



Annual Financial Report

for the year ended
December 31, 2020

Town of Avon
100 Mikaela Way ▪ Avon, CO ▪ 81620 ▪ www.avon.org



Town of Avon, Colorado

Annual Financial Report

for the year ended December 31, 2020

Prepared by:
Department of Finance

Scott C. Wright, CPA, CPFO
Asst. Town Manager / Director of Finance

TOWN OF AVON, COLORADO
LIST OF ELECTED AND APPOINTED OFFICIALS
December 31, 2020

TOWN COUNCIL

Sarah Smith Hymes, Mayor
Amy Phillips, Mayor Pro Tem
Russell Andrade
Lindsay Hardy
Scott Prince
Chico Thuon
Tamra N. Underwood

MANAGEMENT

Eric Heil, Town Manager
Scott Wright, Assistant Town Manager/Finance Director
John Curutchet, Recreation Director
Greg Daly, Police Chief
Justin Hildreth, Town Engineer
Rego Omerigic, Fleet Director
Gary Padilla, Public Works Director
Matt Pielsticker, Planning Director
Lance Richards, Human Resources Director
Eva Wilson, Mobility Director

TOWN OF AVON, COLORADO

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2020

TABLE OF CONTENTS

INTRODUCTION	Page
Letter of Transmittal	v-ix
Certificate of Achievement for Excellence in Financial Reporting	x
Town of Avon Organization Chart	xi
 FINANCIAL SECTION	
Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-17
 Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Position	19
Statement of Activities	20-21
 Fund Financial Statements:	
Balance Sheet – Governmental Funds	22-23
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	24-25
Statement of Net Position – Proprietary Funds	26
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds	27
Statement of Cash Flows – Proprietary Funds	28-29
Notes to the Financial Statements	30-54
 Required Supplemental Information	
Schedule of Revenues, Expenditures and Changes in Fund Balances (Budgetary Basis) – Budget and Actual – General Fund	55
Schedule of Revenues, Expenditures and Changes in Fund Balances (Budgetary Basis) – Budget and Actual – Avon Urban Renewal Authority Fund	56
Notes to Required Supplemental Information	57

TOWN OF AVON, COLORADO

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2019

TABLE OF CONTENTS - CONTINUED

Other Supplemental Information	Page
Nonmajor Governmental Funds	59
Combining Balance Sheet – Nonmajor Governmental Funds	60-61
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	62-63
Schedules of Revenues, Expenditures and Changes in Fund Balances (Budgetary Basis) - Budget and Actual:	
Water Fund	64
Community Enhancement Fund	65
Community Housing Fund	66
Exterior Energy Offset Fund	67
Disposable Paper Bag Fee Fund	68
Debt Service Fund	69
Capital Projects Fund	70
Mobility Fund	72-73
Fleet Maintenance Fund	74-75
Equipment Replacement Fund	78-79
Miscellaneous Schedules:	
Debt Schedule	81
Detailed Schedule of General Fund Expenditures (Budgetary Basis) – Budget and Actual	82-83
Detailed Schedule of General Fund Revenues (Budgetary Basis) – Budget and Actual	84-86
Schedule of Capital Project Fund Project Expenditures (Budgetary Basis) – Budget and Actual	88-89
Local Highway Finance Report	90-91
 STATISTICAL SECTION	
Net Position by Component	94-95
Changes in Net Position	96-99
Changes in Fund Balances, Governmental Funds	100-101
Fund Balances, Governmental Funds	102
Tax Revenues by Source, Governmental Funds	103
Assessed Value and Actual Value of Taxable Property	104
Direct and Overlapping Property Tax Rates	105
Principal Taxpayers	106
Property Tax Levies and Collections	107
Ratios of Outstanding Debt by Type	108

	Page
STATISTICAL SECTION (continued)	
Direct and Overlapping Governmental Activities Debt	109
Ratio of General Bonded Debt Outstanding and Legal Debt Margin	110-111
Demographic and Economic Statistics	112
Principal Employers	113
Commercial and Residential Construction	114
Full-time Equivalent Employees by Function / Program	115
Operating Indicators by Function / Program	116-117
SINGLE AUDIT SECTION	
Notes to Schedule of Federal Awards	119
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Governmental Auditing Standards</i>	120-121
Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	122-123
Schedule of Prior Year Findings and Questioned Costs	124
Schedule of Expenditures of Federal Awards	125

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July 13, 2021

To the Honorable Mayor, Members of the Town Council and Citizens of the Town of Avon:

Town Charter and State statutes require that the Town of Avon (Town) issue a complete set of financial statements presented in conformance with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed independent certified public accountants. Pursuant to these requirements, we hereby issue the annual financial report of the Town of Avon for the fiscal year ended December 31, 2020.

This report consists of management's representations concerning the finances of the Town of Avon. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the Town of Avon has established a comprehensive internal control framework that is designed both to protect the Town's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Town of Avon's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh the benefits, the Town of Avon's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Town of Avon's financial statements have been audited by McMahan and Associates, L.L.C., a firm of certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Avon for the fiscal year ended December 31, 2020, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town of Avon's financial statements for the fiscal year ended December 31, 2020 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Town of Avon's MD&A can be found immediately following the report of the independent auditors.

Letter of Transmittal
Town of Avon, Colorado
July 13, 2021

Profile of the Town

The Town of Avon was incorporated in 1978 and is located in Eagle County, eight miles west of the Town of Vail and seventeen miles east of the Town of Eagle. The Town sits north of U.S. Highway 6, directly adjacent to the Beaver Creek Resort and is bisected by Interstate Highway 70 from east to west. The primary transportation route to and from Avon is I-70. Aviation services and transportation are available at the Eagle County Airport, 24 miles west of the Town. The Town provides bus transportation services within the Town and offers, in funding partnership with the Beaver Creek Resort Company, a high-speed gondola that provides direct access to Beaver Creek Resort. Avon is also served by the Eagle County Regional Transit Authority which provides bus service throughout Eagle County. Eagle County encompasses approximately 1,694 square miles and spans from the summit of Vail Pass to Glenwood Canyon. Approximately 80% of Eagle County's land is public – comprised of National Forests, wilderness areas, Bureau of Land Management properties, and state and local public lands.

The Town of Avon currently encompasses approximately 8¼ square miles. The 2020 Census reported a population of 6,474. This figure represents the permanent resident population. Total population increases significantly during the winter tourist ski season.

The Town operates under the council/manager form of government. Policy-making and legislative authority are vested in the Town Council, which consists of a mayor and a six-member council. The Town Council is responsible, among other things, for passing ordinances, adopting the budget, and appointing a Town Manager, Town Attorney, Town Prosecutor and Municipal Judge. The Town Manager is responsible for carrying out the policies and ordinances of the Council, overseeing the day-to-day operations of the Town, and for appointing the heads of the Town's departments.

The Council is elected on a non-partisan basis. Council members are elected to four-year staggered terms with three council members elected in November 2020, and the remaining four to be elected in November 2022. The mayor and mayor pro-tem are elected from amongst the elected council members by a majority vote. The mayor presides at meetings of council and shall not vote until all other Council members present who are eligible to vote have had reasonable opportunity to vote. The affirmative concurring vote of four (4) Council members is required for the adoption of an ordinance, resolution, order for appropriation, approval of a contract or approval of an intergovernmental agreement.

The Town is a home-rule community empowered to levy a property tax on the assessed value of real property located within the Town. The Town collects a 4% sales tax on all retail sales, and a 4% accommodations tax on the lease or rental of hotel rooms, condominium units and other accommodations within the Town. Beginning January 1, 2019 with voter approval the Town began levying a \$3 per pack excise tax on the sale of cigarettes and a 40% tax on other nicotine and tobacco products. The Town also collects a 2% real estate transfer tax on all sales of real property located within the Town. The Town has the power by state statute to extend its corporate limits by annexation, which is done periodically when deemed appropriate by the Town Council.

Letter of Transmittal
Town of Avon, Colorado
July 13, 2021

The Town provides a full range of municipal services including general administrative services; community planning and zoning and building permitting and inspection services; municipal law enforcement; public works including management and maintenance of Town parks and landscaping, Nottingham Lake, bridges, streets and roads, trails, buildings, facilities and infrastructure; operation and management of the Avon Recreation Center and other youth, adult and senior recreation programs; and, special events and cultural activities.

The annual budget serves as the foundation for the Town of Avon's financial planning and control. No later than October 15th, the Town Manager submits to the Mayor and Town Council a proposed budget for the calendar year commencing the following January 1st. The budget is prepared by fund, department, program, and project and includes information on the prior year, current estimates and requested appropriations and estimated revenues for the upcoming year.

The Town Council holds public hearings and may change appropriations except for expenditures required by law for debt service or for estimated cash deficits. No change to the budget may increase the authorized expenditures to any amount greater than the total amount of funds available. The Town Council must adopt the budget by resolution prior to December 15th. Once adopted, the Town Council may at any time, by resolution, amend the budget. In addition, the Town Manager may transfer part or all of any unencumbered appropriation balance among programs within a department. A department is defined by the Town as a distinct, principal, or specialized division (e.g. the department of public works).

Expenditures may not legally exceed budgeted appropriations at the fund level. Budget to actual comparison are provided in this report for all funds and are presented at a lower-than-required level of control to facilitate detailed financial analysis.

Budgetary comparisons for the Town's General Fund and its major special revenue fund, the Avon Urban Renewal Authority, are presented as required supplemental information in this report. Budget to actual comparisons for all other Town funds are included as other supplemental information in this report.

Factors Affecting Financial Condition

The information presented in the financial statements is best understood when considered from a broader perspective rather than just the specific environment in which the Town operates.

Local Economy. Year-round tourism and winter recreation-related businesses account for a significant portion of the employment and earned income of area residents. Skier and snowboarder visits at Vail and Beaver Creek Resort account for almost 20% of the total such visits in Colorado. Both resorts are perennially ranked among the top ten ski resorts in the country.

In addition to skiing and associated winter-time activities, the area promotes a number of summer activities. The Town of Avon sponsors numerous special events throughout the year to area residents and visitors including Avon's Salute to the USA - a 4th of July fireworks display typically

Letter of Transmittal
Town of Avon, Colorado
July 13, 2021

held on July 3rd, and Avon LIVE!, a free Wednesday evening live music series; multiple sporting events such as the XTERRA triathlon; and family-friendly activities like the Avon Easter Egg Hunt. The Avon Recreation Center is a spacious 40,000 sq. ft. multi-use facility featuring a large aquatics area with a 5-lane lap pool, lazy river, kid's pool, 140 foot water slide, Aquaclimb climbing wall and diving well; a 2,560 sq. ft. advanced weight training room; a fitness room with treadmills, elliptical motion trainers, upright and recumbent bikes; and, separate Yoga/Tai Chi and multi-purpose training studios. Nottingham Park and Nottingham Lake serve as the Town's central headquarters for summer activities including standup paddleboard, pedal boat, and kayak rentals; fishing, beach volleyball, Fitness Court, and Destination Jump, Splash, Learn. Avon's Whitewater Park, with three distinct water features, is open all summer for rafters and kayakers to enjoy. The West Avon Preserve offers more than 11 miles of mountain bike trails accessible from the Town's paved bike paths with a variety of terrain for all ability levels. Offering several championship golf courses, Eagle County has earned a rating by Golf Digest Magazine as one of the top 40 golf communities in which to live. Other summer activities include hiking, horseback riding, bicycling, kayaking, and rafting, as well as other recreational sports.

Property Values. Property tax, which is based on assessed property values and a mill rate, represents approximately fifteen percent of the Town's total tax revenues. Assessed values are dependent upon real property growth and market values of property, along with assessment ratios established by the State legislature. In Avon, real property assessed values decreased slightly by 0.31 percent in 2020.

Current Initiatives

Council places a high priority on maintaining the existing level of municipal services in 2021 for the purpose of community stability and support of the local economy. All levels of service and staffing to support those levels of service remain the same as 2020.

Transit: Avon budgeted for substantial increases in transit services in order to provide a comparable level of skier bus service considering the severe limitations on capacity established by Colorado Public Health and Environment and Colorado Department of Transportation. Public transit mandates by the State of Colorado limit capacity to 50% of existing seats, which reduces full-seated and standing-room capacity of each bus by 75%. Avon purchased two additional busses and plans to roughly quadruple the number of busses operating during peak morning and afternoon periods to connect to the Beaver Creek Ski Resort. The Skier Bus transit operation is an essential link in the winter economy for the lodging, restaurant, and retail businesses in Avon. Changes for 2021 include the addition of a full-time Transit Supervisor position, additional bus drivers and additional hours of bus operations.

Building Department: Despite the Pandemic, or due to the Pandemic, Avon is experiencing significant large-scale construction and real estate activity. Avon is seeking to improve our Building Inspection services with an increase from a part-time Building Permit Technician to a full-time certified Building Permit Technician position.

Letter of Transmittal
Town of Avon, Colorado
July 13, 2021

Public Works: A master gardener position is added for 2021 in order to provide more dedicated and focused attention to the Town's streetscape plantings and park plantings. Avon has expanded and upgraded its streetscapes over the last couple years, including the Beaver Creek Boulevard improvements finished last year. In addition, Avon is constructing and installing significant improvements throughout Nottingham Park over the next two years which will include expanded areas of enhanced landscaping.

Capital Improvement Projects

The Town updates its capital improvements long-range plan annually. Anticipated major projects include the Old Town Hall asbestos mitigation and demolition, replacement of the EPDM (ethylene propylene diene terpolymer) roof at the Fleet Maintenance facility, floor replacement and deck railing for the Avon Pavilion, Avon Recreation Center locker replacements, Avon Road/I70 Overpass safety and pedestrian improvements, and Buck Creek and Mikaela Way street repairs.

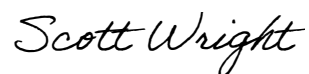
Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Avon for its annual financial report (CAFR) for the fiscal year ended December 31, 2019. This was the twenty-eighth consecutive year that the Town has received this prestigious award. In order to be awarded a Certificate of Achievement, the Town published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report could not have been possible without the efficient and dedicated services of the entire staff of the Finance Department. Each member of the department has my sincere appreciation for the contributions made in the preparation of this report. Due credit should also be given to the Mayor, Town Council, and Town Manager for their interest, support and leadership in planning and conducting the operations of the Town in a responsible and progressive manner.

Respectfully Submitted,



Scott C. Wright, CPA, CPFO
Asst. Town Manager / Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Town of Avon
Colorado**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

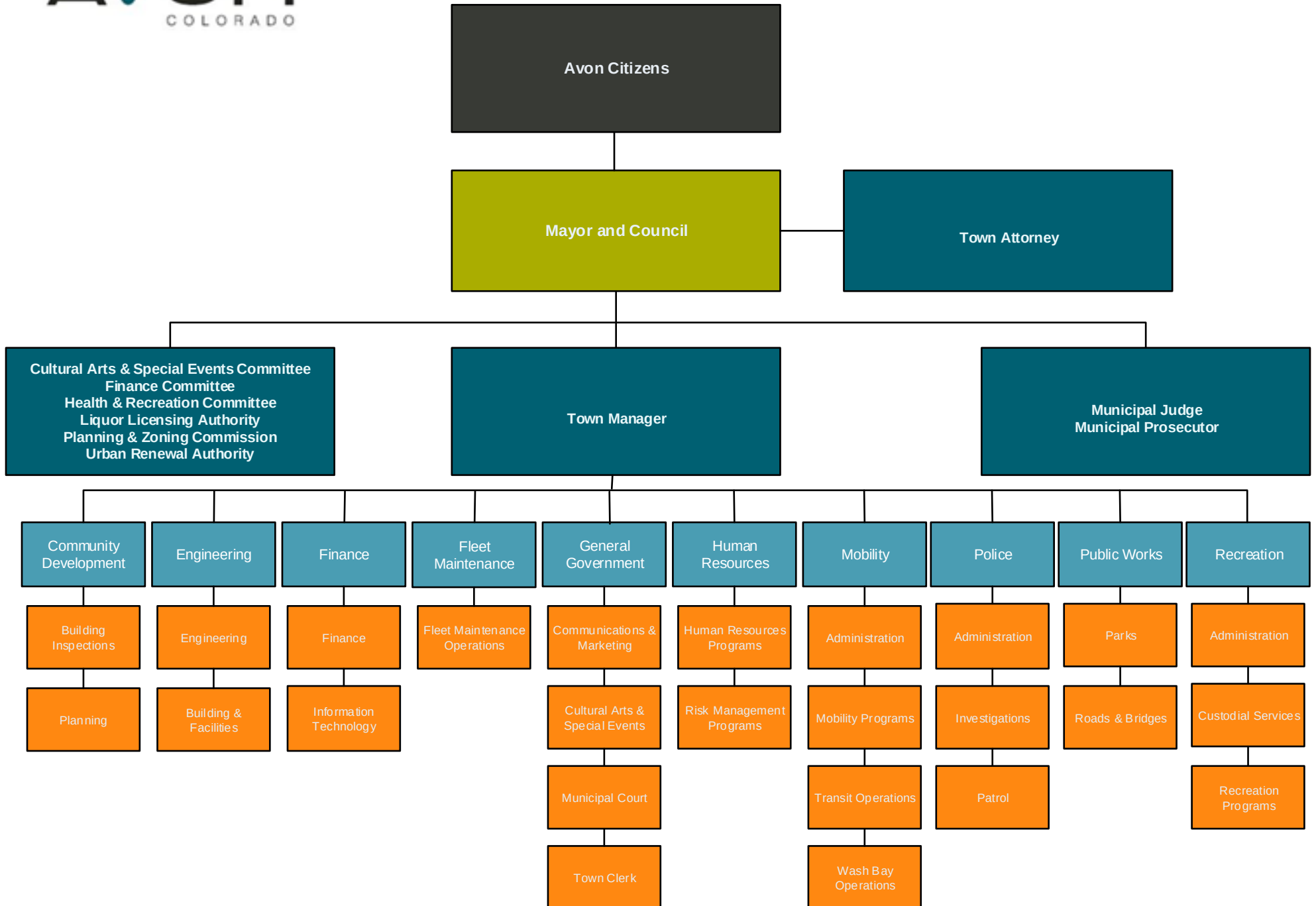
December 31, 2019

Christopher P. Morill

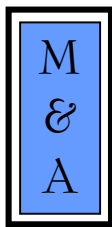
Executive Director/CEO



Organizational Chart



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McMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

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INDEPENDENT AUDITOR'S REPORT

**To the Honorable Mayor and Town Council
Town of Avon**

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Avon, Colorado, Colorado (the "Town"), as of and for the year ended December 31, 2020, 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 an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit includes 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 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 Town's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. 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 financial statement presentation.

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

Member: American Institute of Certified Public Accountants

PAUL J. BACKES, CPA, CGMA
MICHAEL N. JENKINS, CA, CPA, CGMA
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INDEPENDENT AUDITOR'S REPORT
To the Honorable Mayor and Town Council
Town of Avon, Colorado

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, each major fund, and the aggregate remaining fund information of Town of Avon, Colorado, Colorado as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 4 – 17 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.

The budgetary comparison information on pages 64-74 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. The budgetary comparison 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's financial statements taken as a whole. The introductory section, combining fund financial statements, individual fund budgetary information, the Debt Schedule, the Local Highway Finance Report, and the statistical section listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the Town's financial statements. The combining fund financial statements, the individual fund budgetary information, the Debt Schedule, detailed budgetary schedules and the Local Highway Finance Report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such 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. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

INDEPENDENT AUDITOR'S REPORT
To the Honorable Mayor and Town Council
Town of Avon, Colorado

Other Matters – Continued

Additionally, the Schedule of Expenditures of Federal Awards included in the Single Audit section is presented for the purpose of additional analysis, as required by Title 2, U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"), and are not a required part of the Town's financial statements. Such 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 statement 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 Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 6, 2021 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.



