

TOWN OF BUENA VISTA, COLORADO
FINANCIAL STATEMENTS
DECEMBER 31, 2018

TOWN OF BUENA VISTA, COLORADO
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December 31, 2018

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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 2018 increased by \$1,135,496 which is attributable to:
 - Due to accounting standards, the loan from CWRPDA was required to be booked in full in 2018 which artificially inflates the Water Fund's cash and equivalents and in turn inflating net position
 - In the Water Fund; increase of \$189,679 in system development fees, increase in water sales of \$93,728 and the continued repayment of \$47,821 by Beldan/Pinion lot owners for the installation of the water main in 2017.
 - In the Storm Water Fund; collection of \$66,627 in fees to continue upgrading Town's storm water system.
- Total assets on the Statement of Net Position were \$25,597,775 at the end of 2018, a \$2,807,918 or 12.43% increase in Net Position due to:
 - CWRDPA funding the water improvements loan and
 - Completing several other high value projects in 2018.
- Total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$20,133,415 of which \$12,584,274 is attributed to fixed assets.
- Unrestricted net position of \$7,178,418 as of December 31, 2018 was available to meet the Town's future obligations to citizens, employees and creditors:
 - For government activities unrestricted net position was \$1,708,529, an increase of \$326,606 (23.63%). The increase is attributable not completing some capital projects and being under budget in operations
 - For business-type activities unrestricted net position was \$5,469,889 an increase of \$2,392,952 (77.78%) because of booking the CWRDPA loan in the Water Fund and a large increase in new construction as reflected in system development fees collected in the Water Fund
- At December 31, 2018, total liabilities, fund balance and deferred inflows of resources for governmental activities was \$2,757,740, of which:
 - \$46,195 was held in the Conservation Trust Fund.
 - \$164,412 was held in the Capital Improvement Fund
 - \$211,827 was held in the Street Fund
 - \$2,335,306 was held in the General Fund
- The total increase during 2018 was \$379,296 (15.95%). 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, 2018 was \$7,218,789 of which \$7,178,418 was unrestricted. Of the unrestricted amount, \$1,708,529 was available for general government activities and \$5,469,889 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 \$2,469,730 in 2018 due to the proceeds from the CWRDPA loan. During 2018, required debt service was \$232,471 of which \$53,496 retired the 1998

CWRPDA loan and \$178,975 was used to service the bonds issued in the Street Fund with \$78,975 allocated to interest payment and \$100,000 used to retire bonds

- Within the business-type activities of the Town, unrestricted funds available for water operations increased in 2018 by \$2,503,563 which will be used for completing the infrastructure project and future water obligations. Unrestricted funds for the airport operations decreased in 2018 by \$176,751 largely due to the purchase of the Southard Lease agreement. The two new business type activities: The Alternative Energy Fund and the Storm Water Fund showed no unrestricted fund balance and an increase of \$120,324 unrestricted fund balance respectively.

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 to reflect the entire financial picture. The government-wide financial statements consist of the *Statement of Net Position* and the *Statement of Activities*.

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

The government-wide financial statements can be found on [pages 3-4](#) of this report.

Fund financial statements. A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Buena Vista, like other state and local governments, uses fund accounting to ensure and demonstrate compliance

with finance-related legal requirements. All of Town's funds can be divided into two categories: governmental funds and proprietary funds. The fund financial statements consist of the *Balance Sheet* and the *Statement of Revenues, Expenditures and Changes in Fund Balances* for each type of fund.

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

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

The Town maintains four governmental funds, the General Fund, Capital Improvement Fund, the Street Fund and the Conservation Trust Fund, for which information is presented separately. The basic governmental fund financial statements can be found on pages 5-7.

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

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

The basic proprietary fund financial statements can be found on pages 8-10 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 11-46 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 49-63 of this report, and the Local Highway Finance Report is included on page 65-66.

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 \$20,133,415 at December 31, 2018 which is an increase of \$1,135,497 over the 2017 close.

Statement of Net Position. At December 31, 2018, 41.93% of the Town's total net position is held in the governmental activities and 58.07% is held in the business-type activities, which includes the Water Enterprise, the Storm Water Enterprise and the Airport Enterprise funds. The largest portion of the Town's net position (63.50%) reflects the investment of \$12,584,274 in capital assets such as: land, buildings, transportation infrastructure, water infrastructure, and machinery and equipment, net of any related outstanding debt used to acquire those assets. The Town uses these assets to provide services to the public; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

CONDENSED STATEMENT OF NET POSITION

	Governmental	Business-		Governmental	Business-	
	Activities	type	Total	Activities	type	Total
	2018	2018	2018	2017	2017	2017
ASSETS						
Current Assets	\$ 2,958,158	\$ 5,631,973	\$ 8,590,131	\$ 2,444,471	\$ 3,493,563	\$ 5,938,034
Capital Assets	8,856,579	8,151,065	17,007,644	8,710,775	7,940,630	16,651,405
Total Assets	11,814,737	13,783,038	25,597,775	11,155,246	11,434,193	22,589,439
DEFERRED OUTFLOWS OF						
RESOURCES	10,822	-	10,822	208,835	-	208,835
LIABILITIES						
Current Liabilities	2,712,802	162,084	2,874,886	3,061,734	301,348	3,363,082
Noncurrent Liabilities	-	1,929,874	1,929,874	-	-	-
Total Liabilities	2,712,802	2,091,958	4,804,760	3,061,734	301,348	3,363,082
DEFERRED INFLOWS OF						
RESOURCES	670,422	-	670,422	437,274	-	437,274
NET POSITION						
Net Investment in Capital Assets	6,416,579	6,167,695	12,584,274	6,170,775	7,852,355	14,023,130
Restricted	317,227	53,496	370,723	312,375	203,553	515,928
Unrestricted	1,708,529	5,469,889	7,178,418	1,381,923	3,076,937	4,458,860
Total Net Position	\$ 8,442,335	\$ 11,691,080	\$ 20,133,415	\$ 7,865,073	\$ 11,132,845	\$ 18,997,918

An additional 1.15% (\$232,471) of the Town's total net position is restricted for debt service and \$105,400 restricted for emergencies (TABOR Reserve). The remaining \$7,178,418 (35.65%) is unrestricted net position available to meet the Town's on-going obligations to the public and creditors. Of the unrestricted net position, \$1,708,529 (23.80%) was held by Governmental Activities and \$5,469,889 (76.20%) was held by Business-Type Activities.

Statement of Activities. As the following table illustrates, the Town's total net position increased \$1,135,497 during 2018. By fund type, governmental activities net position increased by \$577,262 and business-type activities generated an increase in net position of \$558,235.

	CONDENSED STATEMENT OF ACTIVITIES					
	Governmental		Business-type		Total	
	Activities		Activities			
	2018	2017	2018	2017	2018	2017
Revenues						
Program revenues:						
Charges for services	\$ 265,878	\$ 227,472	\$ 1,705,274	\$ 1,439,045	\$ 1,971,152	\$ 1,666,517
Operating grants & contributions	114,977	138,022	451,498	294,425	566,475	432,447
Capital grants & contributions	45,000	22,498	47,151	583,004	92,151	605,502
General revenues:						
Property taxes	400,396	395,176	-	-	400,396	395,176
Sales taxes	3,428,074	3,082,061	-	-	3,428,074	3,082,061
Other taxes	308,001	292,837	9,297	5,651	317,298	298,488
Investment and other revenue	235,477	100,199	15,893	1,491	251,370	101,690
Total Revenue	4,797,803	4,258,265	2,229,113	2,323,616	7,026,916	6,581,881
Expenses						
General government	1,241,247	955,209	-	-	1,241,247	955,209
Public safety	1,414,998	1,030,852	-	-	1,414,998	1,030,852
Community services	366,013	247,478	-	-	366,013	247,478
Public works	529,570	960,700	-	-	529,570	960,700
Culture and recreation	668,713	1,060,453	-	-	668,713	1,060,453
Water	-	-	852,468	836,237	852,468	836,237
Airport	-	-	814,750	672,720	814,750	672,720
Alternative energy	-	-	3,661	3,717	3,661	3,717
Storm water	-	-	-	824	-	824
Total Expenses	4,220,541	4,254,692	1,670,879	1,513,498	5,891,420	5,768,190
Changes in net position-						
normal operations	577,262	3,573	558,234	810,118	1,135,496	813,691
Non-operational changes:						
Increase/(decrease)	-	-	-	25,457	-	25,457
Change in Net Position	577,262	3,573	558,234	835,575	1,135,496	839,148
Net Position, Beginning	7,865,073	7,861,500	11,132,846	10,281,467	18,997,919	18,142,967
Prior period adjustments	-	-	-	15,803	-	15,803
Net Position, Ending	\$ 8,442,335	\$ 7,865,073	\$ 11,691,080	\$ 11,132,845	\$ 20,133,415	\$ 18,997,918

Governmental activities. Financing for governmental activities was primarily from Town and County sales tax revenues, which provided 75.73% of general fund revenue in 2018. Additionally, Property taxes provided 10.30% of general fund revenue. No other income sources provided 10% or more of total governmental activity revenue.

