

**TOWN OF BUENA VISTA, COLORADO**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2016**



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**TOWN OF BUENA VISTA, COLORADO**  
**TABLE OF CONTENTS**  
**December 31, 2016**

<b>FINANCIAL SECTION</b>	<b>PAGE</b>
Management's Discussion and Analysis	I - VIII
Independent Auditor's Report	1 - 2
<b>BASIC FINANCIAL STATEMENTS</b>	
Government-Wide Financial Statements	
Statement of Net Position	3
Statement of Activities	4
Fund Financial Statements	
Balance Sheet - Governmental Funds	5
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	6 - 7
Statement of Net Position - Proprietary Funds	8
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds	9
Statement of Cash Flows - Proprietary Funds	10
Notes to the Financial Statements	11 - 48
<b>Required Supplementary Information</b>	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	
General Fund	49 - 50
Conservation Trust Fund	51
Pension Statements	52 - 57
<b>Other Supplementary Information</b>	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Capital Improvement Fund	58
Schedule of Revenues, Expenditures and Changes in Net Position - Budget and Actual - Water Fund	59
Schedule of Revenues, Expenditures and Changes in Net Position - Budget and Actual - Airport Enterprise Fund	60
<b>STATE REQUIRED REPORT SECTION</b>	
Local Highway Finance Report	61 - 62

## **FINANCIAL SECTION**

## 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 2016 increased by \$132,055 due to some delays in planned capital projects.
- Total assets on the Statement of Net Position were \$21,591,765 at the end of 2016, a \$263,726 or 1.2% decrease in Net Position due to a reduction in restricted investments and intergovernmental receivables. Total assets exceeded liabilities and deferred inflows of resources by \$18,142,967.
- Unrestricted net position of \$4,732,029 as of December 31, 2016 was available to meet the Town's future obligations to citizens, employees and creditors:
  - For government activities unrestricted net position was \$2,127,937, a decrease of \$418,723 (-16.44%).
  - For business-type activities unrestricted net position \$2,604,092, an increase of \$713,395 (27.4%).
- At December 31, 2016, total fund equity for governmental activities was \$2,950,880, of which \$53,264 was cash held in the Conservation Trust Fund. The total decrease in the governmental fund balance during 2016 was \$521,418 (-15%). 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, 2014 was \$4,962,881 of which \$4,473,228 was unrestricted. Of the unrestricted amount, \$1,925,818 was available for general government activities and \$2,547,410 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 increased \$156,124 due to delayed capital projects. During 2016, debt service required \$271,086 of which \$172,240 was repayment of principal. The Town's business type activities generated an increase of \$169,059 in cash.
- Within the business-type activities of the Town, unrestricted funds available for water operations were increased in 2016 by \$255,954 which can be used for future water obligations, and unrestricted funds for the airport operations were increased in 2016 by \$557,146 due primarily to collection of outstanding accounts receivable for services and grants earned but not previously collected.

## 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 of the Town's funds that 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 the Town's assets, liabilities and deferred inflows of resources, with the difference between assets and the liabilities plus deferred inflows of resources being 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 of the 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 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 the 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 three governmental funds, the General Fund, Capital Improvement Fund and the Conservation Trust Fund, for which information is presented separately.

The basic governmental fund financial statements can be found on pages 5-6.

- **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 and airport operations, which are considered to be 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 \$18,142,967 at December 31, 2016 which is an increase of \$132,055 over the 2015 close.

**Statement of Net Position.** At December 31, 2016, 43.33% of the Town's total net position is held in the governmental activities and 56.67% is held in the business-type activities, which includes the Water Enterprise and the Airport Enterprise funds. The largest portion of the Town's net position (70.66%) reflects the investment of \$12,820,385 in capital assets (for example, 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

	Governmental			Business-type		
	Activities	Activities	Total	Activities	Activities	Total
	2016	2016	2016	2015	2015	2015
<b>ASSETS</b>						
Current Assets	\$ 2,950,880	\$ 3,011,022	\$ 5,961,902	\$ 3,491,261	\$ 2,683,483	\$ 6,174,744
Capital Assets	8,091,888	7,537,975	15,629,863	8,124,107	7,556,640	15,680,747
Total Assets	11,042,768	10,548,997	21,591,765	11,615,368	10,240,123	21,855,491
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
	185,600	-	185,600	51,122	-	51,122
<b>LIABILITIES</b>						
Current Liabilities	2,981,722	175,809	3,157,531	530,932	269,081	800,013
Noncurrent Liabilities	-	91,721	91,721	2,551,812	172,185	2,723,997
Total Liabilities	2,981,722	267,530	3,249,252	3,082,744	441,266	3,524,010
<b>DEFERRED INFLOWS OF RESOURCES</b>						
	385,146	-	385,146	371,691	-	371,691
<b>NET POSITION</b>						
Net Investment in Capital Assets	5,456,888	7,363,497	12,820,385	5,394,107	7,307,215	12,701,322
Restricted	276,675	313,878	590,553	271,288	600,945	872,233
Unrestricted	2,127,937	2,604,092	4,732,029	2,546,660	1,890,697	4,437,357
<b>Total Net Position</b>	<b>\$ 7,861,500</b>	<b>\$ 10,281,467</b>	<b>\$ 18,142,967</b>	<b>\$ 8,212,055</b>	<b>\$ 9,798,857</b>	<b>\$ 18,010,912</b>

An additional 3.25% portion (\$590,553) of the Town's net position is restricted; \$100,900 restricted for emergencies (TABOR Reserve), and \$489,653 for debt service. The remaining \$4,732,029 (26.08%) is unrestricted net position available to meet the Town's on-going obligations to the public and creditors. Of the unrestricted net position, \$2,127,937 (44.97%) was held for Governmental Activities and \$2,604,092 (55.03%) were held for Business-Type Activities.

**Statement of Activities.** As the following table illustrates, the Town's total net position increased \$269,328 during 2016. By fund type, governmental activities decreased net position by \$215,095 and business-type activities generated a \$484,423 increase in net position.

	CONDENSED STATEMENT OF ACTIVITIES					
	Governmental		Business-type		Total	
	Activities		Activities			
	2016	2015	2016	2015	2016	2015
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 255,205	\$ 200,451	\$ 1,385,608	\$ 1,315,218	\$ 1,640,813	\$ 1,515,669
Operating grants & contributions	126,392	109,538	226,106	1,472,130	352,498	1,581,668
Capital grants & contributions	67,520	23,105	-	-	67,520	23,105
General revenues:						
Property taxes	378,060	347,377	-	-	378,060	347,377
Sales taxes	3,007,647	2,840,356	-	-	3,007,647	2,840,356
Other taxes	245,175	290,372	2,110	1,868	247,285	292,240
Investment and other revenue	23,709	76,622	2,888	2,294	26,597	78,916
<b>Total Revenue</b>	<b>4,103,708</b>	<b>3,887,821</b>	<b>1,616,712</b>	<b>2,791,510</b>	<b>5,720,420</b>	<b>6,679,331</b>
<b>Expenses</b>						
General government	1,168,021	1,049,740	-	-	1,168,021	1,049,740
Public safety	1,048,389	986,234	-	-	1,048,389	986,234
Community services	301,656	396,034	-	-	301,656	396,034
Public works	971,042	769,910	-	-	971,042	769,910
Culture and recreation	508,695	615,484	-	-	508,695	615,484
Water	-	-	781,843	636,536	781,843	636,536
Airport	-	-	671,446	763,860	671,446	763,860
<b>Total Expenses</b>	<b>3,997,803</b>	<b>3,817,402</b>	<b>1,453,289</b>	<b>1,400,396</b>	<b>5,451,092</b>	<b>5,217,798</b>
<b>Changes in net position-</b>						
<b>normal operations</b>	<b>105,905</b>	<b>70,419</b>	<b>163,423</b>	<b>1,391,114</b>	<b>269,328</b>	<b>1,461,533</b>
<b>Non-operational changes:</b>						
Transfers	(321,000)	(350,000)	321,000	350,000	-	-
Change in Net Position	<b>(215,095)</b>	<b>(279,581)</b>	<b>484,423</b>	<b>1,741,114</b>	<b>269,328</b>	<b>1,461,533</b>
Net Position, Beginning	8,212,055	8,491,636	9,798,856	8,057,742	18,010,911	16,549,378
Prior period adjustments	(135,460)	-	(1,812)	-	(137,272)	-
Net Position, Ending	<b>\$ 7,861,500</b>	<b>\$ 8,212,055</b>	<b>\$ 10,281,467</b>	<b>\$ 9,798,856</b>	<b>\$ 18,142,967</b>	<b>\$ 18,010,911</b>

*Governmental activities.* Financing for governmental activities was primarily from Town and County sales tax revenues, which provided 82.3% of general fund revenue in 2016. Additionally, Property taxes provided 10.34% of general fund revenue. No other income sources provided 10% or more of total government revenue

Key elements of the \$215,095 decrease in net position for governmental activities during 2016 and a comparison to 2015 follows:

- Total sales tax receipts increased \$167,291 (5.56%) over the prior year. However, Town sales tax totaled \$2,065,759 and the Town's allocation of the Chaffee County tax totaled \$986,485 which represented increases of 12.06% and 7.41%, respectively, compared to 2015. 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 \$54,754 (21.45%) compared to 2015.
- The Town collects franchise taxes from utility companies, including the providers of gas, electric and cable services. Franchise tax receipts decreased \$14,315 (23.33%) due to fluctuations in the utility revenue of the franchisees upon which most of the taxes are based.