McMahan and Associates, L.L.C.
Avon, Colorado
July 6, 2021

Management's Discussion and Analysis

As management of the Town of Avon, we offer readers of the Town of Avon's financial statements this narrative overview and analysis of the financial activities of the Town of Avon for the fiscal year ended December 31, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

- The assets of the Town exceeded its liabilities and deferred inflows at the close of its fiscal year ended December 31, 2020 by \$101,688,341 (net position). Of this amount, \$30,271,626 is unrestricted and may be used to meet the Town's ongoing obligations to citizens and creditors in accordance with the Town's fund designation and fiscal policies as more fully described below.
- The Town's total net position increased by \$4,630,800.
- As of the close of the fiscal year, the Town's governmental funds reported combined ending fund balances of \$25,620,630, an increase of \$5,888,703 from the prior year. Approximately 36.8 percent of this total amount, \$9,423,824, is available for spending at the Town's discretion (unassigned fund balance).
- The unassigned fund balance for the General Fund was \$9,373,237, or 56.2 percent of total General Fund expenditures and other financing uses. This represents a \$1,980,567 increase, or 26.8 percent, from the prior year.
- The Town of Avon's long-term liabilities decreased by a net \$2,273,207 during the current fiscal year. Regular principal payments were made on bonded debt of \$1,564,010 and capital leases of \$109,364. Two existing bonds were defeased by issuing new bonds at lower interest rates resulting in an economic gain of \$816,857 and cash flow savings of \$2,110,792.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Town of Avon's basic financial statements. The Town's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the Town of Avon's finances, in a manner similar to a private sector business.

The *statement of net position* presents information on all of the Town of Avon's assets and liabilities, with the difference between the two reported as net position. Over time, increases or

decreases in net position may serve as a useful indicator of whether the financial position of the Town 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 change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused compensated absences).

Both of the government-wide financial statements distinguish functions of the Town of Avon that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Town of Avon include general government, community development, public safety, public works and utilities, and recreation and culture. The business-type activities of the Town include mobility and fleet maintenance operations.

The government-wide financial statements include not only the Town of Avon itself (known as the *primary government*), but also the Avon Urban Renewal Authority, a legally separate entity, which was established in August 2007 to undertake urban renewal plans and projects with the Town. All members of the governing body are Town Council members. For financial reporting purposes, AURA is blended into the Town's financial statements and is reported as a major fund in the basic financial statements.

The government-wide financial statements can be found on pages 19-21 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Avon, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories: governmental funds and proprietary funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Town's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Town of Avon maintains nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Avon Urban Renewal Authority Fund, Debt Service Fund and Capital Projects Fund, all of which are considered to be major funds. Data from the other five nonmajor governmental funds (Water Fund, Community Enhancement Fund, Affordable Housing Fund, Exterior Energy Offset Fund, and Disposable Paper Bag Fee Fund) are combined into a single, aggregate presentation.

Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report. The basic governmental fund financial statements can be found on pages 22-25 of this report.

Proprietary funds. The Town of Avon maintains two different types of proprietary funds. *Enterprise funds* are used to report the same function presented as business-type activities in the government-wide financial statements. The Town of Avon uses enterprise funds to account for its mobility operations and its fleet maintenance operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the Town's various functions. The Town of Avon uses an internal service fund to account for the rental of vehicles and equipment to Town departments for the accumulation of funds for future replacement. Because this service predominately benefits governmental rather than business-type functions, it has been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the mobility fund and the fleet maintenance fund operations. Separate information is also provided for the Town's internal service fund. The basic proprietary fund financial statements can be found on pages 26-29 of this 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 30-54 of this report.

Required Supplemental Information. In addition to the basic financial statements and accompanying notes, this report also presents certain other required supplemental information. The Town of Avon adopts an annual appropriated budget for its General Fund and major special revenue fund. Budgetary comparison statements have been provided for the General Fund and the Avon Urban Renewal Authority Fund to demonstrate compliance with these budgets and can be found on pages 55-56 of this report.

Other Supplemental Information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented under other supplemental information immediately following the required supplemental information. Individual fund statements and schedules and other miscellaneous schedules can also be found in this section on pages 59-91 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Avon, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$101,688,341 as of December 31, 2020.

The largest portion of the Town's net position (67.9%) reflects its investment in capital assets (e.g. land, buildings, machinery and equipment, and infrastructure), net of any related debt used to acquire those assets that is still outstanding. The Town uses these assets to provide services to citizens, consequently, these assets are not available for future spending. Although the Town's investment in 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.

An additional portion of the Town's net position (2.3%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (29.8%) may be used to meet the Town's ongoing obligations to citizens and creditors.

Condensed Net Position

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Government</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Current and Other Assets	\$ 36,655,572	\$ 29,079,321	\$ 1,214,841	\$ 815,268	\$ 37,870,413	\$ 29,894,589
Restricted Assets	657,821	1,806,196	-	-	657,821	1,806,196
Capital Assets, net	<u>74,591,931</u>	<u>78,061,580</u>	<u>24,185,602</u>	<u>12,828,371</u>	<u>98,777,533</u>	<u>90,889,951</u>
Total Assets	<u>111,905,324</u>	<u>108,947,097</u>	<u>13,531,559</u>	<u>13,643,639</u>	<u>125,418,883</u>	<u>122,590,736</u>
Deferred Outflow of Resources	<u>143,640</u>	<u>-</u>	<u>17,663</u>	<u>-</u>	<u>143,640</u>	<u>-</u>
Other Liabilities	2,999,234	2,349,315	148,012	161,327	3,147,246	2,510,642
Noncurrent Liabilities	<u>16,530,777</u>	<u>18,436,163</u>	<u>2,126,570</u>	<u>2,494,392</u>	<u>18,657,347</u>	<u>20,930,555</u>
Total Liabilities	<u>19,530,011</u>	<u>20,785,478</u>	<u>2,274,582</u>	<u>2,655,719</u>	<u>21,804,593</u>	<u>23,441,197</u>
Deferred Inflows of Resources	<u>2,045,276</u>	<u>2,045,905</u>	<u>41,976</u>	<u>46,093</u>	<u>2,087,252</u>	<u>2,091,998</u>
Net Position:						
Net Investment in Capital Assets	58,743,303	60,035,630	10,299,819	10,401,752	69,043,122	70,437,382
Restricted	2,373,593	3,317,607	-	-	2,373,593	3,317,607
Unrestricted	<u>29,356,781</u>	<u>22,762,477</u>	<u>914,845</u>	<u>540,075</u>	<u>30,271,626</u>	<u>23,302,552</u>
Total Net Position	<u>\$ 90,473,677</u>	<u>\$ 86,115,714</u>	<u>\$ 11,214,664</u>	<u>\$ 10,941,827</u>	<u>\$101,688,341</u>	<u>\$ 97,057,541</u>

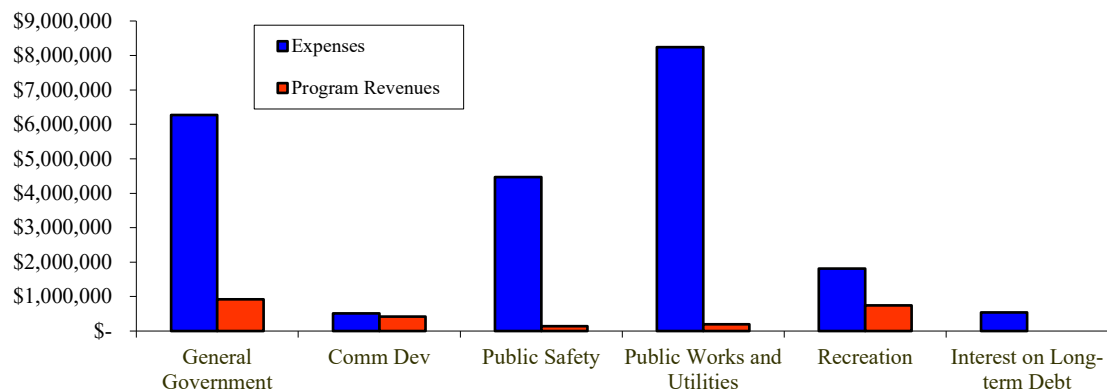
Analysis of the Town's Operations

Overall, the Town's net position increased by \$4,630,800 for 2020. Governmental activities increased net position by \$4,357,963, while business-type activities increased net position by \$272,837. The largest contributors to the overall increase was the sale of the Town's interest in the Buffalo Ridge Housing project of \$1.5 million, a significant excess of real estate transfer taxes compared to estimates of almost \$3 million, and positive capital project expenditure variances of \$1.9 million.

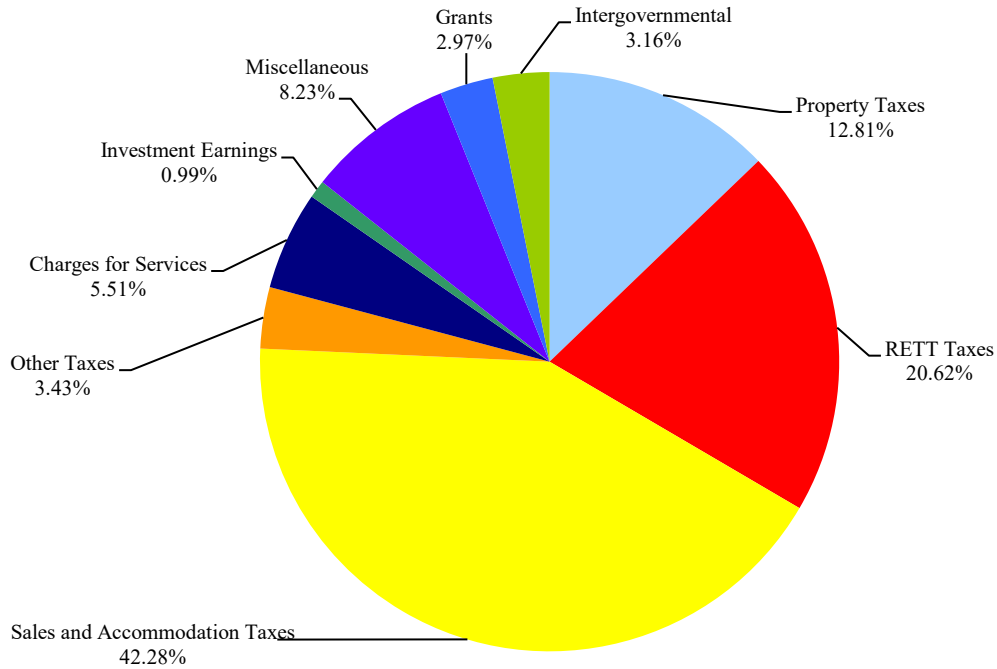
Change in Net Position

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Government</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
REVENUES						
Program Revenues:						
Charges for Services	\$ 1,601,708	\$ 3,053,575	\$ 1,813,132	\$ 1,644,868	\$ 3,414,840	\$ 4,698,443
Operating Grants and Contributions	826,152	89,873	646,470	245,980	1,472,622	335,853
Capital Grants and Contributions	37,206	815	-	-	37,206	815
General Revenues:						
Taxes:						
Property Taxes	3,727,486	3,226,470	41,633	41,630	3,769,119	3,268,100
Real Estate Transfer Tax	5,998,950	5,001,145	-	-	5,998,950	5,001,145
Sales and Accommodation Taxes	11,303,195	11,438,117	-	-	11,303,195	11,438,117
Other Taxes	996,839	990,898	-	-	996,839	990,898
Unrestricted Investment Earnings	288,927	549,998	-	-	288,927	549,998
Unrestricted Grants & Contributions	918,375	968,549	-	-	918,375	968,549
Miscellaneous	2,392,866	847,185	-	-	2,392,866	847,185
Total Revenues	28,091,704	26,166,625	2,501,235	1,932,478	30,592,939	28,099,103
EXPENSES						
Program Activities:						
Governmental Activities:						
General Government	6,274,190	5,968,157	-	-	6,274,190	5,968,157
Community Development	513,004	557,539	-	-	513,004	557,539
Public Safety	4,466,597	4,310,801	-	-	4,466,597	4,310,801
Public Works and Utilities	8,245,335	8,134,954	-	-	8,245,335	8,134,954
Recreation	1,814,889	2,160,389	-	-	1,814,889	2,160,389
Interest on Long-term Debt	538,010	617,694	-	-	538,010	617,694
Business-type Activities:						
Mobility	-	-	2,325,260	2,502,195	2,325,260	2,502,195
Fleet Maintenance	-	-	1,784,854	1,780,524	1,784,854	1,780,524
Total Expenses	21,852,025	21,749,534	4,110,114	4,282,719	25,962,139	26,032,253
Excess (Deficiency) Before Contributions and Transfers	6,239,679	4,417,091	(1,608,879)	(2,350,241)	4,630,800	2,066,850
Capital Contributions	-	(61,539)	-	61,539	-	-
Transfers	(1,881,716)	(1,700,000)	1,881,716	1,700,000	-	-
Increase (Decrease) in Net Position	4,357,963	2,655,552	(272,837)	(588,702)	4,630,800	2,066,850
Net Position, Beginning of Year	86,115,714	83,460,162	10,941,827	11,530,529	97,057,541	94,990,691
Net Position, Ending	\$ 90,473,677	\$ 86,115,714	\$11,214,664	\$10,941,827	\$101,688,341	\$ 97,057,541

Expenses and Program Revenues – Governmental Activities



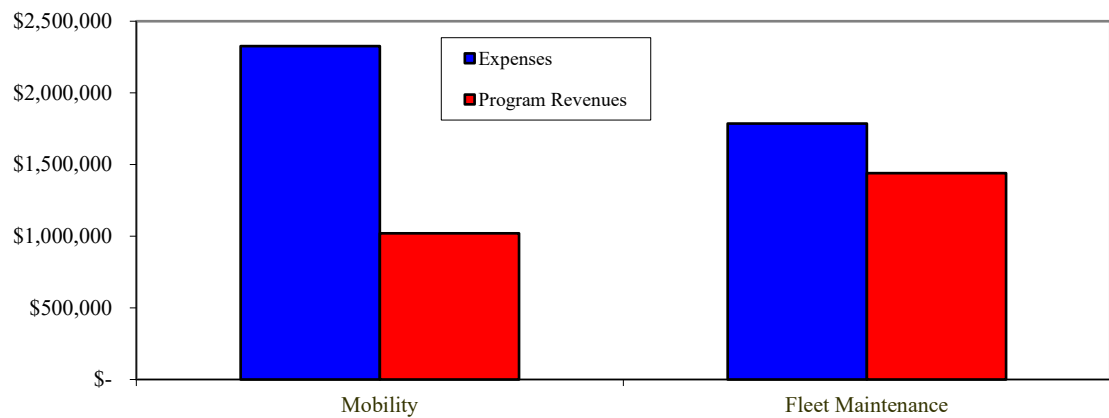
Revenues by Source – Governmental Activities



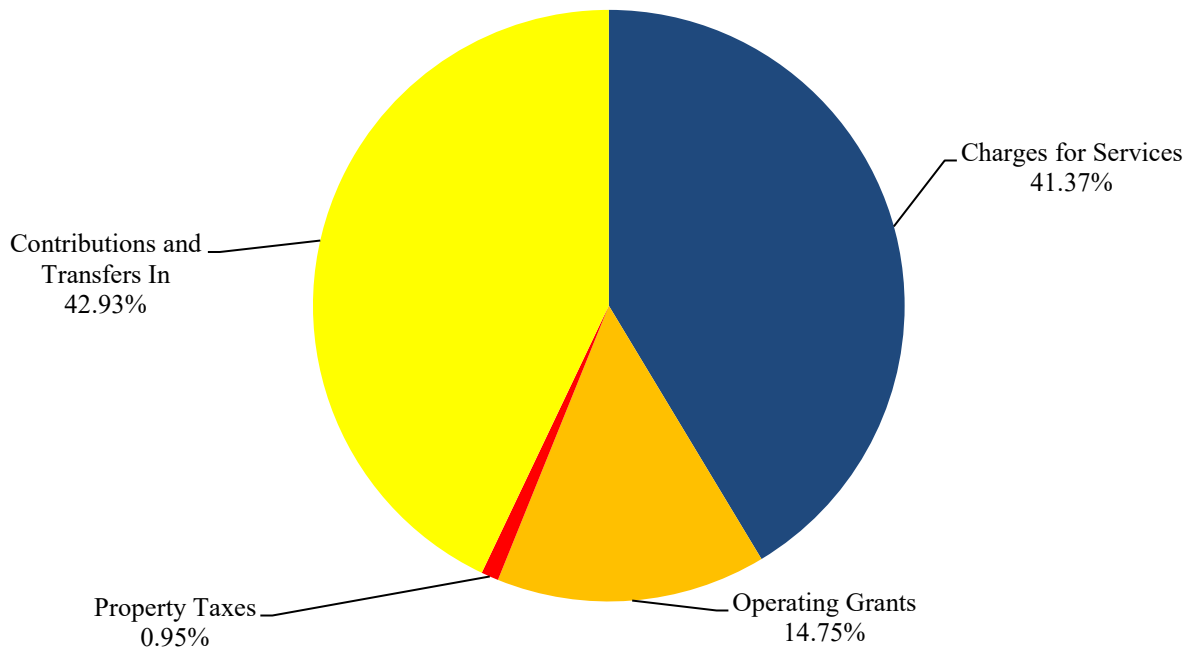
Business-type activities.

Net position of business-type activities increased by \$272,837 in 2020. The key element of this increase was unanticipated CARES Act grant funds received by the Mobility Enterprise Fund.

Expenses and Program Revenues – Business-type Activities



Revenues by Source – Business-type Activities



Financial Analysis of the Town's Funds

The following schedule presents a summary of governmental fund revenues for the year ended December 31, 2020 and the amount and percentage of increases and decreases in relation to the prior year.

Revenues	2020 Amount	Percent of Total	2019 Amount	Amount of Increase (Decrease)	Percent Increase (Decrease)
Taxes	\$22,026,470	78.48%	\$20,656,630	\$ 1,369,840	6.63%
Licenses and Permits	388,494	1.38%	752,345	(363,851)	(48.36%)
Intergovernmental	1,781,733	6.35%	1,156,632	625,101	54.04%
Charges for Services	1,173,521	4.18%	2,181,861	(1,008,340)	(46.21%)
Fines and Forfeitures	39,693	0.14%	51,535	(11,842)	(22.98%)
Investment Earnings	288,927	1.03%	549,998	(261,071)	(47.47%)
Other Revenues	<u>2,367,398</u>	<u>8.44%</u>	<u>838,635</u>	<u>1,528,763</u>	182.29%
Total	<u>\$28,066,236</u>	<u>100.00%</u>	<u>\$26,187,636</u>	<u>\$ 1,878,600</u>	

Tax revenues increased by \$1,369,840 from the prior year. Property tax collections increased by \$244,275 due to 9.35% increase in assessed values from \$208,910,930 in 2019 to \$228,439,560 in 2020. The general operating mill rate for the Town remained the same at 8.956 mills. Property tax increment revenues from the Avon Urban Renewal Authority increased by \$181,615 from the prior year due to an increase in the value of the tax increment of \$2,725,760. Sales taxes increased by \$67,593 or .74% from the previous year while accommodations taxes

were lower by \$269,055 or 18.10%. Retail sales fees (classified as a tax) from a .75% public improvement fee collected within the Village at Avon PUD increased by \$66,540. The Town also collects a 2% tax from all transfers of real property within the Town. These revenues are dedicated solely for capital improvement projects. Real estate transfer tax collections increased by \$997,805 or 19.95% in 2020. This is after a 38% increase in 2019. The five-year average for real estate transfer taxes is now over \$4.5 million per year. 2020 was the second year for the levy and collection of cigarette and tobacco taxes. Cigarette taxes, which are based on a \$3 excise tax per pack sold, were up 32.59% from the prior year, or \$61,690. Tobacco taxes, which are levied at a tax rate of 40%, increased by \$68,891 or 47.2%.