Key elements of the \$577,262 increase in net position for governmental activities during 2018 and a comparison to 2017 follows:

- Total sales tax receipts increased \$346,013 (11.23%) over 2017. Town sales tax totaled \$1,930,735 and the allocation from Chaffee County tax totaled \$1,086,441 which represents an increase of 14.17% and 3.83%, respectively, compared to 2017. 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 \$38,406 (16.88%) compared to 2017.
- The Town collects franchise taxes from utility companies, including the providers of gas, electric and cable services. Franchise tax receipts decreased in 2018 \$5,676 (-6.51%) which is the result of some franchisees catching up in 2017 which artificially inflated the 2017 total.

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 \$851,378 increase in net position for business-type activities during 2018 compared to 2017 follows:

- Charges for Water services increased \$169,937 (17.29%) due to an increase in the consumption due to extremely dry summer months combined with an increase in the number of users evidenced by the large number of building permits issued in 2017.
- Charges for services at the Airport increased \$84,021 (20.92%) due to increased fuel sales as well as State and Federal payments to allow staging for emergency and fire equipment during the dry summer.
- Capital revenue in the Water Fund increased \$189,679 (75.17%) due to continued increase in system development fees for new building.
- Excluding transfers between funds, total expenses in Business Type Funds totaled \$1,655,879 increasing by \$149,500 (9.92%) due to an increase in the purchases of fuel for the Airport to support the emergency activities and an increase in operating costs for 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 the Statement of Revenues, Expenditures and Changes in Fund Balances -- Governmental Funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town of Buena Vista's financial requirements.

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

As of December 31, 2018, the Town of Buena Vista's combined governmental funds reported ending fund equity of \$2,169,926 an increase of \$447,734 compared to December 31, 2017. The unassigned fund equity, which is available for spending at the Town's discretion, represented 76.12% or \$1,651,540 of the total Governmental funds' equity. The balance sheet reflects the categorization of fund balance in accordance with GASB 54.

The General Fund is the Town's primary operating fund. All activities that are not required to be accounted for in separate funds either by state or local ordinance or by a desire to maintain a matching of revenues and expenses are accounted for in this fund. The Statement of Revenues, Expenditures and Changes in Fund Balances shows 2018 General Fund revenues exceeded expenditures by \$428,112. This was the result of higher than expected sales tax collections and lower than planned expenditures.

The Conservation Trust Fund (CTF) increased fund balance by \$33,113. The CTF receives money from lottery proceeds that are distributed by the state to local governments based on population. In 2018, the Town's Conservation Trust Fund funded a lift station for the Columbine Park restrooms. The Fund Balance as of December 31, 2018 was \$46,195.

Proprietary funds. The Statement of Net Positions and the 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, 2018 was \$5,469,889, an increase of \$2,392,952 (77.77%) over December 31, 2017.

The investment in capital assets net of debt increased by \$366,526 (8.37%) in 2018 due to construction in process on the water infrastructure project in the Water Fund and the Southard Lease buyout in the Airport Fund. These capital investments help to ensure service for residents and serve to generate future revenues for the water and airport funds.

Budgetary Highlights

The budget comparison schedules are shown on Pages 49 through 52 which compares the final 2018 budget and actual expenditures. This section of the report primarily focuses on areas that were different from expectations set in the budget and changes from the prior year.

General Fund. Actual financial results differed from the original budget primarily due to greater sales tax revenue than was expected for the year. Sales tax collections for 2018 exceeded 2017 in eleven out of the twelve months. Revenue from sales tax was budgeted to be 3.5% higher than 2017. Actual collections of the town sales tax grew by 14.17% in 2018.

Buena Vista's share of the county-wide sales tax was \$1,086,441 in 2018 representing 3.83% growth over 2017

Capital Improvement Fund. Total actual expenditures for vehicles, equipment, street improvements, Buildings, Land, Infrastructures and park improvements totaled \$294,418 which underspent the final budget by \$822,052.

Water Enterprise Fund. During 2018 revenue was realized in the amount of \$1,642,625 which exceeded the final budget by \$1,888,009 due to recognizing the full loan amount of the CWRPDA loan.

Airport Enterprise Fund. In 2018 the airport had capital outlay of \$112,400 for the purchase of the Southard Lease Agreement.

Removing the Airport grant revenue which paid for the capital expenditures (which are also removed) the airport had an operating decrease of \$88,780 for 2018.

Capital Assets. On page 23, the Town's investment in capital assets for governmental activities as of December 31, 2018 totaled \$8,856,579 net of accumulated depreciation. Page 24 shows investment in capital assets for business type activities as \$8,151,067 net of accumulated depreciation

Long-term Debt

In the business-type activities, the long-term debt was \$1,983,370 at a rate of 1% at December 31, 2018 payable to the Colorado Water Resources and Power Development Authority (CWRPDA) which will be fully retired in November 2038.

In the Governmental activities a bond was obtained in 2012 including expenses in the amount of \$3,029,955. The remaining balance on this long-term bond debt was \$2,440,000 as of December 31, 2018 and is serviced by Wells Fargo.

Economic Factors and Financial Outlook

2020 Budget. The economic outlook has continued to improve over the past few years but remains somewhat uncertain as the Town begins to prepare its 2020 budget.

Some of the key budget assumptions are outlined below:

- Staffing – An increase of 2-3 firefighters in 2020 dependent on award of the SAFER grant;
- Employee health insurance – 6% increase from 2018 plan year;
- 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 – No increase in service / usage fees. A rate study will be performed in 2019 to determine the necessity and amount of any future increases.

Total fund equity is projected to increase during 2019 by generating more operating revenue.

The Town has debt in the general fund. Debt service obligations will be \$100,000 of principal and \$76,975 of interest in 2019.

2019 budget appropriations will be greater than 2018 appropriations commensurate with the increase in revenue.

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

The effect of the 2008 credit meltdown has reversed and due to the Fed keeping interest rates relatively low has increased demand on housing inventory which has resulted in a severe shortage in affordable housing. This shortage has had a negative impact on the state prison and tourist related businesses as new employees are frequently commuting from other communities which have more affordable housing available. Several new businesses have opened throughout 2018. 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, decreases 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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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, 2018, 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, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other-Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Buena Vista, Colorado's financial statements as a whole. The Capital Improvement Fund, Water Fund, Airport Enterprise Fund, Alternative Energy Fund and Storm Water Enterprise Fund budgetary comparison schedules and the Local Highway Finance Report are supplementary information for purposes of additional analysis and are not a required part of the financial statements.

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

Hamblin and Associates

Golden, Colorado
May 30, 2019

BASIC FINANCIAL STATEMENTS

TOWN OF BUENA VISTA, COLORADO

STATEMENT OF NET POSITION

December 31, 2018

	Governmental Activities	Business - Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ (520,254)	\$ 5,078,570	\$ 4,558,316
Cash and cash equivalents - restricted	178,975	53,496	232,471
Investments	2,151,135	276,867	2,428,002
Accounts receivable	9,219	92,405	101,624
Intergovernmental receivable	488,468	-	488,468
Property taxes receivable	423,215	-	423,215
Prepaid expenses	26,982	-	26,982
Net pension asset	200,418	-	200,418
Inventories, net	-	130,635	130,635
Capital assets, net	8,856,579	8,151,065	17,007,644
Total Assets	<u>11,814,737</u>	<u>13,783,038</u>	<u>25,597,775</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows due to pensions	<u>10,822</u>	<u>-</u>	<u>10,822</u>
LIABILITIES			
Accounts payable	126,516	73,353	199,869
Accrued payroll liabilities	5,440	13,091	18,531
Accrued compensated absences	85,137	15,015	100,152
Deposits/escrow accounts	28,391	-	28,391
Unearned revenue	4,552	7,129	11,681
Premium on bond payable	22,766	-	22,766
Notes payable - due within one year	100,000	53,496	153,496
Notes payable - due in more than one year	2,340,000	1,929,874	4,269,874
Total Liabilities	<u>2,712,802</u>	<u>2,091,958</u>	<u>4,804,760</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows due to pensions	247,207	-	247,207
Unavailable revenue - property taxes	423,215	-	423,215
Total Deferred inflows of resources	<u>670,422</u>	<u>-</u>	<u>670,422</u>
NET POSITION			
Net investment in capital assets	6,416,579	6,167,695	12,584,274
Restricted for emergencies (TABOR)	105,400	-	105,400
Restricted for debt service	178,975	53,496	232,471
Restricted for streets	32,852	-	32,852
Unrestricted	1,708,529	5,469,889	7,178,418
Total Net Position	<u>\$ 8,442,335</u>	<u>\$ 11,691,080</u>	<u>\$ 20,133,415</u>