*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 and system development fees).

Key elements of the \$484,423 increase in net position for business-type activities during 2016 compared to 2015 follows:

- Charges for Water services decreased \$54,541 (5.96%) due to a decrease in fees in lieu of water rights in 2016.
- Charges for services at the Airport increased \$124,931 (23.74%) due to fuel and related sales.
- Capital revenue decreased \$34,805 (21.34%) due to a decrease in the capital contributions of water infrastructure from developers.
- Excluding transfers between funds, total expenses of \$1,441,067 increased by \$55,309 (3.84%) primarily due to higher costs to operate the water plant.

## **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 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, and the Capital Improvement Fund.

As of December 31, 2016, the Town of Buena Vista's governmental fund reported combined ending fund equity of \$2,373,560, a decrease of \$468,759 compared to December 31, 2015. The unassigned fund equity, which is available for spending at the Town's discretion, represented 41.42 % or \$1,390,332 of the fund 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 2016 General Fund revenues exceeded expenses by \$301,720. This was the result of a delay in some capital spending and higher than expected sales tax collections.

The Conservation Trust Fund (CTF) increased fund balance by \$17,777. The CTF receives money from lottery proceeds that are distributed by the state to local governments based on population. In

2016, the Town's Conservation Trust Fund funded 25% of the park supervisor's wages. The Fund Balance as of December 31, 2016 was \$53,264.

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

Total unrestricted net position as of December 31, 2016 was \$2,604,092, an increase of \$713,395 (27.4%) from December 31, 2015.

The investment in capital assets net of debt decreased by \$18,665 (.24%) in 2016 primarily due to depreciation of the water system improvements and airport assets. The capital investments help to ensure service for residents and will generate future revenues for the water and airport funds.

### **Budgetary Highlights**

The final budget and actual expenditures for each fund are shown on pages 48 through 50. 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. Compared to 2015, sales tax collections were positive for ten of twelve months during 2016. Revenue from sales tax was originally budgeted to be 3% more than 2015 revenue as of the date the budget was prepared. The collections of the town sales tax grew by 13.71% in 2016.

Buena Vista's share of the county-wide sales tax was \$9,986,485 in 2016 representing 7.41% growth over 2015

**Capital Improvement Fund.** Total actual expenditures for vehicles, equipment, street improvements, Buildings, Land, Infrastructures and park improvements totaled \$823,139 which underspent the final budget by \$984,059.

**Water Enterprise Fund.** During 2016 revenue was realized in the amount of \$979,139 which was \$733,189 lower than budgeted due the CWDRPA loan not closing in 2016.

**Airport Enterprise Fund.** In 2016 the airport had capital outlay of \$47,433 which has been placed in service to be capitalized and depreciated over the individual useful lives for each asset.

Removing the Airport grant revenue which in large part paid for the capital expenditures and the transfer from the general fund the airport had and operating increase of \$33,967 for 2016.

**Capital Assets.** On page 5, the Town's investment in governmental activities capital assets as of December 31, 2016 amounted to \$8,091,888 net of accumulated depreciation.

### **Long-term Debt**

In the business-type activities, the long-term debt was \$88,276 at December 31, 2016 payable to the Colorado Water Resources and Power Development Authority (CWRPDA). Also in 2012 a bond was obtained at a premium in the amount of \$3,029,955. In the governmental activities the long-term Debt was \$2,635,000 at December 31, 2016 payable to Wells Fargo.

## **Economic Factors and Financial Outlook**

**2018 Budget.** The economic outlook had improved compared to the past couple of years but remained somewhat uncertain as the Town prepares its 2016 budget.

Some of the key budget assumptions are outlined below:

- Staffing – An increase of 2-3 positions compared to 2017; The Board of Trustees will be reviewing and updating the Pay plan which will involve several market adjustments for various employees including Police
- Employee health insurance – 8% increase from 2017 plan year or 3% budget effect;
- Sales tax revenue – revenue will be forecast using the average increase over the last 5 years with adjustments to the forecast assumptions being agreed upon by the Board of Trustees;
- Water rates – An increase in service / usage fees. A rate study to be performed in 2018 to determine future increases.

Total fund equity is projected to increase during 2018 by generating more operating revenue.

The Town has debt in the general fund. Debt service obligations will be \$100,000 of principal and interest of \$78,975 in 2018.

2018 budget appropriations will be greater than 2017 commensurate with the increase in revenue.

**Fiscal Sustainability Issues.** The economy of Buena Vista has had three major 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 begun to reverse and due to the Fed keeping interest rates 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 2016. 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. The tourism season is no longer limited to the summer alone. The shoulder seasons are becoming more significant contributors to the level of sales taxes. Year-round tourism levels continue to increase as people in the suburbs of the Colorado Front Range and surrounding communities continue to discover the affordable recreation options, temperate climate and friendly atmosphere available in Buena Vista.

Beyond the next calendar year, major fiscal sustainability concerns are expected; cost inflation for employee healthcare, fuel, asphalt, natural gas and electricity. 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, risks to government funding have had a deeper impact on the local economy. The Town plans to continue 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.

# HAMBLIN AND ASSOCIATES, LLC

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Member of the American Institute of Certified Public Accountants

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## Independent Auditor's Report

Town Council  
Town of Buena Vista  
Buena Vista, Colorado

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, 2016, 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, 2016, 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.

### ***Emphasis of Matter***

As discussed in Note 11 to the financial statements, in the year ended December 31, 2015, the Town of Buena Vista adopted new accounting guidance as required by Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*, and Governmental Accounting Standards Board Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*. Our opinion is not modified with respect to these matters.

### ***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 and Airport 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 Capital Improvement Fund, Water Fund and Airport fund budgetary comparison schedules and the Local Highway Finance Report 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.

*Hamblin and Associates*

Evergreen, Colorado  
June 13, 2017

## BASIC FINANCIAL STATEMENTS

**TOWN OF BUENA VISTA, COLORADO**

**STATEMENT OF NET POSITION**

**December 31, 2016**

	Governmental Activities	Business - Type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,925,818	\$ 2,547,410	\$ 4,473,228
Cash and cash equivalents - restricted	175,775	313,878	489,653
Accounts receivable	-	78,491	78,491
Intergovernmental receivable	437,295	-	437,295
Property taxes receivable	385,146	-	385,146
Prepaid expenses	26,846	-	26,846
Inventories, net	-	71,243	71,243
Capital assets, net	8,091,888	7,537,975	15,629,863
Total Assets	11,042,768	10,548,997	21,591,765
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows due to pensions	185,600	-	185,600
<b>LIABILITIES</b>			
Accounts payable	178,007	68,760	246,767
Accrued interest payable	-	4,611	4,611
Accrued compensated absences	74,490	13,864	88,354
Deposits/escrow accounts	14,167	-	14,167
Unearned revenue	-	5,817	5,817
Net pension liability	54,896	-	54,896
Premium on bond payable	25,162	-	25,162
Notes payable - due within one year	175,775	82,757	258,532
Notes payable - due in more than one year	2,459,225	91,721	2,550,946
Total Liabilities	2,981,722	267,530	3,249,252
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - property taxes	385,146	-	385,146
<b>NET POSITION</b>			
Net investment in capital assets	5,456,888	7,363,497	12,820,385
Restricted for emergencies (TABOR)	100,900	-	100,900
Restricted for debt service	175,775	313,878	489,653
Unrestricted	2,127,937	2,604,092	4,732,029
Total Net Position	\$ 7,861,500	\$ 10,281,467	\$ 18,142,967

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

**TOWN OF BUENA VISTA, COLORADO**

**STATEMENT OF ACTIVITIES**

**For the Year Ended December 31, 2016**

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS - TYPE ACTIVITIES	TOTAL
Governmental Activities							
Current:							
General government	\$ 1,168,021	\$ 28,953	\$ 81,619	\$ -	\$ (1,057,449)	\$ -	\$ (1,057,449)
Public safety	1,048,389	62,425	-	-	(985,964)	-	(985,964)
Community services	301,656	-	-	-	(301,656)	-	(301,656)
Public works	971,042	63,931	-	67,520	(839,591)	-	(839,591)
Culture and recreation	508,695	99,896	44,773	-	(364,026)	-	(364,026)
TOTAL GOVERNMENTAL ACTIVITIES	<u>3,997,803</u>	<u>255,205</u>	<u>126,392</u>	<u>67,520</u>	<u>(3,548,686)</u>	<u>-</u>	<u>(3,548,686)</u>
Business-Type Activities							
Current:							
Water operations	781,843	859,403	117,208	-	-	194,768	194,768
Airport operations	671,446	526,205	108,898	-	-	(36,343)	(36,343)
TOTAL BUSINESS - TYPE ACTIVITIES	<u>1,453,289</u>	<u>1,385,608</u>	<u>226,106</u>	<u>-</u>	<u>-</u>	<u>158,425</u>	<u>158,425</u>
TOTAL GOVERNMENT	<u>\$ 5,451,092</u>	<u>\$ 1,640,813</u>	<u>\$ 352,498</u>	<u>\$ 67,520</u>	<u>(3,548,686)</u>	<u>158,425</u>	<u>(3,390,261)</u>
GENERAL REVENUES							
Taxes							
					378,060	-	378,060
					46,424	-	46,424
					3,007,647	-	3,007,647
					47,040	-	47,040
					151,711	2,110	153,821
					10,603	2,888	13,491
					(321,000)	321,000	-
					13,106	-	13,106
					<u>3,333,591</u>	<u>325,998</u>	<u>3,659,589</u>
TOTAL GENERAL REVENUES AND TRANSFERS							
CHANGE IN NET POSITION					(215,095)	484,423	269,328
NET POSITION - Beginning of Year					<u>8,212,055</u>	<u>9,798,856</u>	<u>18,010,911</u>
PRIOR PERIOD ADJUSTMENT (Note 10)					<u>(135,460)</u>	<u>(1,812)</u>	<u>(137,272)</u>
NET POSITION - Beginning of Year (As Restated)					<u>8,076,595</u>	<u>9,797,044</u>	<u>17,873,639</u>
NET POSITION - End of Year					<u>\$ 7,861,500</u>	<u>\$ 10,281,467</u>	<u>\$ 18,142,967</u>

