town's expendable financial resources and the related liabilities (except those accounted for in the proprietary fund) are accounted for through governmental funds. The measurement focus is on determination of and changes in financial position, rather than on net income. The following are the Town's governmental major funds:

The **General Fund** is used to account for all financial resources except those required to be accounted for in another fund and is the general operating fund of the Town.

**TOWN OF BUENA VISTA, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2019**

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

The **Conservation Trust Fund** accounts for receipts and expenditures with respect to State allocations of lottery proceeds.

The **Street Fund** accounts for street expenditures funded by a half-cent street improvement sales tax.

The **Capital Improvement Fund** accounts for receipts and expenditures with respect to capital projects. Revenues derived by this fund include cash-in-lieu fees from developers for parks, open space and trails, and capital grants.

**Proprietary Funds**

Proprietary funds are used to account for activities that are similar to those found in the private sector. The measurement focus is on the determination of net income and capital maintenance. Proprietary funds distinguish operating revenues and expenses from non-operating 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 Town's enterprise funds are charges to customers for sales and services. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

Of the types of proprietary funds (enterprise and internal service funds), the Town has the following proprietary funds:

**Enterprise Funds** - the enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis is to be financed or recovered primarily through user charges. The Town has the following enterprise funds:

The **Water Fund** accounts for all the activities necessary for the provision of water services to Town residents.

The **Airport Fund** accounts for all the activities necessary for the operation of the Town's general aviation airport.

The **Alternative Energy Fund** accounts for all the activities associated with electric vehicle charging stations in the Town.

The **Storm Water Fund** accounts for all the activities necessary for the Town drainage system.

**TOWN OF BUENA VISTA, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2019**

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

**B. Measurement Focus and Basis of Accounting**

Measurement focus refers to whether financial statements measure changes in current resources only (current financial focus) or changes in both current and long-term resources (long-term economic focus). Basis of accounting refers to the point at which revenues, expenditures, or expenses are recognized in the accounts and reported in the financial statements.

**Long-Term Economic Focus and Accrual Basis**

Governmental and business-type activities in the government-wide financial statements, the proprietary fund financial statements, and the fiduciary fund financial statements use the long-term economic focus and are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of 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.

**Current Financial Focus and Modified Accrual Basis**

The governmental fund financial statements use the current financial focus and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to be used 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 fiscal period. The primary revenue sources, which have been treated as susceptible to accrual by the Town, are property tax, sales tax, intergovernmental revenues and other taxes. All other revenue items are considered to be measurable and available only when cash is received by the Town.

Expenditures are generally recorded when a liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments, are recorded only when payment is due (i.e. matured).

**TOWN OF BUENA VISTA, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2019**

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

**C. Cash, Cash Equivalents and Investments**

The Town considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. State statutes and Town policy authorize the Town to invest in obligations of the United States or any agency thereof, time deposit certificates, and repurchase agreements. The Pension Trust Funds are also authorized to invest in corporate common or preferred stocks, bonds and mortgages, real or personal property, and other evidence of indebtedness or ownership (excluding any debt of the Town itself), and individual insurance policies.

**D. Restricted Assets**

Certain resources set aside for emergencies, specified voter approved projects and Water Fund operations and maintenance reserves are classified as restricted assets on the balance sheet because their use is limited by Colorado State Statutes, enabling legislation and debt covenants.

**E. Receivables**

The Town uses the allowance method for recognizing the uncollectable delinquent accounts receivable. At December 31, 2019, no allowance has been established, as all amounts are considered collectible. Each October, any utility bills more than 60 days old are certified to the County Treasurer for collection with the property taxes to be collected the following year.

**F. Property Taxes**

Property taxes are assessed in one year as a lien on the property, but not collected by governmental units until the subsequent year. In accordance with GAAP, the assessed, but uncollected, property taxes for calendar year 2019 have been recorded as a receivable and as deferred revenue. Property taxes are billed and collected by Chaffee County, Colorado and distributed to the municipalities and special districts within the county the month after collection.

**TOWN OF BUENA VISTA, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2019**

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

**G. Inventories**

Water parts are valued at market values based on current pricing. Airport fuel inventories are valued at average cost.

**H. Interfund Receivables and Payables**

Transfers of resources from a fund receiving revenue to the fund through which the resources are to be expended are recorded as transfers. Such transfers are reported as other financing sources (uses) in the governmental funds and transfers in (out) in the proprietary funds.

Transactions between the Town's various funds are accounted for as revenues and expenditures or expenses in the funds involved if they are similar to transactions with organizations external to Town government.

Activity between funds that is representative of borrowing/lending arrangements outstanding at the end of the fiscal year is referred to as either "due to/due 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."

In the process of aggregating data for the statement of net position and the statement of activities some amounts reported on interfund activity and balances in the funds have been eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

**I. Deferred Outflows and 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 future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town has one item qualifying for this category: the collective deferred outflows related to the Town's net pension obligation. Pension contributions made after the measurement date, and the net difference between projected and actual earnings will be recognized as a change of the net pension liability or asset in future periods.

**TOWN OF BUENA VISTA, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2019**

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

**I. Deferred Outflows and Inflows of Resources** (Continued)

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 future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town has two types of items that qualify for reporting in this category. Unavailable revenue from property taxes, reported in the governmental balance sheet are deferred and recognized as an inflow from resources in the period that the amounts become available. Collective deferred inflows related to the Town's net pension obligation are reported on the Statement of Net Position and are amortized over the average service lives of participants.

**J. Capital Assets**

Capital assets, which include property, equipment, and 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. Capital assets are defined by the Town as assets with an initial cost of more than \$5,000 and an estimated useful life in excess of one year. Purchased or constructed assets are recorded at historical cost where historical records are available or estimated historical costs where no historical records exist. Donated capital assets are recorded at estimated fair value at the date of donation.

The cost of normal maintenance and repairs that does not add to the value of the asset or materially extend the asset's life is not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Capital assets (excluding land, water rights, construction in progress and capital assets held for other government) are depreciated using the straight-line method over the following estimated useful lives:

Land improvements	7 - 20 years
Buildings and improvements	10 - 50 years
Equipment and vehicles	5 - 20 years
Infrastructure	7 - 40 years

Capital assets held for other government represents a sewer line constructed in 2004 and 2005 from several funding sources, including Federal grants. This sewer line will ultimately be conveyed to the Buena Vista Sanitation District, the government responsible for providing sanitation services within Town boundaries. No depreciation is reported by the Town for the sewer line as a separate government is the operator of this system and the Town does not recognize any associated revenue.

**TOWN OF BUENA VISTA, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2019**

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

**K. Compensated Absences**

Vacation, sick leave, and compensatory time are accrued as earned. Accumulated unpaid vacation, compensatory time, and vested sick leave amounts are recorded in the government-wide financial statements by fund. The Town's personnel policy imposes limits on the maximum accrual of accumulated vacation time and sick leave. Upon termination, accrued unpaid vacation and compensatory time will be paid to the employee. Accrued sick leave has a cash value upon termination only if the employee has at least five years of full-time service with the Town at termination. Accrued compensated absences are liquidated by the fund that incurred the liability during the employee's employment.

A liability for vested, accrued leave time is reported in the governmental funds only if the amounts due at year end have matured.

**L. Pensions**

For purposes of measuring the net pension liability or asset, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position of the Town's defined benefit pension plan and additions to/deductions from the fiduciary net position of the Town's defined benefit pension plans have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**M. Long-Term Debt**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt is reported as a liability in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

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. Premiums received on debt issuances are 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.

**TOWN OF BUENA VISTA, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2019**

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

**N. Net Position**

In the government-wide and proprietary fund financial statements, net position is displayed in three components as follows:

**Net Investment in Capital Assets** - This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

**Restricted** - This consists of net position legally restricted by outside parties or by law through constitutional provisions or enabling legislation.

**Unrestricted** - This consists of net position not meeting the definition of "restricted" or "invested in capital assets, net of related debt."

When an expense is incurred for purposes for which restricted and unrestricted net position is available, the Town's policy is to apply restricted net position first.

**O. Fund Balance - Governmental Funds**

The following fund balance classifications describe the relative strength of the spending constraints placed on a government's fund balance and purposes for which resources can be used:

- Nonspendable fund balance - amounts that are not in a spendable form (such as inventory) or are required to be maintained intact.
- Restricted fund balance - amounts constrained to specific purposes stipulated by external resource providers (such as grantor, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation. Restrictions may be changed or lifted only with the consent of the resource providers.
- Committed fund balance - amounts constrained to specific purposes stipulated by a government itself, determined by formal action by the Board of Trustees. to be reported as committed, amounts cannot be used for any other purpose unless changed by the Board of Trustees.

**TOWN OF BUENA VISTA, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2019**

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

**O. Fund Balance- Governmental Funds** (Continued)

- Assigned fund balance - amounts the Town intends to use for a specific purpose as expressed by management.
- Unassigned fund balance - amounts that are available for any purpose; positive amounts are reported only in the general fund.

The Town Board of Trustees establishes (and modifies or rescinds) fund balance commitments by passage of a resolution or ordinance. Each December the budget is adopted by resolution for the coming year. A fund balance commitment is indicated in the budget by the use of reserves. The budget document will also identify the budgeted use of any restricted funds planned in the budget.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless Town Council has provided otherwise in its commitment or assignment actions.

**P. Use of Estimates**

The preparation of basic financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the basic financial statements and the accompanying notes. Actual results could differ from those estimates.

**NOTE 2: CASH DEPOSITS AND INVESTMENTS**

The Town's investment policy conforms to the investment policy guidelines set forth by the State of Colorado. The Town's investment policy sets the primary objectives of investments activities to be safety, liquidity, and yield, in that order. The policy sets a conservative, "prudent person" approach to investment purchases and management of the overall portfolio. The Town's Volunteer Firefighters Pension Trust is managed by the Fire and Police Pension Association of Colorado in accordance with State statute.