License and permit revenues decreased by \$363,851 from the previous year. Construction permit values decreased \$51,337,248 in total from the prior year with commercial permits valued at \$14,430,422 and residential construction valued at \$10,341,682. Building permit fees, business licenses and contractors licenses all decreased from the prior year.

Intergovernmental revenues increased in 2020 by \$625,101. This increase was due to CARES Act grant funds received in the amount of \$713,837 for reimbursement of COVID-19 related pandemic expenditures.

Charges for services decreased \$1,008,340 due to various shutdowns and general decreases in activity due to the COVID-19 pandemic, the largest of which was the shutdown of the Avon Recreation Center and the implementation of protocols that drastically impacted the volume of Recreation Center customers. Total recreation-related decreases were \$640,883. Other decreases included \$217,461 in water tap fees, \$54,454 in special event-related fees and charges, and \$78,937 in plan check and design review fees.

Investment earnings increased in 2020 by \$261,071 due to a reduction in interest rates by the federal reserve in response to the COVID-19 pandemic which also had the effect of shortening the length of maturities in investments in U.S Government Treasury and Agency securities and increasing the amount of funds invested in Colotrust, the local government investment pool the Town utilizes for its short-term investments and reserves.

Other revenues increased by \$1,528,763 due to the sale of the Town's interest in Buffalo Ridge II LLLP in the amount of \$1.5 million.

The following schedule presents a summary of governmental fund expenditures for the year ended December 31, 2020 and the amount and percentage of increases and decreases in relation to the prior year.

<u>Expenditures</u>	2020 <u>Amount</u>	Percent of <u>Total</u>	2019 Amount	Amount of Increase (Decrease)	Percent Increase (Decrease)
Current:					
General Government	\$ 5,522,841	28.28%	\$ 4,982,737	\$ 540,104	10.84%
Community Development	500,739	2.56%	521,129	(20,390)	(3.91%)
Public Safety	4,050,935	20.74%	3,984,465	66,470	1.67%
Public Works and Utilities	4,067,683	20.83%	4,397,725	(330,042)	(7.50%)
Parks and Recreation	1,311,887	6.72%	1,703,007	(391,120)	(22.97%)
Capital Improvements	2,111,194	10.81%	3,532,547	(1,421,353)	(40.24%)
Debt Service:					
Principal	1,414,010	7.24%	1,335,902	78,108	5.85%
Interest	429,221	2.20%	624,162	(194,941)	(31.23%)
Bond Issuance Costs	113,525	0.58%	-	113,525	N/A
Fiscal Charges	<u>7,084</u>	<u>0.04%</u>	<u>10,060</u>	<u>(2,976)</u>	<u>(29.58%)</u>
Total	<u>\$19,529,119</u>	<u>100.00%</u>	<u>\$21,091,734</u>	<u>\$ (1,562,615)</u>	

Overall, total governmental fund expenditures decreased by a net amount of \$1,562,615 in 2020. In response to the COVID-19 pandemic, a number of operating budget reductions were instituted including personnel layoffs and eliminations of positions, a freeze on salary increases, deferral of equipment replacement charges, elimination of special events and other reductions in operating costs. Additional costs in response to COVID-19 that were reimbursed by the CARES Act totaled \$713,837 which offset many of the other reductions stated above. In addition, capital improvement projects declined by \$1,421,353 due largely to impacts created by the pandemic.

Capital improvement projects completed during the 2020 year included installation of two electric vehicle charging stations, completion of security upgrades to New Town Hall, installation of park benches in Nottingham Park, and street resurfacing and asphalt overlays on Eaglebend Dr. and Yoder Ave.

At the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$25,620,630, an increase of \$5,888,703 from the prior year. Of this total, \$2,373,593 is restricted due to external limitations on its use such as legal restrictions, or intention of grantors, donors, or trustees. A total of \$13,823,213 has been committed or assigned meaning there are limitations resulting from its intended use, such as construction of capital assets, community housing, and for other purposes. The remaining \$9,423,824 is unassigned and can be used for any lawful purpose.

General Fund. The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund is \$9,373,237, while total fund balance is \$10,202,887. As a measure of the General Fund's liquidity, it is useful to compare the unassigned fund balance and total fund balance to total fund expenditures and other financing sources. Unassigned fund balance represents 56.2% of total fund expenditures and other financing uses, while total fund balance represents 61.1% of that same amount.

The fund balance of the General Fund increased by \$2,004,352, or 24%, in 2020. This increase is due largely to the reduction in operating expenditure as discussed above.

The fund balance of the General Fund represents 57.3% of 2021 General Fund appropriations or the equivalent of almost 7 months of operations. The Town has felt it necessary to retain this level of fund balance because of its heavy reliance on sales tax revenues. The Town's position as a resort community also places a heavy reliance upon several other factors including weather, the national economy, and tourism in general. The Town's fund balance provides the resources necessary to be more adaptable to the short-term financial environment and limits the need for capital financing.

Avon Urban Renewal Fund. At the end of the current fiscal year, the Avon Urban Renewal Fund had an ending fund balance of \$22,942. This amount is unassigned. The fund transferred \$700,000 to the Capital Projects Fund to be used for Tract G projects in the future. Fund balance decreased by \$576,047 in 2020 due to the use of existing bond reserves in refunding the Series 2013 Tax Increment Revenues Bonds.

Debt Service Fund. The Debt Service Fund has a fund balance at the end of the fiscal year of \$27,645, all of which is restricted for the payment of debt service. This amount is unassigned. Fund balance decreased by \$506,208 in 2020 due to the use of existing bond reserves in refunding the Series 2010 Certificates of Deposit.

Capital Projects Fund. The Capital Project Fund has an ending fund balance at the end of the fiscal year of \$12,101,243, an increase of \$3,378,892 from the prior year. This substantial increase is due to larger than anticipated real estate transfer taxes collected during the year. Restricted fund balances represent escrowed monies for future asphalt repairs pursuant to a lawsuit settlement in the amount of \$657,821. The remaining amount of \$11,443,422 is committed entirely to capital improvement projects.

Non-major Funds. The aggregate non-major funds have a combined fund balance of \$3,265,913. The net increase in fund balance during the current fiscal year in the aggregate non-major funds was \$1,587,714. The Community Housing Fund had a large positive net change in fund balance of \$1,333,263 that was the result of the sale of the Town's interest in Buffalo Ridge II LLLP.

General Fund Budgetary Highlights

The 2020 budget was guided by the *2020 Town of Avon Strategic Plan*, which was updated during the 2020 budget process. The *Strategic Plan* was developed to help guide decision-making for ensuring that investments and programs reflect Council priorities in achieving the vision and adopted plans of the Town of Avon. The 2020 budget has been developed to address priorities identified in the *Strategic Plan* with major emphasis on the following:

- Improve and enhance Avon's community engagement practices in order to increase community participation, including (1) improving the Town's community survey, (2) enhancements to the avon.org website, (3) implementing a Spanish proficiency initiative, (4) creating a new owner information letter, (5) creating a Finance Committee and a Health and Recreation Committee.
- Continue to implement the goals and objectives of the *2018 Avon Community Housing Plan*.

- Plan, design, and construct various improvement to Nottingham Park as identified in the Capital Improvement Program, including public restrooms at Old Town Hall site, expanded North access, beach area restrooms, landscape enhancements, and field improvements.
- Continue to implement the priorities from the 2016 *Town of Avon Climate Action Plan* which will help Avon achieve the goal of reducing greenhouse gas emissions by 25% by the year 2025.
- Invest in multi-modal improvements prioritizing walkability and bicycle use, transit-oriented development, parking, and wayfinding.

A number of budget changes are typically made throughout the year and at the Town's adoption of its final revised budget in December. For the most part these changes are very minor and the increases and decreases are offsetting. The year 2020 was different in that several significant budget revisions were made in May 2021 in response to the COVID-19 pandemic. The difference between the original budget and the final amended budget resulted in a decrease of \$1,098,111 in appropriations and a decrease of \$694,104 in estimated revenues from the original budget.

In the General Fund, actual revenues exceeded estimates by a total of \$912,964. Sales tax revenues ended the year with an increase of 0.11% over the prior year. Departmental expenditures ended the year under the final revised budget by a net total of \$842,201.

Capital Assets and Debt Administration

Capital assets. The Town of Avon's investment in capital assets for its governmental and business-type activities as of December, 31, 2020, amounts to \$86,890,649 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, public art, water rights, construction in progress, buildings and building improvements, utility systems, machinery and equipment, and infrastructure (see table below). The total decrease in the Town's investment in capital assets for the current fiscal year was 4.4% (a 4.4% decrease for governmental activities and a 4.1% decrease for business-type activities).

Major capital assets events during the current fiscal year included the following:

- Governmental-type asset additions totaled \$2,649,782 in 2020. Business-type additions totaled \$22,000.
- Three projects began the year under Construction-in-Progress: (1) Fiber – Pavilion to New Town Hall; (2) Pavilion Retractable Door; and (3) Benchmark Dr. On-Street Parking. During the year ended December 31, 2020, two of these projects (Items 1 and 2) were completed and capitalized at a total cost of \$883,662.
- Other capital improvement projects completed during the 2020 year included two electric vehicle charging stations (\$56,425), and installation of park benches in Nottingham Park (\$26,000).
- In Business-type activities, two used busses were purchased in the Mobility Fund at a cost of \$22,000 to be used to satisfy social distancing protocols for transit operations.

- In the Equipment Replacement Fund a total of \$496,561 in equipment was capitalized including \$46,562 in new athletic and fitness equipment, one new police patrol vehicle and one administrative vehicle (\$95,879), computer and audio/visual equipment (\$81,509) and various other machinery and equipment totaling \$124,587.

Town of Avon's Capital Assets (net of depreciation)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Land	\$ 11,449,801	\$ 11,640,671	\$ 411,834	\$ 411,834	\$11,861,635	\$12,052,505
Public Art	1,361,400	1,361,400	-	-	1,361,400	1,361,400
Water Rights	1,792,959	1,792,959	-	-	1,792,959	1,792,959
Construction in Progress	618,412	336,340	-	-	618,412	336,340
Depreciable Land Improv.	-	-	-	-	-	-
Buildings	16,959,583	17,573,287	11,096,905	11,130,927	28,056,488	28,704,214
Utilities	2,650,844	2,877,759	-	-	2,650,844	2,877,759
Mach. & Equip.	2,854,785	3,166,119	789,979	1,285,610	3,644,764	4,451,729
Infrastructure	<u>36,904,147</u>	<u>39,313,045</u>	<u>-</u>	<u>-</u>	<u>36,904,147</u>	<u>39,313,045</u>
Total	<u>\$74,591,931</u>	<u>\$78,061,580</u>	<u>\$12,298,718</u>	<u>\$12,828,371</u>	<u>\$86,890,649</u>	<u>\$90,889,951</u>

Additional information on the Town of Avon's capital assets can be found in Note 4 on pages 40-41 of this report.

Long-term debt. At the end of the current fiscal year, the Town of Avon had total long-term debt outstanding in the amount of \$17,329,223. Certificates of Participation which evidence assignments of proportionate interests in the right to receive payments pursuant to annually renewable lease agreements total \$11,361,000. The remainder of the Town's debt, \$5,968,223 represents bonds secured solely by specified revenue sources (i.e. revenue bonds).

Town of Avon's Outstanding Debt

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenue Bonds	\$ 5,968,223	\$ 7,053,286	\$ -	\$ -	\$ 5,968,223	\$ 7,053,286
Certificates of Participation	<u>9,535,000</u>	<u>10,395,000</u>	<u>1,826,000</u>	<u>2,170,000</u>	<u>11,361,000</u>	<u>12,565,000</u>
Total	<u>\$15,503,223</u>	<u>\$17,448,286</u>	<u>\$ 1,826,000</u>	<u>\$ 2,170,000</u>	<u>\$17,329,223</u>	<u>\$19,618,286</u>

The Town of Avon's long-term debt decreased by a net amount of \$2,289,063 during the current fiscal year. Regular principal payments were made on bonded debt of \$1,564,010. Two existing bonds were defeased by issuing new bonds at lower interest rates resulting in an economic gain of \$816,857 and cash flow savings of \$2,110,792. No other new debt was issued in 2020.

The Avon Town Charter limits the amount of general obligation debt the Town may issue to 25% of assessed valuation of all taxable property within the Town, or \$15 million, whichever is greater. The current legal debt margin for the Town is \$57,092,328. The Town has no outstanding general obligation bonds outstanding as of December 31, 2020. In addition, the Town's total debt per capita is \$2,743. Additional information on the Town's long-term debt can be found in Note 5 on pages 41-47 of this report.

Economic Factors and Next Year's Budget and Rates

2021 Budget Highlights

CORONAVIRUS PANDEMIC: The Pandemic is the most significant influencer of the 2021 budget such that projections of revenues were speculative and directly dependent upon public health orders and visitor confidence to travel to Avon. Significant increases in expenditures were planned for Town operations to comply with public health orders and to provide a safe work environment, and budgeted expenditures exceed projected revenues in order to maintain a consistent level of municipal services in 2021.

LEVEL OF SERVICE: Council places a high priority on maintaining the existing level of municipal services in 2021 for the purpose of community stability and support of the local economy. All levels of service and staffing to support those levels of service remain the same as 2020.

Transit: Avon budgeted for substantial increases in transit services in order to provide a comparable level of skier bus service considering the severe limitations on capacity established by Colorado Public Health and Environment and Colorado Department of Transportation. Public transit mandates by the State of Colorado limit capacity to 50% of existing seats, which reduces full-seated and standing-room capacity of each bus by 75%. Avon purchased two additional busses and plans to roughly quadruple the number of busses operating during peak morning and afternoon periods to connect to the Beaver Creek Ski Resort. The Skier Bus transit operation is an essential link in the winter economy for the lodging, restaurant and retail businesses in Avon. Changes for 2021 include the addition of a full-time Transit Supervisor position, additional bus drivers and additional hours of bus operations.

Building Department: Despite the Pandemic, or due to the Pandemic, Avon is experiencing significant large-scale construction and real estate activity. Avon is seeking to improve our Building Inspection services with an increase from a part-time Building Permit Technician to a full-time certified Building Permit Technician position.

Public Works: A master gardener position is added for 2021 in order to provide more dedicated and focused attention to the Town's streetscape plantings and park plantings. Avon has expanded and upgraded its streetscapes over the last couple years, including the Beaver Creek Boulevard improvements finished last year. In addition, Avon is constructing and installing significant improvements throughout Nottingham Park over the next two years which will include expanded areas of enhanced landscaping.

GENERAL FUND: Due to a decrease in projected revenues and maintenance of existing levels of service, General Fund expenditures (**\$17,814,663**) are budgeted to exceed projected revenues (**\$16,857,754**) by **\$956,909**. Estimated beginning of year fund balances are \$8,447,722 and end of year fund balances are projected at \$7,490,813. The Town can manage deficit spending in 2021 as a result of maintaining healthy fund balances. The Town's budgetary policies require setting aside fund balance reserves of 27% of expenditures for operations and 3% for TABOR emergencies.

The Town's net assessed valuation decreased slightly by 0.31% in 2021, to a total gross value of 228,369,310 down from \$228,439,560 the previous year. The Town's mill rate for general operating purposes will remain at 8.956 mills. The Town does not have a debt service mill levy.

Sales tax revenues for 2021 are projected to decrease by 2% or \$119,942 over the final revised 2020 estimates, which were revised down by \$270,295, or 3% from the original adopted 2020 budget. Despite these projections, the Town has begun to realize additional sales tax revenues resulting from changes in regulations at the Colorado Dept. of Revenue that state that sales tax must be collected and remitted on the jurisdiction's tax rate at the *point of delivery* for the taxable good when taxable goods are delivered to a Colorado address outside the retailer's jurisdiction. Also being realized are additional sales taxes from out-of-state merchants who voluntarily license with and remit sales tax based on economic nexus with the Town, as defined by the recent Supreme Court case, Wayfair vs. South Dakota.

The Town's total 2021 appropriations for all funds equals \$36,528,310. Total estimated revenues for 2021 are \$30,714,619 and estimated total ending fund balances are \$16,726,763.

Requests for Information

This financial report is designed to provide a general overview of the Town of Avon's finances for all those with an interest in the Town's fiscal management. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, Town of Avon, Colorado, PO Box 975, Avon, CO 81620.

Scott Wright

Scott Wright, CPA, CPFO
Asst. Town Manager / Finance Director

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TOWN OF AVON, COLORADO

STATEMENT OF NET POSITION DECEMBER 31, 2020

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 20,818,493	\$ 469,527	\$ 21,288,020
Investments	6,806,133	-	6,806,133
Receivables	8,930,946	202,687	9,133,633
Internal Balances	100,000	(100,000)	-
Prepaid Expenses	-	154,850	154,850
Inventory	-	487,777	487,777
Restricted Assets - Cash and Cash Equivalents	657,821	-	657,821
Capital Assets, net of accumulated depreciation:			
Nondepreciable	15,222,572	411,834	15,634,406
Depreciable	59,369,359	11,886,884	71,256,243
Total Assets	111,905,324	13,513,559	125,418,883
DEFERRED OUTFLOW OF RESOURCES			
Deferred Charge on Refunding of Debt	143,640	17,663	161,303
LIABILITIES			
Accounts Payable	791,185	89,254	880,439
Accrued Liabilities	276,915	56,886	333,801
Retainages Payable	4,200	-	4,200
Accrued Interest Payable	32,796	1,872	34,668
Deposits and Reserves	1,894,138	-	1,894,138
Noncurrent Liabilities:			
Due Within One Year	1,940,345	316,602	2,256,947
Due In More Than One Year	14,590,432	1,809,968	16,400,400
Total Liabilities	19,530,011	2,274,582	21,804,593
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue: Property Taxes	2,045,276	41,976	2,087,252
NET POSITION			
Net Investment in Capital Assets	58,743,303	10,299,819	69,043,122
Restricted For:			
Emergencies	829,650	-	829,650
Capital Improvements	657,821	-	657,821
Purposes of Grantors	886,122	-	886,122
Unrestricted	29,356,781	914,845	30,271,626
Total Net Position	\$ 90,473,677	\$ 11,214,664	\$ 101,688,341

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

TOWN OF AVON, COLORADO

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2020

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$ 6,274,190	\$ 197,989	\$ 720,552	\$ -
Community Development	513,004	421,822	-	-
Public Safety	4,466,597	41,786	101,100	2,206
Public Works and Utilities	8,245,335	195,682	-	35,000
Recreation	1,814,889	744,429	4,500	-
Interest and Fiscal Charges on Long-term Debt	538,010	-	-	-
Total Governmental Activities	21,852,025	1,601,708	826,152	37,206
Business-type Activities:				
Mobility	2,325,260	372,687	646,470	-
Fleet Maintenance	1,784,854	1,440,445	-	-
Total Business-type Activities	4,110,114	1,813,132	646,470	-
Total Primary Government	\$ 25,962,139	\$ 3,414,840	\$ 1,472,622	\$ 37,206

General Revenues:

Property Taxes
 Real Estate Transfer Taxes
 Sales and Accommodation Taxes
 Other Taxes
 Unrestricted Investment Earnings
 Grants and Contributions Not Restricted
 to Specific Programs
 Miscellaneous
 Contributions and Transfers

Total General Revenues and Transfers

Increase (Decrease) in Net Position

Net Position - Beginning of Year

Net Position - End of Year

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

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-type Activities	Total
\$ (5,355,649)	\$ -	\$ (5,355,649)
(91,182)	-	(91,182)
(4,321,505)	-	(4,321,505)
(8,014,653)	-	(8,014,653)
(1,065,960)	-	(1,065,960)
(538,010)	-	(538,010)
(19,386,959)	-	(19,386,959)
-	(1,306,103)	(1,306,103)
-	(344,409)	(344,409)
-	(1,650,512)	(1,650,512)
(19,386,959)	(1,650,512)	(21,037,471)
3,727,486	41,633	3,769,119
5,998,950	-	5,998,950
11,303,195	-	11,303,195
996,839	-	996,839
288,927	-	288,927
918,375	-	918,375
2,392,866	-	2,392,866
(1,881,716)	1,881,716	-
23,744,922	1,923,349	25,668,271
4,357,963	272,837	4,630,800
86,115,714	10,941,827	97,057,541
<u>\$ 90,473,677</u>	<u>\$ 11,214,664</u>	<u>\$ 101,688,341</u>