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, 2018

	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
FUNCTIONS/PROGRAMS							
Governmental Activities							
Current:							
General government	\$ 1,241,247	\$ 41,209	\$ 48,262	\$ -	\$ (1,151,776)	\$ -	\$ (1,151,776)
Public safety	1,414,998	69,467	-	-	(1,345,531)	-	(1,345,531)
Community services	366,013	-	-	-	(366,013)	-	(366,013)
Public works	529,570	69,078	25,000	45,000	(390,492)	-	(390,492)
Culture and recreation	668,713	86,124	41,715	-	(540,874)	-	(540,874)
TOTAL GOVERNMENTAL ACTIVITIES	4,220,541	265,878	114,977	45,000	(3,794,686)	-	(3,794,686)
Business-Type Activities							
Current:							
Water operations	852,468	1,152,562	442,019	47,151	-	789,264	789,264
Airport operations	814,750	485,640	9,479	-	-	(319,631)	(319,631)
Alternative Energy	3,661	445	-	-	-	(3,216)	(3,216)
Storm water	-	66,627	-	-	-	66,627	66,627
TOTAL BUSINESS - TYPE ACTIVITIES	1,670,879	1,638,647	451,498	47,151	-	533,044	533,044
TOTAL GOVERNMENT	\$ 5,891,420	\$ 1,904,525	\$ 566,475	\$ 92,151	(3,794,686)	533,044	(3,261,642)
GENERAL REVENUES							
Taxes							
Property					400,396	-	400,396
Specific ownership					53,701	-	53,701
General sales					3,428,074	-	3,428,074
Franchise					81,457	-	81,457
Other					172,843	9,297	182,140
Investment income					53,652	893	54,545
Miscellaneous					181,825	15,000	196,825
TOTAL GENERAL REVENUES					4,371,948	25,190	4,397,138
CHANGE IN NET POSITION					577,262	558,234	1,135,496
NET POSITION - Beginning of Year					7,865,073	11,132,846	18,997,919
NET POSITION - End of Year					\$ 8,442,335	\$ 11,691,080	\$ 20,133,415

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

TOWN OF BUENA VISTA, COLORADO

BALANCE SHEET - GOVERNMENTAL FUNDS

December 31, 2018

	<u>GENERAL</u>	<u>CONSERVATION TRUST</u>	<u>CAPITAL IMPROVEMENT</u>	<u>STREETS</u>	<u>TOTAL</u>
ASSETS					
Cash and cash equivalents	\$ 334,358	\$ (184,478)	\$ (636,264)	\$ 145,105	\$ (341,279)
Investments	1,143,750	230,673	776,712	-	2,151,135
Accounts receivable	9,219	-	-	-	9,219
Taxes receivable	421,746	-	-	66,722	488,468
Property taxes receivable	423,215	-	-	-	423,215
Prepaid expenses	3,018	-	23,964	-	26,982
TOTAL ASSETS	<u>\$ 2,335,306</u>	<u>\$ 46,195</u>	<u>\$ 164,412</u>	<u>\$ 211,827</u>	<u>\$ 2,757,740</u>
LIABILITIES					
Accounts payable	\$ 116,768	\$ -	\$ 9,748	\$ -	\$ 126,516
Accrued payroll and related liabilities	5,440	-	-	-	5,440
Developer deposits - refundable	28,391	-	-	-	28,391
TOTAL LIABILITIES	<u>155,151</u>	<u>-</u>	<u>9,748</u>	<u>-</u>	<u>164,899</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	423,215	-	-	-	423,215
FUND BALANCES					
Restricted for TABOR	105,400	-	-	-	105,400
Restricted for debt service	-	-	-	178,975	178,975
Restricted - Streets	-	-	-	32,852	32,852
Committed	-	46,195	-	-	46,195
Assigned	-	-	154,664	-	154,664
Unassigned	1,651,540	-	-	-	1,651,540
TOTAL FUND BALANCE	<u>1,756,940</u>	<u>46,195</u>	<u>154,664</u>	<u>211,827</u>	<u>2,169,626</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 2,335,306</u>	<u>\$ 46,195</u>	<u>\$ 164,412</u>	<u>\$ 211,827</u>	<u>\$ 2,757,740</u>
TOTAL FUND BALANCE - GOVERNMENTAL FUNDS					\$ 2,169,626
Capital assets used in governmental activities are not resources and are not reported in the funds:					
Capital Assets					15,413,016
Accumulated Depreciation					(6,556,437)
Pension assets and deferred outflows are not current, therefore are not reported in the funds:					
Net Pension Asset (Liability)					200,418
Deferred Outflows Because of Pensions					10,822
Deferred Inflows Because of Pensions					(247,207)
Earned but unpaid accumulated leave balances are not reported in the funds:					
Compensated Absences					(85,137)
Long-term liabilities are not due and payable in the current period:					
Bonds Payable					(2,440,000)
Premium on Bond Payable					<u>(22,766)</u>
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES					<u>\$ 8,442,335</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
For the Year Ended December 31, 2018

	<u>GENERAL</u>	<u>CONSERVATION TRUST</u>	<u>CAPITAL IMPROVEMENT</u>	<u>STREETS</u>	<u>TOTAL</u>
REVENUES					
Taxes	\$ 3,500,252	\$ -	\$ -	\$ 483,084	\$ 3,983,336
Licenses and permits	196,391	-	-	-	196,391
Fines	54,117	-	-	-	54,117
Rental income	20	-	-	-	20
Intergovernmental	216,747	28,685	45,000	-	290,432
Contributions	4,905	-	8,125	25,000	38,030
Interest income	33,246	4,428	15,978	-	53,652
Other	181,825	-	-	-	181,825
TOTAL REVENUES	4,187,503	33,113	69,103	508,084	4,797,803
EXPENDITURES					
General government	1,018,194	-	35,137	-	1,053,331
Public safety	1,515,971	-	86,765	-	1,602,736
Community services	352,062	-	39,988	-	392,050
Public works	428,442	-	7,566	296,257	436,008
Culture and recreation	444,722	-	124,962	-	569,684
TOTAL EXPENDITURES	3,759,391	-	294,418	296,257	4,053,809
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	428,112	33,113	(225,315)	211,827	743,994
OTHER FINANCING SOURCES (USES)					
Transfers in (out)	(355,155)	(9,557)	364,712	-	-
CHANGE IN FUND BALANCE	72,957	23,556	139,397	211,827	743,994
FUND BALANCES - Beginning	1,683,983	22,639	15,267	-	1,721,889
FUND BALANCES - Ending	\$ 1,756,940	\$ 46,195	\$ 154,664	\$ 211,827	\$ 2,465,883

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, 2018

NET CHANGE IN FUND BALANCES - ALL GOVERNMENTAL FUNDS	\$ 743,994
Principal payments on debt are reported as expenditures in the funds and debt proceeds are shown as revenues:	
Principal Payments on Bonds Payable	100,000
Amortization of Bond Premium	1,198
Earned but unpaid accumulated leave balances are not reported in the funds:	
Change in Accrued Compensated Absences	(10,647)
FPPA pension changes are not recorded in the funds	148,658
Purchases of capital assets are expensed in governmental funds and depreciated on the statement of activities:	
Net Change Capitalized Assets	272,744
Depreciation Expense	<u>(678,685)</u>
CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES	<u>\$ 577,262</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, 2018

	<u>WATER</u>	<u>AIRPORT</u>	<u>ALTERNATIVE ENERGY</u>	<u>STORM WATER</u>	<u>TOTAL</u>
ASSETS					
Current Assets					
Cash and equivalents	\$ 4,950,258	\$ 14,448	\$ (675)	114,539	\$ 5,078,570
Cash and equivalents - restricted	53,496	-	-	-	53,496
Investments	276,867	-	-	-	276,867
Accounts receivable	79,946	6,674	-	5,785	92,405
Inventory	59,103	71,532	-	-	130,635
Total Current Assets	<u>5,419,670</u>	<u>92,654</u>	<u>(675)</u>	<u>120,324</u>	<u>5,631,973</u>
Non-current Assets					
Capital assets					
Property, plant and equipment	9,057,632	10,208,322	26,797	-	19,292,751
Accumulated depreciation	(4,260,995)	(6,873,992)	(6,699)	-	(11,141,686)
Total Non-current Assets	<u>4,796,637</u>	<u>3,334,330</u>	<u>20,098</u>	<u>-</u>	<u>8,151,065</u>
TOTAL ASSETS	<u>10,216,307</u>	<u>3,426,984</u>	<u>19,423</u>	<u>120,324</u>	<u>13,783,038</u>
LIABILITIES					
Current Liabilities					
Accounts payable	65,777	6,957	619	-	73,353
Other accrued liabilities	3,289	8,722	-	-	12,011
Unearned revenue	7,129	-	-	-	7,129
Accrued salaries and benefits	782	298	-	-	1,080
Current portion of long-term debt	53,496	-	-	-	53,496
Total Current Liabilities	<u>130,473</u>	<u>15,977</u>	<u>619</u>	<u>-</u>	<u>147,069</u>
Long-Term Liabilities					
Notes and loans payable	1,929,874	-	-	-	1,929,874
Accrued compensated absences	12,620	2,395	-	-	15,015
Total Long-Term Liabilities	<u>1,942,494</u>	<u>2,395</u>	<u>-</u>	<u>-</u>	<u>1,944,889</u>
TOTAL LIABILITIES	<u>2,072,967</u>	<u>18,372</u>	<u>619</u>	<u>-</u>	<u>2,091,958</u>
NET POSITION					
Net investment in capital assets	2,813,267	3,334,330	20,098	-	6,167,695
Restricted for debt service	53,496	-	-	-	53,496
Unrestricted	<u>5,276,577</u>	<u>74,282</u>	<u>(1,294)</u>	<u>120,324</u>	<u>5,469,889</u>
TOTAL NET POSITION	<u>\$ 8,143,340</u>	<u>\$ 3,408,612</u>	<u>\$ 18,804</u>	<u>\$ 120,324</u>	<u>\$ 11,691,080</u>