**TOWN OF BUENA VISTA, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2019**

**NOTE 2: DEPOSITS AND INVESTMENTS** (Continued)

At year end, the Town had the following deposits and investments as reported in the financial statements:

	<u>Amount</u>
Cash on hand	\$ 1,068
Demand deposits	1,624,715
Investments	<u>5,197,377</u>
Total	<u>\$ 6,823,160</u>

**A. Deposits**

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible depositories. The statutes specify eligible depositories for public cash deposits, which must be Colorado institutions and must maintain federal insurance (FDIC) on deposits held. Each eligible depository with deposits in excess of the insured levels must pledge a collateral pool of defined eligible assets maintained by another institution or held in trust for all of its local government depositors as a group with a market value of at least 102% of the uninsured deposits. The State Regulatory Commission for banks and savings and loan associations are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

As of December 31, 2019, the Town had deposits of \$1,144,451. Depositor's insurance (FDIC) covers \$500,000 of this amount (two different banks at \$250,000 each); the balance is covered by PDPA.

**B. Investments**

The Town's investment policy lists the authorized investment types as defined by Colorado statutes. Authorized investments include: direct obligations of the United States, obligations of U.S. government agencies, general or revenue obligations of any state of the United States, any territory, or political subdivision of any state, qualified bankers' acceptances, commercial paper, certificates of participation, repurchase agreements, qualified local government investment pool, money market funds, qualified corporate or bank debt, and certain guaranteed investment contracts. The Town held no such investments at December 31, 2019.

**TOWN OF BUENA VISTA, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2019**

**NOTE 2: CASH DEPOSITS AND INVESTMENTS** (Continued)

**B. Investments** (Continued)

Local Government Investment Pool - At December 31, 2019, the Town had \$2,465,385 (fair value) invested in COLOTRUST, an investment vehicle established by State statute for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces the requirements of creating and operating COLOTRUST. COLOTRUST operates similar to money market funds and each share is equal in value to \$1.00. COLOTRUST is rated AAAM by Standard and Poor's. Investments are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

The Town had the following investments at December 31, 2019:

<u>Investment Type</u>	<u>Rating</u>	<u>Fair Value</u>
U.S. Treasury Securities	Aaa by Moody	\$ 499,530
U.S. Government Bonds	Aaa by Moody	2,215,314
Colotrust	AAAM by S & P	2,482,533
Total		<u>\$ 5,197,377</u>

Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. To minimize credit risk the Town requires that U.S. Agency Securities have the highest possible rating. Colorado statutes establish standards for local government investment pools and the Town requires the investment pool to maintain the highest possible rating.

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. State statute limits investments in U.S. Agency Securities to a maximum five-year maturity. The Town seeks to minimize interest rate risk by:

- Structuring investments to meet ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and
- Structuring investments to have staggered maturities of less than five years.

**TOWN OF BUENA VISTA, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2019**

**NOTE 2: DEPOSITS AND INVESTMENTS** (Continued)

**B. Investments** (Continued)

Custodial Credit Risk - For investments, custodial credit risk is the risk that in the event of the failure of the counterparty to a transaction, the Town will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. In accordance with Town policy, custodial risk is minimized by pre-qualifying custodial institutions, diversifying the investment portfolio, and maintaining quality standards for investments. At December 31, the Town held no investments with custodial institutions other than COLOTRUST.

Concentration of Credit Risk - State statutes generally do not limit the amount the Town may invest in one issuer, However, the Town's investment policy require diversification of investments, including limiting the concentration of investments in one issuer. At December 31, 2019, the Town's investments account for 40% of total deposits and investments.

**NOTE 3: CAPITAL ASSETS**

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 1,028,709	\$ -	\$ -	\$ 1,028,709
Construction in progress	24,300	111,197	-	135,497
Assets held for other government	535,718	-	-	535,718
Total capital assets not being depreciated	<u>1,588,727</u>	<u>111,197</u>	<u>-</u>	<u>1,699,924</u>
Capital assets being depreciated:				
Land improvements & infrastructure	8,289,011	254,605	-	8,543,616
Buildings	1,498,446	17,152	-	1,515,598
Furniture & fixtures	22,042	-	-	22,042
Machinery, vehicles, & equipment	2,800,520	281,435	-	3,081,955
Developer contributed infrastructure	1,211,270	-	-	1,211,270
Intangibles	3,000	-	-	3,000
Total capital assets being depreciated	<u>13,824,289</u>	<u>553,192</u>	<u>-</u>	<u>14,377,481</u>
Less accumulated depreciation for:				
Land improvements & infrastructure	(2,772,163)	(449,780)	-	(3,221,943)
Buildings	(976,870)	(44,152)	-	(1,021,022)
Furniture & fixtures	(4,847)	(3,422)	-	(8,269)
Machinery, vehicles, & equipment	(2,198,427)	(136,751)	-	(2,335,178)
Developer contributed infrastructure	(603,730)	(67,081)	-	(670,811)
Intangibles	(400)	(600)	-	(1,000)
Total accumulated depreciation	<u>(6,556,437)</u>	<u>(701,786)</u>	<u>-</u>	<u>(7,258,223)</u>
Total capital assets being depreciated, net	<u>7,267,852</u>	<u>(148,594)</u>	<u>-</u>	<u>7,119,258</u>
<b>Governmental Activities Capital Assets, Net</b>	<u>\$ 8,856,579</u>	<u>\$ (37,397)</u>	<u>\$ -</u>	<u>\$ 8,819,182</u>

**TOWN OF BUENA VISTA, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2019**

**NOTE 3: CAPITAL ASSETS** (Continued)

Depreciation expense was charged to functions of the Town as follows:

General Government	\$ 394,429
Public Safety	105,100
Public Works	25,199
Culture and Recreation	177,058
Total	<u>\$ 701,786</u>

Business-Type capital asset activity for the year ended December 31, 2019 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Business-Type Activities:</b>				
Capital assets not being depreciated:				
Land and water rights	\$ 1,125,999	\$ 10,313	\$ -	\$ 1,136,312
Construction in progress	342,554	10,981	327,328	26,207
Total capital assets not being depreciated	<u>1,468,553</u>	<u>21,294</u>	<u>327,328</u>	<u>1,162,519</u>
Capital assets being depreciated:				
Buildings and treatment plant	3,116,566	-	-	3,116,566
Distribution systems	5,449,736	670,665	-	6,120,401
Storage tanks	1,579,146	1,176,168	-	2,755,314
Vehicles and equipment	1,302,068	207,133	26,797	1,482,404
Airport infrastructure	2,100,854	-	-	2,100,854
Land improvements	4,104,388	-	10,313	4,094,075
Southard Ground Lease buyout	110,000	-	-	110,000
Office furniture and fixtures	61,443	-	-	61,443
Total capital assets being depreciated	<u>17,824,201</u>	<u>2,053,966</u>	<u>37,110</u>	<u>19,841,057</u>
Less accumulated depreciation for:				
Buildings and treatment plant	(1,309,297)	(126,329)	-	(1,435,626)
Distribution systems	(2,346,916)	(133,865)	-	(2,480,781)
Storage tanks	(788,407)	(31,385)	-	(819,792)
Vehicles and equipment	(1,178,791)	(31,589)	(8,039)	(1,202,341)
Airport infrastructure	(1,789,136)	(35,703)	-	(1,824,839)
Land improvements	(3,667,960)	(51,595)	-	(3,719,555)
Southard Ground Lease buyout	(1,833)	(22,000)	-	(23,833)
Office furniture and fixtures	(59,347)	(2,096)	-	(61,443)
Total accumulated depreciation	<u>(11,141,687)</u>	<u>(434,562)</u>	<u>(8,039)</u>	<u>(11,568,210)</u>
Total capital assets being depreciated, net	<u>6,682,514</u>	<u>1,619,404</u>	<u>29,071</u>	<u>8,272,847</u>
<b>Business-Type Activities Capital Assets, Net</b>	<u>\$ 8,151,067</u>	<u>\$ 1,640,698</u>	<u>\$ 356,399</u>	<u>\$ 9,435,366</u>

**TOWN OF BUENA VISTA, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2019**

**NOTE 4: INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

Transfers for 2019 were as follows:

	<u>Transfers Out</u>	<u>Transfers In</u>
General	\$ 319,440	\$ -
Airport	-	40,000
Conservation Trust	61,000	-
Capital Improvement	-	340,440
	<u>\$ 380,440</u>	<u>\$ 380,440</u>

Transfers are used to move unrestricted General Fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs.

**NOTE 5: LONG-TERM DEBT**

**Governmental Activities -** The following summarizes the changes in the Town's governmental long-term debt activities for the year ended December 31, 2019:

	<u>Balance</u> <u>January 1,</u> <u>2019</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>December 31,</u> <u>2019</u>	<u>Due Within</u> <u>One Year</u>
<b>Governmental Activities</b>					
2012 Sales tax revenue bonds	\$ 2,440,000	\$ -	\$ 100,000	\$ 2,340,000	\$ 100,000
Compensated absences	85,137	79,066	88,450	75,753	-
<b>Total Governmental Activities</b>	<u>\$ 2,525,137</u>	<u>\$ 79,066</u>	<u>\$ 188,450</u>	<u>\$ 2,415,753</u>	<u>\$ 100,000</u>

**Issue: 2012 Sales Tax Revenue Bonds - Capital Improvements Fund**

Original Amount: \$3,000,000

Interest: 2.0%

Purpose: to design, construct and install street improvements within the Town.

<u>Payment</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Balance</u> <u>December 31</u>
2020	\$ 100,000	\$ 74,975	\$ 174,975	\$ 2,240,000
2021	105,000	72,475	177,475	2,135,000
2022	105,000	69,850	174,850	2,030,000
2023	110,000	67,225	177,225	1,920,000
2024	110,000	64,475	174,475	1,810,000
2025-2029	610,000	269,869	879,869	1,200,000
2030-2034	710,000	167,844	877,844	490,000
2035-2037	490,000	37,312	527,312	-
	<u>\$ 2,340,000</u>	<u>\$ 824,025</u>	<u>\$ 3,164,025</u>	

**TOWN OF BUENA VISTA, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2019**

**NOTE 5: LONG-TERM DEBT** (Continued)

**Business-type Activities** - The following summarizes the changes in the Town's business-type long-term debt activities for the year ended December 31, 2019:

	Balance January 1, 2019	Issued	Retired	Balance December 31, 2019	Due Within One Year
<b>Business-Type Activities</b>					
2018 CWRPDA Loan	\$ 1,983,370	\$ -	\$ 53,496	\$ 1,929,874	\$ 92,712
Compensated absences	14,922	22,950	12,614	25,258	-
<b>Total Business-Type Activities</b>	<u>\$ 1,998,292</u>	<u>\$ 22,950</u>	<u>\$ 66,110</u>	<u>\$ 1,955,132</u>	<u>\$ 92,712</u>

**1998 Issue: Colorado Water Resources and Power Development Authority (CWRPDA) Loan**

On June 1, 1998, the Town entered into a \$1,324,120 loan agreement with CWRPDA, the proceeds of which were utilized to construct a 600,000 gallon water storage tank, a transmission pipeline, and an extension of the infiltration system, a new well, and related equipment for the Water Enterprise Fund. The loan was retired during year-ended December 31, 2018.