TOWN OF AVON, COLORADO

BALANCE SHEET GOVERNMENTAL FUNDS DECEMBER 31, 2020

	General Fund	Avon Urban Renewal Fund	Debt Service Fund	Capital Projects Fund
ASSETS				
Cash and Cash Equivalents	\$ 6,432,035	\$ 23,562	\$ 29,145	\$ 8,017,900
Investments	3,543,666	-	-	3,262,467
Receivables:				
- Interest	18,516	-	-	23,903
- Taxes	4,245,779	-	-	471,909
- Accounts	29,684	-	-	-
- Intergovernmental	434,004	-	-	35,000
- Employees	8,765	-	-	-
Due from Other Funds	100,000	-	-	-
Notes Receivable	-	-	-	-
Restricted Assets - Cash and Cash Equivalents	-	-	-	657,821
Total Assets	\$ 14,812,449	\$ 23,562	\$ 29,145	\$ 12,469,000
LIABILITIES				
Accounts Payable	\$ 404,670	\$ 620	\$ 1,500	\$ 363,557
Accrued Liabilities	267,478	-	-	-
Retainages Payable	-	-	-	4,200
Deposits and Reserves	1,892,138	-	-	-
Total Liabilities	2,564,286	620	1,500	367,757
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Notes Receivable	-	-	-	-
Unavailable Revenue - Property Taxes	2,045,276	-	-	-
Total Deferred Inflows of Resources	2,045,276	-	-	-
FUND BALANCES				
Restricted For:				
Emergencies	829,650	-	-	-
Water Projects	-	-	-	-
Community Enhancement	-	-	-	-
Capital Improvements	-	-	-	657,821
Committed For:				
Capital Improvements	-	-	-	11,443,422
Exterior Energy Offset Programs	-	-	-	-
Waste Reduction Programs	-	-	-	-
Assigned For:				
Community Housing	-	-	-	-
Unassigned	9,373,237	22,942	27,645	-
Total Fund Balances	10,202,887	22,942	27,645	12,101,243
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 14,812,449	\$ 23,562	\$ 29,145	\$ 12,469,000

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

**RECONCILIATION OF TOTAL GOVERNMENTAL
FUND BALANCE TO NET POSITION OF
GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2020**

Other Governmental Funds	Total
\$ 3,141,024	\$ 17,643,666
-	6,806,133
-	42,419
-	4,717,688
85,074	114,758
53,217	522,221
-	8,765
-	100,000
2,786	2,786
-	657,821
<u>\$ 3,282,101</u>	<u>\$ 30,616,257</u>
\$ 1,965	\$ 772,312
9,437	276,915
-	4,200
2,000	1,894,138
<u>13,402</u>	<u>2,947,565</u>
2,786	2,786
-	2,045,276
<u>2,786</u>	<u>2,048,062</u>
-	829,650
638,649	638,649
247,473	247,473
-	657,821
-	11,443,422
112,804	112,804
101,130	101,130
2,165,857	2,165,857
-	9,423,824
<u>3,265,913</u>	<u>25,620,630</u>
<u>\$ 3,282,101</u>	<u>\$ 30,616,257</u>

Total Governmental Fund Balances

\$ 25,620,630

*Amounts reported for governmental activities in the
Statement of Net Position are different because:*

Capital assets used in governmental activities are not financial resources and therefore are not reported as an asset in the governmental funds.

- Capital assets	137,059,821
- Accumulated depreciation	<u>(66,578,145)</u>
	<u>70,481,676</u>

Some liabilities, including bonds, notes and leases payable, and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds.

- Tax Increment Revenue Bonds payable	(5,968,223)
- Certificates of Participation payable	(9,535,000)
- Unamortized bond premium	(252,797)
- Compensated absences payable	<u>(538,509)</u>
	<u>(16,294,529)</u>

Notes receivable are not available to pay for current period expenditures and are deferred in the governmental funds.

2,786

Long-term receivables which are not available to pay for current period expenditures and are not reported in the governmental funds.

3,522,309

Deferred outflows of resources are not available to pay for current period expenditures and therefore are deferred in the funds.

- Deferred Charge on Refunding of Debt	<u>143,640</u>
--	----------------

Accrued interest payable is recognized for governmental activities but is not due and payable in the current period and therefore is not reported as a liability in the governmental funds.

(32,796)

The internal service fund is used by management to charge the rental cost of certain vehicles and equipment to individual funds. The assets and liabilities of the internal service fund is included in governmental activities in the statement of net position.

7,029,961

Net Position of Governmental Activities

\$ 90,473,677

TOWN OF AVON, COLORADO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2020

	General Fund	Avon Urban Renewal Fund	Debt Service Fund	Capital Projects Fund
Revenues				
Taxes	\$ 14,459,430	\$ 1,568,090	\$ -	\$ 5,998,950
Licenses and Permits	328,734	-	-	-
Intergovernmental	1,746,733	-	-	35,000
Charges for Services	933,625	-	-	-
Fines and Forfeitures	39,693	-	-	-
Investment Earnings	189,169	3,503	3,624	92,480
Other Revenues	745,113	-	-	770
Total Revenues	18,442,497	1,571,593	3,624	6,127,200
Expenditures				
Current:				
General Government	4,968,825	60,018	-	-
Community Development	488,739	-	-	-
Public Safety	4,050,935	-	-	-
Public Works and Utilities	3,990,073	-	-	-
Recreation	1,311,887	-	-	-
Capital Improvements	-	-	-	2,111,194
Debt Service:				
Principal	-	636,063	703,000	74,947
Interest	-	122,619	299,550	7,052
Bond Issuance Costs	-	66,760	46,765	-
Fiscal Charges	-	700	6,384	-
Total Expenditures	14,810,459	886,160	1,055,699	2,193,193
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,632,038	685,433	(1,052,075)	3,934,007
Other Financing Sources (Uses)				
Refunding Bond Proceeds	-	4,111,000	1,973,000	-
Payments to Refunded Bond Escrow Agent	-	(4,672,480)	(2,178,218)	-
Transfers In	247,314	-	1,007,801	700,000
Transfers Out	(1,875,000)	(700,000)	(256,716)	(1,255,115)
Total Other Financing Sources (Uses)	(1,627,686)	(1,261,480)	545,867	(555,115)
Net Change in Fund Balances	2,004,352	(576,047)	(506,208)	3,378,892
Fund Balances, Beginning of Year	8,198,535	598,989	533,853	8,722,351
Fund Balances, End of year	\$ 10,202,887	\$ 22,942	\$ 27,645	\$ 12,101,243

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

**RECONCILIATION OF THE STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020**

Other Governmental Funds	Total
\$ -	\$ 22,026,470
59,760	388,494
-	1,781,733
239,896	1,173,521
-	39,693
151	288,927
1,621,515	2,367,398
<u>1,921,322</u>	<u>28,066,236</u>
493,998	5,522,841
12,000	500,739
-	4,050,935
77,610	4,067,683
-	1,311,887
-	2,111,194
-	1,414,010
-	429,221
-	113,525
-	7,084
<u>583,608</u>	<u>19,529,119</u>
<u>1,337,714</u>	<u>8,537,117</u>
-	6,084,000
-	(6,850,698)
250,000	2,205,115
-	(4,086,831)
<u>250,000</u>	<u>(2,648,414)</u>
1,587,714	5,888,703
1,678,199	19,731,927
<u>\$ 3,265,913</u>	<u>\$ 25,620,630</u>

Net change in fund balances - Total Governmental Funds	<u>\$ 5,888,703</u>
<i>Amounts reported for governmental activities in the Statement of Activities are different because:</i>	
Governmental funds report capital outlays as expenditures. However, for governmental activities, those capital outlays other than noncapitalizable items are shown in the Statement of Activities and the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:	
- Capital outlay	1,226,713
- Depreciation	<u>(4,194,569)</u>
	<u>(2,967,856)</u>
Expenses reported in the Statement of Activities that do not require the use of current financial resources are not reported as expenditures in governmental funds.	
- Change in compensated absences payable	(128,296)
- Change in accrued interest payable on outstanding bonds	15,207
- Amortization of bond premium	13,671
- Amortization of deferred charge on refunding	<u>(17,058)</u>
	<u>(116,476)</u>
Payment received on affordable housing notes receivable are reported as revenue in the governmental funds, but the repayment reduces notes receivable in the Statement of Net Position	<u>(3,589)</u>
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.	
Debt Issued or Incurred:	
- Issuance of Debt	(6,084,000)
- Deferred charge on refunding	160,698
Principal Repayments:	
- Current debt	1,339,063
- Refunded debt	<u>6,690,000</u>
	<u>2,105,761</u>
The internal service fund is used by management to charge the rental cost of certain vehicles and equipment to individual funds. The decrease in net position of the internal service fund is included in governmental activities.	<u>(548,580)</u>
Change in Net Position of Governmental Activities	<u><u>\$ 4,357,963</u></u>

TOWN OF AVON, COLORADO

STATEMENT OF NET POSITION PROPRIETARY FUNDS DECEMBER 31, 2020

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Mobility Fund	Fleet Maintenance Fund	Totals	
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 460,400	\$ 9,127	\$ 469,527	\$ 3,174,827
Receivables:				
- Taxes	41,976	-	41,976	-
- Accounts	17,685		17,685	
- Intergovernmental	-	143,026	143,026	-
Deferred Expense	154,850	-	154,850	-
Due From Other Funds	200,000	-	200,000	-
Inventory	-	487,777	487,777	-
Total Current Assets	874,911	639,930	1,514,841	3,174,827
Noncurrent Assets:				
Capital Assets:				
- Land	281,450	130,384	411,834	-
- Buildings	11,239,736	5,639,287	16,879,023	3,154,195
- Machinery and Equipment	3,018,810	302,608	3,321,418	7,153,077
- Accumulated Depreciation	(4,860,906)	(3,452,651)	(8,313,557)	(6,197,017)
Total Noncurrent Assets	9,679,090	2,619,628	12,298,718	4,110,255
Total Assets	10,554,001	3,259,558	13,813,559	7,285,082
DEFERRED OUTFLOW OF RESOURCES				
Deferred Charge on Refunding of Debt	-	17,663	17,663	-
Total Deferred Outflow of Resources	-	17,663	17,663	-
LIABILITIES				
Current Liabilities:				
Accounts Payable	17,585	71,669	89,254	18,873
Accrued Liabilities	37,275	19,611	56,886	-
Accrued Interest Payable	-	1,872	1,872	-
Compensated Absences Payable	52,551	57,457	110,008	-
Due to Other Funds	-	300,000	300,000	-
Certificates of Participation - Current	-	171,000	171,000	-
Capital Leases Payable - Current	35,594	-	35,594	76,647
Total Current Liabilities	143,005	621,609	764,614	95,520
Noncurrent Liabilities:				
Certificates of Participation	-	1,655,000	1,655,000	-
Capital Leases Payable	154,968	-	154,968	159,601
Total Noncurrent Liabilities	154,968	1,655,000	1,809,968	159,601
Total Liabilities	297,973	2,276,609	2,574,582	255,121
DEFERRED INFLOWS OF RESOURCES				
Property Tax Revenue	41,976	-	41,976	-
Total Deferred Inflows of Resources	41,976	-	41,976	-
NET POSITION				
Net Investment in Capital Assets	9,488,528	811,291	10,299,819	3,874,007
Unrestricted	725,524	189,321	914,845	3,155,954
Total Net Position	\$ 10,214,052	\$ 1,000,612	\$ 11,214,664	\$ 7,029,961

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

TOWN OF AVON, COLORADO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION PROPRIETARY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2020

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Mobility Fund	Fleet Maintenance Fund	Totals	
Operating Revenues:				
Charges for Services	\$ 263,715	\$ 1,440,345	\$ 1,704,060	\$ -
Other Operating Revenues	108,972	100	109,072	29,057
Total Operating Revenues	372,687	1,440,445	1,813,132	29,057
Operating Expenses:				
Cost of Operations	1,906,797	1,547,440	3,454,237	291
Depreciation and Amortization	411,125	140,528	551,653	802,678
Total Operating Expenses	2,317,922	1,687,968	4,005,890	802,969
Operating Income (Loss)	(1,945,235)	(247,523)	(2,192,758)	(773,912)
Nonoperating Revenues (Expenses):				
Taxes	41,633	-	41,633	-
Operating Grants	646,470	-	646,470	-
Gain (Loss) on Disposal of Capital Assets	-	-	-	25,798
Bond Issuance Costs	-	(47,585)	(47,585)	-
Interest Expense	(7,338)	(49,301)	(56,639)	-
Total Nonoperating Revenues (Expenses)	680,765	(96,886)	583,879	25,798
Income (Loss) Before Contributions and Transfers	(1,264,470)	(344,409)	(1,608,879)	(748,114)
Capital Contributions and Transfers				
Contributed Capital In (Out)	-	-	-	199,534
Transfers In (Out)	1,150,000	731,716	1,881,716	-
Total Capital Contributions and Transfers	1,150,000	731,716	1,881,716	199,534
Change in Net Position	(114,470)	387,307	272,837	(548,580)
Net Position, Beginning of Year	10,328,522	613,305	10,941,827	7,578,541
Net Position, End of Year	\$ 10,214,052	\$ 1,000,612	\$ 11,214,664	\$ 7,029,961

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

TOWN OF AVON, COLORADO

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2020

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Mobility Fund	Fleet Maintenance Fund	Totals	
Cash Flows From Operating Activities				
Cash Received from Customers and Users	\$ 262,063	\$ 639,649	\$ 901,712	\$ -
Cash Received from Interfund Services Provided	-	758,362	758,362	-
Cash Payments to Suppliers	(498,705)	(590,399)	(1,089,104)	(24,535)
Cash Payments to Employees	(987,755)	(910,008)	(1,897,763)	-
Cash Payments for Interfund Services Used	(352,875)	(4,524)	(357,399)	-
Other Operating Revenues	108,972	33,192	142,164	29,057
Net Cash Provided by (Used in) Operating Activities	<u>(1,468,300)</u>	<u>(73,728)</u>	<u>(1,542,028)</u>	<u>4,522</u>
Cash Flows From Noncapital Financing Activities				
Taxes Received	41,633	-	41,633	-
Grants Received	646,470	-	646,470	-
Net Borrowings (To) From Other Funds	152,500	(152,500)	-	-
Transfers In from Other Funds	1,150,000	731,716	1,881,716	-
Net Cash Provided by Noncapital Financing Activities	<u>1,990,603</u>	<u>579,216</u>	<u>2,569,819</u>	<u>-</u>
Cash Flows From Capital Financing Activities				
Acquisition and Construction of Capital Assets	(22,000)	-	(22,000)	(223,952)
Proceeds from Sales of Capital Assets	-	-	-	73,451
Proceeds from Refunding Bonds	-	2,010,000	2,010,000	-
Payments to Refunded Bond Escrow Agent	-	(2,219,131)	(2,219,131)	-
Payments for Bond Issuance Costs	-	(47,585)	(47,585)	-
Interest Paid on Long-term Debt	(7,338)	(55,899)	(63,237)	-
Principal Paid on Long-term Debt	(34,417)	(184,000)	(218,417)	-
Net Cash Used in Capital Financing Activities	<u>(63,755)</u>	<u>(496,615)</u>	<u>(560,370)</u>	<u>(150,501)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	458,548	8,873	467,421	(145,979)
Cash and Cash Equivalents, Beginning of Year	<u>1,852</u>	<u>254</u>	<u>2,106</u>	<u>3,320,806</u>
Cash and Cash Equivalents, End of Year	<u>\$ 460,400</u>	<u>\$ 9,127</u>	<u>\$ 469,527</u>	<u>\$ 3,174,827</u>

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

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Transit Fund	Fleet Maintenance Fund	Totals	
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES				
Operating Loss	<u>\$ (1,945,235)</u>	<u>\$ (247,523)</u>	<u>\$ (2,192,758)</u>	<u>\$ (773,912)</u>
Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used in) Operating Activities				
Depreciation and Amortization	411,125	140,528	551,653	802,678
Change in Assets and Liabilities:				
Increase in Accounts Receivable	(17,685)	-	(17,685)	-
(Increase) Decrease in Intergov. Receivable	16,033	(9,242)	6,791	-
Increase in Deferred Expense	37,863	-	37,863	-
Decrease in Inventory	-	41,258	41,258	-
Increase (Decrease) in Accounts Payable	1,141	(22,297)	(21,156)	(24,244)
Increase in Accrued Liabilities	12,643	1,624	14,267	-
Increase in Compensated Absences Payable	15,815	21,924	37,739	-
Total Adjustments	<u>476,935</u>	<u>173,795</u>	<u>650,730</u>	<u>778,434</u>
Net Cash Provided by (Used in) Operating Activities	<u><u>\$ (1,468,300)</u></u>	<u><u>\$ (73,728)</u></u>	<u><u>\$ (1,542,028)</u></u>	<u><u>\$ 4,522</u></u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES				
Noncash Transactions Affecting Financial Position				
Contributions of Capital Assets from				
Governmental Activities	\$ -	\$ -	\$ -	\$ 124,587
Capital Assets Disposed	-	-	-	(47,653)
Principal on Capital Leases Paid from				
Governmental Activities	-	-	-	74,947
Amortization of Deferred Charge on				
Refunding of Debt	-	1,779	1,779	-
Amortization of Premium and Gain on				
Refunding of Debt	-	(1,953)	(1,953)	-
	<u><u>\$ -</u></u>	<u><u>\$ (174)</u></u>	<u><u>\$ (174)</u></u>	<u><u>\$ 151,881</u></u>

TOWN OF AVON, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2020

The financial statements of the Town of Avon have been prepared in conformity with generally accepted accounting principles (“GAAP”) as applied to governmental entities. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting board for establishing governmental accounting and financial reporting principles. The following notes are an integral part of the Town’s Annual Financial Report.

Note 1. Summary of Significant Accounting Policies

A. Financial Reporting Entity

Primary Government. The Town of Avon, Colorado, was incorporated as a Town on April 24, 1978. On June 13, 1978, the citizenry voted to become a Home Rule City, as authorized by Article 20 of the Colorado State Constitution. The Town operates under a Council-Manager form of government and provides the following services as authorized by its charter: public safety, highways and streets, culture-recreation, public improvements, community development, planning and zoning, transportation, and general administrative services.

As required by generally accepted accounting principles, these financial statements present the Town of Avon (the primary government) and its component unit for which the Town is considered financially accountable. Financial accountability exists if the Town appoints a voting majority of an organization’s governing board and is able to impose its will on the organization, or if the organization provided benefits to, or imposes financial burdens upon the Town. Blended component units, although legally separate entities, are, in substance, part of the Town’s operations, so data from these units are combined with data of the Town.

The Town’s blended component units are –

Avon Urban Renewal Authority – The Avon Urban Renewal Authority (AURA) was created pursuant to Urban Renewal Law of the State of Colorado on June 26, 2007 by Town Resolution No. 07-20 for the purpose of undertaking certain urban renewal activities within the Town. The boundaries of the AURA are coterminous with the boundaries of the Town. The bylaws of the AURA provide that the members of the Avon Town Council shall constitute the Commissioners of the AURA and the Town Manager serves as the Executive Director and Secretary. While the AURA is a separate legal entity, for financial reporting purposes it is blended with the Town’s financial statements and is reported in a special revenue fund as a blended component unit. The Town has a “moral obligation” for the repayment of urban renewal authority bonds. The Town accounts for the collection of tax increment property tax revenues and maintains all accounting records. A separate budget is adopted by the AURA Commissioners.