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

TOWN OF BUENA VISTA, COLORADO

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

For the Year Ended December 31, 2018

	WATER	AIRPORT	ALTERNATIVE ENERGY	STORM WATER	TOTAL
OPERATING REVENUES					
Water sales	\$ 1,008,359	\$ -	\$ -	\$ -	\$ 1,008,359
Water meter sales	23,504	-	-	-	23,504
Stormwater fees	-	-	-	66,627	66,627
EV charging	-	-	445	-	445
Finance charges	9,740	-	-	-	9,740
Fuel sales	-	425,862	-	-	425,862
Rental revenue	-	28,776	-	-	28,776
Other revenues	107,765	-	-	-	107,765
Other fees	3,194	31,002	-	-	34,196
TOTAL OPERATING REVENUES	1,152,562	485,640	445	66,627	1,705,274
OPERATING EXPENSES					
Salaries and benefits	314,541	173,249	-	-	487,790
Fuel for resale	-	267,369	-	-	267,369
Professional services	79,383	15,281	-	-	94,664
Insurance	5,931	20,336	-	-	26,267
Other general and administrative	33,815	69,291	45	-	103,151
Utilities	16,181	26,899	936	-	44,016
Repairs and maintenance	32,020	5,133	-	-	37,153
Plant and building operations	58,510	6,159	-	-	64,669
Capital outlay	104,833	-	-	-	104,833
Depreciation	192,254	231,033	2,680	-	425,967
TOTAL OPERATING EXPENSES	837,468	814,750	3,661	-	1,655,879
OPERATING INCOME (LOSS)	315,094	(329,110)	(3,216)	66,627	49,395
NON-OPERATING REVENUE (EXPENSE)					
Investment income	893	-	-	-	893
Grants and contributions	47,151	9,479	-	-	56,630
Other taxes	-	9,297	-	-	9,297
Interest and fiscal charges	(15,000)	-	-	-	(15,000)
Gain on sale of asset	-	15,000	-	-	15,000
Cash capital contributions	442,019	-	-	-	442,019
TOTAL NON-OPERATING REVENUE	475,063	33,776	-	-	508,839
CHANGE IN NET POSITION	790,157	(295,334)	(3,216)	66,627	558,234
NET POSITION - Beginning	7,353,183	3,703,946	22,020	53,697	11,132,846
NET POSITION - Ending	\$ 8,143,340	\$ 3,408,612	\$ 18,804	\$ 120,324	\$ 11,691,080

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, 2018

	<u>WATER</u>	<u>AIRPORT</u>	<u>ALTERNATIVE ENERGY</u>	<u>STORM WATER</u>	<u>TOTAL</u>
Cash Flows From Operating Activities:					
Cash received from customers	\$ 1,139,983	\$ 598,628	\$ 445	\$ 66,505	\$ 1,805,561
Cash paid to suppliers and employees	(658,736)	(684,820)	14,656	-	(1,328,900)
Net Cash Provided (Used) by Operating Activities	<u>481,247</u>	<u>(86,192)</u>	<u>15,101</u>	<u>66,505</u>	<u>476,661</u>
Cash Flows From Non-capital Financing Activities:					
Grants and contributions received	47,151	9,479	-	-	56,630
Net Cash Provided by Non-capital Financing Activities	<u>47,151</u>	<u>9,479</u>	<u>-</u>	<u>-</u>	<u>56,630</u>
Cash Flows From Capital and Related Financing Activities:					
System development/resources fees	442,019	-	-	-	442,019
Loan proceeds	1,983,370	-	-	-	1,983,370
Additions to fixed assets	(524,001)	(112,400)	-	-	(636,401)
Loan Principal Payments	(88,275)	-	-	-	(88,275)
Loan and bond interest payments and fiscal charges	(15,000)	-	-	-	(15,000)
Net Cash (Used) by Capital and Related Financing Activities	<u>1,798,113</u>	<u>(112,400)</u>	<u>-</u>	<u>-</u>	<u>1,685,713</u>
Cash Flows From Investing Activities:					
Interest received	893	-	-	-	893
Net Increase in Cash	2,327,404	(189,113)	15,101	66,505	2,219,897
Cash - Beginning	2,953,217	203,561	-	48,034	3,204,812
Cash - Ending	<u>\$ 5,280,621</u>	<u>\$ 14,448</u>	<u>\$ 15,101</u>	<u>\$ 114,539</u>	<u>\$ 5,424,709</u>
Cash and investments	\$ 4,950,258	\$ 14,448	\$ (675)	\$ 114,539	\$ 5,078,570
Restricted cash and investments	330,363	-	-	-	330,363
Total Cash - Ending	<u>\$ 5,280,621</u>	<u>\$ 14,448</u>	<u>\$ (675)</u>	<u>\$ 114,539</u>	<u>\$ 5,408,933</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:					
Operating Income (Loss)	\$ 315,094	\$ (329,110)	\$ (3,216)	\$ 66,627	\$ 49,395
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:					
Depreciation	192,254	231,033	2,680	-	425,967
(Increase) Decrease in:					
Accounts receivable	(8,827)	97,458	-	(122)	88,509
Inventory	(13,282)	15,530	-	-	2,248
Other Assets	-	-	-	-	-
Increase (decrease) in:					
Accounts payable	37,187	(100,609)	15,637	-	(47,785)
Unearned revenue	859	-	-	-	859
Accrued salaries and benefits	638	2,256	-	-	2,894
Accrued compensated absences	(38,065)	(2,750)	-	-	(40,815)
Total Adjustments	<u>166,153</u>	<u>242,918</u>	<u>18,317</u>	<u>(122)</u>	<u>427,266</u>
Net Cash Provided by Operating Activities	<u>\$ 481,247</u>	<u>\$ (86,192)</u>	<u>\$ 15,101</u>	<u>\$ 66,505</u>	<u>\$ 476,661</u>

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

TOWN OF BUENA VISTA, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

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, 2018

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, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Proprietary Funds

Proprietary funds are used to account for activities that are similar to those found in the private sector. The measurement focus is on the determination of net income and capital maintenance. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's enterprise funds are charges to customers for sales and services. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

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

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

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

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

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

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

TOWN OF BUENA VISTA, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

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, 2018

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, 2018, 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 2018 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, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Inventories

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

H. Interfund Receivables and Payables

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

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

Activity between funds that is representative of borrowing/lending arrangements outstanding at the end of the fiscal year is referred to as either "due to/due from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

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

I. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town has one item qualifying for this category: the collective deferred outflows related to the Town's net pension obligation. Pension contributions made after the measurement date, and the net difference between projected and actual earnings will be recognized as a change of the net pension liability or asset in future periods.

TOWN OF BUENA VISTA, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

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, 2018

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, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Net Position

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

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

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

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

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

O. Fund Balance - Governmental Funds

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

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

TOWN OF BUENA VISTA, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Fund Balance- Governmental Funds (Continued)

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

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

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

P. Use of Estimates

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

NOTE 2: CASH DEPOSITS AND INVESTMENTS

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

TOWN OF BUENA VISTA, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

NOTE 2: DEPOSITS AND INVESTMENTS (Continued)

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

	Amount
Cash on hand	\$ 1,018
Demand deposits	1,525,603
Investments	3,931,857
Total	<u>\$ 5,458,478</u>

A. Deposits

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

As of December 31, 2018, the Town had deposits of \$1,616,309. Depositor's insurance (FDIC) covers \$500,000 of this amount (two different banks at \$250,000 each); the balance is covered by PDPA.

B. Investments

The Town's investment policy lists the authorized investment types as defined by Colorado statutes. Authorized investments include: direct obligations of the United States, obligations of U.S. government agencies, general or revenue obligations of any state of the United States, any territory, or political subdivision of any state, qualified bankers' acceptances, commercial paper, certificates of participation, repurchase agreements, qualified local government investment pool, money market funds, qualified corporate or bank debt, and certain guaranteed investment contracts. The Town held no such investments at December 31, 2018.