**2018 Issue: Colorado Water Resources and Power Development Authority (CWRPDA) Loan**

On July 11, 2018, the Town entered into a \$1,983,370 loan agreement with CWRPDA, for 20 years at an interest rate of 1% for installing redundant raw water supply treatment, adding water storage and tank construction, and making improvements to the water distribution system. Payments of \$55,890 principal and interest, are to be made twice per year until November 1, 2038.

<u>Payment</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	Balance <u>December 31</u>
2020	\$ 92,712	\$ 19,068	\$ 111,780	\$ 1,837,161
2021	93,642	18,138	111,780	1,743,519
2022	94,581	17,199	111,780	1,648,939
2023	95,529	16,251	111,780	1,553,410
2024	96,487	15,293	111,780	1,456,923
2025-2029	497,137	61,763	558,900	959,786
2030-2034	522,561	36,339	558,900	437,225
2035-2038	437,225	9,895	447,120	-
	<u>\$ 1,929,874</u>	<u>\$ 193,947</u>	<u>\$ 2,123,820</u>	

**TOWN OF BUENA VISTA, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2019**

**NOTE 6: EMPLOYEE RETIREMENT COMMITMENTS**

**A. General Employees Retirement Plan - Section 401(a) Plan**

For all regular full-time employees, other than police officers, the Town contributes to a cost-sharing multiple-employer defined contribution pension plan (the Retirement Plan). The Retirement Plan, which is administered by Colorado County Officials and Employees Retirement Association (CCOERA), offers employees who have been with the Town for six months and that work at least 32 hours per week every month of the year, the opportunity to build retirement savings by pre-tax contributions of 3% of salary, which are matched with Town contributions. Employee contributions to the Pension Plan become immediately vested. Town contributions are vested at an annual rate of 25%. Town contributions become fully vested after four years. The contribution requirements of Retirement Plan participants and the Town are established, and may be amended, by the Board of Trustees. Unvested employer contributions are returned to the Town when an employee terminates employment and cashes out of the Retirement Plan. The amounts returned are recognized on the financial statements as revenue in the year received.

For the year ended December 31, 2019, the Town contributed \$95,286 to the Retirement Plan on behalf of participating employees. Participants of the Retirement Plan made equal matching contributions in 2019. No unvested contributions were returned to the Town in 2019.

CCOERA is also the Trustee of the Retirement Plan and, accordingly, the Town has no liability for losses under the plan. Consequently, the Retirement Plan is not part of the Town's financial statements.

**TOWN OF BUENA VISTA, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2019**

**NOTE 6: EMPLOYEE RETIREMENT COMMITMENTS** (Continued)

**B. Deferred Compensation Plan**

All employees are eligible to participate in a deferred compensation plan that was created in accordance with the Internal Revenue Code section 457 (the Deferred Compensation Plan). The Deferred Compensation Plan, which is administered by CCOERA, permits participants to defer a portion of their salary until future years. All compensation deferred under the Deferred Compensation Plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are to be held in trust for the exclusive benefit of the participants and their beneficiaries. Compensation deferred under the Deferred Compensation Plan is not available to employees until termination, retirement, death, or unforeseeable emergency.

Participants may elect to defer any percentage of their annual compensation, provided that the total annual contribution does not exceed limitations established by the Internal Revenue Service. The Town does not contribute to the Deferred Compensation Plan.

The individual participants determine investment decisions within the Deferred Compensation Plan and, therefore, the Deferred Compensation Plan's investment concentration varies between participants.

CCOERA is also the Trustee of the Deferred Compensation Plan and, accordingly, the Town has no liability for losses under the plan. Consequently, the Deferred Compensation Plan is not part of the Town's financial statements.

**C. FPPA Statewide Defined Benefit Plan**

*Plan Description* The Statewide Defined Benefit Plan (SWDB) is a cost-sharing multiple-employer defined benefit pension plan. The plan is administered by the Fire & Police Pension Association of Colorado (FPPA). FPPA issues a publicly available comprehensive annual financial report that can be obtained on FPPA's website at <http://www.fppaco.org>.

*Description of Benefits* A member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55.

**TOWN OF BUENA VISTA, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2019**

**NOTE 6: EMPLOYEE RETIREMENT COMMITMENTS** (Continued)

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members currently covered under Social Security will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefits paid to retired members are evaluated and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index.

A member is eligible for an early retirement at age 50 or after 30 years of service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5 percent as interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the Plan and remain eligible for a retirement pension at age 55 equal to 2 percent of the member's average highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

*Contributions.* The Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Contribution rates for the SWDB plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or election of the membership.

Members of the SWDB plan and their employers are contributing at the rate of 8 percent of base salary for a total contribution rate of 16 percent through 2014. In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of base salary. Employer contributions will remain at 8 percent resulting in a combined contribution rate of 20 percent in 2022.

Contributions from members and employers of departments re-entering the system are established by resolution and approved by the FPPA Board of Directors. The re-entry group has a combined contribution rate of 20 percent of base salary through 2014. It is a local decision as to whether the member or employer pays the additional 4 percent contribution. Per the 2014 member election, the re-entry group will also have their required member contribution rate increase 0.5 percent annually beginning in 2015 through 2022 for a total combined member and employer contribution rate of 24 percent in 2022.

**TOWN OF BUENA VISTA, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2019**

**NOTE 6: EMPLOYEE RETIREMENT COMMITMENTS** (Continued)

The contribution rate for members and employers of affiliated social security employers is 4 percent of base salary for a total contribution rate of 8 percent through 2014. Per the 2014 member election, members of the affiliate social security group will have their required contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of base salary. Employer contributions will remain at 4 percent resulting in a combined contribution rate of 10 percent in 2022.

*Net Pension Asset.* At measurement date of December 31, 2018 the Town reported an asset of \$77,180 for its proportionate share of the net pension liability/(asset). The net pension liability/(asset) was measured as of December 31, 2018, and the total pension liability/(asset) used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of January 1, 2017. The Town proportion of the net pension liability/(asset) was based on Town contributions to the Plan for the calendar year 2018 relative to the total contributions of participating employers to the Plan.

At December 31, 2018, the Town proportion was 0.058169%, as compared to 0.055701% at December 31, 2017.

For the plan year ended December 31, 2018, the Town recognized pension expense of \$616,646, consisting of the following elements:

<b>Town's Proportionate Share of Collective Pension Expense for the Plan Year Ended December 31, 2018</b>	
Service Cost	\$ 673,320
Interest on the Total Pension Liability	138,454
Current-Period Benefit Changes	2,080
IRC 414(h)(2) Employer-paid Member Contributions	(49,732)
Projected Earnings on Plan Investments	(143,242)
Pension Plan Administrative Expense	2,494
Other Changes in Plan Fiduciary Net Position	(64,599)
Recognition of Inflow of Resources due to Liabilities	27,513
Recognition of Outflow of Resources due to Assets	30,358
<b>Total Pension Plan Expense</b>	<b>\$ 616,646</b>

**TOWN OF BUENA VISTA, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2019**

**NOTE 6: EMPLOYEE RETIREMENT COMMITMENTS** (Continued)

At December 31, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>                    </u>	<u>                    </u>
Differences between expected and actual experience	\$ 125,555	\$ -
Changes of assumptions	15,423	-
Net difference between projected and actual earnings on pension plan investments	45,872	
Changes in proportion and differences between Town contributions and proportionate share of contributions	14,978	-
Town contributions subsequent to the measurement date	41,418	-
Total	<u>\$ 243,246</u>	<u>\$ -</u>

Town contributions subsequent to the measurement date of December 31, 2018 of \$25,104 which are reported as deferred outflows of resources related to pensions, will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. 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 ending December 31,		
2019	\$	56,152
2020		40,105
2021		34,154
2022		56,509
2023		27,513
Thereafter		81,578
	<u>\$</u>	<u>296,011</u>

**TOWN OF BUENA VISTA, COLORADO  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2019**

**NOTE 6: EMPLOYEE RETIREMENT COMMITMENTS** (Continued)

*Actuarial Assumptions.* The January 1, 2019 actuarial valuation was used to determine the Actuarially Determined Contribution for the fiscal year ending December 31, 2018. The valuation used the following actuarial assumption and other inputs:

Actuarial Method	Entry Age Normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Long-term Investment Rate of Return*	7.5%
Projected Salary Increases	4.0% - 14.0%
Cost of Living Adjustments (COLA)	0.0%
*Includes Inflation at	2.5%

The RP-2000 Combined Mortality Table with Blue Collar Adjustment, projected with Scale AA, 40 percent multiplier for off-duty mortality is used in the valuation for off-duty mortality of active members. On-duty related mortality is assumed to be 0.00020 per year for all members. The RP-2000 Combined Mortality Table with Blue Collar Adjustment, projected with Scale AA is used in the projection of post-retirement benefits.

At least every five years the Fire & Police Pension Association's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2011 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the Fire & Police Pension Association's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future.

The assumption changes were effective for actuarial valuations beginning January 1, 2012. The actuarial assumptions impacted actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used. The date the new actuarial assumptions were effective for benefit purposes was October 1, 2012.

Effective with the January 1, 2013 valuations, the Board adopted a five-year smoothing methodology in the determination of the actuarial value of assets. Beginning in the January 1, 2014 valuations, the married assumption for active members was increased from 80% to 85% to reflect the passage of the Colorado Civil Union Act.

**TOWN OF BUENA VISTA, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2019**

**NOTE 6: EMPLOYEE RETIREMENT COMMITMENTS** (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2017 are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Rate of Return</b>
Global Equity	37.0%	8.03%
Equity Long/Short	9.0%	6.45%
Illiquid Alternatives	24.0%	10.00%
Fixed Income	15.0%	2.90%
Absolute Return	9.0%	5.08%
Managed Futures	4.0%	5.35%
Cash	2.0%	2.52%
<b>Total</b>	<b>100.0%</b>	

The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWDB plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*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).