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

**TOWN OF BUENA VISTA, COLORADO**

**BALANCE SHEET - GOVERNMENTAL FUNDS**

**December 31, 2016**

	GENERAL	CONSERVATION TRUST	CAPITAL IMPROVEMENT	TOTAL
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,121,128	\$ 53,264	\$ 702,426	\$ 1,876,818
Investments	224,775	-	-	224,775
Taxes receivable	380,172	-	57,123	437,295
Property taxes receivable	385,146	-	-	385,146
Prepaid expenses	-	-	26,846	26,846
<b>TOTAL ASSETS</b>	<b>\$ 2,111,221</b>	<b>\$ 53,264</b>	<b>\$ 786,395</b>	<b>\$ 2,950,880</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 111,167	\$ -	\$ 66,840	\$ 178,007
Developer deposits	14,167	-	-	14,167
<b>TOTAL LIABILITIES</b>	<b>125,334</b>	<b>-</b>	<b>66,840</b>	<b>192,174</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	385,146	-	-	385,146
<b>FUND BALANCES</b>				
Restricted	100,900	-	175,775	276,675
Committed	-	-	543,780	543,780
Assigned	109,509	53,264	-	162,773
Unassigned	1,390,332	-	-	1,390,332
<b>TOTAL FUND BALANCE</b>	<b>1,600,741</b>	<b>53,264</b>	<b>719,555</b>	<b>2,373,560</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<b>\$ 2,111,221</b>	<b>\$ 53,264</b>	<b>\$ 786,395</b>	<b>\$ 2,950,880</b>
<b>TOTAL FUND BALANCE - GOVERNMENTAL FUNDS</b>				<b>\$ 2,373,560</b>
Capital assets used in governmental activities are not resources and are not reported in the funds:				
Capital Assets				13,367,570
Accumulated Depreciation				(5,275,682)
Pension assets and deferred outflows are not current, therefore are not reported in the funds:				
Net Pension Asset (Liability)				(54,896)
Deferred Outflows Because of Pensions				185,600
Earned but unpaid accumulated leave balances are not reported in the funds:				
Compensated Absences				(74,490)
Long-term liabilities are not due and payable in the current period				
Bonds Payable				(2,635,000)
Premium on Bond Payable				(25,162)
<b>TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES</b>				<b>\$ 7,861,500</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, 2016

	<u>GENERAL</u>	<u>CONSERVATION TRUST</u>	<u>CAPITAL IMPROVEMENT</u>	<u>TOTAL</u>
REVENUES				
Taxes	\$ 3,093,821	\$ -	\$ 413,152	\$ 3,506,973
Licenses and permits	181,870	-	-	181,870
Fines	46,112	-	-	46,112
Rental income	10,910	-	-	10,910
Intergovernmental	221,841	30,382	67,520	319,743
Contributions	8,893	-	5,498	14,391
Interest income	4,756	990	4,857	10,603
Other	13,106	-	-	13,106
	<u>3,581,309</u>	<u>31,372</u>	<u>491,027</u>	<u>4,103,708</u>
TOTAL REVENUES				
EXPENDITURES				
General government	1,022,866	-	67,292	1,090,158
Public safety	1,152,916	-	61,494	1,214,410
Community services	331,655	-	17,337	348,992
Public works	407,813	-	600,830	1,008,643
Culture and recreation	364,339	13,595	76,186	454,120
	<u>3,279,589</u>	<u>13,595</u>	<u>823,139</u>	<u>4,116,323</u>
TOTAL EXPENDITURES				
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	301,720	17,777	(332,112)	(12,615)
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	(571,000)	-	250,000	(321,000)
	<u>(571,000)</u>	<u>-</u>	<u>250,000</u>	<u>(321,000)</u>
TOTAL OTHER FINANCING SOURCES (USES)				
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(269,280)	17,777	(82,112)	(333,615)
FUND BALANCES - Beginning	1,795,967	73,615	973,053	2,842,635
PRIOR PERIOD ADJUSTMENT (Note xx)	74,054	(38,128)	(171,386)	(135,460)
	<u>1,870,021</u>	<u>35,487</u>	<u>801,667</u>	<u>2,707,175</u>
FUND BALANCES, Beginning (As Restated)				
FUND BALANCES - Ending	<u>\$ 1,600,741</u>	<u>\$ 53,264</u>	<u>\$ 719,555</u>	<u>\$ 2,509,020</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, 2016

NET CHANGE IN FUND BALANCES - ALL GOVERNMENTAL FUNDS	\$ (333,615)
Principal payments on debt are reported as expenditures in the funds and debt proceeds are shown as revenues:	
Principal Payments on Bonds Payable	95,000
Amortization of Bond Premium	1,200
Earned but unpaid accumulated leave balances are not reported in the funds:	
Change in Accrued Compensated Absences	(6,392)
Pension expense for FPPA is not recorded in the funds.	60,930
Purchases of capital assets are expensed in governmental funds and depreciated on the statement of activities:	
Net Change Capitalized Assets	562,339
Depreciation Expense	<u>(594,557)</u>
CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES	<u>\$ (215,095)</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, 2016**

	WATER	AIRPORT	TOTAL
<b>ASSETS</b>			
Current Assets			
Cash and cash equivalents	\$ 2,182,200	\$ 365,210	\$ 2,547,410
Cash and cash equivalents - restricted	313,878	-	313,878
Accounts receivable	71,400	7,091	78,491
Inventory, net of allowance for obsolescence	16,884	54,359	71,243
Total Current Assets	2,584,362	426,660	3,011,022
Non-current Assets			
Capital assets			
Property, plant and equipment	8,433,889	9,417,703	17,851,592
Accumulated depreciation	(3,875,088)	(6,438,529)	(10,313,617)
Total Non-current Assets	4,558,801	2,979,174	7,537,975
<b>TOTAL ASSETS</b>	<b>7,143,163</b>	<b>3,405,834</b>	<b>10,548,997</b>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts payable	31,250	37,510	68,760
Accrued interest	4,611	-	4,611
Unearned revenue	5,817	-	5,817
Current portion of long-term debt	82,757	-	82,757
Total Current Liabilities	124,435	37,510	161,945
Long-Term Liabilities			
Notes and loans payable	91,721	-	91,721
Accrued compensated absences	12,102	1,762	13,864
Total Long-Term Liabilities	103,823	1,762	105,585
<b>TOTAL LIABILITIES</b>	<b>228,258</b>	<b>39,272</b>	<b>267,530</b>
<b>NET POSITION</b>			
Net investment in capital assets	4,384,323	2,979,174	7,363,497
Restricted, special purposes	313,878	-	313,878
Unrestricted	2,216,704	387,388	2,604,092
<b>TOTAL NET POSITION</b>	<b>\$ 6,914,905</b>	<b>\$ 3,366,562</b>	<b>\$ 10,281,467</b>

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, 2016**

	<u>WATER</u>	<u>AIRPORT</u>	<u>TOTAL</u>
<b>OPERATING REVENUES</b>			
Water sales	\$ 836,073	\$ -	\$ 836,073
Water meter sales	13,753	-	13,753
Finance charges	8,945	-	8,945
Fuel sales	-	445,797	445,797
Rental revenue	-	38,809	38,809
Other revenues	232	-	232
Other fees	400	41,599	41,999
<b>TOTAL OPERATING REVENUES</b>	<u>859,403</u>	<u>526,205</u>	<u>1,385,608</u>
<b>OPERATING EXPENSES</b>			
Salaries and benefits	283,067	169,133	452,200
Fuel for resale	-	139,353	139,353
Professional services	93,135	10,415	103,550
Meters, materials, and freight	43,908	-	43,908
Insurance	9,274	17,121	26,395
Other general and administrative	53,209	52,310	105,519
Utilities	16,445	24,761	41,206
Repairs and maintenance	9,657	24,061	33,718
Plant and building operations	45,835	10,111	55,946
Capital outlay	28,557	26,426	54,983
Depreciation	186,534	197,755	384,289
<b>TOTAL OPERATING EXPENSES</b>	<u>769,621</u>	<u>671,446</u>	<u>1,441,067</u>
<b>OPERATING INCOME (LOSS)</b>	<u>89,782</u>	<u>(145,241)</u>	<u>(55,459)</u>
<b>NON-OPERATING REVENUE (EXPENSE)</b>			
Investment income	2,528	360	2,888
Operating grants and contributions	-	108,898	108,898
Other taxes	-	2,110	2,110
Interest and fiscal charges	(12,222)	-	(12,222)
Transfers in (out)	-	321,000	321,000
Cash capital contributions	117,208	-	117,208
<b>TOTAL NON-OPERATING REVENUE</b>	<u>107,514</u>	<u>432,368</u>	<u>539,882</u>
<b>CHANGE IN NET POSITION</b>	<u>197,296</u>	<u>287,127</u>	<u>484,423</u>
<b>NET POSITION - Beginning</b>	6,719,421	3,079,435	9,798,856
<b>PRIOR PERIOD ADJUSTMENT (Note 10)</b>	<u>(1,812)</u>	<u>-</u>	<u>(1,812)</u>
<b>NET ASSETS - Beginning (As Restated)</b>	<u>6,717,609</u>	<u>3,079,435</u>	<u>9,797,044</u>
<b>NET POSITION - Ending</b>	<u>\$ 6,914,905</u>	<u>\$ 3,366,562</u>	<u>\$ 10,281,467</u>