TOWN OF BUENA VISTA, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

NOTE 2: CASH DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

Local Government Investment Pool - At December 31, 2018, the Town had \$2,278,819 (fair value) invested in COLOTRUST, an investment vehicle established by State statute for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces the requirements of creating and operating COLOTRUST. COLOTRUST operates similar to money market funds and each share is equal in value to \$1.00. COLOTRUST is rated AAAM by Standard and Poor's. Investments are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

The Town had the following investments at December 31, 2018:

<u>Investment Type</u>	<u>Rating</u>	<u>Fair Value</u>
Certificates of Deposit	N/A	\$ 132,431
U.S. Treasury Securities	AAA by Moody	989,630
Federated Government Res.	N/A	17,641
U.S. Government Bonds	N/A	496,584
Colotrust	AAAm by S & P	2,295,571
Total		<u>\$ 3,931,857</u>

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

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

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

TOWN OF BUENA VISTA, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

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, 2018, the Town's investments account for 40% of total deposits and investments.

NOTE 3: CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2018 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 1,028,709	\$ -	\$ -	\$ 1,028,709
Construction in progress	32,673	16,027	(24,400)	24,300
Assets held for other government	535,718	-	-	535,718
Total capital assets not being depreciated	<u>1,597,100</u>	<u>16,027</u>	<u>(24,400)</u>	<u>1,588,727</u>
Capital assets being depreciated:				
Land improvements & infrastructure	8,135,443	153,568	-	8,289,011
Buildings	1,462,877	35,569	-	1,498,446
Furniture & fixtures	22,042	-	-	22,042
Machinery, vehicles, & equipment	2,695,513	105,007	-	2,800,520
Developer contributed infrastructure	1,211,270	-	-	1,211,270
Intangibles	-	3,000	-	3,000
Total capital assets being depreciated	<u>13,527,145</u>	<u>297,144</u>	<u>-</u>	<u>13,824,289</u>
Less accumulated depreciation for:				
Land improvements & infrastructure	(2,337,791)	(434,372)	-	(2,772,163)
Buildings	(937,973)	(38,897)	-	(976,870)
Furniture & fixtures	(1,426)	(3,421)	-	(4,847)
Machinery, vehicles, & equipment	(2,063,913)	(134,514)	-	(2,198,427)
Developer contributed infrastructure	(536,649)	(67,081)	-	(603,730)
Intangibles	-	(400)	-	(400)
Total accumulated depreciation	<u>(5,877,752)</u>	<u>(678,685)</u>	<u>-</u>	<u>(6,556,437)</u>
Total capital assets being depreciated, net	<u>7,649,393</u>	<u>(381,541)</u>	<u>-</u>	<u>7,267,852</u>
Governmental Activities Capital Assets, Net	<u>\$ 9,246,493</u>	<u>\$ (365,514)</u>	<u>\$ (24,400)</u>	<u>\$ 8,856,579</u>

TOWN OF BUENA VISTA, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

NOTE 3: CAPITAL ASSETS (Continued)

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

General Government	\$ 258,111
Public Safety	64,054
Public Works	223,485
Culture and Recreation	133,036
Total	<u>\$ 678,685</u>

Business-Type capital asset activity for the year ended December 31, 2018 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-Type Activities:				
Capital assets not being depreciated:				
Land and water rights	\$ 1,125,999	\$ -	\$ -	\$ 1,125,999
Construction in progress	65,430	514,701	(237,577)	342,554
Total capital assets not being depreciated	<u>1,191,429</u>	<u>514,701</u>	<u>(237,577)</u>	<u>1,468,553</u>
Capital assets being depreciated:				
Buildings and treatment plant	3,114,166	2,400	-	3,116,566
Distribution systems	5,202,859	246,877	-	5,449,736
Storage tanks	1,579,146	-	-	1,579,146
Vehicles and equipment	1,302,068	-	-	1,302,068
Airport infrastructure	2,100,854	-	-	2,100,854
Land improvements	4,104,388	-	-	4,104,388
Southard Ground Lease buyout	-	110,000	-	110,000
Office furniture and fixtures	61,443	-	-	61,443
Total capital assets being depreciated	<u>17,464,924</u>	<u>359,277</u>	<u>-</u>	<u>17,824,201</u>
Less accumulated depreciation for:				
Buildings and treatment plant	(1,182,011)	(127,286)	-	(1,309,297)
Distribution systems	(2,213,119)	(133,797)	-	(2,346,916)
Storage tanks	(757,022)	(31,385)	-	(788,407)
Vehicles and equipment	(1,139,630)	(39,161)	-	(1,178,791)
Airport infrastructure	(1,753,433)	(35,703)	-	(1,789,136)
Land improvements	(3,616,365)	(51,595)	-	(3,667,960)
Southard Ground Lease buyout	-	(1,833)	-	(1,833)
Office furniture and fixtures	(54,140)	(5,207)	-	(59,347)
Total accumulated depreciation	<u>(10,715,720)</u>	<u>(425,967)</u>	<u>-</u>	<u>(11,141,687)</u>
Total capital assets being depreciated, net	<u>6,749,204</u>	<u>(66,690)</u>	<u>-</u>	<u>6,682,514</u>
Business-Type Activities Capital Assets, Net	<u><u>\$ 7,940,633</u></u>	<u><u>\$ 448,011</u></u>	<u><u>\$ (237,577)</u></u>	<u><u>\$ 8,151,067</u></u>

TOWN OF BUENA VISTA, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

NOTE 4: INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Transfers for 2018 were as follows:

	<u>Transfers Out</u>	<u>Transfers In</u>
General	\$ 355,155	\$ -
Conservation Trust	9,557	-
Capital Improvement	-	364,712
	<u>\$ 364,712</u>	<u>\$ 364,712</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, 2018:

	<u>Balance</u> <u>January 1,</u> <u>2018</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>December 31,</u> <u>2018</u>	<u>Due Within</u> <u>One Year</u>
Governmental Activities					
2012 Sales tax revenue bonds	\$ 2,540,000	\$ -	\$ 100,000	\$ 2,440,000	\$ 100,000
Compensated absences	74,490	93,732	83,085	85,137	-
Total Governmental Activities	<u>\$ 2,614,490</u>	<u>\$ 93,732</u>	<u>\$ 183,085</u>	<u>\$ 2,525,137</u>	<u>\$ 100,000</u>

Issue: 2012 Sales Tax Revenue Bonds - Capital Improvements Fund

Original Amount: \$3,000,000

Interest: 2.0%

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

<u>Payment</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Balance</u> <u>December 31</u>
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	105,000	69,850	174,850	2,030,000
2023	110,000	67,225	177,225	1,920,000
2024-2028	590,000	287,875	877,875	1,330,000
2029-2033	690,000	190,313	880,313	640,000
2034-2038	640,000	61,312	701,312	-
	<u>\$ 2,440,000</u>	<u>\$ 901,000</u>	<u>\$ 3,341,000</u>	

TOWN OF BUENA VISTA, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

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, 2018:

	Balance January 1, 2018	Issued	Retired	Balance December 31, 2018	Due Within One Year
Business-Type Activities					
1998 CWRPDA Loan	\$ 88,275	\$ -	\$ 88,275	\$ -	\$ -
2018 CWRPDA Loan	-	1,983,370	-	1,983,370	53,496
Compensated absences	13,864	17,621	16,563	14,922	-
Total Business-Type Activities	<u>\$ 102,139</u>	<u>\$ 2,000,991</u>	<u>\$ 104,838</u>	<u>\$ 1,998,292</u>	<u>\$ 53,496</u>

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

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

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

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

<u>Payment</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	Balance <u>December 31</u>
2019	\$ 53,496	\$ 11,532	\$ 65,029	\$ 1,929,874
2020	92,712	19,068	111,780	1,837,161
2021	93,642	18,138	111,780	1,743,519
2022	94,581	17,199	111,780	1,648,939
2023	95,529	16,251	111,780	1,553,410
2024-2028	492,203	66,697	558,900	1,061,207
2029-2033	517,374	41,526	558,900	543,833
2034-2038	543,833	15,067	558,900	-
	<u>\$ 1,983,370</u>	<u>\$ 205,479</u>	<u>\$ 2,188,849</u>	

TOWN OF BUENA VISTA, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

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, 2018, the Town contributed \$98,482 to the Retirement Plan on behalf of participating employees. Participants of the Retirement Plan made equal matching contributions in 2018. No unvested contributions were returned to the Town in 2018.

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, 2018

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, 2018

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, 2018

NOTE 6: EMPLOYEE RETIREMENT COMMITMENTS (Continued)

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

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

At December 31, 2017, the Town proportion was 0.058169%, as compared to 0.055701% at December 31, 2016.