**TOWN OF BUENA VISTA, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2019**

**NOTE 6: EMPLOYEE RETIREMENT COMMITMENTS** (Continued)

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.65% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.50%.

Regarding the sensitivity of the net pension liability to changes in the Single Discount Rate, the following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	<b>1% Decrease 6.00%</b>	<b>Single Discount Rate Assumption 7.00%</b>	<b>1% Increase 8.00%</b>
Town's Proportionate Share	\$ 378,925	\$ 97,715	\$ (135,545)

*Pension plan fiduciary net position.* Detailed information about the Plan's fiduciary net position is available in FPPA's comprehensive annual financial report which can be obtained at <http://www.fppaco.org>.

**D. FPPA Statewide Hybrid Plan - Defined Benefit Component**

*Plan Description.* The Statewide Hybrid Plan (SWH) is a cost-sharing multiple-employer defined benefit pension plan. The SWH is comprised of two components: Defined Benefit and Money Purchase. The plan is administered by the Fire & Police Pension Association of Colorado (FPPA). FPPA issues a publicly available comprehensive annual financial report can be obtained on FPPA's website at <http://www.fppaco.org>.

*Description of Benefits.* The Plan document states that any member may retire from further service and become eligible for a normal retirement pension at any time after age 55, if the member has at least 25 years of service.

The annual normal pension of the Defined Benefit Component is 1.5 percent of the average of the member's highest three years' base salary for each year of credited service. Benefits paid to retired members of the Defined Benefit Component are evaluated and may be re-determined annually on October 1. The amount of any increase is based on the Board's discretion and can range from 0 to 3 percent.

**TOWN OF BUENA VISTA, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2019**

**NOTE 6: EMPLOYEE RETIREMENT COMMITMENTS** (Continued)

**D. FPPA Statewide Hybrid Plan - Defined Benefit Component** (Continued)

A member is eligible for early retirement at age 50 or after of 30 years of service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, a member may elect to have all contributions, along with 5 percent as interest, returned as a lump sum distribution from the Defined Benefit Component. Alternatively, a member with at least five years of accredited service may leave contributions with the Defined Benefit Component of the Plan and remain eligible for a retirement pension at age 55 equal to 1.5 percent of the average of the member's highest three years' base salary for each year of credited service.

*Contributions.* The Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. The members of the SWH plan and their employers are currently each contributing at the rate determined by the individual employer, however, the rate for both employer and members must be at least 8 percent of the member's base salary. The amount allocated to the Defined Benefit Component is set annually by the Fire & Police Pension Association Board of Directors. Excess contributions fund the Money Purchase Component of the Plan. The Defined Benefit Component contribution rate from July 1, 2014 through June 30, 2015 is 12.5 percent. The Defined Benefit Component contribution rate from July 1, 2013 through June 30, 2014 was 12.6 percent.

Within the Money Purchase Component, members are always fully vested in their own contributions, as well as the earnings on those contributions. Vesting in the employer's contributions within the Money Purchase Component, and earnings on those contributions occurs according to the vesting schedule set by the plan document at 20 percent per year after the first year of service to be 100 percent vested after 5 years of service. Employer and member contributions are invested in funds at the discretion of members.

*Net Pension Asset.* At plan year end December 31, 2018 the Town reported an asset of \$55,723 for its proportionate share of the net pension liability. (The Town reported an asset rather than a liability because the Plan's fiduciary net position currently exceeds the total pension liability.) The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2019. The Town proportion of the net pension liability was based on Town contributions to the plan for the calendar year 2017 relative to the total contributions of participating employers to the Plan.

**TOWN OF BUENA VISTA, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2019**

**NOTE 6: EMPLOYEE RETIREMENT COMMITMENTS** (Continued)

**D. FPPA Statewide Hybrid Plan - Defined Benefit Component** (Continued)

For the plan year ended December 31, 2018, the Town recognized pension expense of \$3,976, consisting of the following elements:

<b>Town's Proportionate Share of Collective Pension Expense for the Plan Year Ended December 31, 2018</b>	
Service Cost	\$ 12,288
Interest on the Total Pension Liability	31,812
Current-Period Benefit Changes	4,202
IRC 414(h)(2) Employer-paid Member Contributions	(5,671)
Projected Earnings on Plan Investments	(43,631)
Pension Plan Administrative Expense	726
Other Changes in Plan Fiduciary Net Position	(23,184)
Recognition of Outflow of Resources due to Liabilities	18,657
Recognition of Outflow of Resources due to Assets	8,777
<b>Total Pension Plan Expense</b>	<b>\$ 3,976</b>

At December 31, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 79,232	\$ -
Changes of assumptions	16,398	-
Net difference between projected and actual earnings on pension plan investments	24,132	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	-	-
Town contributions subsequent to the measurement date	13,005	-
Total	\$ 132,767	\$ -

**TOWN OF BUENA VISTA, COLORADO  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2019**

**NOTE 6: EMPLOYEE RETIREMENT COMMITMENTS (Continued)**

**D. FPPA Statewide Hybrid Plan - Defined Benefit Component (Continued)**

Town contributions subsequent to the measurement date of December 31, 2018 of \$11,870 which are reported as deferred outflows of resources related to pensions, will be recognized as a reduction of the net pension liability in the year ended December 31, 2018. 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 ending December 31,		
	2019 \$	27,058
	2020	22,853
	2021	21,269
	2022	27,497
	2023	16,125
Thereafter		4,876
	\$	119,678

*Actuarial Assumptions.* The January 1, 2019 actuarial valuation was used to determine the Actuarially Determined Contribution for the fiscal year ending December 31, 2018. The valuation used the following actuarial assumption and other inputs:

Actuarial Method	Entry Age Normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Long-term Investment Rate of Return*	7.5%
Projected Salary Increases	4.0% - 14.0%
Cost of Living Adjustments (COLA)	0.0%
*Includes Inflation at	2.5%

The RP-2000 Combined Mortality Table with Blue Collar Adjustment, projected with Scale AA, 40 percent multiplier for off-duty mortality is used in the valuation for off-duty mortality of active members. On-duty related mortality is assumed to be 0.00020 per year for all members. The RP-2000 Combined Mortality Table with Blue Collar Adjustment, projected with Scale AA is used in the projection of post-retirement benefits.

**TOWN OF BUENA VISTA, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2019**

**NOTE 6: EMPLOYEE RETIREMENT COMMITMENTS** (Continued)

**D. FPPA Statewide Hybrid Plan - Defined Benefit Component** (Continued)

At least every five years the Fire & Police Pension Association's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2011 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the Fire & Police Pension Association's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future.

The assumption changes were effective for actuarial valuations beginning January 1, 2012. The actuarial assumptions impacted actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used. The date the new actuarial assumptions were effective for benefit purposes was October 1, 2012.

Effective with the January 1, 2013 valuations, the Board adopted a five-year smoothing methodology in the determination of the actuarial value of assets. Beginning in the January 1, 2014 valuations, the married assumption for active members was increased from 80% to 85% to reflect the passage of the Colorado Civil Union Act.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2015 are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Rate of Return</b>
Global Equity	37.0%	8.03%
Equity Long/Short	9.0%	6.45%
Illiquid Alternatives	24.0%	10.00%
Fixed Income	15.0%	2.90%
Absolute Return	9.0%	5.08%
Managed Futures	4.0%	5.35%
Cash	2.0%	2.52%
<b>Total</b>	<b>100.0%</b>	

**TOWN OF BUENA VISTA, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2019**

**NOTE 6: EMPLOYEE RETIREMENT COMMITMENTS** (Continued)

**D. FPPA Statewide Hybrid Plan - Defined Benefit Component** (Continued)

The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWH-Defined Benefit Component fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*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 expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.65% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.50%.

Regarding the sensitivity of the net pension liability to changes in the Single Discount Rate, the following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	<b>1% Decrease 6.00%</b>	<b>Single Discount Rate Assumption 7.00%</b>	<b>1% Increase 8.00%</b>
Town's Proportionate Share	\$ (55,229)	\$ (112,634)	\$ (160,758)

*Pension Plan Fiduciary Net Position.* Detailed information about the Plan's fiduciary net position is available in FPPA's comprehensive annual financial report which can be obtained at <http://www.fppaco.org>.

**TOWN OF BUENA VISTA, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2019

**NOTE 6: EMPLOYEE RETIREMENT COMMITMENTS** (Continued)

**E. FPPA Buena Vista Volunteer Fire Pension Plan - Defined Benefit Component**

*Plan Description.* The Buena Vista Volunteer Fire Pension Plan is 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 can be obtained on FPPA's website at <http://www.fppaco.org>.

*Description of Benefits.* The Plan, as established and amended by the Plan's Board of Trustees through the Bylaws, provides for a monthly pension of \$250 for volunteers who have satisfied the normal age and service requirements and pro rata pensions for volunteers who have satisfied the normal age but only a portion of the service requirement. It further provides death benefits and a partial pension (50% of the amount the volunteer has earned) for surviving spouses. The normal age and service requirement is the date a volunteer reaches 50 years of age and completes 20 years of service. Pro-rata pensions would apply to volunteers who reached 50 years of age and had between 10 and 20 years of service. A one-time \$100 funeral benefit lump sum is also provided.

*Membership.* The number and classes of employees covered are shown below:

	<b>Actuarial Valuation as of <u>January 1, 2019</u></b>
Number of:	
Retirees and Beneficiaries	14
Inactive, Nonretired Members	2
Active Members	<u>9</u>
	<u><u>25</u></u>

**TOWN OF BUENA VISTA, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2019**

**NOTE 6: EMPLOYEE RETIREMENT COMMITMENTS** (Continued)

**E. FPPA Buena Vista Volunteer Fire Pension Plan - Defined Benefit Component**  
(Continued)

*Changes in the Net Pension Liability/(Asset).* Sources of the changes in the net pension liability/(asset) for the measurement period ended December 31, 2018 is shown below:

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	<b>Measurement Period Ended December 31, 2018</b>
Service cost	\$ 5,906
Interest on the total pension liability	37,602
Benefit changes	-
Difference between expected and actual experience of the Total Pension Liability	(76,151)
Changes of assumptions	16,773
Benefit payments	(32,488)
Net change in total pension liability	(48,358)
Total pension liability - beginning	514,407
Total pension liability - ending	\$ 466,049

*Actuarial Assumptions.* The January 1, 2019 actuarial valuation was used to determine the net pension liability/(asset) for the fiscal year ending December 31, 2018. The valuation used the following actuarial assumption and other inputs:

Actuarial Method	Entry Age
Amortization Method	Level dollar - open
Remaining Amortization Period	20 years
Asset Valuation Method	5-Year Smoothed Fair Value
Long-term Investment Rate of Return*	7.5%
Projected Salary Increases	N/A
Cost of Living Adjustments (COLA)	None
*Includes Inflation at	2.5%

**TOWN OF BUENA VISTA, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2019**

**NOTE 6: EMPLOYEE RETIREMENT COMMITMENTS** (Continued)

**E. FPPA Buena Vista Volunteer Fire Pension Plan - Defined Benefit Component**  
(Continued)

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

For the purpose of this valuation, the long-term expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.65% {based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.50%.