Avon General Improvement District No. 1 – The Town of Avon General Improvement District No. 1 was organized on August 28, 2007, by adoption of Ordinance No. 07-07. The services to be provided within and for the District include transportation and recreation

services and include the property known as Lots 1 and 2 of the final plat of the Chateau St. Claire subdivision, now commonly known as the Ascent. The members of the Avon Town Council constitute the Board of the District. The District levies a property tax to be used for transportation operations. Because the governing body of the District is substantively the same as the Town and there is a financial benefit between the District and the Town, for financial reporting purposes the District is blended into the Town's financial statements and is reported in the Mobility enterprise fund as a blended component unit. Separate budgets and financial statements of the District are not adopted or issued.

B. Government-wide and Fund Financial Statements

Government-wide Financial Statements. The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) report information on all non-fiduciary activities of the Town (the primary government) and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which primarily rely on fees and charges for support. Generally, interfund activity has been eliminated from the government-wide financial statements except for interfund services provided and used.

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

Fund Financial Statements. Fund financial statements report detailed information about the Town with the focus on major funds rather than on reporting funds by type. Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column. The internal service fund is presented in a single column on the face of the proprietary fund statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Measurement Focus and Basis of Accounting. The government-wide financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements. Revenues are recognized when earned and expenses are recognized when the liability is incurred regardless of the timing of related cash flows. Depreciation is

TOWN OF AVON, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2020

computed and recorded as an operating expense. Expenditures for property, plant and equipment are shown as increases in assets and redemption of bonds and notes are recorded as a reduction in liabilities.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period (60 days). The major sources of revenue which are susceptible to accrual are property taxes, accommodations and sales taxes, and certain intergovernmental revenues. Expenditures generally are recorded when the liability is incurred, as under full accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Financial Statement Presentation – Fund Accounting. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts which are segregated for the purpose of accounting for specific activities. The Town uses funds to report results of operations and financial position, and demonstrate compliance with legal, contractual and regulatory requirements.

The Town's funds are classified into two broad fund categories and six generic fund types for financial reporting purposes: Governmental funds include the general, special revenue, debt service, and capital projects funds. Proprietary funds include enterprise funds and an internal service fund.

The Town's major governmental funds are:

- *General Fund* – This is the Town's primary operating fund. It is used to account for all activities of the Town not required to be accounted for in some other fund.
- *Avon Urban Renewal Fund* – This fund is used to account for the receipt of tax increment revenues and the activities of redevelopment that are undertaken by the Avon Urban Renewal Authority, including issuing debt and constructing public improvements.
- *Debt Service Fund* – This fund is used to account for the accumulation of resources and payment of principal and interest on the Town's general obligation and sales tax revenue bonds.
- *Capital Projects Fund* – This fund is used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of all the Town's enterprise and internal service funds are

charges to customers for sales and services. Operating expenses for enterprise and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Town's major proprietary funds are:

- *Mobility Fund* – This fund is used to account for the activities involved in operating the Town's transportation system.
- *Fleet Maintenance Fund* – This fund is used to account for the accumulation and allocation of costs associated with the maintenance of vehicles and rolling stock for the Town and certain other third-party governmental entities.

The Town's only internal service fund is the Equipment Replacement Fund. This fund is used to account for the rental of certain vehicles and equipment to other departments for the accumulation of funds for future replacement.

D. Budget Information

Budgets are adopted on a basis consistent with generally accepted accounting principles for all funds, except for proprietary funds which are budgeted on the modified accrual basis of accounting. According to the Town's Charter, all appropriations except for capital projects or special revenue funds lapse at fiscal year-end. However, as a matter of practice, the Town adopts annual budgets for all funds. During the year, changes may be made to budgets by adoption of supplemental amendments by resolution of the Town Council.

E. Assets, Liabilities, and Deferred Outflow/Inflows of Resources

Cash, Cash Equivalents, and Investments. The Town concentrates the cash resources of its various funds to facilitate the management of cash. The balance in this concentration account is available to meet the Town's current operating requirements. Cash resources more than current requirements is invested in various interest-bearing securities and disclosed as part of the Town's investments. Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within 3 months of the date acquired by the Town.

Town Charter and Colorado State statutes authorize the Town to invest its excess funds in direct U.S. Government treasury and agency securities, bonds and other obligations of states and political subdivisions, corporate bonds, and local government investment pools. Investments are stated at fair value. The change in fair value of investments is recognized as an increase or decrease to investment assets and investment income. Investment income is recognized when earned.

TOWN OF AVON, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2020

Inventories. Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of any governmental fund inventories are recorded as expenditures when consumed rather than when purchased.

Restricted Assets. Restricted assets in the amount of \$657,821 are reported in the Capital Projects Fund. This consists of \$657,821 held in an escrow account with FirstBank for accumulating funds for asphalt overlay in the Village at Avon pursuant to the Town's lawsuit settlement agreement with Traer Creek Metropolitan District and the developer.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use unrestricted resources first, then restricted, as they are needed.

Capital Assets. Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. It is the Town's policy to capitalize expenditures with a cost greater than \$5,000 and an estimated useful life of more than one year. All purchased capital assets are stated at cost or estimated historical cost if actual historical records are not available. Donated capital assets and donated works of art and similar items are recorded at acquisition value at the date of contribution. Major outlays for capital improvement projects are capitalized as projects are completed.

The Town's infrastructure consists of streets and roads, bridges, storm drainage, water rights and storage, heat recovery system, irrigation ditches, bike paths, and public parking. The costs of normal maintenance and repair that do not add to the value of the asset or extend the estimated useful life are not capitalized but charged to operations as incurred. Depreciation of property, plant and equipment is computed using the straight-line method over the following estimated useful lives:

Buildings	10-50 years
Utilities	10-50 years
Machinery and Equipment	3-15 years
Infrastructure	10-100 years

Deferred Outflow/Inflows of Resources. Deferred outflow of resources represents the consumption of net position that applies to a future period that will not be recognized as an outflow of the resources (expenditure) until the future period. At the end of the current fiscal year, the Town had a deferred outflow of resources for unamortized deferred refunding losses. In the government-wide and proprietary funds statement of net position *deferred charge on refunding of debt* is the result of the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the life of the refunding bonds.

Deferred inflows of resources represents an acquisition of net position that applies to a future reporting period that will not be recognized as an inflow of resources (revenue) until

that time. The Town has one item that qualifies for reporting in this category: unavailable revenue. *Unavailable revenue* is reported in the government-wide and proprietary fund statement of net position and in the governmental funds balance sheet. The Town reports *unavailable revenue* from two sources: property taxes and notes receivable. *Unavailable revenue - notes receivable* arises only under a modified accrual basis of accounting and as such is only reported in the governmental funds balance sheet. *Unavailable revenue – property taxes* is reported in the government-wide and proprietary funds statement of net position and in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Deferred outflows of resources are presented below the total assets on the government-wide, proprietary, and governmental fund statements. Deferred inflows of resources are presented below the total liabilities on the government-wide, proprietary, and governmental fund statements.

Long-term Obligations. In the government-wide and proprietary fund statement of net position long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which approximates the interest 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 are reported as debt service expenditures.

F. Property Taxes

Property taxes are levied by the Town Council. The levy is based on the assessed valuation of property located within the Town as determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners. The County Treasurer collects the property taxes during the ensuing calendar year and remits the taxes collected to the Town on a monthly basis.

Property taxes are payable in full by April 30, or if in two equal installments, by February 28 and June 15. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. Property taxes, net of estimated uncollectible taxes, are recorded as receivable in the year levied and offset to deferred inflows of resources as unavailable revenue since they typically do not meet the availability criterion.

TOWN OF AVON, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2020

G. Compensated Absences

It is the Town's policy to permit employees to accumulate earned but unused personal time off (a combination of vacation and holidays) and sick pay benefits. There is no liability for unpaid accumulated sick leave since the Town's policy is to not pay for accumulated sick leave when employees separate from service. The liability for compensated absences is recorded as a non-current liability in the government-wide financial statements.

The current portion of this debt is estimated based on historical trends. In the fund financial statements, governmental funds report a compensated liability payable only if it has matured, for example, as a result of employee resignations and retirements, while the proprietary funds report the liability as it is incurred. Within the governmental funds, the General Fund typically is used to liquidate any liabilities for compensated absences.

H. Fund Equity

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

- Nonspendable fund balance – amounts that are not in a spendable form (such as inventory or prepaid charges) or are required to be maintained intact;
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority. In Avon's case this is an ordinance adopted by the Town Council. To be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint;
- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or an official or body to which the governing body delegates the authority;
- Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

The Town establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund. Assigned fund balance is established by the Town Council through adoption or amendment of the budget as intended for a specific purpose (such as the purchase of capital assets, construction, debt service, or other purposes).

When fund balance resources are available for a specific purpose in more than one classification, it is the Town's policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed. The Town

considers all unassigned fund balances to be “reserves” for future operations or capital replacement as defined within Article X, Section 20 of the Constitution of the State of Colorado (see Note 10).

I. Statements of Cash Flows

For purposes of the statement of cash flows, the Town considers all highly liquid investments with a maturity when purchased of three months or less and all local government investment pools to be cash equivalents.

J. Debt Costs

Unamortized premiums of \$252,797 are reflected in noncurrent liabilities. Premiums are amortized over the remaining lives of the related debt issues using the effective interest method.

Note 2. Legal Compliance – Budgets

No later than October 15th, the Town Manager submits to the Mayor and Town Council a proposed budget for the calendar year commencing the following January 1st. The budget is prepared by fund, department, program and project and includes information on the prior year, current estimates and requested appropriations and estimated revenues for the upcoming year.

The Town Council holds public hearings and may change appropriations except for expenditures required by law for debt service or for estimated cash deficits. No change to the budget may increase the authorized expenditures to any amount greater than the total amount of funds available. The Town Council must adopt the budget by resolution prior to December 15th. Once adopted, the Town Council may at any time, by resolution, amend the budget. In addition, the Town Manager may transfer part or all of any unencumbered appropriation balance among programs within a department. A department is defined by the Town as a distinct, principal, or specialized division (e.g. the Department of Public Works).

Expenditures may not legally exceed budgeted appropriations at the fund level. Budgetary comparisons in the accompanying combined financial statements and in the individual fund statements are presented at a lower-than-required level of control to facilitate detailed financial analysis. The Avon Urban Renewal Fund and Mobility Fund expenditures exceeded budgeted appropriations during 2020. This may be a violation of Colorado budget law.

TOWN OF AVON, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2020

Note 3. Cash and Investments

Cash and investments as of December 31, 2020 are classified in the accompanying financial statements as follows:

Cash and Cash Equivalents	\$ 21,288,020
Investments	6,806,133
Restricted Assets - Cash and Cash Equivalents	<u>657,821</u>
Total	<u>\$ 28,751,974</u>

Cash and investments as of December 31, 2020 consist of the following:

Cash on Hand	\$ 4,925
Demand Deposits	2,527,186
Other Deposits with Financial Institutions	657,870
Local Government Investment Pools	18,755,860
Investments	<u>6,806,133</u>
Total	<u>\$ 28,751,974</u>

Investments Authorized by the Town of Avon Investment Policy

The table below identifies the investment types that are authorized for the Town by the Town's investment policy. The table also identifies certain provision of the Town's investment policy that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage Of Portfolio</u>	<u>Maximum Investment In One Issuer</u>
U.S. Government Treasury Securities	5 years	None	None
U.S. Government Agency Securities	5 years	None	None
Repurchase Agreements	180 days	None	None
Commercial Paper	270 days	20%	5%
General Obligation Debt	5 years	None	None
Revenue Obligation Debt	5 years	None	None
Local Government Investment Pools	N/A	None	None

Fair Value of Investments

The Town measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs.

At December 31, 2020, the Town had the following recurring fair value measurements:

<u>Investments Measured at Fair Value</u>	<u>Total</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
U.S. Government Treasury Securities	\$ 2,253,543	\$ 2,253,543	\$ -	\$ -
Federal Instrumentality Securities	<u>4,552,590</u>	<u>4,552,590</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 6,806,133</u>	<u>\$ 6,806,133</u>	<u>\$ -</u>	<u>\$ -</u>

<u>Investments Measured at Net Asset Value</u>	<u>Total</u>
Colotrust	<u>\$18,755,860</u>

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities. Debt and equity securities classified in Level 2 are valued using the following approaches:

- U.S. Government treasury securities, U.S. Government agency securities, and commercial paper: quoted prices for identical securities in markets that are not active;
- Corporate and municipal bonds: quoted prices for similar securities in active markets;
- Repurchase agreements, negotiable certificates of deposit, and collateralized debt obligations: matrix pricing based on the securities' relationship to benchmark quoted prices.

At December 31, 2020 unrealized gains were \$71,438 which reflects changes in the fair market value of investments.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The investment policy of the Town states that, to the extent possible, investments shall be matched with anticipated cash flow requirements and known future liabilities. Unless matched to a specific cash flow requirement, the Town will not invest in securities maturing more than five years from the date of purchase. In addition, the Town shall maintain at least 15% of its total investment portfolio in investments maturing in 120 days or less. At least 10% of the portfolio shall be invested in overnight investments or securities that can be sold to raise cash on one day's notice.

TOWN OF AVON, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2020

Information about the sensitivity of the fair values of the Town's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Town's investments by maturity:

		Weighted Average Maturity (in Years)
U.S. Government Treasury Notes	\$ 2,253,543	0.71
U.S. Government Agency Securities:		
Federal Home Loan Bank	1,530,645	0.94
Federal Home Loan Mortgage Corp.	1,012,647	1.74
Federal National Mortgage Assn.	1,006,632	0.28
Federal Farm Credit Bank	1,002,666	0.11
Colotrust	<u>18,755,860</u>	NA
Total	<u>\$ 25,561,993</u>	

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

Presented below is the minimum rating, as required by the Town's investment policy, for investments of the Town as of December 31, 2020.

<u>Ratings</u> <u>Standard & Poor's</u>	<u>Investment</u>
AAAm	Colotrust
AA+	US Treasury
AA+	Government National Mortgage Assoc.
AA+	Federal Farm Credit Bank
AA+	Federal Home Loan Bank
AA+	Federal Home Loan Mortgage Corporation
AA+	Federal National Mortgage Corporation

Concentration of Credit Risk

Except for commercial paper investments, the investment policy of the Town contains no limitations on the amount that can be invested in any one issuer. Commercial paper issuers are limited to no more than 5% of the Town's portfolio. The Town had no investments in commercial paper at December 31, 2020.

Investments in any one issuer (other than U.S. Treasury obligations, mutual funds, and local government investment pools) that represent 5% or more of total Town investments are as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Reported Amount</u>	<u>% of Total Investments</u>
Federal Home Loan Bank	Federal Instrumentality Securities	\$ 1,530,645	5.99%
Federal National Mortgage Assn.	Federal Instrumentality Securities	1,006,632	3.94%
Federal Farm Credit Bank	Federal Instrumentality Securities	1,002,666	3.92%
Federal Home Loan Mortgage Corp.	Federal Instrumentality Securities	1,012,647	3.96%

Custodial Credit Risk

Deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Town would not be able to recover its deposits or would not be able to recover collateral securities that are in the possession of an outside party.

The Town's deposits are entirely covered by federal depository insurance ("FDIC") or by collateral held under Colorado's Public Deposit Protection Act ("PDPA"). The FDIC insures the first \$250,000 of the Town's deposits at each financial institution. Deposit balances over \$250,000 are collateralized as required by PDPA. The Colorado Public Deposit Protection Act (PDPA) requires that cash be deposited in eligible public depositories and that deposits in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds with the Town being a named participant in the single institution collateral pool. The minimum pledging requirement is 102% of the uninsured deposits. The Colorado State Banking Board verifies the market value at least monthly. Bank assets (usually securities) are required by PDPA to be delivered to a third-party institution for safekeeping and pledged to the Colorado Division of Banking. Based on the above, the Colorado State Auditor has concluded that there is no custodial risk for public deposits collateralized under PDPA. The carrying amount of the Town's demand deposits was \$2,533,186 at year end.

Investments. Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, the Town would not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Town's investment policy provides that all investment securities, except certificates of deposit, local government investment pools, and money market funds purchased by the Town shall be settled on a delivery versus payment basis and will be delivered by either book entry or physical delivery and will be held in third-party safekeeping by the Town's approved custodian bank, its correspondent bank or the Depository Trust Company. An approved Safekeeping Agreement must be executed with each custodian bank prior to utilizing that bank's safekeeping services.

TOWN OF AVON, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2020

Local Government Investment Pools

Local government investment pools are trusts established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the trusts. The trusts value their shares based on a stable net value of \$1.00 per share. A designated custodial bank serves as custodian pursuant to a custodian agreement. The custodian acts as safekeeping agent for the trusts' investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the trusts. As of December 31, 2020, the Town of Avon held investments in the Colorado Local Government Liquid Asset Trust (Colotrust Plus portfolio). The Plus portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities as well as in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. At December 31, 2020, the Town's investments in Colotrust Plus were 73% of the Town's investment portfolio.

Note 4. Capital Assets

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

Governmental Activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Not Being Depreciated:				
Land and Land Improvements	\$ 11,640,671	\$ -	\$ (190,870)	\$ 11,449,801
Public Art	1,361,400	-	-	1,361,400
Water Rights	1,792,959	-	-	1,792,959
Construction in Progress	<u>336,340</u>	<u>1,165,734</u>	<u>(883,662)</u>	<u>618,412</u>
Total Capital Assets, Not Being Depreciated	<u>15,131,370</u>	<u>1,165,734</u>	<u>(1,074,532)</u>	<u>15,222,572</u>
Capital Assets, Being Depreciated:				
Depreciable Land Improvements	-	190,870	-	190,870
Buildings	27,321,631	327,109	(16,665)	27,632,075
Utilities	4,771,174	-	-	4,771,174
Machinery and Equipment	7,284,436	348,537	(479,896)	7,153,077
Infrastructure	<u>91,779,793</u>	<u>617,532</u>	<u>-</u>	<u>92,397,325</u>
Total Capital Assets, Being Depreciated	<u>131,157,034</u>	<u>1,484,048</u>	<u>(496,561)</u>	<u>132,144,521</u>
Less Accumulated Depreciation:				
Depreciable Land Improvements	-	(190,870)	-	(190,870)
Buildings	(9,748,344)	(938,313)	14,165	(10,672,492)
Utilities	(1,893,415)	(226,915)	-	(2,120,330)
Machinery and Equipment	(4,118,317)	(614,719)	434,744	(4,298,292)
Infrastructure	<u>(52,466,748)</u>	<u>(3,026,430)</u>	<u>-</u>	<u>(55,493,178)</u>
Total Accumulated Depreciation	<u>(68,226,824)</u>	<u>(4,997,247)</u>	<u>448,909</u>	<u>(72,775,162)</u>
Total Capital Assets, Being Depreciated, Net	<u>62,930,210</u>	<u>(3,513,199)</u>	<u>(47,652)</u>	<u>59,369,359</u>
Governmental Activities Capital Assets, Net	<u>\$ 78,061,580</u>	<u>\$ (2,347,465)</u>	<u>\$ (1,122,184)</u>	<u>\$ 74,591,931</u>

Business-type Activities:	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets, Not Being Depreciated:				
Land	\$ 411,834	\$ -	\$ -	\$ 411,834
Total Capital Assets, Not Being Depreciated	<u>411,834</u>	<u>-</u>	<u>-</u>	<u>411,834</u>
Capital Assets, Being Depreciated:				
Buildings	16,879,023	-	-	16,879,023
Machinery and Equipment	<u>3,299,418</u>	<u>22,000</u>	<u>-</u>	<u>3,321,418</u>
Total Capital Assets, Being Depreciated	<u>20,178,441</u>	<u>22,000</u>	<u>-</u>	<u>20,200,441</u>
Less Accumulated Depreciation:				
Buildings and Facilities	(5,360,299)	(421,819)	-	(5,782,118)
Machinery and Equipment	<u>(2,401,605)</u>	<u>(129,834)</u>	<u>-</u>	<u>(2,531,439)</u>
Total Accumulated Depreciation	<u>(7,761,904)</u>	<u>(551,653)</u>	<u>-</u>	<u>(8,313,557)</u>
Total Capital Assets, Being Depreciated, Net	<u>12,416,537</u>	<u>(526,653)</u>	<u>-</u>	<u>11,886,886</u>
Business-type Activities Capital Assets, Net	<u>\$ 12,828,371</u>	<u>\$ (526,653)</u>	<u>\$ -</u>	<u>\$ 12,298,718</u>

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

Governmental Activities:	
General Government	\$ 465,249
Community Development	3,946
Public Safety	389,432
Public Works and Utilities, including general infrastructure assets	3,727,356
Recreation and Culture	<u>411,264</u>
Total Depreciation Expense – Governmental Activities	<u>\$ 4,997,247</u>
Business-type Activities:	
Transportation	\$411,125
Fleet Maintenance	<u>140,528</u>
Total Depreciation Expense – Business-type Activities	<u>\$ 551,653</u>

Note 5. Long-term Debt

Revenue Bonds and Loans – Avon Urban Renewal Authority. In 2013, the Avon Urban Renewal Authority issued Series 2013 Tax Increment Revenue Bonds to refinance outstanding obligations of the Authority and to finance certain capital improvements.