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, 2016**

	WATER	AIRPORT	TOTAL
Cash Flows From Operating Activities:			
Cash received from customers	\$ 891,608	\$ 678,985	\$ 1,570,593
Cash paid to suppliers and employees	(624,324)	(531,080)	(1,155,404)
Net Cash Provided (Used) by Operating Activities	267,284	147,905	415,189
Cash Flows From Non-capital Financing Activities:			
Transfers (to) from other funds	-	321,000	321,000
Operating grants and contributions received	-	108,898	108,898
Net Cash Provided by Non-capital Financing Activities	-	429,898	429,898
Cash Flows From Capital and Related Financing Activities:			
System development/resources fees	117,208	-	117,208
Additions to fixed assets	(343,055)	(21,017)	(364,072)
Loan Principal Payments	(74,947)	-	(74,947)
Loan and bond interest payments and fiscal charges	(12,222)	-	(12,222)
Net Cash (Used) by Capital and Related Financing Activities	(313,016)	(21,017)	(334,033)
Cash Flows From Investing Activities:			
Interest received	2,528	360	2,888
Net Increase in Cash	(43,204)	557,146	513,942
Cash - Beginning	2,539,282	(191,936)	2,347,346
Cash - Ending	\$ 2,496,078	\$ 365,210	\$ 2,861,288
Cash and investments	\$ 2,182,200	\$ 365,210	\$ 2,547,410
Restricted cash and investments	313,878	-	313,878
Total Cash - Ending	\$ 2,496,078	\$ 365,210	\$ 2,861,288
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Operating Income (Loss)	\$ 89,782	\$ (145,241)	\$ (55,459)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation	186,534	197,755	384,289
(Increase) Decrease in:			
Accounts receivable	2,307	174,937	177,244
Inventory	33,250	(22,157)	11,093
Increase (decrease) in:			
Accounts payable	(40,840)	(56,523)	(97,363)
Deposits/escrows	(2,092)	-	(2,092)
Prepaid water charges	(4,106)	-	(4,106)
Unearned revenue	(1,260)	-	(1,260)
Accrued salaries and benefits	3,010	-	3,010
Accrued compensated absences	699	(866)	(167)
Total Adjustments	177,502	293,146	470,648
Net Cash Provided by Operating Activities	\$ 267,284	\$ 147,905	\$ 415,189

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

**TOWN OF BUENA VISTA, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2016**

**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, 2016**

**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, 2016**

**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 **Capital Improvement Fund** accounts for receipts and expenditures with respect to capital projects. Revenues derived by this fund include a half-cent street improvement sales tax, 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.

**TOWN OF BUENA VISTA, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2016**

**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, 2016**

**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, 2016, 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 2016 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, 2016**

**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. The allowance for obsolete inventory at December 31, 2016 was \$2,703 for the Water Fund.

**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, 2016**

**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, 2016**

**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, 2016**

**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 by their providers (such as grantor, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;

**TOWN OF BUENA VISTA, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2016**

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

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

- Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing board delegates the authority;
- 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: 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, 2016**

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

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

Cash and investments at December 31, 2016 consisted of the following:

Type	Rating	Carrying Value
<b>Deposits:</b>		
Demand deposits		\$ 3,133,632
Cash on hand		1,018
		<u>3,134,650</u>
<b>Investments:</b>		
Certificates of Deposit		685,102
Colotrust	AAA by S & P	1,157,404
		<u>1,842,507</u>
<b>Total deposits and investments</b>		<u>\$ 4,977,157</u>
<b>Reconciliation to Statement of Net Assets</b>		
<b>Current:</b>		
Cash and cash equivalents - unrestricted		\$ 4,249,707
Cash and cash equivalents - restricted		727,449
		<u>\$ 4,977,157</u>

At December 31, 2016, Town Funds had the following restricted cash and investments:

<b>Water Fund:</b>	
Water system development	\$ 413,571
CWRPDA loan - operations and maintenance reserve	313,878
	<u>727,449</u>
Total Cash and cash equivalents - restricted	<u>\$ 727,449</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.

**TOWN OF BUENA VISTA, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2016**

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

As of December 31, 2016, the Town had bank deposits of \$4,672,094. Depositor's insurance (FDIC) covers \$500,000 of this amount (two different banks at \$250,000 each); the balance is collateralized with securities held by the pledging financial institution's trust department or agent in a pledged collateral pool.

**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, 2016.

Local Government Investment Pool - At December 31, 2016, the Town had \$1,141,179 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.

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, 2016**

**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, 2016, the Town's investments account for 42.3% of total deposits and investments.

**NOTE 3: CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2016 was as follows:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 1,043,709	\$ -	\$ -	\$ 1,043,709
Construction in Progress	-	154,710	-	154,710
Assets held for other government	535,718	-	-	535,718
<b>Total capital assets not being depreciated</b>	<b>1,579,427</b>	<b>154,710</b>	<b>-</b>	<b>1,734,137</b>
Capital assets being depreciated:				
Land improvements	1,390,048	126,784	-	1,516,832
Buildings	1,501,686	-	-	1,501,686
Vehicles and heavy equipment	1,224,212	25,554	27,200	1,222,566
Equipment and furniture	1,096,518	164,855	9,894	1,251,479
Infrastructure	6,050,433	90,437	-	6,140,870
<b>Total capital assets being depreciated</b>	<b>11,262,897</b>	<b>407,630</b>	<b>37,094</b>	<b>11,633,433</b>
Less accumulated depreciation for:				
Land improvements	(283,169)	(70,029)	-	(353,198)
Buildings	(902,952)	(37,902)	-	(940,854)
Vehicles and heavy equipment	(965,396)	(45,103)	(27,200)	(983,299)
Equipment and furniture	(920,151)	(48,364)	(9,894)	(958,621)
Infrastructure	(1,646,551)	(393,159)	-	(2,039,710)
<b>Total accumulated depreciation</b>	<b>(4,718,219)</b>	<b>(594,557)</b>	<b>(37,094)</b>	<b>(5,275,682)</b>
<b>Total capital assets being depreciated, net</b>	<b>6,544,678</b>	<b>(186,927)</b>	<b>-</b>	<b>6,357,751</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 8,124,105</b>	<b>\$ (32,217)</b>	<b>\$ -</b>	<b>\$ 8,091,888</b>

**TOWN OF BUENA VISTA, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2016**

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

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

General Government		\$ 226,116
Public Safety		56,114
Public Works		195,782
Culture and Recreation		116,545
Total		\$ 594,557

Business-Type capital asset activity for the year ended December 31, 2016 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-Type Activities:</b>				
Capital assets not being depreciated:				
Land and water rights	\$ 1,048,579	\$ -	\$ -	\$ 1,048,579
Construction in progress	-	8,798	-	8,798
Total capital assets not being depreciated	1,048,579	8,798	-	1,057,377
Capital assets being depreciated:				
Buildings and treatment plant	2,510,869	12,220	-	2,523,089
Distribution systems	4,841,897	336,962	-	5,178,859
Storage tanks	1,579,146	-	-	1,579,146
Vehicles and equipment	1,267,625	7,645	-	1,275,270
Airport infrastructure	2,100,854	-	-	2,100,854
Land improvements	4,075,554	-	-	4,075,554
Office furniture and fixtures	61,443	-	-	61,443
Total capital assets being depreciated	16,437,388	356,827	-	16,794,215
Less accumulated depreciation for:				
Buildings and treatment plant	(999,992)	(78,238)	-	(1,078,230)
Distribution systems	(1,953,518)	(126,124)	-	(2,079,642)
Storage tanks	(694,252)	(31,385)	-	(725,637)
Vehicles and equipment	(1,060,482)	(37,443)	-	(1,097,925)
Airport infrastructure	(1,634,285)	(83,445)	-	(1,717,730)
Land improvements	(3,543,072)	(22,448)	-	(3,565,520)
Office furniture and fixtures	(43,726)	(5,207)	-	(48,933)
Total accumulated depreciation	(9,929,327)	(384,290)	-	(10,313,617)
Total capital assets being depreciated, net	6,508,061	(27,463)	-	6,480,598
<b>Business-Type Activities Capital Assets, Net</b>	<b>\$ 7,556,640</b>	<b>\$ (18,665)</b>	<b>\$ -</b>	<b>\$ 7,537,975</b>

**TOWN OF BUENA VISTA, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2016**

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

Transfers for 2016 were as follows:

	Transfers Out	Transfers In
General	\$ 571,000	\$ -
Airport	-	321,000
Capital Improvement	-	250,000
	<u>\$ 571,000</u>	<u>\$ 571,000</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, 2016:

	Balance January 1, 2016	Issued	Retired	Balance December 31, 2016	Due Within One Year
<b>Governmental Activities</b>					
2012 Sales tax revenue bonds	\$ 2,730,000	\$ -	\$ 95,000	\$ 2,635,000	\$ 95,000
Compensated absences	68,098	61,501	55,109	74,490	-
<b>Total Governmental Activities</b>	<u>\$ 2,798,098</u>	<u>\$ 61,501</u>	<u>\$ 150,109</u>	<u>\$ 2,709,490</u>	<u>\$ 95,000</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.