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

*Other Assumptions and Changes for the January 1, 2017 Actuarial Valuation.* The RP-2000 Combined Mortality Table with Blue Collar Adjustment, projected with Scale AA, 40 percent multiplier for off-duty mortality is used in the valuation for pre-retirement mortality. The RP-2000 Combined Mortality Table with Blue Collar Adjustment, projected with Scale AA is used in the projection of post-retirement mortality.

Marital status is assumed to be 90% male and female with males assumed to be three years older than females. There were no changes in actuarial assumptions nor changes in actuarial methods from the January 1, 2014 actuarial valuation.

*Contributions and Funding.* Participating volunteer firefighters do not contribute to the pension plan. Contributions to the Plan are made by the Town and through a 90% matching grant from the State of Colorado. The contribution requirements of the Plan are established under Title 31, Article 30 of the Colorado Revised Statutes, as amended. The Town contributed \$28,593 to the Plan for the year ended December 31, 2018.

**TOWN OF BUENA VISTA, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2019**

**NOTE 6: EMPLOYEE RETIREMENT COMMITMENTS** (Continued)

**E. FPPA Buena Vista Volunteer Fire Pension Plan - Defined Benefit Component**  
(Continued)

*Summary of Plan Information:* Additional information related to the Plan is summarized below:

	<b>Measurement Period Ended December 31, 2018</b>
Total Pension Liability	\$ 466,049
Plan Fiduciary Net Position	469,584
Net Pension Liability (Asset)	\$ (3,535)
Plan fiduciary net position as a	100.76%
Total Pension Expense/(Income)	\$ (14,233)

**Deferred Outflows and Deferred Inflows of Resources by Source to be  
recognized in Future Pension Expense/(Income)**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 48,196
Changes of assumptions	10,616	-
Net difference between projected and actual earnings on pension plan investments	19,192	-
Town contributions subsequent to the measurement date	-	-
Total	\$ 29,808	\$ 48,196

**TOWN OF BUENA VISTA, COLORADO  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2019**

**NOTE 6: EMPLOYEE RETIREMENT COMMITMENTS** (Continued)

**E. FPPA Buena Vista Volunteer Fire Pension Plan - Defined Benefit Component**  
(Continued)

Regarding the sensitivity of the net pension liability/(asset) to changes in the Single Discount Rate, the following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	<b>Single Discount Rate Assumption 7.0%</b>	
<b>1% Decrease 6.0%</b>		<b>1% Increase 8.0%</b>
\$ 44,402	\$ (3,535)	\$ (43,875)

**F. Death And Disability Benefits**

Death and disability coverage is provided to full-time police officers through the Statewide Death and Disability Plan, which is administered by the FPPA. During the past year, the Town's required contribution rate was 2.6% of base salary for members. Town contributions to this plan totaled \$12,000 during 2019, with State supplemental contribution of \$10,800. Employees are not required to contribute to this plan.

**NOTE 7: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**TABOR Amendment**

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20; commonly known as the Taxpayer's Bill of Rights (TABOR). TABOR contains revenue, spending, tax and debt limitations that apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of any expiring tax, or tax policy change directly causing a net tax revenue gain to any local government. Any revenues earned in excess of the fiscal year spending limit must be refunded in the next fiscal year, unless voters approve retention of such excess revenue.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future fiscal years.

**TOWN OF BUENA VISTA, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2019**

**NOTE 7: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY** (Continued)

**TABOR Amendment** (Continued)

TABOR also requires local governments to establish an emergency reserve to be used to declare emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. The reserve is calculated at 3% of fiscal year spending. Fiscal year spending excludes bonded debt service and enterprise spending. The Town has reserved \$104,900, which is the approximate required reserve at December 31, 2019.

The Town's voters approved the following ballot issue on November 6, 2001:

Excluding ad valorem property taxes and rates, and without creating any new taxes, increasing any tax rate, or adding any new taxes of any kind, shall the Town of Buena Vista, Colorado, be permitted to collect, retain, and spend, for the fiscal year of 2001 and for each and every year thereafter, the full proceeds of the Town's taxes, grants and other revenues for expenditure on lawful municipal purposes, notwithstanding any State of Colorado restrictions on spending including the restrictions of Article X, Section 20 of the Constitution of the State of Colorado, and that these shall each constitute a voter approval revenue change?

The Town's management believes it is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions, including the interpretation of how to calculate fiscal year spending limits, will require judicial interpretation.

**NOTE 8: RISK MANAGEMENT**

The Town is exposed to various risks of loss related to workers compensation and general liability. The Town has acquired commercial coverage for these risks and any settled claims are not expected to exceed the commercial insurance coverage.

The Town is also exposed to the risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions. To address such risks, the Town is a participant in the public entity risk pool administered by Colorado Intergovernmental Risk Sharing Agency (CIRSA).

CIRSA's operations are funded by contributions from member governments. Coverage is provided in the amount of \$500,000 per claim or occurrence for property damage, \$600,000 per claim or occurrence for liability, and \$150,000 per claim or occurrence for crime. CIRSA has also acquired additional excess coverage from outside sources. While the Town may be liable for any losses in excess of this coverage, the Town does not anticipate losses at December 31, 2019. No settlements of claims against the Town in the last three years have exceeded the Town's coverage.

**TOWN OF BUENA VISTA, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2019**

**NOTE 8: RISK MANAGEMENT** (Continued)

Surpluses or deficits realized by CIRSA for any given year are subject to change for such reasons as interest earnings on invested amounts for those years and funds, re-estimation of losses for those years and funds, and credits or distributions from surplus for those years and funds. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members. The board of directors may credit member municipalities' future contributions in the event of a surplus. Although it has never occurred, CIRSA member municipalities are subject to a supplemental assessment in the event of a deficiency.

For 2019, the Town's deductible for property and liability claims per occurrence is \$1,000 for each. The auto liability deductible and the auto physical damage deductible are both \$1,000 per occurrence.

The Town carries no deductible for workers Compensation coverage. CIRSA's coverage for workers' compensation claims are the Colorado statutory limits of \$500,000 per occurrence and \$1,000,000 for employer liability.

The Town also carries accident medical insurance coverage for volunteers through CIRSA. This provides a medical coverage for a minor injury a volunteer receives when serving the Town in a volunteer capacity such as a community service worker, volunteer trail work, or volunteer coaching for recreation. Coverage is \$15,000 per occurrence with a \$25 deductible.

**NOTE 9: COMMITMENTS AND CONTINGENCIES**

**A. Legal Claims**

The Town may be a defendant in lawsuits pertaining to matters which are incidental to performing routine governmental and other functions. Based on the current status of any legal proceedings, it is the opinion of management that they will not have a material effect on the Town's financial position.

**B. Federal and State Grants and Financial Sources**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Such audits could lead to reimbursements to the grantor agencies. It is the opinion of management that such reimbursements, if any, will not have a material effect on the Town's financial position.

**REQUIRED SUPPLEMENTARY INFORMATION**

**TOWN OF BUENA VISTA, COLORADO**

**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE GENERAL FUND**

**For the Year Ended December 31, 2019**

**With Comparative Totals for the Year Ended December 31, 2018**

	2019			VARIANCE POSITIVE (NEGATIVE)	2018 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
<b>REVENUES</b>					
<b>Taxes:</b>					
General property	\$ 423,214	\$ 423,214	422,928	\$ (286)	400,396
Specific ownership	55,747	55,747	64,022	8,275	53,701
Franchise fees	89,000	89,000	82,072	(6,928)	81,457
General sales	2,982,169	3,343,620	3,374,756	31,136	2,944,990
Mineral severance	17,591	17,591	17,065	(526)	10,512
Cigarette	9,450	9,450	8,863	(587)	9,196
<b>Total Taxes</b>	<b>3,577,171</b>	<b>3,938,622</b>	<b>3,969,706</b>	<b>31,084</b>	<b>3,500,252</b>
<b>Charges for Services:</b>					
Business licenses	25,275	34,665	33,896	(769)	32,139
Building and development fees	32,850	32,850	44,964	12,114	28,117
Other permits and fees	42,700	50,790	43,765	(7,025)	40,961
Recreation fees and permits	102,500	102,500	110,456	7,956	86,104
Fines	39,050	39,050	38,357	(693)	54,117
Cemetery fees	10,600	10,600	5,910	(4,690)	9,070
Lease income	400	400	-	(400)	20
<b>Total Charges for Services</b>	<b>253,375</b>	<b>270,855</b>	<b>277,348</b>	<b>6,493</b>	<b>250,528</b>
<b>Intergovernmental:</b>					
Highway users tax	130,611	141,197	149,577	8,380	148,556
County road and bridge tax	4,440	4,440	4,949	509	4,579
Grants	34,000	446,375	448,519	2,144	48,262
Motor vehicle registration	15,000	15,000	15,240	240	15,350
<b>Total Intergovernmental</b>	<b>184,051</b>	<b>607,012</b>	<b>618,285</b>	<b>11,273</b>	<b>216,747</b>
<b>Other Revenues</b>					
Contributions	3,000	3,000	6,994	3,994	4,905
Earnings on investments	25,000	34,624	35,470	846	33,246
Other revenue	38,027	51,517	83,311	31,794	181,825
<b>Total Other Revenues</b>	<b>66,027</b>	<b>89,141</b>	<b>125,775</b>	<b>36,634</b>	<b>219,976</b>
<b>TOTAL REVENUES</b>	<b>4,080,624</b>	<b>4,905,630</b>	<b>4,991,114</b>	<b>85,484</b>	<b>4,187,503</b>

(Continued)

See the accompanying Independent Auditor's Report.