In 2017, the Avon Urban Renewal Authority issued Series 2017 Tax Increment Revenue Bonds to finance tenant improvements related to the future occupancy of a new Town Hall.

In 2020, the Avon Urban Renewal Authority issued its Series 2020 Tax Increment Revenue Refunding Loan in the amount of \$4,111,000 with an interest rate of 2.11%. This loan along

TOWN OF AVON, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2020

with the release of the Series 2013 debt service reserve of \$628,240 was used to refund the outstanding Series 2013 Tax Increment Revenue Bonds in the aggregate principal amount of \$4,560,000. The refunding resulted in an economic gain of \$176,403 with a cash flow savings of \$883,089.

The 2017 Bonds and the 2020 Loan constitute a pledge of, and an irrevocable first lien (but not an exclusive first lien), on all pledged revenues. Pledged revenues include the portion of the ad valorem proprietary taxes produced by the levies at the rates fixed each year by the governing bodies of the various taxing jurisdictions within the Urban Renewal Project Area. The levies are assessed upon that portion of the valuation for assessment of all taxable property in excess of a defined property tax base amount. The pledged revenues are reduced by a) any County collection fee (b) tax increment revenues required to be remitted by the Authority to the Confluence Metropolitan District pursuant to the Avon Station/Confluence IGA; and (c) ad valorem property taxes produced by a mill levy of any special district formed after May 28, 2009. Revenue bonds and loans outstanding at December 31, 2020, are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
General Government – Avon Urban Renewal Authority	2.11% - 2.90%	<u>\$ 5,968,223</u>

Annual debt service requirements to maturity for revenue bonds outstanding at December 31, 2020, are as follows:

<u>Year Ending</u>	<u>Avon Urban Renewal Authority</u>	
<u>December 31</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 605,278	\$ 143,841
2022	619,647	129,525
2023	634,175	114,861
2024	648,867	99,843
2025	664,728	84,466
2026-2030	2,552,806	188,797
2031	<u>242,722</u>	<u>5,361</u>
Total	<u>\$ 5,968,223</u>	<u>\$ 766,694</u>

Certificates of Participation. On November 16, 2010, the Town issued \$6,680,000 of Series 2010 Certificates of Participation with interest rates of 2% to 5%. The Certificates evidence a proportionate interest in the base rentals and other revenues under an annually renewable lease purchase agreement dated as of November 1, 2010, between UMB Bank, solely in its capacity as trustee under the Indenture, as lessor, and the Town of Avon, as lessee. These Certificates were used to refund the outstanding 1998 Certificates of Participation in the aggregate principal amount of \$3,990,000. The refunding resulted in an economic gain of \$43,298 with a cash flow savings of \$904,642. The remaining funds from the 2010 Certificates were used as matching funds for the construction of the Avon Regional Transit Facility, which was completed and placed into service in October 2013.

On January 14, 2015, the Town issued \$3,800,000 of Series 2014B Certificates of Participation with an interest rate of 3.03% to finance the cost of street improvements. The Certificates evidence a proportionate interest in the base rentals and other revenues under an annually renewable lease purchase agreement dated as of January 14, 2015, between UMB Bank, N.A., solely in its capacity as trustee under the Indenture, as lessor, and the Town of Avon, as lessee.

On May 3, 2016, the Town held a special election concerning the financing for a joint public safety facility in partnership with the Eagle River Fire Protection District. The election was successful and on August 2, 2016, the Town issued \$6,300,000 of Series 2016 Certificates of Participation with interest rates of 2% to 4%. The Certificates evidence a proportionate interest in the base rentals and other revenues under an annually renewable lease purchase agreement dated as of August 2, 2016, between UMB Bank, N.A., solely in its capacity as trustee under the Indenture, as lessor, and the Town of Avon, as lessee.

On September 2, 2020, the Town issued \$3,983,000 of Series 2020 Certificates of Participation with an interest rate of 1.23%. These Certificates, along with the release of the Series 2010 debt service reserve of \$508,700 were used to refund the outstanding 2010 Certificates of Participation in the aggregate principal amount of \$4,300,000. The refunding resulted in an economic gain of \$640,454 with a cash flow savings of \$1,227,703. The Certificates evidence a proportionate interest in the base rentals and other revenues under an annually renewable lease purchase agreement dated as of September 2, 2020, between UMB Bank, solely in its capacity as trustee under the Indenture, as lessor, and the Town of Avon, as lessee.

Certificates of Participation outstanding at December 31, 2020, are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
General Government – Refunding and Capital	1.23% - 4.0%	<u>\$11,361,000</u>

Annual debt service requirements to maturity for Certificates of Participation outstanding at December 31, 2020, are as follows:

<u>Year Ending</u> <u>December 31</u>	<u>Governmental Activities</u>		<u>Business Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 706,000	\$ 253,884	\$ 171,000	\$ 22,460
2022	715,000	238,558	175,000	20,357
2023	734,000	222,992	179,000	18,204
2024	748,000	203,973	177,000	16,002
2025	770,000	184,605	180,000	13,825
2026-2030	3,827,000	620,954	944,000	35,104
2031-2035	<u>2,035,000</u>	<u>182,194</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 9,535,000</u>	<u>\$ 1,907,160</u>	<u>\$ 1,826,000</u>	<u>\$ 125,952</u>

TOWN OF AVON, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2020

Capital Lease Obligations. The following leases are renewable on an annual basis, at the option of the Town, for consecutive one-year periods. Upon final payment, title to the leased assets will pass to the Town.

- Lease obligation for equipment with a total cost of \$168,986 and a book value net of accumulated depreciation at December 31, 2020 of \$76,466. Due in ten semi-annual installments of \$13,139 through July 2021. Amortization is based on an interest rate of 2.10%. The Town may terminate the lease by paying the applicable purchase option on any scheduled payment. Balance at December 31, 2020 is \$25,871.
- Lease obligation for equipment with a total cost of \$355,818 and a book value net of accumulated depreciation at December 31, 2020 of \$284,329. Due in seven annual installments of \$55,720 through November 2024. Amortization is based on an interest rate of 2.35%. The Town may terminate the lease by paying the applicable purchase option on any scheduled payment. Balance at December 31, 2020 is \$210,377.
- Lease obligation for equipment with a total cost of \$258,258 and a book value net of accumulated depreciation at December 31, 2020 of \$234,640. Due in fourteen semi-annual installments of \$20,877 through August 2025. Amortization is based on an interest rate of 3.39%. The Town may terminate the lease by paying the applicable purchase option on any scheduled payment. Balance at December 31, 2020 is \$190,561.

Annual debt service requirements to maturity for Capital Lease Obligations outstanding at December 31, 2020, are as follows:

Year Ending December 31	Governmental Activities		Business Activities	
	Principal	Interest	Principal	Interest
2021	\$ 76,647	\$ 5,352	\$ 35,594	\$ 6,161
2022	51,969	3,751	36,811	4,944
2023	53,191	2,529	38,069	3,685
2024	54,441	1,279	39,371	2,384
2025	-	-	40,717	1,038
Total	<u>\$ 236,248</u>	<u>\$ 12,911</u>	<u>\$ 190,562</u>	<u>\$ 18,212</u>

Changes in Long-term Liabilities. Long-term liability activity for the year ended December 31, 2020, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds Payable:					
Revenue Bonds	\$ 7,053,286	\$ 4,111,000	\$ 5,196,063	\$ 5,968,223	\$ 605,278
Certificates of Participation	<u>10,395,000</u>	<u>1,973,000</u>	<u>2,833,000</u>	<u>9,535,000</u>	<u>706,000</u>
	17,448,286	6,084,000	8,029,063	15,503,223	1,311,278
Bond Premium	<u>266,468</u>	<u>-</u>	<u>13,671</u>	<u>252,797</u>	<u>13,911</u>
Total Bonds Payable	17,714,754	6,084,000	8,042,734	15,756,020	1,325,189
Capitalized Leases Payable	311,195	-	74,947	236,248	76,647
Compensated Absences	<u>410,213</u>	<u>708,932</u>	<u>580,636</u>	<u>538,509</u>	<u>538,509</u>
Governmental Activity Long-term Liabilities	<u>\$18,436,162</u>	<u>\$ 6,792,932</u>	<u>\$ 8,698,317</u>	<u>\$16,530,777</u>	<u>\$ 1,940,345</u>
Business-type Activities:					
Certificates of Participation	\$ 2,170,000	\$ 2,010,000	\$ 2,354,000	\$ 1,826,000	\$ 171,000
Bond Premium	<u>27,144</u>	<u>-</u>	<u>27,144</u>	<u>-</u>	<u>-</u>
Total Bonds Payable	2,197,144	2,010,000	2,381,144	1,826,000	171,000
Capitalized Leases Payable	224,979	-	34,417	190,562	35,594
Compensated Absences	<u>72,269</u>	<u>132,519</u>	<u>94,780</u>	<u>110,008</u>	<u>110,008</u>
Business-type Activity Long-term Liabilities	<u>\$ 2,494,392</u>	<u>\$ 2,142,519</u>	<u>\$ 2,510,341</u>	<u>\$ 2,126,570</u>	<u>\$ 316,602</u>

Conduit Debt Obligations. The Town has sponsored the issuance of revenue bonds in prior years to provide financial assistance to private-sector entities for the acquisition and construction of facilities deemed to be in the public interest. Neither the Town, the State of Colorado, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying general purpose financial statements. Conduit debt obligations at December 31, 2020, are described as follows:

Eaglebend Dowd Affordable Housing Corporation. The Eaglebend Dowd Affordable Housing Corporation (Dowd) was formed on March 24, 1998, to help provide for affordable housing within Eagle County. Dowd operates a 50-unit apartment project within Eagle County. The Town approved the formation and the issuance of the revenue bonds to finance the project and will obtain full legal title to the land, buildings, and equipment upon payment in full of the bonds. The Town, however, is in no way obligated to pay the debt service on the bonds.

TOWN OF AVON, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2020

In 2003, the Town approved the issuance by Dowd of \$9,520,000 in Series 2003 Refunding Revenue Bonds to defease the outstanding Series 1998A Revenue Bonds by placing the proceeds of the Series 2003 bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. In August 2013, Dowd issued \$8,450,000 in Series 2013 Multifamily Housing Project Refunding Revenue Bonds to refund the Series 2003 Bonds. In November 2014, Dowd issued \$8,850,000 of Multifamily Housing Project Refunding Revenue Bonds, Series 2014A to refund and defease the Series 2013 bonds. As of December 31, 2020, there was \$7,864,924 outstanding in Series 2014A Multifamily Housing Project Refunding Revenue Bonds, and \$1,600,000 outstanding in Series 1998 B&C Subordinate Revenue Bonds.

Defeased Debt. Certain other bonds previously issued by the Town have been defeased by the issuance of refunding bonds. As of December 31, 2020, there are no amounts outstanding on any refunded bonds.

Note 6. Employee Retirement Plans

Full-time Employees. The Town maintains two single-employer, defined contribution pension plans for full-time employees: (1) the Town of Avon Police Officers Money Purchase Pension Plan of which there are 25 participants, and (2) the Town of Avon General Employee Money Purchase Pension Plan of which there are 124 participants as of December 31, 2020. Plan administration and recordkeeping of these plans is provided by The Principal Financial Group.

A defined contribution pension plan has terms that specify how contributions to an individual's account are to be determined rather than the amount of pension benefits the individual is to receive. In a defined contribution plan, the pension benefits a participant will receive depend only on the amount contributed to the participant's account, earnings on investments of those contributions, and forfeitures of other participant's benefits that may be allocated to the participant's account.

All full-time employees are required to participate in one of the above retirement plans upon employment with the Town. The type of plan that an employee participates in is dependent on the type of employee (police officer or general government employee). Town ordinance provides that both the employee and the Town will contribute an amount equal to 11% of the employee's base salary each month.

Employees hired prior to September 30, 1990, become vested in accordance with a vesting schedule which is dependent on the type of employee and hire date. All employees hired after September 30, 1990, start partial vesting after two years of service and are fully vested after five years of service. In addition, if an employee reaches normal retirement age, dies, or becomes totally and permanently disabled his account becomes fully vested regardless of length of service. Forfeitures by employees who leave employment before being fully vested are applied, first, to offset administrative expenses of the plans, and second, to reduce

matching employer contributions. Forfeitures totaling \$64,529 were used in 2020 for administrative expenses. No forfeitures were used to reduce matching employer contributions.

Contributions made by employees and the Town for the three years ended December 31, 2020, are as follows:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Employee Contributions	<u>\$ 784,962</u>	<u>\$ 747,006</u>	<u>\$ 681,141</u>
Town Contributions	<u>\$ 784,962</u>	<u>\$ 747,006</u>	<u>\$ 681,141</u>

Both the Town and the covered employees each made the required 11% contributions to the plans. There are no liabilities for benefits beyond the Town's matching payments. No changes in the various plan's provisions occurred in 2020.

Part-time, Temporary and Seasonal Employees. On October 14, 1997, the Town adopted a PTS Retirement Plan administered by the ICMA Retirement Corporation and established under Section 457 of the Internal Revenue Code that pertains to deferred compensation plans. Plan administration and recordkeeping of this plans was transferred to The Principal Financial Group in November 2017. The PTS plan is designed specifically for employees who are part-time, temporary, or seasonal, and is defined as a Social Security replacement retirement plan. The PTS plan allows participants to defer federal and state income taxes on savings until retirement. The PTS plan requires a minimum contribution of 7.5% of an employee's salary per plan year. This 7.5% may be the employee's contribution, the employer's contribution, or a combination of both. The Town elected to have 3.75% contributed by the employee and 3.75% matched by the Town. Employees also have the option to contribute additional amounts.

Upon separation of service, participants may withdraw the account balance in a lump-sum payment, roll the account balance over into another 457 plan, or continue to allow the account balance earn interest tax free. Taxes are paid when funds are withdrawn from the plan.

Contributions made by plan members and the Town for the three years ended December 31, 2020, are as follows:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Employees	<u>\$35,822</u>	<u>\$42,997</u>	<u>\$37,081</u>
Town	<u>\$30,137</u>	<u>\$37,312</u>	<u>\$37,081</u>

TOWN OF AVON, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2020

Both the Town and the covered employees each made the required 3.75% contributions to the plan. There are no liabilities for benefits beyond the Town's matching payments. As of December 31, 2020, there were 205 participants in this plan.

Note 7. 457 Deferred Compensation Plan

The Town offers its full-time employees an optional supplemental deferred compensation plan created in accordance with Internal Revenue Code Section 457. Plan administration and recordkeeping is provided by The Principal Financial Group. The 457 plan allows eligible participants the opportunity to accumulate additional retirement savings with certain tax advantages. Deposits into the 457 plan are not subject to state or federal income taxes at the time of deposit, and earnings on these deposits are deferred until withdrawn. As of December 31, 2020, there were 47 participants in the 457 plan.

Note 8. Employee Health Care

The Town has a self-insurance plan for employee health and dental care. A third-party administrator processes individual employee claims and negotiates excess stop-loss insurance policies. Excess stop-loss insurance policies are purchased to cover individual claims in excess of \$35,000 and aggregate total yearly claims in excess of \$1,680,144. Settled benefit claims did not exceed the aggregate total yearly claims for 2020. As of December 31, 2020, the Town held reserves for future claims in the amount of \$1,123,095.

The following represents the changes in the claims reserve for the Town for 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Claims Reserve for Future Claims, Beginning of Year	\$ 1,123,095	\$ 808,857
Current Year Deposits for Estimated Claims	1,664,624	1,737,333
Excess Stop Loss Refunds for Specific (Individual) Claims	541,355	116,532
Claim Payments	<u>(2,089,827)</u>	<u>(1,539,627)</u>
Claims Reserve for Future Claims, End of Year	<u>\$ 1,239,247</u>	<u>\$ 1,123,095</u>

Note 9. Interfund Receivables, Payables and Transfers

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are reported in the fund financial statements as "due to/from other funds". These interfund receivables and payables are expected to be repaid within the next year. The composition of these interfund balances as of December 31, 2020, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Fleet Maintenance Fund	\$ 100,000
Mobility Fund	Fleet Maintenance Fund	<u>200,000</u>
Total		<u>\$ 300,000</u>

Interfund Transfers:

<u>Fund</u>	Transfers <u>In</u>	Transfers <u>Out</u>
Major Funds:		
General Fund	\$ 247,314	\$ 1,875,000
Urban Renewal Authority Fund	-	700,000
Debt Service	1,007,801	-
Capital Projects Fund	700,000	256,716
Mobility Enterprise Fund	1,150,000	1,255,115
Fleet Maintenance Enterprise Fund	731,716	-
Other Funds:		
Community Housing Fund	<u>250,000</u>	<u>-</u>
Total	<u>\$ 4,086,831</u>	<u>\$ 4,086,831</u>

During the year, capital assets purchased in 2020 related to governmental funds, with a book values of \$124,587 were transferred to the internal service fund. In addition, capital lease principal payments of \$74,947 were made on behalf of the internal service fund. No amounts were reported in the governmental funds as the amounts did not involve the transfer of financial resources. However, the internal service fund reported contributed capital in for the capital resources received.

Note 10. Commitments and Contingencies

Litigation. The Town is a party to various legal proceedings. Town management believes ultimate disposition of those subsequent pending claims and legal proceedings will not likely have a material adverse effect, if any, on the financial condition of the Town.

Construction Contract Commitments. As of December 31, 2020, the Town had one construction contract commitment outstanding in the amount of \$4,200.

Intergovernmental Agreement. The Town has entered into an Intergovernmental Agreement (IGA) with the Eagle River Fire Protection District (Fire District) for the ownership, construction, operation, and maintenance of a joint fire-police station facility. The IGA provides for many covenants and mutual agreements including the amendment and replacement of previous IGAs, conveyance of the real property interest, construction financing, waiver of building permit fees, construction, apportionment of costs, termination of existing leases, use and occupancy, and operation and maintenance of the joint public safety facility. The IGA continues in perpetuity until amended or terminated by either party.

Tax, Spending and Debt Limitations. Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR) contains tax, spending, revenue, and debt limitations which apply to the State of Colorado and all local governments. Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain

TOWN OF AVON, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2020

exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

In November 1997, voters within the Town passed a ballot issue which permanently authorizes the Town, without an election, to act on all spending and revenue raising measures which are limited by TABOR. In addition, voters authorized the Town to keep and spend all revenue collected by the Town regardless of any limitation contained in TABOR. The only exceptions are proposed sales or use tax rate increases and property tax rate increases which must be submitted to the voters, unless otherwise allowed by law.

Enterprises, defined as government-owned business authorized to issue revenue bonds and receiving less than 10 percent of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR. TABOR also requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. The Town has established an emergency reserve in the General Fund for the year ended December 31, 2020 in the amount of \$829,650.