For the plan year ended December 31, 2017, the Town recognized pension expense of -\$31,105, consisting of the following elements:

Town's Proportionate Share of Collective Pension Expense for the Plan Year Ended December 31, 2017	
Service Cost	\$ 42,102
Interest on the Total Pension Liability	81,544
Current-Period Benefit Changes	831
IRC 414(h)(2) Employer-paid Member Contributions	(28,226)
Projected Earnings on Plan Investments	(82,488)
Pension Plan Administrative Expense	1,682
Other Changes in Plan Fiduciary Net Position	(55,695)
Recognition of Inflow of Resources due to Liabilities	8,200
Recognition of Outflow of Resources due to Assets	945
Total Pension Plan Expense	\$ (31,105)

TOWN OF BUENA VISTA, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

NOTE 6: EMPLOYEE RETIREMENT COMMITMENTS (Continued)

At December 31, 2017, 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	\$ 55,658	\$ -
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	25,104	-
Total	<u>\$ 157,035</u>	<u>\$ -</u>

Town contributions subsequent to the measurement date of December 31, 2017 of \$25,104 which are reported as deferred outflows of resources related to pensions, will be recognized as a reduction of the net pension liability in the year ended December 31, 2017. 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,	
2018	\$ 9,146
2019	7,952
2020	(3,186)
2021	(7,317)
2022	8,200
Thereafter	25,430
	<u>\$ 40,225</u>

TOWN OF BUENA VISTA, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

NOTE 6: EMPLOYEE RETIREMENT COMMITMENTS (Continued)

Actuarial Assumptions. The January 1, 2018 actuarial valuation was used to determine the Actuarially Determined Contribution for the fiscal year ending December 31, 2017. The valuation used the following actuarial assumption and other inputs:

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

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

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

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

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

TOWN OF BUENA VISTA, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

NOTE 6: EMPLOYEE RETIREMENT COMMITMENTS (Continued)

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

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global Equity	36.0%	9.25%
Equity Long/Short	10.0%	7.35%
Illiquid Alternatives	23.0%	10.75%
Fixed Income	15.0%	4.10%
Absolute Return	10.0%	6.55%
Managed Futures	4.0%	5.50%
Cash	2.0%	0.00%
Total	100.0%	

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, 2018

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:

		Single Discount Rate	
	1% Decrease 6.50%	Assumption 7.50%	1% Increase 8.50%
Town's Proportionate Share	\$ 84,026	\$ (77,233)	\$ (211,040)

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, 2018

NOTE 6: EMPLOYEE RETIREMENT COMMITMENTS (Continued)

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

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

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

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

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

TOWN OF BUENA VISTA, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

NOTE 6: EMPLOYEE RETIREMENT COMMITMENTS (Continued)

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

For the plan year ended December 31, 2017, the Town recognized pension expense of -\$14,539, consisting of the following elements:

**Town's Proportionate Share of Collective Pension Expense for the Plan Year Ended
December 31, 2017**

Service Cost	\$ 9,682
Interest on the Total Pension Liability	24,491
Current-Period Benefit Changes	3,245
IRC 414(h)(2) Employer-paid Member Contributions	(4,688)
Projected Earnings on Plan Investments	(33,431)
Pension Plan Administrative Expense	605
Other Changes in Plan Fiduciary Net Position	(64,844)
Recognition of Outflow of Resources due to Liabilities	12,425
Recognition of Outflow of Resources due to Assets	(60)
Total Pension Plan Expense	\$ (52,575)

At December 31, 2017, 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	\$ 69,052	\$ 10,822
Changes of assumptions	3,181	-
Net difference between projected and actual earnings on pension plan investments	-	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	-	-
Town contributions subsequent to the measurement date	11,870	-
Total	\$ 84,103	\$ 10,822

TOWN OF BUENA VISTA, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

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, 2017 of \$11,870 which are reported as deferred outflows of resources related to pensions, will be recognized as a reduction of the net pension liability in the year ended December 31, 2017. 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,		
2018	\$	12,364
2019		12,007
2020		8,006
2021		6,499
2022		12,425
Thereafter		10,110
	\$	<u>61,411</u>

Actuarial Assumptions. The January 1, 2018 actuarial valuation was used to determine the Actuarially Determined Contribution for the fiscal year ending December 31, 2017. The valuation used the following actuarial assumption and other inputs:

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

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

TOWN OF BUENA VISTA, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

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:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global Equity	36.0%	9.25%
Equity Long/Short	10.0%	7.35%
Illiquid Alternatives	23.0%	10.75%
Fixed Income	15.0%	4.10%
Absolute Return	10.0%	6.55%
Managed Futures	4.0%	5.50%
Cash	2.0%	0.00%
Total	100.0%	

TOWN OF BUENA VISTA, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

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:

		Single Discount Rate	
	1% Decrease 6.50%	Assumption 7.50%	1% Increase 8.50%
Town's Proportionate Share	\$ (107,348)	\$ (151,790)	\$ (189,192)

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, 2018

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:

	Actuarial Valuation as of <u>January 1, 2017</u>
Number of:	
Active members	13
Retired members	10
Disabled members	0
Beneficiaries	2
Terminated vested members	4
Terminated members active in another fund	0
	<u>29</u>

TOWN OF BUENA VISTA, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

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, 2017 is shown below:

	Measurement Period Ended December 31, 2017
Service cost	\$ 4,754
Interest on the total pension liability	37,598
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	10,502
Total pension liability - beginning	504,992
Total pension liability - ending	<u>\$ 515,494</u>

Actuarial Assumptions. The January 1, 2018 actuarial valuation was used to determine the net pension liability/(asset) for the fiscal year ending December 31, 2017. 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, 2018

NOTE 6: EMPLOYEE RETIREMENT COMMITMENTS (Continued)

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

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

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

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

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

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

Contributions and Funding. Participating volunteer firefighters do not contribute to the pension plan. Contributions to the Plan are made by the Town and through a 90% matching grant from the State of Colorado. The contribution requirements of the Plan are established under Title 31, Article 30 of the Colorado Revised Statutes, as amended. The Town contributed \$22,800 to the Plan for the year ended December 31, 2017.

TOWN OF BUENA VISTA, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

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:

	Measurement Period Ended December 31, 2016
Total Pension Liability	\$ 501,431
Plan Fiduciary Net Position	437,164
Net Pension Liability (Asset)	<u>\$ 64,267</u>
Plan fiduciary net position as a	87.18%
Total Pension Expense/(Income)	\$ 497

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,795	\$ 14,270
Changes of assumptions	4,801	-
Net difference between projected and actual earnings on pension plan investments	1,268	-
Town contributions subsequent to the measurement date	22,800	-
Total	<u>\$ 30,664</u>	<u>\$ 14,270</u>

TOWN OF BUENA VISTA, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

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	
1% Decrease 6.50%	Assumption 7.50%	1% Increase 8.50%
\$ 118,018	\$ 64,267	\$ 19,219

F. Death And Disability Benefits

Death and disability coverage is provided to full-time police officers through the Statewide Death and Disability Plan, which is administered by the FPPA. During the past year, the Town's required contribution rate was 2.6% of base salary for members. Town contributions to this plan totaled \$12,000 during 2018, with State supplemental contribution of \$10,800. Employees are not required to contribute to this plan.

NOTE 7: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

TABOR Amendment

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

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

TOWN OF BUENA VISTA, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

NOTE 7: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

TABOR Amendment (Continued)

TABOR also requires local governments to establish an emergency reserve to be used to declare emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. The reserve is calculated at 3% of fiscal year spending. Fiscal year spending excludes bonded debt service and enterprise spending. The Town has reserved \$104,900, which is the approximate required reserve at December 31, 2018.

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, 2018. 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, 2018

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 2018, the Town's deductible for property and liability claims per occurrence is \$1,000 for each. The auto liability deductible and the auto physical damage deductible are both \$1,000 per occurrence.