Payment	Principal	Interest	Total	Balance December 31
2017	\$ 95,000	\$ 80,875	\$ 175,875	\$ 2,540,000
2018	100,000	78,975	178,975	2,440,000
2019	100,000	76,975	176,975	2,340,000
2020	100,000	74,975	174,975	2,240,000
2021	105,000	72,475	177,475	2,135,000
2022-2026	560,000	320,450	880,450	1,575,000
2027-2031	650,000	231,563	881,563	925,000
2032-2036	755,000	118,187	873,187	170,000
2037	170,000	6,375	176,375	-
	<u>\$ 2,635,000</u>	<u>\$ 1,060,850</u>	<u>\$ 3,695,850</u>	

**TOWN OF BUENA VISTA, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2016**

**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, 2016:

	Balance January 1, 2016	Issued	Retired	Balance December 31, 2016	Due Within One Year
<b>Business-Type Activities</b>					
1998 CWRPDA Loan	\$ 248,273	\$ -	\$ 77,240	\$ 171,033	\$ 82,757
Compensated absences	14,031	10,173	10,340	13,864	-
<b>Total Business-Type Activities</b>	<u>\$ 262,304</u>	<u>\$ 10,173</u>	<u>\$ 87,580</u>	<u>\$ 184,897</u>	<u>\$ 82,757</u>

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

On June 1, 1998, the Town entered 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. Principal, interest, and administrative fee payment (which are reported as interest expense on the financial statements) are due annually on February 1 and August 1 through 2018.

The loan agreement contains various restrictive covenants and requirements, including maintenance of a three month operating and maintenance reserve. In addition, the loan agreement requires the Town to establish water rates at a level sufficient to cover operating expenses, as defined in the agreement, 110% of the current year debt service costs on this loan, any amount required to be paid into a debt service reserve account for that year, debt service for the current year on any subordinated debt, and any other amounts to be paid out of current year operations.

	Principal	Interest	Administrative Fee	Total	Balance December 31
2017	\$ 82,757	\$ 4,685	\$ 6,621	\$ 94,063	\$ 88,276
2018	88,276	2,418	3,972	94,666	-
	<u>\$ 171,033</u>	<u>\$ 7,103</u>	<u>\$ 10,593</u>	<u>\$ 188,729</u>	

**Operating Leases**

The Town is committed under various leases for office equipment. For accounting purposes, these leases are considered to be operating leases, and therefore, the liability and the related assets have not been recorded in these financial statements.

**TOWN OF BUENA VISTA, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2016**

**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, 2016, the Town contributed \$73,691 to the Retirement Plan on behalf of participating employees. Participants of the Retirement Plan made equal matching contributions in 2016. No unvested contributions were returned to the Town in 2016.

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, 2016**

**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, 2016**

**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, 2016**

**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 December 31, 2015 the Town reported an asset of \$52,053 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, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2017. The Town proportion of the net pension liability was based on Town contributions to the Plan for the calendar year 2015 relative to the total contributions of participating employers to the Plan.

At December 31, 2015, the Town proportion was 0.055701%, as compared to 0.046123% at December 31, 2014.

For the year ended December 31, 2015, the Town recognized pension expense of \$14,977, consisting of the following elements:

<b>Town's Proportionate Share of Collective Pension Expense for the Plan Year Ended December 31, 2015</b>	
Service Cost	\$ 40,462
Interest on the Total Pension Liability	70,705
Current-Period Benefit Changes	1,571
IRC 414(h)(2) Employer-paid Member Contributions	(39,791)
Projected Earnings on Plan Investments	(74,860)
Pension Plan Administrative Expense	1,684
Other Changes in Plan Fiduciary Net Position	-
Recognition of Inflow of Resources due to Liabilities	2,402
Recognition of Outflow of Resources due to Assets	12,804
<b>Total Pension Plan Expense</b>	<b>\$ 14,977</b>

**TOWN OF BUENA VISTA, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2016**

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

At December 31, 2015, 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	\$ 7,942	\$ -
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	27,640	-
<b>Total</b>	<b>\$ 111,855</b>	<b>\$ -</b>

Town contributions subsequent to the measurement date of December 31, 2015 of \$27,640 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, 2016. 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,	
2016	\$ 15,205
2017	15,205
2018	15,205
2019	13,966
2020	2,402
Thereafter	10,197
	<b>\$ 72,180</b>

**TOWN OF BUENA VISTA, COLORADO  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2016**

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

*Actuarial Assumptions.* The January 1, 2015 actuarial valuation was used to determine the Actuarially Determined Contribution for the fiscal year ending December 31, 2015. 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	3.0%

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, 2016**

**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, 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%	6.5%
Equity Long/Short	10.0%	4.7%
Illiquid Alternatives	20.0%	8.0%
Fixed Income	16.0%	1.5%
Absolute Return	11.0%	4.1%
Managed Futures	4.0%	3.0%
Cash	2.0%	0.0%
<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, 2016**

**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 6.50%</b>	<b>Single Discount Rate Assumption 7.50%</b>	<b>1% Increase 8.50%</b>
Town's Proportionate Share	\$ 137,553	\$ (982)	\$ (115,892)

*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, 2016**

**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 December 31, 2015 the Town reported an asset of \$91,102 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, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2017. The Town proportion of the net pension liability was based on Town contributions to the plan for the calendar year 2015 relative to the total contributions of participating employers to the Plan.

At December 31, 2015, the Town proportion was 0.864078%, as compared to 0.850631% at December 31, 2014.

**TOWN OF BUENA VISTA, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2016**

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

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

For the year ended December 31, 2015, the Town recognized pension expense of -\$22,914, consisting of the following elements:

<b>Town's Proportionate Share of Collective Pension Expense for the Plan Year Ended December 31, 2015</b>			
Service Cost		\$	11,029
Interest on the Total Pension Liability			19,415
Current-Period Benefit Changes			2,416
IRC 414(h)(2) Employer-paid Member Contributions			(37,391)
Projected Earnings on Plan Investments			(28,085)
Pension Plan Administrative Expense			637
Other Changes in Plan Fiduciary Net Position			-
Recognition of Inflow of Resources due to Liabilities			4,214
Recognition of Outflow of Resources due to Assets			4,851
<b>Total Pension Plan Expense</b>		<b>\$</b>	<b>(22,914)</b>

At December 31, 2015, 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	\$ 23,657	\$ -
Changes of assumptions	4,805	-
Net difference between projected and actual earnings on pension plan investments	17,379	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	(1,481)	-
Town contributions subsequent to the measurement date	12,463	-
<b>Total</b>	<b>\$ 56,823</b>	<b>\$ -</b>

**TOWN OF BUENA VISTA, COLORADO  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2016**

**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, 2015 of \$12,463 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, 2016. 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,		
2016	\$	9,065
2017		9,065
2018		9,065
2019		9,065
2020		4,214
Thereafter		10,706
	\$	<u>51,180</u>

*Actuarial Assumptions.* The January 1, 2015 actuarial valuation was used to determine the Actuarially Determined Contribution for the fiscal year ending December 31, 2015. 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% - 16.0%
Cost of Living Adjustments (COLA)	0.0%
*Includes Inflation at	3.0%

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, 2016**

**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	40.0%	8.9%
Equity Long/Short	10.0%	7.5%
Illiquid Alternatives	18.0%	10.5%
Fixed Income	15.0%	4.6%
Absolute Return	12.0%	6.5%
Managed Futures	4.0%	5.5%
Cash	1.0%	2.5%
<b>Total</b>	<b>100.0%</b>	

**TOWN OF BUENA VISTA, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2016**

**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 6.50%</b>	<b>Single Discount Rate Assumption 7.50%</b>	<b>1% Increase 8.50%</b>
Town's Proportionate Share	\$ (52,706)	\$ (91,012)	\$ (123,036)

*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, 2016**

**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 January 1, 2015</b>
Number of:	
Active members	11
Retired members	10
Disabled members	0
Beneficiaries	2
Terminated vested members	6
Terminated members active in another fund	0
	29

**TOWN OF BUENA VISTA, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2016**

**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, 2015 is shown below:

	<b>Measurement Period Ended December 31, 2015</b>
Service cost	\$ 4,754
Interest on the total pension liability	36,877
Benefit changes	-
Difference between expected and actual experience of the Total Pension Liability	-
Changes of assumptions	-
Benefit payments	(31,850)
Net change in total pension liability	9,781
Total pension liability - beginning	504,992
Total pension liability - ending	<u>\$ 514,773</u>

*Actuarial Assumptions.* The January 1, 2015 actuarial valuation was used to determine the net pension liability/(asset) for the fiscal year ending December 31, 2015. 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	3.0%

**TOWN OF BUENA VISTA, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2016**

**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, 2015 Actuarial Valuation.* The 2015 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 2015 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 \$22,800 to the Plan for the year ended December 31, 2015.