Town management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

Note 11. Risk Management

The Town is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors or omissions; injuries to employees; and natural disasters.

The Town is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA). CIRSA is a joint self-insurance pool created by intergovernmental agreement of 278 municipalities and special districts to provide property, general and automobile liability and public officials coverage to its members. CIRSA is governed by a seven-member Board elected by and from its members.

Coverage is provided through pooling of self-insured losses and the purchase of excess insurance coverage. CIRSA has a legal obligation for claims against its members to the extent that funds are available in its annually established loss fund and that amounts are available from insurance providers under excess specific and aggregate insurance contracts.

Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members. CIRSA has indicated that the amount of any excess losses would be billed to members in proportion to their contributions in the year such excess occurs, although it is not legally required to do so. The Town's annual

contribution to CIRSA amounted to \$251,730 for 2020. The Town has not been informed of any excess losses that may have been incurred by the pool.

The Town continues to carry commercial insurance coverage for other risks of loss including workers compensation. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

Note 12. Upper Eagle Regional Water Authority

The Town is a participant in the Upper Eagle Regional Water Authority. The Authority was formed pursuant to an establishing contract on September 18, 1984, by the following municipal and quasi-municipal corporations (Members) located in Eagle County, Colorado.

- Arrowhead Metropolitan District
- Beaver Creek Metropolitan District
- Berry Creek Metropolitan District
- Eagle-Vail Metropolitan District
- Edwards Metropolitan District
- Town of Avon

The Authority also provides water services to the Cordillera and Bachelor Gulch developments through contracts with Members. The Authority was formed to make the best practicable use of the Members' joint resources in supplying water to the members and to further develop water resources and facilities in Eagle County. The Authority may not be terminated so long as bonds, notes or other obligations are outstanding, unless provision for full payment of such obligations has been made. At December 31, 2020, the Authority had debt with maturities through the year 2039.

The Town has a service contract with the Authority whereby the Authority provides and bills residents of the Town with water at a rate which is expected to cover its costs in providing water services and other functions. Such costs specifically include debt service requirements, depreciation, and operations and maintenance, including maintenance of the Town's water distribution system. As part of the agreement, the Town conveyed its water distributions facilities and leased its water rights, associated easements, and improvements to the Authority at no cost. In consideration, the Authority has agreed to maintain the associated improvements and to administer and protect the Town's plan for augmentation and water decrees at no cost. During 2020, the Authority collected \$159,300 in water surcharges for the Town.

Note 13. Tax Abatements

The Town has entered into various agreements in order to meet development goals within certain areas of Town. The following areas have continuing development requirements or abatement agreements requiring disclosure.

TOWN OF AVON, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2020

<u>Development Area</u>	<u>Revenues Impacted</u>	<u>Governing Document</u>	<u>Amount</u>	<u>Requirements</u>
Village at Avon PUD	Sales Tax, Accommodation Tax, Real Estate Transfer Tax	Consolidated, Amended and Restated Annexation and Development Agreement	\$4,645,141	100% tax credit against sales, accommodations and real estate transfer taxes paid within the development area.
Riverfront PUD	Property Tax Increment	Intergovernmental Agreement	\$ 434,922	100% tax rebate of incremental property taxes received from Avon Station Metropolitan District, excluding Lot B.

Note 14. Major Taxpayers

For the year ended December 31, 2020 fifty-three percent (53%) of the Town's sales tax revenues were received from the ten highest-paying companies.

TOWN OF AVON, COLORADO

REQUIRED SUPPLEMENTAL INFORMATION

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

(BUDGETARY BASIS) - BUDGET AND ACTUAL

FOR THE YEAR ENDED DECEMBER 31, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Revenues				
Taxes	\$ 14,333,265	13,776,870	\$ 14,459,430	\$ 682,560
Licenses and Permits	448,100	303,100	328,734	25,634
Intergovernmental	998,079	1,767,276	1,746,733	(20,543)
Charges for Services	1,707,193	916,287	933,625	17,338
Fines and Forfeitures	43,500	42,500	39,693	(2,807)
Investment Earnings	250,000	240,000	189,169	(50,831)
Other Revenues	443,500	483,500	745,113	261,613
Total Revenues	18,223,637	17,529,533	18,442,497	912,964
Expenditures				
Current:				
General Govt., Finance & Administration	5,205,183	5,084,776	4,968,825	115,951
Community Development	519,751	513,296	488,739	24,557
Public Safety	4,320,911	4,148,094	4,050,935	97,159
Public Works	4,824,070	4,317,087	3,990,073	327,014
Recreation	1,880,856	1,589,407	1,311,887	277,520
Total Expenditures	16,750,771	15,652,660	14,810,459	842,201
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,472,866	1,876,873	3,632,038	1,755,165
Other Financing Sources (Uses)				
Transfers In:				
Capital Projects Fund	247,314	247,314	247,314	-
Transfers Out:				
Affordable Housing Fund	(250,000)	(250,000)	(250,000)	-
Capital Projects Fund	(700,000)	-	-	-
Mobility Enterprise Fund	(1,300,000)	(1,150,000)	(1,150,000)	-
Fleet Maintenance Enterprise Fund	(475,000)	(475,000)	(475,000)	-
Total Other Financing Sources (Uses)	(2,477,686)	(1,627,686)	(1,627,686)	-
Net Change in Fund Balances	(1,004,820)	249,187	2,004,352	1,755,165
Fund Balances, Beginning of Year	7,749,178	8,198,535	8,198,535	-
Fund Balances, End of year	\$ 6,744,358	\$ 8,447,722	\$ 10,202,887	\$ 1,755,165

TOWN OF AVON, COLORADO

REQUIRED SUPPLEMENTAL INFORMATION AVON URBAN RENEWAL AUTHORITY FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (BUDGETARY BASIS) - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Revenues				
Taxes	\$ 1,607,703	\$ 1,607,703	\$ 1,568,090	\$ (39,613)
Investment Earnings	18,847	3,750	3,503	(247)
Total Revenues	<u>1,626,550</u>	<u>1,611,453</u>	<u>1,571,593</u>	<u>(39,860)</u>
Expenditures				
Current:				
General Government	49,231	49,231	60,018	(10,787)
Debt Service:				
Principal	616,063	636,063	636,063	-
Interest	232,531	122,619	122,619	-
Bond Issuance Costs	-	66,760	66,760	-
Fiscal Charges	1,000	2,650	700	1,950
Total Expenditures	<u>898,825</u>	<u>877,323</u>	<u>886,160</u>	<u>(8,837)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>727,725</u>	<u>734,130</u>	<u>685,433</u>	<u>(48,697)</u>
Other Financing Sources (Uses)				
Refunding Bond Proceeds	-	4,111,000	4,111,000	-
Transfers Out:				
Capital Project Fund	(700,000)	(700,000)	(700,000)	-
Payments to Refunded Bond Escrow Agent	-	(4,672,480)	(4,672,480)	-
Total Other Financing Sources (Uses)	<u>(700,000)</u>	<u>(1,261,480)</u>	<u>(1,261,480)</u>	<u>-</u>
Net Change in Fund Balances	27,725	(527,350)	(576,047)	(48,697)
Fund Balances, Beginning of Year	<u>635,172</u>	<u>598,989</u>	<u>598,989</u>	<u>-</u>
Fund Balances, End of year	<u>\$ 662,897</u>	<u>\$ 71,639</u>	<u>\$ 22,942</u>	<u>\$ (48,697)</u>

TOWN OF AVON, COLORADO

NOTES TO REQUIRED SUPPLEMENTAL INFORMATION DECEMBER 31, 2020

Note 1. Budgetary Information

An annual budget is legally adopted on a basis consistent with generally accepted accounting principles for all funds, with the exception of proprietary funds which are budgeted on the modified accrual basis of accounting. Appropriations lapse at fiscal year-end except for capital projects and special revenue funds which may have project-length budgets that carryover from year-to-year. However, as a matter of practice, the Town adopts annual budgets for all funds. The budget is prepared by fund, department, program, object and project. Expenditures may not legally exceed budgeted appropriations at the fund level.

The Town Council holds public hearings and may change appropriations except for expenditures required by law for debt service or for estimated cash deficits. No change to the budget may increase the authorized expenditures to any amount greater than the total amount of funds available. The Town Council must adopt the budget by resolution prior to December 15th. Once adopted, the Town Council may at any time, by resolution, amend the budget. In addition, the Town Manager may transfer part or all of any unencumbered appropriation balance among programs within a department. A department is defined by the Town as a distinct, principal or specialized division (e.g. the Department of Public Works).

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NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Water Fund – This fund is used to account for the cost of maintaining certain water-related assets and for the receipt of water surcharges and tap fees within the Town limits.

Community Enhancement Fund – This fund is used to account for revenues received from a franchisee and restricted for use for beautification projects, energy conservation projects, equipment and technology upgrades for schools, scholarship funds, acquisition of open space and/or park land and development thereof, sponsorship of special community events, and undergrounding of overhead electric and other utility lines.

Community Housing Fund – This fund is used to accumulate and account for resources received and restricted for use in the Town's affordable housing program.

Exterior Energy Offset Fund – This fund is used to account for fees collected at building permit to create financial assistance, rebates, and incentives to promote energy efficient projects within the Town of Avon. Fees are established based on a formula using BTUs required for certain amenities over a 20-year period.

Disposable Paper Bag Fee Fund - This fund is used to account for fees received by the Town from retailers who are required to pay ten cents (\$0.10) for each disposable paper bag used during a retail purchase. Effective May 1, 2018 it became unlawful for retailers to provide plastic bags to customers at point of sale. The intent is to encourage the use of reusable bags. Fees are restricted for use to programs and education related to waste reduction, and for providing reusable bags to Town residents and guests.

TOWN OF AVON, COLORADO

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS DECEMBER 31, 2020

	Special Revenue Funds			
	Water Fund	Community Enhancement Fund	Community Housing Fund	Exterior Energy Offset Fund
ASSETS				
Cash and Cash Equivalents	\$ 596,752	\$ 166,081	\$ 2,167,857	\$ 112,804
Receivables:				
- Accounts	-	81,392	-	-
- Intergovernmental	53,217	-	-	-
Notes Receivable	-	-	2,786	-
Total Assets	<u>\$ 649,969</u>	<u>\$ 247,473</u>	<u>\$ 2,170,643</u>	<u>\$ 112,804</u>
LIABILITIES				
Accounts Payable	\$ 1,883	\$ -	\$ -	\$ -
Accrued Liabilities	9,437	-	-	-
Deposits and Reserves	-	-	2,000	-
Total Liabilities	<u>11,320</u>	<u>-</u>	<u>2,000</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Notes Receivable	-	-	2,786	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>2,786</u>	<u>-</u>
FUND BALANCES				
Restricted For:				
Water Projects	638,649	-	-	-
Community Enhancement	-	247,473	-	-
Committed For:				
Exterior Energy Offset Programs	-	-	-	112,804
Waste Reduction Programs	-	-	-	-
Assigned For:				
Community Housing Programs	-	-	2,165,857	-
Total Fund Balances	<u>638,649</u>	<u>247,473</u>	<u>2,165,857</u>	<u>112,804</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 649,969</u>	<u>\$ 247,473</u>	<u>\$ 2,170,643</u>	<u>\$ 112,804</u>

Disposable Paper Bag Fee Fund	Total Nonmajor Governmental Funds
\$ 97,530	\$ 3,141,024
3,682	85,074
-	53,217
-	2,786
<u>\$ 101,212</u>	<u>\$ 3,282,101</u>
\$ 82	1,965
-	9,437
-	2,000
<u>82</u>	<u>13,402</u>
-	2,786
-	2,786
-	638,649
-	247,473
-	112,804
101,130	101,130
-	2,165,857
<u>101,130</u>	<u>3,265,913</u>
<u>\$ 101,212</u>	<u>\$ 3,282,101</u>

TOWN OF AVON, COLORADO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2020

	Special Revenue Funds			
	Water Fund	Community Enhancement Fund	Community Housing Fund	Exterior Energy Offset Fund
Revenues				
Licenses and Permits	\$ -	\$ -	\$ -	\$ 59,760
Charges for Services	190,512	-	49,384	-
Investment Earnings	-	-	151	-
Other Revenues	-	81,392	1,513,057	-
Total Revenues	<u>190,512</u>	<u>81,392</u>	<u>1,562,592</u>	<u>59,760</u>
Expenditures				
Current:				
General Government	-	-	479,329	-
Community Development	-	-	-	12,000
Public Works and Utilities	77,610	-	-	-
Total Expenditures	<u>77,610</u>	<u>-</u>	<u>479,329</u>	<u>12,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	112,902	81,392	1,083,263	47,760
Other Financing Sources (Uses):				
Transfers In:				
General Fund	-	-	250,000	-
Net Change in Fund Balances	112,902	81,392	1,333,263	47,760
Fund Balances, Beginning of Year	<u>525,747</u>	<u>166,081</u>	<u>832,594</u>	<u>65,044</u>
Fund Balances, End of year	<u>\$ 638,649</u>	<u>\$ 247,473</u>	<u>\$ 2,165,857</u>	<u>\$ 112,804</u>

Disposable Paper Bag Fee Fund	Total Nonmajor Governmental Funds
\$ -	\$ 59,760
-	239,896
-	151
27,066	1,621,515
27,066	1,921,322
14,669	493,998
-	12,000
-	77,610
14,669	583,608
12,397	1,337,714
-	250,000
12,397	1,587,714
88,733	1,678,199
\$ 101,130	\$ 3,265,913

TOWN OF AVON, COLORADO

WATER FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (BUDGETARY BASIS) - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Revenues				
Charges for Services:				
Water Surcharges	\$ 160,000	\$ 160,000	\$ 159,300	\$ (700)
Tap Fees	200,000	40,000	31,212	(8,788)
Total Charges for Services	360,000	200,000	190,512	(9,488)
Total Revenues	360,000	200,000	190,512	(9,488)
Expenditures				
Current:				
Public Works and Utilities	126,488	125,540	77,610	47,930
Total Expenditures	126,488	125,540	77,610	47,930
Net Change in Fund Balances	233,512	74,460	112,902	38,442
Fund Balances, Beginning of Year	249,911	525,747	525,747	-
Fund Balances, End of year	<u>\$ 483,423</u>	<u>\$ 600,207</u>	<u>\$ 638,649</u>	<u>\$ 38,442</u>

TOWN OF AVON, COLORADO

COMMUNITY ENHANCEMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

BUDGET AND ACTUAL (BUDGETARY BASIS)

FOR THE YEAR ENDED DECEMBER 31, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Revenues				
Other Revenues	\$ 80,000	\$ 80,000	\$ 81,392	\$ 1,392
Total Revenues	80,000	80,000	81,392	1,392
Expenditures				
Current:				
Public Works and Utilities	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	80,000	80,000	81,392	1,392
Other Financing Sources (Uses)				
Transfers Out:				
Capital Projects Fund	-	-	-	-
Net Change in Fund Balances	80,000	80,000	81,392	1,392
Fund Balances, Beginning of Year	163,009	166,081	166,081	-
Fund Balances, End of year	\$ 243,009	\$ 246,081	\$ 247,473	\$ 1,392

TOWN OF AVON, COLORADO

COMMUNITY HOUSING FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (BUDGETARY BASIS) FOR THE YEAR ENDED DECEMBER 31, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Revenues				
Charges for Services				
Rental Revenues - Employees	\$ 50,738	\$ 50,738	\$ 49,384	\$ (1,354)
Investment Earnings	411	147	151	4
Other Revenues:				
Bond Issuance Fee	10,000	10,000	9,768	(232)
Loan Principal Repayment	3,329	3,329	3,589	260
Miscellaneous Nonclassified	-	1,499,965	1,499,700	(265)
Total Revenues	<u>64,478</u>	<u>1,564,179</u>	<u>1,562,592</u>	<u>(1,587)</u>
Expenditures				
Current:				
General Government	<u>10,000</u>	<u>660,000</u>	<u>479,329</u>	<u>180,671</u>
Total Expenditures	<u>10,000</u>	<u>660,000</u>	<u>479,329</u>	<u>180,671</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	54,478	904,179	1,083,263	179,084
Other Financing Sources (Uses):				
Transfers In:				
General Fund	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>-</u>
Net Change in Fund Balances	304,478	1,154,179	1,333,263	179,084
Fund Balances, Beginning of Year	<u>695,291</u>	<u>832,594</u>	<u>832,594</u>	<u>-</u>
Fund Balances, End of year	<u>\$ 999,769</u>	<u>\$ 1,986,773</u>	<u>\$ 2,165,857</u>	<u>\$ 179,084</u>

TOWN OF AVON, COLORADO

EXTERIOR ENERGY OFFSET FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

BUDGET AND ACTUAL (BUDGETARY BASIS)

FOR THE YEAR ENDED DECEMBER 31, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Revenues				
Licenses and Permits:				
Exterior Energy Offset Fee	\$ 5,000	\$ 59,760	\$ 59,760	\$ -
Total Revenues	5,000	59,760	59,760	-
Expenditures				
Current:				
Community Development	-	12,000	12,000	-
Total Expenditures	-	12,000	12,000	-
Net Change in Fund Balances	5,000	47,760	47,760	-
Fund Balances, Beginning of Year	76,552	65,044	65,044	-
Fund Balances, End of year	\$ 81,552	\$ 112,804	\$ 112,804	\$ -

TOWN OF AVON, COLORADO

DISPOSABLE PAPER BAG FEE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

BUDGET AND ACTUAL (BUDGETARY BASIS)

FOR THE YEAR ENDED DECEMBER 31, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Revenues				
Other Revenues:				
Disposable Paper Bag Fee	\$ 45,000	\$ 18,054	\$ 27,066	\$ 9,012
Total Revenues	<u>45,000</u>	<u>18,054</u>	<u>27,066</u>	<u>9,012</u>
Expenditures				
Current:				
General Government	<u>30,000</u>	<u>30,000</u>	<u>14,669</u>	<u>15,331</u>
Total Expenditures	<u>30,000</u>	<u>30,000</u>	<u>14,669</u>	<u>15,331</u>
Net Change in Fund Balances	15,000	(11,946)	12,397	24,343
Fund Balances, Beginning of Year	<u>86,227</u>	<u>88,733</u>	<u>88,733</u>	<u>-</u>
Fund Balances, End of year	<u>\$ 101,227</u>	<u>\$ 76,787</u>	<u>\$ 101,130</u>	<u>\$ 24,343</u>

TOWN OF AVON, COLORADO

DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (BUDGETARY BASIS) FOR THE YEAR ENDED DECEMBER 31, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Revenues				
Investment Earnings	\$ 12,725	\$ 3,575	\$ 3,624	\$ 49
Total Revenues	12,725	3,575	3,624	49
Expenditures				
Debt Service:				
Principal	675,000	688,000	703,000	(15,000)
Interest	342,513	314,770	299,550	15,220
Bond Issuance Costs	-	46,765	46,765	-
Fiscal Charges	5,250	9,941	6,384	3,557
Total Expenditures	1,022,763	1,059,476	1,055,699	3,777
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,010,038)	(1,055,901)	(1,052,075)	3,826
Other Financing Sources (Uses)				
Refunding Bond Proceeds	-	1,973,000	1,973,000	-
Payments to Refunded Bond Escrow Agent	-	(2,434,933)	(2,178,218)	256,715
Transfers In:				
Capital Projects Fund	1,010,038	1,007,801	1,007,801	-
Transfers Out:				
Fleet Maintenance Fund	-	-	(256,716)	(256,716)
Total Other Financing Sources (Uses)	1,010,038	545,868	545,867	(1)
Net Change in Fund Balances	-	(510,033)	(506,208)	3,825
Fund Balances, Beginning of Year	534,816	533,853	533,853	-
Fund Balances, End of year	\$ 534,816	\$ 23,820	\$ 27,645	\$ 3,825

TOWN OF AVON, COLORADO

CAPITAL PROJECTS FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (BUDGETARY BASIS) FOR THE YEAR ENDED DECEMBER 31, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Revenues				
Taxes:				
Real Estate Transfer Tax	\$ 2,671,000	\$ 3,000,000	\$ 5,998,950	\$ 2,998,950
Intergovernmental	113,000	55,000	35,000	(20,000)
Investment Earnings	75,000	90,000	92,480	2,480
Other Revenues	-	-	770	770
Total Revenues	2,859,000	3,145,000	6,127,200	2,982,200
Expenditures				
Capital Projects:				
Facilities	2,110,000	1,428,356	490,210	938,146
Land and Land Improvements	200,000	109,512	79,006	30,506
Roads and Streets	1,430,000	1,543,999	1,109,419	434,580
Utility Projects	233,000	575,697	289,803	285,894
Communications and Technology	572,163	350,290	142,756	207,534
Debt Service:				
Capital Leases	81,999	81,999	81,999	-
Total Expenditures	4,627,162	4,089,853	2,193,193	1,896,660
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,768,162)	(944,853)	3,934,007	4,878,860
Other Financing Sources (Uses)				
Transfers In:				
General Fund	700,000	-	-	-
Avon Urban Renewal Fund	700,000	700,000	700,000	-
Transfers Out:				
General Fund	(247,314)	(247,314)	(247,314)	-
Debt Service Fund	(1,010,038)	(1,007,801)	(1,007,801)	-
Total Other Financing Sources (Uses)	142,648	(555,115)	(555,115)	-
Net Change in Fund Balances	(1,625,514)	(1,499,968)	3,378,892	4,878,860
Fund Balances, Beginning of Year	4,890,137	8,722,351	8,722,351	-
Fund Balances, End of Year	\$ 3,264,623	\$ 7,222,383	\$ 12,101,243	\$ 4,878,860

ENTERPRISE FUNDS

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the Town Council is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered through user charges; or where the Town Council has decided that periodic determination of net income is appropriate for accountability purposes.