**TOWN OF BUENA VISTA, COLORADO**

**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE GENERAL FUND**

**For the Year Ended December 31, 2019**

**With Comparative Totals for the Year Ended December 31, 2018**

	2019			VARIANCE POSITIVE (NEGATIVE)	2018 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
<b>EXPENDITURES</b>					
<b>General Government:</b>					
Mayor and Board of Trustees	45,313	45,313	42,300	3,013	51,860
Town Clerk	87,212	87,212	87,858	(646)	80,639
Municipal Court	71,003	71,003	69,217	1,786	78,573
Town Administrator	241,177	241,177	246,781	(5,604)	336,311
Financial Administration	207,162	207,162	216,668	(9,506)	201,908
Town Hall Operations	42,676	42,676	49,437	(6,761)	41,311
Public Support	280,528	280,528	283,221	(2,693)	217,440
Elections	3,010	3,010	528	2,482	10,152
Total General Government	<u>978,081</u>	<u>978,081</u>	<u>996,010</u>	<u>(17,929)</u>	<u>1,018,194</u>
<b>Public Safety:</b>					
Police	1,179,949	1,179,949	1,105,898	74,051	1,085,815
Fire	337,193	358,604	388,069	(29,465)	410,712
Fire deployments	18,000	284,212	284,212	-	-
Public Safety Complex	17,900	17,900	21,041	(3,141)	19,444
Total Public Safety	<u>1,553,042</u>	<u>1,840,665</u>	<u>1,799,220</u>	<u>41,445</u>	<u>1,515,971</u>
<b>Community Services</b>					
Development	346,213	346,213	330,369	15,844	325,391
Community Center	18,178	18,178	26,914	(8,736)	21,185
Public Television	4,000	4,000	2,340	1,660	5,486
Total Community Services	<u>368,391</u>	<u>368,391</u>	<u>359,623</u>	<u>8,768</u>	<u>352,062</u>
<b>Public Works:</b>					
Streets and Properties - Maintenance and Improvements	436,932	436,932	450,673	(13,741)	428,442
<b>Culture and Recreation:</b>					
Parks	276,121	276,121	256,962	19,159	246,852
Cemetery	2,934	2,934	2,470	464	2,660
Recreation Programs	215,258	215,258	243,724	(28,466)	195,210
Total Culture and Recreation	<u>494,313</u>	<u>494,313</u>	<u>503,156</u>	<u>(8,843)</u>	<u>444,722</u>
TOTAL EXPENDITURES	<u>3,830,759</u>	<u>4,118,382</u>	<u>4,108,682</u>	<u>9,700</u>	<u>3,759,391</u>
<b>Other Financing Sources (Uses)</b>					
Transfers In (Out)	<u>(319,440)</u>	<u>(319,440)</u>	<u>(319,440)</u>	<u>-</u>	<u>(355,155)</u>
Net Change in Fund Balance	(69,575)	467,808	562,992	75,784	72,957
Fund Balances - Beginning of Year	<u>1,756,942</u>	<u>1,756,942</u>	<u>1,756,942</u>	<u>-</u>	<u>1,683,985</u>
Fund Balances - End of Year	<u>\$ 1,687,367</u>	<u>\$ 2,224,750</u>	<u>\$ 2,319,934</u>	<u>\$ 75,784</u>	<u>\$ 1,756,942</u>

See the accompanying Independent Auditor's Report.

TOWN OF BUENA VISTA, COLORADO

**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE CONSERVATION TRUST FUND**

For the Year Ended December 31, 2019

With Comparative Totals for the Year Ended December 31, 2018

	2019			VARIANCE POSITIVE (NEGATIVE)	2018 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
REVENUES					
Lottery proceeds	\$ 30,000	\$ 43,997	\$ 33,005	\$ (10,992)	\$ 28,685
Interest income	2,000	8,004	6,004	(2,000)	4,428
TOTAL REVENUES	<u>32,000</u>	<u>52,001</u>	<u>39,009</u>	<u>(12,992)</u>	<u>33,113</u>
EXPENDITURES					
Park maintenance	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	32,000	52,001	39,009	(12,992)	33,113
Other Financing Sources (Uses)					
Transfers in (out)	<u>(61,000)</u>	<u>(61,000)</u>	<u>(61,000)</u>	<u>-</u>	<u>(9,557)</u>
Net Change in Fund Balance	(29,000)	(8,999)	(21,991)	(12,992)	23,556
FUND BALANCE - Beginning of Year	<u>46,195</u>	<u>46,195</u>	<u>46,195</u>	<u>-</u>	<u>22,639</u>
FUND BALANCE - End of Year	<u>\$ 17,195</u>	<u>\$ 37,196</u>	<u>\$ 24,204</u>	<u>\$ (12,992)</u>	<u>\$ 46,195</u>

See the accompanying Independent Auditor's Report.

TOWN OF BUENA VISTA, COLORADO

**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE STREET FUND**

For the Year Ended December 31, 2019

With Comparative Totals for the Year Ended December 31, 2018

	2019			VARIANCE POSITIVE (NEGATIVE)	2018 ACTUAL
	ORIGINAL BUDGET	ORIGINAL & FINAL BUDGET	ACTUAL		
REVENUES					
Town Sales Tax	\$ 341,513	\$ 482,734	\$ 550,820	\$ 68,086	\$ 483,084
Development Fees	32,383	-	-	-	25,000
Interest income	5,700		7,813	7,813	-
TOTAL REVENUES	<u>419,596</u>	<u>482,734</u>	<u>558,633</u>	<u>75,899</u>	<u>508,084</u>
EXPENDITURES					
Street Expenses	6,400	312,009	294,354	17,655	117,282
Debt Service Principal	18,995	100,000	100,000	-	100,000
Debt Service Interest	45,935	76,975	79,371	(2,396)	78,975
TOTAL EXPENDITURES	<u>71,330</u>	<u>488,984</u>	<u>473,725</u>	<u>15,259</u>	<u>296,257</u>
Net Change in Fund Balance	348,266	(6,250)	84,908	91,158	211,827
FUND BALANCE - Beginning of Year	<u>211,827</u>	<u>211,827</u>	<u>211,827</u>	<u>-</u>	<u>-</u>
FUND BALANCE - End of Year	<u>\$ 560,093</u>	<u>\$ 205,577</u>	<u>\$ 296,735</u>	<u>\$ 91,158</u>	<u>\$ 211,827</u>

See the accompanying Independent Auditor's Report.

**TOWN OF BUENA VISTA, COLORADO**

**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF NET PENSION LIABILITY/(ASSET)  
FIRE AND POLICE PENSION ASSOCIATION OF COLORADO - STATEWIDE DEFINED BENEFIT PLAN  
LAST TEN FISCAL YEARS\***

<u>Measurement period ending December 31,</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Town's portion of the net pension asset	0.077289%	0.053647%	0.058169%	0.055701%	0.046123%	0.042529%
Town's proportionate share of the net pension liability (asset)	97,714	(77,180)	21,019	(982)	(52,053)	(38,029)
Town's covered payroll	517,725	313,800	297,700	270,025	207,419	188,097
Town's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	19%	-25%	7%	0%	-25%	-20%
Plan fiduciary net position as a percentage of the total pension asset	95.20%	106.30%	98.21%	100.10%	106.80%	105.80%

\*The amounts presented for each fiscal year were determined as of the calendar year-end that occurred one year prior. Information is only available beginning in fiscal year 2014.

See the accompanying Independent Auditor's Report.

**TOWN OF BUENA VISTA, COLORADO**

**SCHEDULE OF TOWN CONTRIBUTIONS**  
**FIRE AND POLICE PENSION ASSOCIATION OF COLORADO - STATEWIDE DEFINED BENEFIT PLAN**  
**LAST TEN FISCAL YEARS\***

<u>Measurement period ending December 31,</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	41,418	25,104	23,816	21,602	16,593	14,778
Contributions in relation to the contractually required contribution	(41,418)	(25,104)	(23,816)	(21,602)	(16,593)	(14,778)
Contribution deficiency (excess)	<u>\$ -</u>					
Town's covered payroll	517,725	313,800	297,700	270,025	207,419	188,097
Contributions as a percentage of covered payroll	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%

\*The amounts presented for each fiscal year were determined as of the calendar year-end that occurred one year prior. Information is only available beginning in fiscal year 2014.

See the accompanying Independent Auditor's Report.

**TOWN OF BUENA VISTA, COLORADO**

**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF NET PENSION LIABILITY/(ASSET)**  
**FIRE AND POLICE PENSION ASSOCIATION OF COLORADO - STATEWIDE HYBRID PLAN**  
**LAST TEN FISCAL YEARS\***

<u>Measurement period ending December 31,</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Town's portion of the net pension asset	0.815985%	0.776310%	0.882542%	0.864078%	0.850630%	0.752145%
Town's proportionate share of the net pension liability (asset)	(112,634)	(151,790)	(96,067)	(91,012)	(100,882)	(76,720)
Town's covered payroll	163,375	148,375	142,663	142,238	131,618	121,632
Town's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-69%	-102%	-67%	-64%	-77%	-63%
Plan fiduciary net position as a percentage of the total pension asset	123.46%	127.5%	127.5%	129.4%	140.6%	139.0%

\*The amounts presented for each fiscal year were determined as of the calendar year-end that occurred one year prior. Information is only available beginning in fiscal year 2014.

See the accompanying Independent Auditor's Report.

**TOWN OF BUENA VISTA, COLORADO**

**SCHEDULE OF TOWN CONTRIBUTIONS**  
**FIRE AND POLICE PENSION ASSOCIATION OF COLORADO - STATEWIDE HYBRID PLAN**  
**LAST TEN FISCAL YEARS\***

<u>Measurement period ending December 31,</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	13,005	11,870	11,413	11,379	10,529	9,730
Contributions in relation to the contractually required contribution	(13,005)	(11,870)	(11,413)	(11,379)	(10,529)	(9,730)
Contribution deficiency (excess)	<u>\$ -</u>					
Town's covered payroll	163,375	148,375	142,663	142,238	131,618 #	121,632
Contributions as a percentage of covered payroll	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%

\*The amounts presented for each fiscal year were determined as of the calendar year-end that occurred one year prior. Information is only available beginning in fiscal year 2014.

See the accompanying Independent Auditor's Report.