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

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

NOTE 9: COMMITMENTS AND CONTINGENCIES

A. Legal Claims

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

B. Federal and State Grants and Financial Sources

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

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF BUENA VISTA, COLORADO

BUDGETARY COMPARISON SCHEDULE
FOR THE GENERAL FUND

For the Year Ended December 31, 2018

With Comparative Totals for the Year Ended December 31, 2017

	2018			VARIANCE	2017
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	POSITIVE (NEGATIVE)	ACTUAL
REVENUES					
Taxes:					
General property	\$ 400,775	\$ 400,775	400,396	\$ (379)	383,713
Specific ownership	45,000	45,000	53,701	8,701	52,197
Franchise fees	79,500	79,500	81,457	1,957	87,133
General sales	2,777,332	2,777,332	2,944,990	167,658	2,660,885
Mineral severance	30,000	30,000	10,512	(19,488)	17,950
Cigarette	9,000	9,000	9,196	196	9,261
Total Taxes	3,341,607	3,341,607	3,500,252	158,645	3,211,139
Charges for Services:					
Business licenses	19,550	19,550	32,139	12,589	25,872
Building and development fees	21,350	21,350	28,117	6,767	13,879
Other permits and fees	45,761	45,761	40,961	(4,800)	16,612
Recreation fees and permits	68,700	68,700	86,104	17,404	59,678
Fines	43,316	43,316	54,117	10,801	36,948
Cemetery fees	14,220	14,220	9,070	(5,150)	9,465
Lease income	400	400	20	(380)	50,020
Total Charges for Services	213,297	213,297	250,528	37,231	212,474
Intergovernmental:					
Highway users tax	120,587	120,587	148,556	27,969	122,067
County road and bridge tax	5,000	5,000	4,579	(421)	4,229
Grants	51,926	115,926	48,262	(67,664)	96,829
Motor vehicle registration	17,000	17,000	15,350	(1,650)	14,998
Total Intergovernmental	194,513	258,513	216,747	(41,766)	238,123
Other Revenues					
Contributions	4,500	4,500	4,905	405	6,973
Earnings on investments	6,000	6,000	33,246	27,246	14,697
Other revenue	56,731	56,731	181,825	125,094	75,009
Total Other Revenues	67,231	67,231	219,976	152,745	96,679
TOTAL REVENUES	3,816,648	3,880,648	4,187,503	306,855	3,758,415

(Continued)

See the accompanying Independent Auditor's Report.

TOWN OF BUENA VISTA, COLORADO

BUDGETARY COMPARISON SCHEDULE
FOR THE GENERAL FUND

For the Year Ended December 31, 2018

With Comparative Totals for the Year Ended December 31, 2017

	2018				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>	<u>2017 ACTUAL</u>
EXPENDITURES					
General Government:					
Mayor and Board of Trustees	52,406	52,406	51,860	546	65,358
Town Clerk	80,538	82,538	80,639	1,899	75,791
Municipal Court	72,427	72,427	78,573	(6,146)	74,423
Town Administrator	302,257	317,057	336,311	(19,254)	288,615
Financial Administration	195,501	197,201	201,908	(4,707)	121,701
Town Hall Operations	42,207	43,007	41,311	1,696	41,891
Public Support	227,842	230,067	217,440	12,627	210,167
Elections	4,000	4,600	10,152	(5,552)	1,676
Total General Government	<u>977,178</u>	<u>999,303</u>	<u>1,018,194</u>	<u>(18,891)</u>	<u>879,622</u>
Public Safety:					
Police	1,037,247	1,070,247	1,085,815	(15,568)	946,949
Fire	351,661	353,161	410,712	(57,551)	331,896
Public Safety Complex	15,487	15,487	19,444	(3,957)	21,228
Total Public Safety	<u>1,404,395</u>	<u>1,438,895</u>	<u>1,515,971</u>	<u>(77,076)</u>	<u>1,300,073</u>
Community Services					
Development	324,217	326,292	325,391	901	272,435
Community Center	21,070	21,070	21,185	(115)	20,827
Public Television	5,600	5,600	5,486	114	52
Total Community Services	<u>350,887</u>	<u>352,962</u>	<u>352,062</u>	<u>900</u>	<u>293,314</u>
Public Works:					
Streets and Properties - Maintenance and Improvements	<u>440,100</u>	<u>440,100</u>	<u>428,442</u>	<u>11,658</u>	<u>494,471</u>
Culture and Recreation:					
Parks	246,801	250,301	246,852	3,449	248,887
Cemetery	4,259	4,259	2,660	1,599	3,424
Recreation Programs	217,032	217,032	195,210	21,822	181,381
Total Culture and Recreation	<u>468,092</u>	<u>471,592</u>	<u>444,722</u>	<u>26,870</u>	<u>433,692</u>
TOTAL EXPENDITURES	<u>3,640,652</u>	<u>3,702,852</u>	<u>3,759,391</u>	<u>(56,539)</u>	<u>3,401,172</u>
Other Financing Sources (Uses)					
Transfers In (Out)	<u>(355,155)</u>	<u>(355,155)</u>	<u>(355,155)</u>	<u>-</u>	<u>(285,461)</u>
Net Change in Fund Balance	(179,159)	(177,359)	72,957	363,394	71,782
Fund Balances - Beginning of Year	<u>1,683,983</u>	<u>1,683,983</u>	<u>1,683,983</u>	<u>-</u>	<u>1,612,201</u>
Fund Balances - End of Year	<u>\$ 1,504,824</u>	<u>\$ 1,506,624</u>	<u>\$ 1,756,940</u>	<u>\$ 363,394</u>	<u>\$ 1,683,983</u>

See the accompanying Independent Auditor's Report.

TOWN OF BUENA VISTA, COLORADO

BUDGETARY COMPARISON SCHEDULE
FOR THE CONSERVATION TRUST FUND

For the Year Ended December 31, 2018

With Comparative Totals for the Year Ended December 31, 2017

	2018			VARIANCE	2017
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	POSITIVE (NEGATIVE)	ACTUAL
REVENUES					
Lottery proceeds	\$ 30,000	\$ 30,000	\$ 28,685	\$ (1,315)	\$ 27,341
Interest income	1,800	1,800	4,428	2,628	2,032
TOTAL REVENUES	<u>31,800</u>	<u>31,800</u>	<u>33,113</u>	<u>1,313</u>	<u>29,373</u>
EXPENDITURES					
Park maintenance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	31,800	31,800	33,113	1,313	29,373
Other Financing Sources (Uses)					
Transfers in (out)	<u>-</u>	<u>(9,557)</u>	<u>(9,557)</u>	<u>-</u>	<u>(60,000)</u>
Net Change in Fund Balance	31,800	22,243	23,556	1,313	(30,627)
FUND BALANCE - Beginning of Year	<u>22,639</u>	<u>22,639</u>	<u>22,639</u>	<u>-</u>	<u>53,266</u>
FUND BALANCE - End of Year	<u>\$ 54,439</u>	<u>\$ 44,882</u>	<u>\$ 46,195</u>	<u>\$ 1,313</u>	<u>\$ 22,639</u>

See the accompanying Independent Auditor's Report.

TOWN OF BUENA VISTA, COLORADO

STREET FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND NET POSITION -
BUDGET AND ACTUAL
For the Year Ended December 31, 2018

	2018		
	ORIGINAL & FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES			
Charges for services:			
Town Sales Tax	\$ 446,410	\$ 483,084	\$ 36,674
Development Fees	-	25,000	25,000
TOTAL REVENUES	446,410	508,084	61,674
EXPENDITURES			
Street Expenses	270,535	117,282	153,253
Debt Service Principal	95,000	100,000	(5,000)
Debt Service Interest	80,875	78,975	1,900
TOTAL EXPENDITURES	446,410	296,257	150,153
Net Change in Fund Balance	-	211,827	211,827
FUND BALANCE - Beginning of Year		-	
FUND BALANCE - End of Year	\$ -	\$ 211,827	\$ 211,827

See the accompanying Independent Auditor's Report.

TOWN OF BUENA VISTA, COLORADO

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

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

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

See the accompanying Independent Auditor's Report.

TOWN OF BUENA VISTA, COLORADO

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

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

*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, 2017

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

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

See the accompanying Independent Auditor's Report.

TOWN OF BUENA VISTA, COLORADO

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

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

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

See the accompanying Independent Auditor's Report.

TOWN OF BUENA VISTA, COLORADO

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

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

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

See the accompanying Independent Auditor's Report.

TOWN OF BUENA VISTA, COLORADO

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

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

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

See the accompanying Independent Auditor's Report.

OTHER SUPPLEMENTARY INFORMATION

TOWN OF BUENA VISTA, COLORADO

BUDGETARY COMPARISON SCHEDULE
FOR THE CAPITAL IMPROVEMENTS FUND

For the Year Ended December 31, 2018

With Comparative Totals for the Year Ended December 31, 2017

	2018			VARIANCE	2017
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	POSITIVE (NEGATIVE)	ACTUAL
REVENUES					
Sales taxes	\$ -	\$ -	\$ -	\$ -	\$ 421,176
Contributions	3,500	3,500	8,125	4,625	6,879
Grants	658,248	658,248	45,000	(613,248)	22,498
Interest income	-	-	15,978	15,978	8,460
TOTAL REVENUES	661,748	661,748	69,103	(592,645)	459,013
EXPENDITURES					
General Government					
Office equipment/furniture	20,900	37,900	35,137	2,763	72,642
Public Safety					
Police vehicles	41,000	41,000	39,478	1,522	39,656
Fire fighting equipment	10,000	10,000	-	10,000	110,810
Office equipment/furniture	-	50,000	47,287	2,713	6,297
Total Public Safety	51,000	101,000	86,765	14,235	156,763
Community Services					
Capital outlay	29,500	37,255	39,988	(2,733)	38,028
Public Works					
General	-	14,000	7,566	6,434	15,724
Street improvements	-	-	-	-	622,427
Total Public Works	-	14,000	7,566	6,434	638,151
Culture and Recreation					
Park improvements	901,503	926,315	124,962	801,353	603,179
TOTAL EXPENDITURES	1,002,903	1,116,470	294,418	822,052	1,508,763
Excess (Deficiency) of					
Revenues Over Expenditures	(341,155)	(454,722)	(225,315)	(1,414,697)	(1,049,750)
Other Financing Sources					
Transfers in	355,155	364,712	364,712	-	345,461
Net Change in Fund Balance	14,000	(90,010)	139,397	(229,407)	(704,289)
FUND BALANCE - Beginning of Year	15,267	15,267	15,267	-	719,556
FUND BALANCE - End of Year	<u>\$ 29,267</u>	<u>\$ (74,743)</u>	<u>\$ 154,664</u>	<u>\$ (229,407)</u>	<u>\$ 15,267</u>

See the accompanying Independent Auditor's Report.