**TOWN OF BUENA VISTA, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2016**

**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, 2015</b>
Total Pension Liability	\$ 514,773
Plan Fiduciary Net Position	425,424
Net Pension Liability (Asset)	<u>\$ 89,349</u>
Plan fiduciary net position as a	82.64%
Total Pension Expense/(Income)	11,539

<b>Deferred Outflows and Deferred Inflows of Resources by Source to be recognized in Future Pension Expense/(Income)</b>		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,795	\$ -
Changes of assumptions	-	-
Town contributions subsequent to the measurement date	22,800	-
<b>Total</b>	<u>\$ 26,598</u>	<u>\$ -</u>

**TOWN OF BUENA VISTA, COLORADO  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2016**

**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:

	Single Discount Rate Assumption 7.50%	
1% Decrease 6.50%		1% Increase 8.50%
\$ 143,206	\$ 89,349	\$ 44,028

**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 \$9,290 during 2015. 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, 2016**

**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 \$100,100, which is the approximate required reserve at December 31, 2016.

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, 2016. 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, 2016**

**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 2016, 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.

**TOWN OF BUENA VISTA, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2016**

**NOTE 10: PRIOR PERIOD ADJUSTMENTS**

Water Fund:

The prior period adjustment of \$1,812 in the Water Fund is attributable to a remittance from Chaffee County for liens placed prior to 2015 for the period 12/2015. This check was lost in the mail and the 2015 books were closed before a replacement check was received on 3/30/2017.

Conservation Trust Fund:

The prior period adjustment of \$38,128 in the Conservation Trust Fund is attributable to errors made in booking items to the CTF in years prior to 2015. An inter-fund transfer of \$23,283 which was booked but never budgeted and not reported in the yearly report to DOLA was reversed and offset to Fund balance. Additionally, accounts receivable of \$14,845 was recorded the CTF in error which was also reversed and offset to Fund Balance.

Capital Improvement Fund:

The prior period adjustments of \$171,386 are attributable to:

- 1) the other side of the transfer to the CTF of \$23,283 (above) that was reversed and offset to Fund Balance. Because this transfer was reversed in two funds, the offset had to be to Fund Balance in each fund so that the individual fund balances would remain reconciled;
- 2) Prepaid bond insurance should be reconciled and adjusted each year as the asset decreases each year. This task has never been done. A prior period adjustment for four years adjustments of \$1,342 (2012 through 2015) each totaling \$5,369 was entered to reduce the prepaid bond insurance and offset to Fund Balance. The proper entry for 2016 was also entered and offset to debt service interest expense; and,
- 3) Accruals to convert the accounting records from cash basis to accrual basis are made to present accurate financials for the audit. These adjusting entries should then be reversed in the following year so revenue is not overstated in the later period. This exercise was done intermittently throughout the last several years. A prior period adjustment in the amount of \$189,299 was entered to bring fund balance to the proper amount and to reflect the correct amount of taxes receivable on the 12/31/2016 financial statements.

General Fund:

The prior period adjustment of \$74,054 are attributable to:

- 1) as in number three of the capital improvement fund prior period adjustments, accrual entries to convert the books from cash basis to accrual basis were not reversed in some of the prior years leaving an overstatement of revenue. A prior period adjustment of \$56,657 was made to bring fund balances to the proper amount and to reflect the correct amount of taxes receivable on these 12/31/2016 financial statements;
- 2) as in the prior period adjustment for the water fund a remittance from Chaffee County for the period 12/2015 was lost in the mail. A prior period adjustment for \$11,461 as remittance for property taxes and various other taxes was entered and offset to Fund Balance;

**TOWN OF BUENA VISTA, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2016**

**NOTE 10: PRIOR PERIOD ADJUSTMENTS** (Continued)

3) A prior period adjustment of \$2,453 was made to correct the accounting for the Beautification Committee and offset to fund balance. The Beautification Committee will receive donations and hold fundraisers from time to time which they then deposit in Town's account. Previously these funds have been recorded as revenue and closed to fund balance at year end. This treatment is incorrect as fund-raised funds for this committee should be recorded as a Town liability (a deposit from the Beautification Committee) and is available to them as needed in addition to the amount budgeted from Town as a grant to the Beautification Committee. Since previous fund-raised funds have been added to fund balance, this transaction removes the outstanding \$2,453 from fund balance and placed in a separate liability account designated to the Beautification Committee;

4) A prior period adjustment of \$20,687 was entered to remove a duplicated accounts payable (A/P) account and offset to Fund Balance. This duplicate account was used up to 2012 but still had a balance of \$20,687 which was zeroed out and offset to Fund Balance. All amounts in the duplicate A/P account were verified paid in previous years through the correct A/P account;

5) A prior period adjustment of \$12,975 which was attributable to Landscaping deposits was made to zero out a deposit account from prior to 2015. Landscaping deposits were booked to this account and refunded from another deposit account which left an excess in the landscaping deposit account. This entry was also offset to Fund Balance; and,

6) The liability account which holds the money retained from Sunset Vista IV developers should show a balance of \$50,201. This account carried a balance of \$47,851 due to mis-coding of deposit refunds. This difference of \$2,350 was added to the Sunset Vista IV liability account to bring it back to \$50,201 and offset to Fund Balance.

**REQUIRED SUPPLEMENTARY INFORMATION**

**TOWN OF BUENA VISTA, COLORADO**

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

**For the Year Ended December 31, 2016**

**With Comparative Totals for the Year Ended December 31, 2015**

	2016			VARIANCE POSITIVE (NEGATIVE)	2015 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
<b>REVENUES</b>					
Taxes:					
General property	\$ 371,767	\$ 371,767	\$ 378,060	\$ 6,293	\$ 347,377
Specific ownership	41,327	41,327	46,424	5,097	38,737
Franchise fees	70,326	70,326	47,040	(23,286)	61,355
General sales	2,249,330	2,249,330	2,594,495	345,165	2,462,016
Mineral severance	29,210	29,210	19,215	(9,995)	57,667
Cigarette	8,728	8,728	8,587	(141)	8,425
Total Taxes	<u>2,770,688</u>	<u>2,770,688</u>	<u>3,093,821</u>	<u>323,133</u>	<u>2,975,577</u>
Charges for Services:					
Business licenses	24,678	24,678	18,518	(6,160)	20,991
Building and development fees	104,221	104,221	24,459	(79,762)	45,660
Other permits and fees	19,697	19,697	39,472	19,775	19,144
Recreation fees and permits	104,611	104,611	88,986	(15,625)	41,196
Fines	40,548	40,548	46,112	5,564	53,706
Cemetery fees	7,445	7,445	10,435	2,990	5,980
Lease income	7,879	20,919	10,910	(10,009)	6,770
Total Charges for Services	<u>309,079</u>	<u>322,119</u>	<u>238,892</u>	<u>(83,227)</u>	<u>193,447</u>
Intergovernmental:					
Highway users tax	112,538	112,538	119,748	7,210	120,341
County road and bridge tax	4,800	4,800	4,161	(639)	3,847
Grants	-	33,200	81,619	48,419	41,397
Motor vehicle registration	14,680	14,680	16,313	1,633	7,054
Total Intergovernmental	<u>132,018</u>	<u>165,218</u>	<u>221,841</u>	<u>56,623</u>	<u>172,639</u>
Other Revenues					
Contributions	3,839	13,839	8,893	(4,946)	17,688
Earnings on investments	3,305	3,305	4,756	1,451	2,861
Other revenue	1,364	1,364	13,106	11,742	65,634
Total Other Revenues	<u>8,508</u>	<u>18,508</u>	<u>26,755</u>	<u>8,247</u>	<u>86,183</u>
<b>TOTAL REVENUES</b>	<u>3,220,293</u>	<u>3,276,533</u>	<u>3,581,309</u>	<u>304,776</u>	<u>3,427,846</u>

(Continued)

See the accompanying Independent Auditors' Report.