TOWN OF BUENA VISTA, COLORADO

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY/(ASSET) AND RELATED RATIOS**  
**FIRE AND POLICE PENSION ASSOCIATION OF COLORADO - BUENA VISTA VOLUNTEER**  
**FIRE DEPARTMENT PENSION FUND**  
**LAST TEN FISCAL YEARS\***

Measurement period ending December 31,	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>					
Service Cost	\$ 5,906	\$ 5,906	\$ 4,754	\$ 4,754	\$ 4,453
Interest on the Total Pension Liability	37,602	36,733	37,598	36,877	35,425
Benefit Changes	-	-	-	-	-
Difference between Expected and Actual Experience	(76,151)	-	(35,430)	-	12,571
Assumption Changes	16,773	-	11,921	-	-
Benefit Payments	(32,488)	(29,663)	(32,185)	(31,850)	(34,589)
<b>Net Change in Total Pension Liability</b>	(48,358)	12,976	(13,342)	9,781	17,860
<b>Total Pension Liability - Beginning</b>	514,407	501,431	514,773	504,992	487,132
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 466,049</b>	<b>\$ 514,407</b>	<b>\$ 501,431</b>	<b>\$ 514,773</b>	<b>\$ 504,992</b>
<b>Plan Fiduciary Net Position</b>					
Employer Contributions	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 24,000
Pension Plan Net Investment Income	301	62,018	22,059	7,660	27,215
Benefit Payments	(32,488)	(29,663)	(32,185)	(31,850)	(34,589)
Pension Plan Administrative Expense	(6,884)	(6,464)	(934)	(1,747)	(1,011)
State of Colorado supplemental discretionary payment	10,800	10,800	10,800	10,800	21,600
<b>Net Change in Plan Fiduciary Net Position</b>	(16,271)	48,691	11,740	(3,137)	37,215
<b>Plan Fiduciary Net Position - Beginning</b>	485,855	437,164	425,424	428,561	391,346
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 469,584</b>	<b>\$ 485,855</b>	<b>\$ 437,164</b>	<b>\$ 425,424</b>	<b>\$ 428,561</b>
<b>Net Pension Liability/(Asset) - Ending (a)-(b)</b>	<b>\$ (3,535)</b>	<b>\$ 28,552</b>	<b>\$ 64,267</b>	<b>\$ 89,349</b>	<b>\$ 76,431</b>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	100.76%	94.45%	87.18%	82.64%	84.86%
<b>Covered Payroll</b>	N/A	N/A	N/A	N/A	N/A
<b>Net Pension Liability as a % of covered payroll</b>	N/A	N/A	N/A	N/A	N/A

\*The amounts presented for each fiscal year were determined as of the calendar year-end that occurred one year prior. Information is only available beginning in fiscal year 2014.

See the accompanying Independent Auditor's Report.

TOWN OF BUENA VISTA, COLORADO

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY/(ASSET) AND RELATED RATIOS**  
**FIRE AND POLICE PENSION ASSOCIATION OF COLORADO - BUENA VISTA VOLUNTEER**  
**FIRE DEPARTMENT PENSION FUND**  
**LAST TEN FISCAL YEARS\***

<b>FY Ending December 31,</b>	<b>Actuarially Determined Contribution</b>	<b>Actual Contribution*</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Actual Contribution as a % of Covered Payroll</b>
2014	\$ 35,901	\$ 45,600	\$ (9,699)	N/A	N/A
2015	13,043	22,800	(9,757)	N/A	N/A
2016	11,734	22,800	(11,066)	N/A	N/A
2017	11,734	22,800	(11,066)	N/A	N/A
2018	10,422	22,800	(12,378)	N/A	N/A

\*The amounts presented for each fiscal year were determined as of the calendar year-end that occurred one year prior. Information is only available beginning in fiscal year 2014.

See the accompanying Independent Auditor's Report.

## **OTHER SUPPLEMENTARY INFORMATION**

TOWN OF BUENA VISTA, COLORADO

**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE CAPITAL IMPROVEMENTS FUND**

For the Year Ended December 31, 2019

With Comparative Totals for the Year Ended December 31, 2018

	2019			VARIANCE POSITIVE (NEGATIVE)	2018 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
REVENUES					
Contributions	\$ 8,500	\$ 8,500	\$ 4,600	\$ (3,900)	\$ 8,125
Grants	729,449	234,333	271,194	36,861	45,000
Interest income	15,000	15,000	10,127	(4,873)	15,978
TOTAL REVENUES	<u>752,949</u>	<u>257,833</u>	<u>285,921</u>	<u>28,088</u>	<u>69,103</u>
EXPENDITURES					
General Government					
Office equipment/furniture	-	15,500	15,500	-	35,137
Public Safety					
Police vehicles	53,000	53,000	53,153	(153)	39,478
Fire fighting equipment	119,000	210,314	227,316	(17,002)	-
Office equipment/furniture	7,000	14,000	14,000	-	47,287
Total Public Safety	<u>172,000</u>	<u>277,314</u>	<u>294,469</u>	<u>(17,155)</u>	<u>86,765</u>
Community Services					
Capital outlay	146,000	41,000	40,072	928	39,988
Public Works					
General	-	-	490	(490)	7,566
Street improvements	611,500	45,324	47,353	(2,029)	-
Total Public Works	<u>611,500</u>	<u>45,324</u>	<u>47,843</u>	<u>(2,519)</u>	<u>7,566</u>
Culture and Recreation					
Park improvements	791,812	349,312	260,901	88,411	124,962
TOTAL EXPENDITURES	<u>1,721,312</u>	<u>728,450</u>	<u>658,785</u>	<u>69,665</u>	<u>294,418</u>
Excess (Deficiency) of Revenues Over Expenditures	(968,363)	(470,617)	(372,864)	(41,577)	(225,315)
Other Financing Sources					
Transfers in	340,440	340,440	340,440	-	364,712
Net Change in Fund Balance	(627,923)	(130,177)	(32,424)	(97,753)	139,397
FUND BALANCE - Beginning of Year	154,664	154,664	154,664	-	15,267
FUND BALANCE - End of Year	<u>\$ (473,259)</u>	<u>\$ 24,487</u>	<u>\$ 122,240</u>	<u>\$ (97,753)</u>	<u>\$ 154,664</u>

See the accompanying Independent Auditor's Report.

**TOWN OF BUENA VISTA, COLORADO**

**WATER FUND**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND NET POSITION -**  
**BUDGET AND ACTUAL**

**For the Year Ended December 31, 2019**  
**With Comparative Totals for the Year Ended December 31, 2018**

	2019			VARIANCE POSITIVE (NEGATIVE)	2018 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
<b>REVENUES</b>					
Water sales	\$ 970,332	\$ 970,332	\$ 987,437	\$ 17,105	\$ 1,008,359
Water meter sales	16,000	16,000	22,230	6,230	23,504
Finance charges	15,250	15,250	9,635	(5,615)	9,740
Investment income	1,200	38,668	60,830	22,162	893
System development fees	152,500	615,000	610,161	(4,839)	442,019
Other fees	2,750	3,050	1,338	(1,712)	3,194
Debt proceeds	-	-	-	-	1,983,370
Other revenues	2,255,883	2,255,883	348,685	(1,907,198)	154,916
<b>TOTAL REVENUES</b>	<b>3,413,915</b>	<b>3,914,183</b>	<b>2,040,316</b>	<b>(1,873,867)</b>	<b>3,625,995</b>
<b>EXPENDITURES</b>					
Salaries and benefits	353,766	353,766	399,783	(46,017)	314,541
Professional services	95,900	95,900	96,906	(1,006)	79,383
Meters, materials and freight	26,900	26,900	-	26,900	-
Insurance	5,458	5,458	6,692	(1,234)	5,931
Other general and administrative	153,720	153,720	35,395	118,325	33,815
Utilities	18,047	18,047	14,501	3,546	16,181
Repairs and maintenance	17,000	17,000	30,550	(13,550)	32,020
Plant and building operations	38,150	38,150	34,088	4,062	58,510
Capital outlay	2,571,740	2,571,740	1,715,260	856,480	628,834
Debt principal payments	53,496	53,496	53,496	-	88,275
Debt interest and fiscal charges	11,532	11,532	5,312	6,220	15,000
<b>TOTAL EXPENDITURES</b>	<b>3,345,709</b>	<b>3,345,709</b>	<b>2,391,983</b>	<b>953,726</b>	<b>1,272,490</b>
<b>CHANGE IN NET POSITION- BUDGET BASIS</b>	<b>68,206</b>	<b>568,474</b>	<b>(351,667)</b>	<b>(920,141)</b>	<b>2,353,505</b>
<b>RECONCILIATION TO GAAP BASIS:</b>					
Depreciation			(194,661)		(192,254)
Debt proceeds			-		(1,983,370)
Capitalized assets			1,695,529		524,001
Debt principal payments			53,496		88,275
<b>Total GAAP basis adjustments</b>			<b>1,554,364</b>		<b>(1,563,348)</b>
<b>CHANGE IN NET POSITION- GAAP BASIS</b>			<b>\$ 1,202,697</b>		<b>\$ 790,157</b>

See the accompanying Independent Auditor's Report.

**TOWN OF BUENA VISTA, COLORADO**

**AIRPORT ENTERPRISE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND NET POSITION -**  
**BUDGET AND ACTUAL**

**For the Year Ended December 31, 2019**  
**With Comparative Totals for the Year Ended December 31, 2018**

	2019			VARIANCE	2018
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	POSITIVE (NEGATIVE)	ACTUAL
<b>REVENUES</b>					
Charges for services:					
Fuel sales	\$ 341,513	\$ 404,525	\$ 385,134	\$ (19,391)	\$ 425,862
Rental revenue	32,383	169,570	230,921	61,351	28,776
Other fees and sales	53,050	53,050	46,959	(6,091)	31,002
Grant revenue	25,000	33,000	35,430	2,430	9,479
Transfers	40,000	40,000	40,000	-	-
Other taxes	5,700	5,700	7,727	2,027	9,297
Gain on sale of assets	0	0	0	-	15,000
<b>TOTAL REVENUES</b>	<b>497,646</b>	<b>705,845</b>	<b>746,171</b>	<b>40,326</b>	<b>519,416</b>
<b>EXPENDITURES</b>					
Fuel cost	225,097	225,097	252,755	(27,658)	267,369
Salaries and benefits	202,485	202,485	212,316	(9,831)	173,249
Professional services	6,400	6,400	5,226	1,174	15,281
Insurance	18,995	18,995	19,036	(41)	20,336
Other general and administrative	45,935	45,935	79,742	(33,807)	69,291
Utilities	25,640	25,640	32,717	(7,077)	26,899
Repairs and maintenance	4,500	4,500	5,675	(1,175)	5,133
Airport and weather station operations	500	500	1,486	(986)	6,159
Capital outlay	20,000	42,368	42,367	1	112,400
<b>TOTAL EXPENDITURES</b>	<b>549,552</b>	<b>571,920</b>	<b>651,320</b>	<b>(79,400)</b>	<b>696,117</b>
<b>CHANGE IN NET POSITION -</b>					
<b>BUDGET BASIS</b>	<b>\$ (51,906)</b>	<b>\$ 133,925</b>	<b>94,851</b>	<b>\$ 228,776</b>	<b>(176,701)</b>
<b>RECONCILIATION TO GAAP BASIS:</b>					
Depreciation			(238,562)		(231,033)
Capitalized assets			42,091		112,400
Total GAAP basis adjustments			(196,471)		(118,633)
<b>CHANGE IN NET POSITION - GAAP BASIS</b>			<b>\$ (101,620)</b>		<b>\$ (295,334)</b>

See the accompanying Independent Auditor's Report.