TOWN OF BUENA VISTA, COLORADO

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

For the Year Ended December 31, 2018
With Comparative Totals for the Year Ended December 31, 2017

	2018			VARIANCE	2017
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	POSITIVE (NEGATIVE)	ACTUAL
REVENUES					
Water sales	\$ 877,877	\$ 877,877	\$ 1,008,359	\$ 130,482	\$ 914,631
Water meter sales	16,586	16,586	23,504	6,918	10,048
Finance charges	14,821	14,821	9,740	(5,081)	9,370
Investment income	1,000	1,000	893	(107)	1,487
System development fees	111,200	111,200	442,019	330,819	252,340
Other fees	150	150	3,194	3,044	2,800
Debt proceeds	1,841,259	1,841,259	1,983,370	142,111	-
Other revenues	2,484,000	2,509,000	154,916	(2,354,084)	68,035
TOTAL REVENUES	5,346,893	5,371,893	3,625,995	(1,745,898)	1,258,711
EXPENDITURES					
Salaries and benefits	329,816	356,066	314,541	41,525	424,782
Professional services	80,300	80,300	79,383	917	78,531
Meters, materials and freight	36,900	36,900	-	36,900	-
Insurance	5,454	5,454	5,931	(477)	4,979
Other general and administrative	31,750	32,750	33,815	(1,065)	30,210
Utilities	15,331	15,331	16,181	(850)	18,116
Repairs and maintenance	16,000	16,000	32,020	(16,020)	7,889
Plant and building operations	50,485	50,485	58,510	(8,025)	35,309
Capital outlay	2,770,631	2,866,931	628,834	2,238,097	135,391
Debt principal payments	81,000	81,000	88,275	(7,275)	82,757
Debt interest and fiscal charges	8,000	8,000	15,000	(7,000)	7,119
TOTAL EXPENDITURES	3,425,667	3,549,217	1,272,490	2,276,727	825,083
CHANGE IN NET POSITION- BUDGET BASIS	1,921,226	1,822,676	2,353,505	530,829	433,628
RECONCILIATION TO GAAP BASIS:					
Depreciation			(192,254)		(193,653)
Debt proceeds			(1,983,370)		-
Capitalized assets			524,001		99,742
Debt principal payments			88,275		82,757
Total GAAP basis adjustments			(1,563,348)		(11,154)
CHANGE IN NET POSITION- GAAP BASIS			\$ 790,157		\$ 422,474

See the accompanying Independent Auditor's Report.

TOWN OF BUENA VISTA, COLORADO

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

For the Year Ended December 31, 2018
With Comparative Totals for the Year Ended December 31, 2016

	2018			VARIANCE	2017
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	POSITIVE (NEGATIVE)	ACTUAL
REVENUES					
Charges for services:					
Fuel sales	\$ 375,000	\$ 375,000	\$ 425,862	\$ 50,862	\$ 340,898
Rental revenue	51,424	51,424	28,776	(22,648)	43,479
Other fees and sales	30,162	30,162	31,002	840	17,242
Grant revenue	25,000	25,000	9,479	(15,521)	602,830
Other taxes	7,155	7,155	9,297	2,142	5,651
Interest income	-	-	-	-	4
Gain on sale of assets	33,000	33,000	15,000	(18,000)	-
TOTAL REVENUES	<u>521,741</u>	<u>521,741</u>	<u>519,416</u>	<u>(2,325)</u>	<u>1,010,104</u>
EXPENDITURES					
Fuel cost	240,849	240,849	267,369	(26,520)	161,184
Salaries and benefits	157,865	157,865	173,249	(15,384)	156,428
Professional services	8,700	13,200	15,281	(2,081)	16,863
Insurance	20,337	20,337	20,336	1	18,351
Other general and administrative	68,286	69,286	69,291	(5)	72,534
Utilities	26,267	26,267	26,899	(632)	26,918
Repairs and maintenance	5,500	5,500	5,133	367	6,463
Airport and weather station operations	9,000	9,000	6,159	2,841	9,459
Capital outlay	20,000	130,000	112,400	17,600	674,244
TOTAL EXPENDITURES	<u>556,804</u>	<u>672,304</u>	<u>696,117</u>	<u>(23,813)</u>	<u>1,142,444</u>
CHANGE IN NET POSITION - BUDGET BASIS	<u>\$ (35,063)</u>	<u>\$ (150,563)</u>	(176,701)	<u>\$ (327,264)</u>	(132,340)
RECONCILIATION TO GAAP BASIS:					
Depreciation			(231,033)		(204,430)
Capitalized assets			112,400		674,154
Total GAAP basis adjustments			<u>(118,633)</u>		<u>469,724</u>
CHANGE IN NET POSITION - GAAP BASIS			<u>\$ (295,334)</u>		<u>\$ 337,384</u>

See the accompanying Independent Auditor's Report.

TOWN OF BUENA VISTA, COLORADO

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

For the Year Ended December 31, 2018

	2018		
	ORIGINAL & FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES			
Charges for services:			
EV charging	\$ 500	\$ 445	\$ (55)
TOTAL REVENUES	500	445	(55)
EXPENDITURES			
Electricity	450	936	(486)
Billing fee	50	45	5
TOTAL EXPENDITURES	500	981	(481)
CHANGE IN NET POSITION - BUDGET BASIS	\$ -	(536)	\$ (536)
RECONCILIATION TO GAAP BASIS:			
Depreciation		(2,680)	
CHANGE IN NET POSITION - GAAP BASIS		\$ (3,216)	

See the accompanying Independent Auditor's Report.

TOWN OF BUENA VISTA, COLORADO

STORM WATER ENTERPRISE
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND NET POSITION -
BUDGET AND ACTUAL
For the Year Ended December 31, 2018

	2018		
	ORIGINAL & FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES			
TOTAL REVENUES	<u>\$ 64,800</u>	<u>\$ 66,627</u>	<u>\$ 1,827</u>
EXPENDITURES			
Other general and administrative	<u>42,000</u>	<u>-</u>	<u>42,000</u>
CHANGE IN NET POSITION- BUDGET BASIS	<u>\$ 22,800</u>	<u>66,627</u>	<u>\$ 43,827</u>
RECONCILIATION TO GAAP BASIS:		-	
CHANGE IN NET POSITION - GAAP BASIS		<u>\$ 66,627</u>	

See the accompanying Independent Auditor's Report.

STATE REQUIRED REPORT SECTION

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

LOCAL HIGHWAY FINANCE REPORT	City or County: Town of Buena Vista YEAR ENDING : December 2018
This Information From The Records Of (example - City of _ or County of _)	Prepared By: Phone:

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
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	113,849
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	15,233
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	8,578
2. General fund appropriations		b. Snow and ice removal	19,248
3. Other local imposts (from page 2)	536,785	c. Other	73,056
4. Miscellaneous local receipts (from page 2)	39,957	d. Total (a. through c.)	100,882
5. Transfers from toll facilities		4. General administration & miscellaneous	60,731
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	60,078
a. Bonds - Original Issues		6. Total (1 through 5)	350,773
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	576,742	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	168,484	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	745,226	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	350,773

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	2,636,397		100,000	2,536,397
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	3,020,893	745,226	350,773	3,415,346	(0)

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado YEAR ENDING (mm/yy): December 2018	
II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	33,729
1. Sales Taxes	483,084	c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	2,850
5. Specific Ownership &/or Other	53,701	g. Other Misc. Receipts	
6. Total (1. through 5.)	536,785	h. Other Street Repair Recovery	3,378
c. Total (a. + b.)	536,785	i. Total (a. through h.)	39,957
	(Carry forward to page 1)		(Carry forward to page 1)
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	148,556	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	15,350	d. Federal Transit Admin	
d. Other (Specify) - Cnty road & brdg	4,578	e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	19,928	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	168,484	3. Total (1. + 2.g)	
			(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements		98,616	98,616
(3). System Preservation		15,233	15,233
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	113,849	113,849
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	113,849	113,849
			(Carry forward to page 1)
Notes and Comments:			

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