TOWN OF BUENA VISTA, COLORADO

**BUDGETARY COMPARISON SCHEDULE  
FOR THE GENERAL FUND**

For the Year Ended December 31, 2016

With Comparative Totals for the Year Ended December 31, 2015

	2016			VARIANCE POSITIVE (NEGATIVE)	2015 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
EXPENDITURES					
General Government:					
Mayor and Board of Trustees	49,166	49,166	59,291	(10,125)	39,556
Town Clerk	99,154	99,154	79,357	19,797	77,624
Municipal Court	72,271	72,271	77,007	(4,736)	78,110
Town Administrator	344,297	344,297	409,703	(65,406)	436,516
Financial Administration	195,530	195,530	179,892	15,638	180,273
Town Hall Operations	30,585	30,585	30,133	452	23,123
Public Support	190,170	207,972	182,958	25,014	112,519
Elections	4,840	4,840	4,525	315	-
Total General Government	<u>986,013</u>	<u>1,003,815</u>	<u>1,022,866</u>	<u>(19,051)</u>	<u>947,721</u>
Public Safety:					
Police	849,886	849,886	866,033	(16,147)	814,169
Fire	218,979	218,979	274,962	(55,983)	180,729
Public Safety Complex	20,897	20,897	11,921	8,976	16,066
Total Public Safety	<u>1,089,762</u>	<u>1,089,762</u>	<u>1,152,916</u>	<u>(63,154)</u>	<u>1,010,964</u>
Community Services					
Development	324,841	356,041	311,441	44,600	354,321
Community Center	32,779	32,779	16,895	15,884	23,322
Public Television	4,587	7,587	3,319	4,268	5,131
Total Community Services	<u>362,207</u>	<u>396,407</u>	<u>331,655</u>	<u>64,752</u>	<u>382,774</u>
Public Works:					
Streets and Properties - Maintenance and Improvements	<u>377,894</u>	<u>377,894</u>	<u>407,813</u>	<u>(29,919)</u>	<u>385,102</u>
Culture and Recreation:					
Parks	213,223	211,973	186,823	25,150	167,799
Cemetery	10,734	10,734	7,265	3,469	2,741
Recreation Programs	239,146	244,412	170,251	74,161	161,240
Total Culture and Recreation	<u>463,103</u>	<u>467,119</u>	<u>364,339</u>	<u>102,780</u>	<u>331,780</u>
TOTAL EXPENDITURES	<u>3,278,979</u>	<u>3,334,997</u>	<u>3,279,589</u>	<u>55,408</u>	<u>3,058,341</u>
Other Financing Sources (Uses)					
Transfers In (Out)	(571,000)	(571,000)	(571,000)	-	(570,000)
Net Change in Fund Balance	(629,686)	(629,464)	(269,280)	249,368	(200,495)
Fund Balances - Beginning of Year	<u>1,795,967</u>	1,795,967	1,795,967	-	1,996,462
Prior Period Adjustment (Note 10)			74,054		-
Fund Balances - End of Year	<u>\$ 1,166,281</u>	<u>\$ 1,166,503</u>	<u>\$ 1,600,741</u>	<u>\$ 249,368</u>	<u>\$ 1,795,967</u>

See the accompanying Independent Auditors' Report.

TOWN OF BUENA VISTA, COLORADO

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

For the Year Ended December 31, 2016

With Comparative Totals for the Year Ended December 31, 2015

	2016			2015 ACTUAL
	ORIGINAL & FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	
REVENUES				
Lottery proceeds	\$ 27,000	\$ 30,382	\$ 3,382	\$ 40,902
Interest income	117	990	873	216
Other revenue	-	-	-	6,600
TOTAL REVENUES	<u>27,117</u>	<u>31,372</u>	<u>4,255</u>	<u>47,718</u>
EXPENDITURES				
Park maintenance	<u>13,471</u>	<u>13,595</u>	<u>(124)</u>	<u>16,614</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	13,646	17,777	4,131	31,104
FUND BALANCE - Beginning of Year	73,615	73,615	-	42,511
Prior Period Adjustment (Note 10)		(38,128)		-
FUND BALANCE - End of Year	<u>\$ 87,261</u>	<u>\$ 53,264</u>	<u>\$ 4,131</u>	<u>\$ 73,615</u>

See the accompanying Independent Auditors' 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>2014</u>	<u>2013</u>
Town's portion of the net pension asset	0.046123%	0.042529%
Town's proportionate share of the net pension liability (asset)	(52,053)	(38,029)
Town's covered-employee payroll	207,419	188,097
Town's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-25%	-20%
Plan fiduciary net position as a percentage of the total pension asset	106.8%	105.8%

\*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.

**Notes to the Schedule of the Town's Proportionate Share of the Net Pension Liability (Asset) for the year ended December 31, 2015:**

**Note 1. Changes of assumptions.**

No changes during the years presented above.

**Note 2. Changes of benefit terms.**

No changes during the years presented above.

See the accompanying Independent Auditors' 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\***

Measurement period ending December 31,	2014	2013
Contractually required contribution	16,593	14,778
Contributions in relation to the contractually required contribution	(16,593)	(14,778)
Contribution deficiency (excess)	\$ -	\$ -
Town's covered-employee payroll	207,419	188,097
Contributions as a percentage of covered-employee payroll	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.

**Notes to the Schedule of Town Contributions for the Year Ended December 31, 2015**

**Note 1. Changes of assumptions.**

No changes during the years presented above.

**Note 2. Changes of benefit terms.**

No changes during the years presented above.

See the accompanying Independent Auditors' 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>2014</u>	<u>2013</u>
Town's portion of the net pension asset	0.850630%	0.752145%
Town's proportionate share of the net pension liability (asset)	(100,882)	(76,720)
Town's covered-employee payroll	131,618	121,632
Town's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-77%	-63%
Plan fiduciary net position as a percentage of the total pension asset	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.

**Notes to the Schedule of the Town's Proportionate Share of the Net Pension Liability (Asset) for the year ended December 31, 2015:**

**Note 1. Changes of assumptions.**

No changes during the years presented above.

**Note 2. Changes of benefit terms.**

No changes during the years presented above.

See the accompanying Independent Auditors' 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\***

Measurement period ending December 31,	2014	2013
Contractually required contribution	10,529	9,730
Contributions in relation to the contractually required contribution	(10,529)	(9,730)
Contribution deficiency (excess)	\$ -	\$ -
 Town's covered-employee payroll	 131,618 #	 121,632
Contributions as a percentage of covered-employee payroll	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.

**Notes to the Schedule of Town Contributions for the Year Ended December 31, 2015**

**Note 1. Changes of assumptions.**

No changes during the years presented above.

**Note 2. Changes of benefit terms.**

No changes during the years presented above.

See the accompanying Independent Auditors' 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,	2015
<b>Total Pension Liability</b>	
Service Cost	\$ 4,754
Interest on the Total Pension Liability	36,877
Benefit Changes	-
Difference between Expected and Actual Experience	-
Assumption Changes	-
Benefit Payments	(31,850)
<b>Net Change in Total Pension Liability</b>	<b>9,781</b>
<b>Total Pension Liability - Beginning</b>	<b>504,992</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 514,773</b>
 <b>Plan Fiduciary Net Position</b>	
Employer Contributions	\$ 12,000
Pension Plan Net Investment Income	7,660
Benefit Payments	(31,850)
Pension Plan Administrative Expense	(1,747)
State of Colorado supplemental discretionary payment	10,800
<b>Net Change in Plan Fiduciary Net Position</b>	<b>(3,137)</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>428,561</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 425,424</b>
 <b>Net Pension Liability/(Asset) - Ending (a)-(b)</b>	 <b>\$ 89,349</b>
 <b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	 <b>82.64%</b>
 <b>Covered Employee Payroll</b>	 <b>N/A</b>
 <b>Net Pension Liability as a Percentage of Covered Employee Payroll</b>	 <b>N/A</b>

\*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.

**Notes to the Schedule of Changes in Net Pension Liability (Asset) and Related Ratios for the year ended December 31, 2016:**

**Note 1. Changes of assumptions.**

No changes during the years presented above.

**Note 2. Changes of benefit terms.**

No changes during the years presented above.

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	\$ 13,043	\$ 45,600	\$ (32,557)	N/A	N/A
2015	13,043	22,800	(9,757)	N/A	N/A

**Notes to the Schedule of Contributions  
for the year ended December 31, 2016:**

**Valuation Date:**

Notes Actuarially determined contribution rates are calculated as of January 1 of odd numbered years. The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2013 determines the contribution amounts for 2014 and 2015. The actuarial valuation as of January 1, 2015 determines the contribution amounts for 2016 and 2017

**Methods and Assumptions Used to Determine Contribution Rates:**

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open***
Remaining Amortization Period	20 years***
Asset Valuation Method	5-Year smoothed market
Inflation	3.00%
Salary Increases	N/A
Investment Rate of Return	7.50%
Retirement Age	50% per year of eligibility until 100% at age 65.
Mortality	Pre-retirement: RP-2000 Combined Mortality Table with Blue Collar Adjustment, 40% multiplier for off-duty mortality. Post-retirement: RP-2000 Combined Mortality Table, with Blue Collar Adjustment Disabled: RP-2000 Disabled Mortality Table All tables projected with Scale AA.

\*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.

\*\* Includes both employer and State of Colorado Supplemental Discretionary Payment.