TOWN OF BUENA VISTA, COLORADO

**ALTERNATIVE ENERGY AND ELECTRIC VEHICLE CHARGING STATION ENTERPRISE**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND NET POSITION -**  
**BUDGET AND ACTUAL**

For the Year Ended December 31, 2019  
 With Comparative Totals for the Year Ended December 31, 2018

	2019			2018
	ORIGINAL & FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	ACTUAL
REVENUES				
Charges for services:				
EV charging	\$ 450	\$ 465	\$ 15	\$ 445
TOTAL REVENUES	<u>450</u>	<u>465</u>	<u>15</u>	<u>445</u>
EXPENDITURES				
Electricity	300	2,258	(1,958)	936
Billing fee	45	47	(2)	45
TOTAL EXPENDITURES	<u>345</u>	<u>2,305</u>	<u>(1,960)</u>	<u>981</u>
Other financing (uses)				
Loss on disposal of assets	-	(18,747)	(18,747)	-
CHANGE IN NET POSITION - BUDGET BASIS	<u>\$ 105</u>	(20,587)	<u>\$ (20,482)</u>	(536)
RECONCILIATION TO GAAP BASIS:				
Depreciation		(1,340)		(2,680)
CHANGE IN NET POSITION - GAAP BASIS		<u>\$ (21,927)</u>		<u>\$ (3,216)</u>

See the accompanying Independent Auditor's Report.

TOWN OF BUENA VISTA, COLORADO

**STORM WATER ENTERPRISE**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND NET POSITION -**  
**BUDGET AND ACTUAL**

For the Year Ended December 31, 2019  
 With Comparative Totals for the Year Ended December 31, 2018

	2019			VARIANCE POSITIVE (NEGATIVE)	<u>2018</u> <u>ACTUAL</u>
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>		
REVENUES					
Charges for services:					
Storm water fees	<u>\$ 66,000</u>	<u>\$ 66,000</u>	<u>\$ 69,284</u>	<u>\$ 3,284</u>	<u>\$ 66,627</u>
EXPENDITURES					
Other general and administrative	<u>90,036</u>	<u>560</u>	<u>560</u>	<u>-</u>	<u>-</u>
CHANGE IN NET POSITION- BUDGET	<u>\$ (24,036)</u>	<u>\$ 65,440</u>	<u>68,724</u>	<u>\$ 3,284</u>	<u>66,627</u>
RECONCILIATION TO GAAP BASIS:			<u>-</u>		<u>-</u>
CHANGE IN NET POSITION - GAAP BASIS			<u>\$ 68,724</u>		<u>\$ 66,627</u>

See the accompanying Independent Auditor's Report.

**STATE REQUIRED REPORT SECTION**

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

<b>LOCAL HIGHWAY FINANCE REPORT</b>		City or County: Town of Buena Vista
		YEAR ENDING : December 2019
This Information From The Records Of (example - City of _ or County of Town of Buena Vista)	Prepared By: Phone:	Michelle Stoke, Treasurer 719-589-1035

**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)	287,675
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	13,713
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	95,135
2. General fund appropriations	71,285	b. Snow and ice removal	20,469
3. Other local imposts (from page 2)	614,842	c. Other	72,449
4. Miscellaneous local receipts (from page 2)	33,734	d. Total (a. through c.)	188,053
5. Transfers from toll facilities		4. General administration & miscellaneous	40,771
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	95,135
a. Bonds - Original Issues		6. Total (1 through 5)	625,347
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	76,975
7. Total (1 through 6)	719,861	b. Redemption	100,000
<b>B. Private Contributions</b>		c. Total (a. + b.)	176,975
<b>C. Receipts from State government (from page 2)</b>	169,766	2. Notes:	
<b>D. Receipts from Federal Government (from page 2)</b>	0	a. Interest	
<b>E. Total receipts (A.7 + B + C + D)</b>	889,627	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	176,975
		<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>	
		802,322	

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
<b>A. Bonds (Total)</b>	2,536,397	0	100,000	2,436,397
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
	211,827	889,627	802,322	299,132	0

Notes and Comments:

<b>LOCAL HIGHWAY FINANCE REPORT</b>	STATE: Colorado
	YEAR ENDING (mm/yy): December 2019

**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	7,814
b. Other local imposts:		b. Traffic Fines & Penalties	24,715
1. Sales Taxes	550,820	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	64,022	g. Other Misc. Receipts	
6. Total (1. through 5.)	614,842	h. Other	1,205
c. Total (a. + b.)	614,842	i. Total (a. through h.)	33,734
	(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	149,577	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	15,240	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)	4,949	f. Other Federal	
f. Total (a. through e.)	20,189	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	169,766	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		2,072	2,072
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		1,350	1,350
(4). System Enhancement & Operation		284,253	284,253
(5). Total Construction (1) + (2) + (3) + (4)	0	285,603	285,603
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	287,675	287,675
			(Carry forward to page 1)

Notes and Comments:

## **COMPLIANCE SECTION**

**Town of Buena Vista**  
**Schedule of Expenditures of Federal Awards By Grant**  
**For the Year Ended December 31, 2019**

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-through Grantor and Number</i>	<i>Federal Expenditures</i>
<b><i>Drinking Water State Revolving Fund Cluster</i></b>			
United States Environmental Protection Agency Capitalization Grants for Drinking Water State Revolving Funds			
Capitalization Grants for Drinking Water State Revolving Funds	66.468	Colorado Water Resources and Power Development Authority, D18F012	<u>\$1,137,403</u>
Total Capitalization Grants for Drinking Water State Revolving Funds			<u>1,137,403</u>
<i>Total United States Environmental Protection Agency</i>			<u>1,137,403</u>
<b><i>Total Drinking Water State Revolving Fund Cluster</i></b>			<u>1,137,403</u>
<b><i>Other Programs</i></b>			
Department of Homeland Security Assistance to Firefighters Grant			
Assistance to Firefighters Grant	97.044		<u>91,434</u>
Total Assistance to Firefighters Grant			<u>91,434</u>
<i>Total Department of Homeland Security</i>			<u>91,434</u>
<b><i>Total Other Programs</i></b>			<u>91,434</u>
<b><i>Total Expenditures of Federal Awards</i></b>			<u><u>\$ 1,228,837</u></u>

The accompanying notes are an integral part of this schedule

# HAMBLIN AND ASSOCIATES, LLC

Certified Public Accountants

Member of the American Institute of Certified Public Accountants

23720 Pondview Place  
Golden, CO 80401

(303) 694-2727

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

To the Town Council  
Town of Buena Vista  
Buena Vista, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Town of Buena Vista as of and for the year ended December 31, 2019, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated May 28, 2020.

### **Internal Control Over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

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

## **Purpose of this Report**

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

*Hamblin and Associates*

Golden, Colorado  
May 28, 2020

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Golden, CO 80401

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

To the Town Council  
Town of Buena Vista  
Salida, Colorado

### Report on Compliance for Each Major Federal Program

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

#### ***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

#### ***Auditor's Responsibility***

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

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Town of Buena Vista's compliance.

#### ***Opinion on Each Major Federal Program***

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

## Report on Internal Control Over Compliance

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

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

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

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

*Hamblin and Associates*

Golden, Colorado  
May 28, 2020

**TOWN OF BUENA VISTA, COLORADO**

**Schedule of Findings and Questioned Costs**

**Year Ended December 31, 2019**

**I - Summary of Auditor's Results**

*Financial Statements*

Type of auditor's report issued: unmodified

Internal control over financial reporting:

- Material weaknesses identified? no
- Significant deficiencies identified? none reported

Noncompliance material to financial statements noted? no

*Federal Awards*

Internal control over major programs:

- Material weaknesses identified? no
- Significant deficiencies identified? none reported

Type of auditors' report issued on compliance for major programs: unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? no

Identification of programs tested as major programs:

CFDA 66.468 Capitalization Grants for Drinking Water State Revolving Funds

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? no

**TOWN OF BUENA VISTA, COLORADO**

**Schedule of Findings and Questioned Costs**

**Year Ended December 31, 2019**

**II - Findings Related to the Financial Statement Audit as Required to be Reported in Accordance With Generally Accepted Government Auditing Standards**

**A. Reportable Conditions in Internal Control**

The audit of the financial statements of the Town of Buena Vista as of and for the year ended December 31, 2019, did not disclose any reportable conditions in the internal control of the Town of Buena Vista that would be considered a material weakness.

**B. Compliance Findings**

The audit of the financial statements of the Town of Buena Vista as of and for the year ended December 31, 2019 did not disclose any instances of noncompliance with certain provisions of laws, regulations, and grants that were material to those financial statements.

**III - Findings and Questioned Costs**

**A. Reportable Conditions in Internal Control**

The audit of the federal awards of the Town of Buena Vista as of and for the year ended December 31, 2019, did not disclose any reportable conditions in the internal control of the Town of Buena Vista that would be considered a material weakness.

**B. Compliance Findings**

The audit of the federal awards of the Town of Buena Vista as of and for the year ended December 31, 2019 did not disclose any instances of noncompliance with certain provisions of laws, regulations, and grants that were material to those financial statements.