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

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, 2016

With Comparative Totals for the Year Ended December 31, 2015

	2016			VARIANCE POSITIVE (NEGATIVE)	2015 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
REVENUES					
Sales taxes	\$ 345,520	\$ 345,520	\$ 413,152	\$ 67,632	\$ 378,340
Contributions	10,000	29,000	5,498	(23,502)	9,551
Grants	598,371	541,371	67,520	(473,851)	23,105
Interest income	(3,810)	(3,810)	4,857	8,667	1,311
TOTAL REVENUES	<u>950,081</u>	<u>912,081</u>	<u>491,027</u>	<u>(421,054)</u>	<u>412,307</u>
EXPENDITURES					
General Government					
Office equipment/furniture	<u>38,000</u>	<u>75,000</u>	<u>67,292</u>	<u>7,708</u>	<u>16,960</u>
Public Safety					
Police vehicles	26,000	26,000	25,554	446	44,892
Fire fighting equipment	22,575	22,575	8,275	14,300	25,822
Office equipment/furniture	21,100	33,765	27,665	6,100	-
Total Public Safety	<u>48,575</u>	<u>82,340</u>	<u>61,494</u>	<u>20,846</u>	<u>70,714</u>
Community Services					
Capital outlay	<u>70,000</u>	<u>70,000</u>	<u>17,337</u>	<u>52,663</u>	<u>78,385</u>
Public Works					
Vehicles and equipment	-	-	-	-	12,173
General	-	74,797	45,101	29,696	12,659
Street improvements	864,546	1,013,864	555,729	458,135	373,700
Total Public Works	<u>864,546</u>	<u>1,088,661</u>	<u>600,830</u>	<u>487,831</u>	<u>398,532</u>
Culture and Recreation					
Park improvements	<u>460,300</u>	<u>491,197</u>	<u>76,186</u>	<u>415,011</u>	<u>220,616</u>
TOTAL EXPENDITURES	<u>1,481,421</u>	<u>1,807,198</u>	<u>823,139</u>	<u>984,059</u>	<u>785,207</u>
Excess (Deficiency) of Revenues Over Expenditures	(531,340)	(895,117)	(332,112)	(1,405,113)	(372,900)
Other Financing Sources					
Transfers in	<u>265,000</u>	<u>265,000</u>	<u>250,000</u>	<u>15,000</u>	<u>220,000</u>
Net Change in Fund Balance	(266,340)	(630,117)	(82,112)	(548,005)	(152,900)
FUND BALANCE - Beginning of Year	<u>973,053</u>	973,053	973,053	-	1,125,953
Prior Period Adjustment (Note 10)			(171,386)		-
FUND BALANCE - End of Year	<u>\$ 706,713</u>	<u>\$ 342,936</u>	<u>\$ 719,555</u>	<u>\$ (548,005)</u>	<u>\$ 973,053</u>

See the accompanying Independent Auditors' 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, 2016  
 With Comparative Totals for the Year Ended December 31, 2015

	2016			VARIANCE POSITIVE (NEGATIVE)	2015 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
REVENUES					
Water sales	\$ 782,666	\$ 782,666	\$ 836,073	\$ 53,407	\$ 803,469
Water meter sales	8,630	8,630	13,753	5,123	5,041
Finance charges	11,387	11,387	8,945	(2,442)	8,820
Investment income	1,836	1,836	2,528	692	1,451
System development fees	103,395	103,395	117,208	13,813	149,013
Other fees	700	700	400	(300)	700
Other revenues	803,714	803,714	232	(803,482)	95,914
TOTAL REVENUES	1,712,328	1,712,328	979,139	(733,189)	1,064,408
EXPENDITURES					
Salaries and benefits	272,986	272,986	283,067	(10,081)	259,919
Professional services	113,900	113,900	93,135	20,765	85,379
Meters, materials and freight	2,500	2,500	43,908	(41,408)	9,682
Insurance	10,600	10,600	9,274	1,326	9,133
Other general and administrative	52,890	46,290	53,209	(6,919)	32,686
Utilities	16,700	16,700	16,445	255	14,547
Repairs and maintenance	20,000	20,000	9,657	10,343	11,170
Plant and building operations	84,139	84,139	45,835	38,304	30,533
Capital outlay	1,077,000	1,190,664	373,165	817,499	(587)
Debt principal payments	71,723	71,723	74,947	(3,224)	71,723
Debt interest and fiscal charges	14,638	14,638	12,222	2,416	14,638
TOTAL EXPENDITURES	1,737,076	1,844,140	1,014,864	829,276	538,823
CHANGE IN NET POSITION- BUDGET BASIS	(24,748)	(131,812)	(35,725)	96,087	525,585
RECONCILIATION TO GAAP BASIS:					
Depreciation			(186,534)		(169,436)
Capitalized assets			344,608		-
Debt principal payments			74,947		71,723
Total GAAP basis adjustments			233,021		(97,713)
CHANGE IN NET POSITION- GAAP BASIS			\$ 197,296		\$ 427,872

See the accompanying Independent Auditors' 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, 2016**  
**With Comparative Totals for the Year Ended December 31, 2015**

	2016			2015
	ORIGINAL & FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	ACTUAL
<b>REVENUES</b>				
Charges for services:				
Fuel sales	\$ 350,300	\$ 445,797	\$ 95,497	\$ 358,100
Rental revenue	342,469	38,809	(303,660)	12,859
Other fees and sales	52,036	41,599	(10,437)	30,315
Grant revenue	373,346	108,898	(264,448)	1,323,117
Transfers	321,000	321,000	-	350,000
Other taxes	2,900	2,110	(790)	1,868
Interest income	400	360	(40)	843
<b>TOTAL REVENUES</b>	<b>1,442,451</b>	<b>958,573</b>	<b>(483,878)</b>	<b>2,077,102</b>
<b>EXPENDITURES</b>				
Fuel cost	277,317	139,353	137,964	270,524
Salaries and benefits	181,545	169,133	12,412	146,812
Professional services	5,915	10,415	(4,500)	14,707
Insurance	19,807	17,121	2,686	15,870
Other general and administrative	177,776	52,310	125,466	22,803
Utilities	25,251	24,761	490	25,193
Repairs and maintenance	15,871	24,061	(8,190)	13,294
Airport and weather station operations	2,336	10,111	(7,775)	868
Capital outlay	749,513	47,443	702,070	153,589
<b>TOTAL EXPENDITURES</b>	<b>1,455,331</b>	<b>494,708</b>	<b>960,623</b>	<b>663,660</b>
<b>CHANGE IN NET POSITION- BUDGET BA</b>	<b>\$ (12,880)</b>	<b>463,865</b>	<b>\$ 450,985</b>	<b>1,413,442</b>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Depreciation		(197,755)		(231,149)
Capitalized assets		21,017		143,048
<b>Total GAAP basis adjustments</b>		<b>(176,738)</b>		<b>(88,101)</b>
<b>CHANGE IN NET POSITION - GAAP BASIS</b>		<b>\$ 287,127</b>		<b>\$ 1,325,341</b>

See the accompanying Independent Auditors' Report.

**STATE REQUIRED REPORT SECTION**

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

**LOCAL HIGHWAY FINANCE REPORT**

City or County:  
County/City of Buena Vista  
YEAR ENDING :  
December 2016

This Information From The Records Of - City of Buena Vista, CO

Prepared By:Michelle Stoke, CPA  
Phone: 719-395-8643 ext. 17

**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)	96,838
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	90,553
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	0
2. General fund appropriations	250,000	b. Snow and ice removal	2,539
3. Other local imposts (from page 2)	460,854	c. Other	61,519
4. Miscellaneous local receipts (from page 2)	20,515	d. Total (a. through c.)	64,058
5. Transfers from toll facilities	0	4. General administration & miscellaneous	45,101
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	0
a. Bonds - Original Issues	0	6. Total (1 through 5)	296,549
b. Bonds - Refunding Issues	0	<b>B. Debt service on local obligations:</b>	
c. Notes	0	1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	84,117
7. Total (1 through 6)	731,369	b. Redemption	95,000
<b>B. Private Contributions</b>	0	c. Total (a. + b.)	179,117
<b>C. Receipts from State government (from page 2)</b>	145,857	2. Notes:	
<b>D. Receipts from Federal Government (from page 2)</b>	0	a. Interest	0
<b>E. Total receipts (A.7 + B + C + D)</b>	877,226	b. Redemption	0
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	179,117
		<b>C. Payments to State for highways</b>	159,675
		<b>D. Payments to toll facilities</b>	0
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	635,342

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
<b>A. Bonds (Total)</b>	2,826,397	0	95,000	2,731,397
1. Bonds (Refunding Portion)		0	0	
<b>B. Notes (Total)</b>	0	0	0	0

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

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	2,479,899	877,226	635,342	2,721,783	0

Notes and Comments:

**LOCAL HIGHWAY FINANCE REPORT**

STATE:  
Colorado  
YEAR ENDING (mm/yy): 12/16  
County/City of Buena Vista

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

This Information From The Records Of - City of Buena Vista, (Prepared By: Michelle Stoke, CPA

ITEM	AMOUNT	Phone: 719-395-8643 ext. 17	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments	0	a. Interest on investments	0
b. Other local imposts:		b. Traffic Fines & Penalties	20,515
1. Sales Taxes	413,152	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	0	d. Parking Meter Fees	0
3. Liens	0	e. Sale of Surplus Property	0
4. Licenses	1,278	f. Charges for Services	0
5. Specific Ownership &/or Other	46,424	g. Other Misc. Receipts	0
6. Total (1. through 5.)	460,854	h. Other	0
c. Total (a. + b.)	460,854	i. Total (a. through h.)	20,515
	(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	119,748	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	0
a. State bond proceeds		b. FEMA	0
b. Project Match		c. HUD	0
c. Motor Vehicle Registrations	16,313	d. Federal Transit Admin	0
d. Other (Specify) - DUI & CITI Gran	5,635	e. U.S. Corps of Engineers	0
e. Other (Specify) - Road & Bridge	4,161	f. Other Federal	0
f. Total (a. through e.)	26,109	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	145,857	3. Total (1. + 2.g)	
			(Carry forward to page 1)

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

52,217	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs	0	0	0
b. Engineering Costs	0	0	0
c. Construction:			
(1). New Facilities	0	0	0
(2). Capacity Improvements	0	0	0
(3). System Preservation	0	96,838	96,838
(4). System Enhancement & Operation		0	0
(5). Total Construction (1) + (2) + (3) + (4)	0	96,838	96,838
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	96,838	96,838
			(Carry forward to page 1)

Notes and Comments:

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