Mobility Fund – This fund is used to account for the activities involved in operating the Town's transportation system.

Fleet Maintenance Fund – This fund is used to account for the accumulation and allocation of costs associated with the maintenance of vehicles and rolling stock for the Town and certain other third-party governmental entities.

TOWN OF AVON, COLORADO

MOBILITY FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (BUDGETARY BASIS) FOR THE YEAR ENDED DECEMBER 31, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Revenues:				
Taxes	\$ 41,597	\$ 43,307	\$ 41,633	\$ (1,674)
Intergovernmental	1,846,000	408,279	646,470	238,191
Charges for Services	247,730	247,730	263,715	15,985
Other Revenue	121,880	121,880	108,972	(12,908)
Total Revenues	2,257,207	821,196	1,060,790	239,594
Expenditures:				
Administration	277,931	272,647	271,484	1,163
Operations	3,144,688	1,194,516	1,199,682	(5,166)
Wash Bay	179,309	181,383	174,406	6,977
Mobility Programs	379,838	311,321	324,980	(13,659)
Total Expenditures	3,981,766	1,959,867	1,970,552	(10,685)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,724,559)	(1,138,671)	(909,762)	228,909
Other Financing Sources (Uses):				
Transfers In:				
General Fund	1,300,000	1,150,000	1,150,000	-
Net Change in Fund Balances	(424,559)	11,329	240,238	228,909
Fund Balances, Beginning of Year	618,905	485,286	485,286	-
Fund Balances, End of Year	\$ 194,346	\$ 496,615	\$ 725,524	\$ 228,909

Fund Balances at December 31, 2020, is computed as follows:

Current Assets	\$ 874,911
Less: Current Liabilities and Deferred Inflows of Resources	(184,981)
Add: Current Portion of Capital Leases Payable	35,594
Fund Balances - December 31, 2020	\$ 725,524

**RECONCILIATION OF NET CHANGE IN FUND BALANCES (BUDGETARY BASIS)
TO CHANGE IN NET POSITION (GAAP BASIS)**

Net Change in Fund Balances (Budgetary Basis)	\$ 240,238
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**Adjustments to Reconcile Budgetary
Basis to GAAP Basis**

Principal Paid on Capital Leases	34,417
Capitization of Capital Assets	22,000
Depreciation	<u>(411,125)</u>

Total Adjustments	<u>(354,708)</u>
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Change in Net Position (GAAP Basis)	<u><u>\$ (114,470)</u></u>
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TOWN OF AVON, COLORADO

FLEET MAINTENANCE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (BUDGETARY BASIS) FOR THE YEAR ENDED DECEMBER 31, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Revenues:				
Charges for Services:				
Third-party Fleet Maintenance Charges	\$ 820,767	\$ 820,767	\$ 648,891	\$ (171,876)
Departmental Fleet Maintenance Services	608,728	608,728	758,362	149,634
Fuel Mark-up	18,000	12,644	33,092	20,448
Other Revenues	-	-	100	100
Total Revenues	1,447,495	1,442,139	1,440,445	(1,694)
Expenditures:				
Fleet Maintenance	1,905,281	1,834,610	1,828,500	6,110
Total Expenditures	1,905,281	1,834,610	1,828,500	6,110
Excess (Deficiency) of Revenues Over (Under) Expenditures	(457,786)	(392,471)	(388,055)	4,416
Other Financing Sources (Uses):				
Refunding Bond Proceeds	-	2,010,000	2,010,000	-
Payments to Refunded Bond Escrow Agent	-	(2,219,130)	(2,219,131)	(1)
Transfers In:				
General Fund	475,000	475,000	475,000	-
Capital Projects Fund	-	256,716	256,716	-
Total Other Financing Sources (Uses)	475,000	522,586	522,585	(1)
Net Change in Fund Balances	17,214	130,115	134,530	4,415
Fund Balances, Beginning of Year	23,663	54,791	54,791	-
Fund Balances, End of Year	\$ 40,877	\$ 184,906	\$ 189,321	\$ 4,415

Fund Balances at December 31, 2020, is computed as follows:

Current Assets	\$ 639,930
Less: Current Liabilities	(621,609)
Add: Current Portion of Certificates of Participation	171,000
Fund Balances - December 31, 2020	\$ 189,321

**RECONCILIATION OF NET CHANGE IN FUND BALANCES (BUDGETARY BASIS)
TO CHANGE IN NET POSITION (GAAP BASIS)**

Net Change in Fund Balances (Budgetary Basis)	\$ 134,530
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**Adjustments to Reconcile Budgetary
Basis to GAAP Basis**

Principal Paid on Certificates of Participation	184,000
Amortization of Premium and Gain on Refunding of Debt	1,953
Amortization of Loss on Refunding of Debt	(1,779)
Refunding Bond Proceeds	(2,010,000)
Payments to Refunded Bond Escrow Agent	2,219,131
Depreciation	(140,528)

Total Adjustments	252,777
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Change in Net Position (GAAP Basis)	\$ 387,307
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INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the Town and to other government units, on a cost reimbursement basis.

Equipment Replacement Fund – This fund is used to account for the rental of certain vehicles and equipment to other departments for the accumulation of funds for future replacement.

TOWN OF AVON, COLORADO

EQUIPMENT REPLACEMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

BUDGET AND ACTUAL (BUDGETARY BASIS)

FOR THE YEAR ENDED DECEMBER 31, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Revenues:				
Charges for Services:				
Equipment Replacement Charges	\$ 683,687	\$ -	\$ -	\$ -
Other Revenues	27,750	28,615	29,057	442
Total Revenues	711,437	28,615	29,057	442
Expenditures:				
Capital Outlay:				
Fleet and Heavy Equipment	697,960	93,846	95,880	(2,034)
Recreation Center Equipment & Improvements	131,100	131,100	46,854	84,246
Computer and Office Equipment	71,233	85,641	81,509	4,132
Machinery and Equipment	43,898	-	-	-
Total Expenditures	944,191	310,587	224,243	86,344
Excess (Deficiency) of Revenues Over (Under) Expenditures	(232,754)	(281,972)	(195,186)	86,786
Other Financing Sources (Uses):				
Sales of Capital Assets	35,000	35,000	73,451	38,451
Net Change in Fund Balances	(197,754)	(246,972)	(121,735)	125,237
Fund Balances, Beginning of Year	3,214,496	3,277,689	3,277,689	-
Fund Balances, End of Year	\$ 3,016,742	\$ 3,030,717	\$ 3,155,954	\$ 125,237

Fund Balances at December 31, 2020, is computed as follows:

Current Assets	\$ 3,174,827
Less: Current Liabilities	(95,520)
Add: Current Portion of Capital Leases Payable	76,647
Fund Balances - December 31, 2020	\$ 3,155,954

**RECONCILIATION OF NET CHANGE IN FUND BALANCES (BUDGETARY BASIS)
TO CHANGE IN NET POSITION (GAAP BASIS)**

Net Change in Fund Balances (Budgetary Basis) \$ (121,735)

Basis to GAAP Basis

Capitalization of Capital Assets	223,952
Book Value of Capital Assets Disposed	(47,653)
Transfers In of Non-financial Resources	199,534
Depreciation	<u>(802,678)</u>

Total Adjustments (426,845)

Change in Net Position (GAAP Basis) \$ (548,580)

MISCELLANEOUS SCHEDULES

TOWN OF AVON, COLORADO

DEBT SCHEDULE DECEMBER 31, 2020

Purpose	Schedule of Indebtedness					Payments Due In 2021	
	Date Issued	Interest Rate	Maturity Date	Amount Issued	Amount Outstanding	Principal	Interest
Revenue Bonds:							
Series 2017, Avon URA Tax Increment							
Revenue Bonds	1/5/17	2.90%	12/1/31	\$ 3,000,000	\$ 2,317,223	\$ 181,278	\$ 66,805
Series 2020, Avon URA Tax Increment							
Revenue Loan	5/1/20	2.11%	12/1/28	4,111,000	3,651,000	424,000	77,036
Total Revenue Bonds				7,111,000	5,968,223	605,278	143,841
Certificates of Participation:							
Series 2014B, Certificates of Participation	1/14/15	3.03%	12/1/29	3,800,000	2,475,000	245,000	74,992
Series 2016, Certificates of Participation	8/2/16	2.00%-4.00%	12/1/35	6,300,000	5,270,000	290,000	156,875
Series 2020, Refunding Certificates of Participation	9/2/20	1.23%	12/1/30	3,983,000	3,616,000	342,000	44,477
Total Certificates of Participation				14,083,000	11,361,000	877,000	276,344
Capital Lease Obligations							
Master Lease-Purchase, US Bancorp	7/25/14	2.10%	7/15/21	170,246	25,871	25,871	408
Master Lease-Purchase, Clayton Holdings	10/5/17	2.35%	11/27/24	355,818	210,377	50,776	4,944
Master Lease-Purchase, Clayton Holdings	8/24/18	3.39%	8/24/25	258,258	190,562	35,594	6,161
Total Capital Lease Obligations				784,322	426,810	112,241	11,513
Total Long-term Debt				\$ 21,978,322	\$ 17,756,033	\$ 1,594,519	\$ 431,698

TOWN OF AVON, COLORADO

DETAILED SCHEDULE OF GENERAL FUND EXPENDITURES (BUDGETARY BASIS) - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2020

Description	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
General Government:				
Mayor and Town Council	\$ 270,662	\$ 267,768	\$ 255,633	\$ 12,135
Town Attorney	155,000	205,000	249,105	(44,105)
Town Clerk	134,843	139,737	126,689	13,048
Municipal Court	148,478	128,141	123,876	4,265
Town Manager	579,654	412,154	380,489	31,665
Community Relations	268,766	266,211	243,282	22,929
Economic Development	140,250	143,250	121,958	21,292
Special Events	798,042	392,195	305,185	87,010
Community Grants	92,000	97,000	92,800	4,200
COVID19	-	517,621	562,817	(45,196)
Subtotal General Government	2,587,695	2,569,077	2,461,834	107,243
Human Resources:				
Human Resources	566,168	570,734	532,366	38,368
Finance and Information Technology:				
Finance	993,978	986,754	982,068	4,686
Information Systems	441,785	448,608	456,471	(7,863)
Nondepartmental	615,557	509,603	536,086	(26,483)
Subtotal Finance and Administration	2,051,320	1,944,965	1,974,625	(29,660)
Total General Government, Finance and Administration	5,205,183	5,084,776	4,968,825	115,951
Community Development:				
Boards and Commissions	19,649	19,650	10,291	9,359
Planning	314,587	307,254	300,334	6,920
Building Inspection	185,515	186,392	178,114	8,278
Total Community Development	519,751	513,296	488,739	24,557
Public Safety: Police				
Administration	889,491	823,448	799,612	23,836
Patrol	3,100,349	3,016,868	2,941,404	75,464
Investigations	331,071	307,778	309,919	(2,141)
Total Public Safety	4,320,911	4,148,094	4,050,935	97,159

Description	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Public Works and Engineering				
<i>Engineering:</i>				
Engineering	\$ 273,385	\$ 264,624	\$ 266,431	\$ (1,807)
Buildings and Facilities	1,277,853	1,204,533	1,086,624	117,909
<i>Public Works:</i>				
Roads and Bridges	2,633,092	2,388,955	2,293,780	95,175
Parks and Grounds	639,740	458,975	343,238	115,737
Total Public Works	4,824,070	4,317,087	3,990,073	327,014
Recreation:				
Administration	269,711	260,856	251,322	9,534
Adult Programs	50,032	41,118	24,628	16,490
Aquatics	662,235	555,055	474,748	80,307
Fitness	138,324	69,903	38,359	31,544
Guest Services	361,889	310,827	277,099	33,728
Youth Programs	213,422	191,045	125,591	65,454
Community Swim Program	185,243	160,603	120,140	40,463
Total Recreation	1,880,856	1,589,407	1,311,887	277,520
TOTAL EXPENDITURES	\$ 16,750,771	\$ 15,652,660	\$ 14,810,459	\$ 842,201

TOWN OF AVON, COLORADO

DETAILED SCHEDULE OF GENERAL FUND REVENUES (BUDGETARY BASIS) - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2020

Description	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Taxes:				
General Property Tax	\$ 2,048,895	\$ 2,041,743	\$ 2,041,834	\$ 91
General Property Tax - Delinquent Collections	500	500	-	(500)
General Property Tax - Interest and Penalties	1,500	1,500	3,128	1,628
Specific Ownership Tax	115,000	115,000	114,434	(566)
Sales Tax	8,867,221	8,596,926	9,103,683	506,757
Utility Tax	115,000	115,000	102,442	(12,558)
Accommodations Tax	1,484,349	1,121,201	1,217,787	96,586
Penalties and Interest	35,000	35,000	43,531	8,531
Sales Tax Audit Assessments	10,000	65,000	67,230	2,230
VAA Retail Sales Fee	820,800	855,000	870,964	15,964
Cigarette Excise Tax	225,000	210,000	250,995	40,995
Tobacco Tax	160,000	185,000	214,907	29,907
Franchise Fees	450,000	435,000	428,495	(6,505)
Total Taxes	14,333,265	13,776,870	14,459,430	682,560
Licenses and Permits:				
Liquor Licenses	12,500	12,500	5,663	(6,837)
Business Licenses	100,000	70,000	95,900	25,900
Contractor's Licenses	25,000	20,000	14,315	(5,685)
Tobacco / Cigarette Retailers License	1,500	1,500	1,750	250
Booting/Towing Licenses	500	500	600	100
Building Permits	300,000	190,000	204,986	14,986
Road Cut Permits	8,000	8,000	5,170	(2,830)
Mobile Vendor Cart Permits	600	600	350	(250)
Total Licenses and Permits	448,100	303,100	328,734	25,634
Intergovernmental:				
<i>Federal:</i>				
Click It or Ticket	3,000	5,500	5,500	-
Bullet Proof Vest Grant	2,000	2,000	2,206	206
CARES Act	-	713,837	713,837	-
LEAF Grant	-	-	1,916	1,916
<i>State:</i>				
High Visibility Grants	20,000	20,000	24,882	4,882
POST I70 Training Grants	21,000	35,676	36,734	1,058
DOLA Grants	47,000	48,500	4,215	(44,285)
Avon Best and Brightest	-	13,213	23,591	10,378
Other State Grants	-	-	6,173	6,173
<i>Local Government/Other Agency</i>				
El Pomar Grant	-	2,500	2,500	-
Other Local Grants	5,000	5,000	6,804	1,804

Description	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Intergovernmental:				
<i>State/County Shared Revenue:</i>				
Conservation Trust	\$ 73,500	\$ 73,500	\$ 67,312	\$ (6,188)
Motor Vehicle Registration	24,800	24,800	24,472	(328)
Highway User's Tax	187,929	178,000	168,012	(9,988)
County Sales Tax	477,090	500,000	507,823	7,823
Road & Bridge Fund	135,760	144,000	150,268	6,268
State Severance Tax	1,000	750	488	(262)
Total Intergovernmental	998,079	1,767,276	1,746,733	(20,543)
Charges for Services:				
<i>General Government:</i>				
Photocopying Charges	100	100	-	(100)
License Hearing Fees	100	100	-	(100)
Other Fees and Charges	2,000	2,000	2,418	418
Credit Card and Paper Filing Fees	2,500	2,500	2,281	(219)
<i>Special Events:</i>				
Concession Sales	82,800	6,000	-	(6,000)
Sponsorships	37,500	-	-	-
Event Fees	15,000	2,800	550	(2,250)
Special Event Admission Fees	6,000	-	-	-
<i>Community Development:</i>				
Plan Check Fees	75,000	75,000	121,855	46,855
Subdivision Review Fees	-	-	-	-
Design Review Fees	22,000	15,000	19,282	4,282
Animal Control Fees	150	150	-	(150)
Impact Fee Administrative Fees	1,500	1,500	1,624	124
<i>Public Safety:</i>				
Police Reports	600	1,000	1,286	286
Off-duty Police Employment	25,000	25,000	25,172	172
Fingerprinting Fees	200	500	740	240
VIN Inspection Fees	750	1,800	2,440	640
False Alarm Fees	75	75	5	(70)
National Night Out	2,500	1,500	1,500	-
DUI Reimbursement	30,000	10,000	10,043	43
<i>Avon Recreation Center:</i>				
Admission Fees	1,017,330	457,449	432,963	(24,486)
Program Fees	20,000	13,975	15,170	1,195
Facility Rentals	7,000	3,696	2,717	(979)
Merchandise Sales	8,500	2,797	2,804	7
Other Recreation Center Services	10,000	4,733	3,970	(763)
Fitness Program Revenues	35,000	10,385	11,712	1,327
Swim Team Revenue	52,488	36,742	38,629	1,887
Private Lessons	37,500	13,753	13,174	(579)

TOWN OF AVON, COLORADO

DETAILED SCHEDULE OF GENERAL FUND REVENUES (BUDGETARY BASIS) - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2020 (CONTINUED)

Description	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive
	Original	Final		(Negative)
Charges for Services:				
<i>General Recreation:</i>				
Adult Program Revenues	\$ 20,000	\$ 7,907	\$ 6,554	\$ (1,353)
Cabin Equipment Rentals	25,000	60,000	59,151	(849)
Athletic Field Rentals	2,000	504	490	(14)
Youth Program Revenues	165,000	159,321	156,540	(2,781)
Pavillion Rentals	3,600	-	555	555
Total Charges for Services	1,707,193	916,287	933,625	17,338
Fines and Forfeitures:				
Court Fines - Traffic	20,000	23,000	24,660	1,660
Court Fines - Criminal	13,100	7,000	6,201	(799)
Court Fines - Parking	3,000	6,700	4,185	(2,515)
Court Costs	4,000	2,600	2,586	(14)
Jury Fees	100	100	-	(100)
Bond Forfeitures	100	100	-	(100)
Police Training Surcharge	3,200	3,000	2,690	(310)
Police Forfeitures	-	-	(629)	(629)
Total Fines and Forfeitures	43,500	42,500	39,693	(2,807)
Investment Earnings	250,000	240,000	189,169	(50,831)
Miscellaneous Revenues:				
Recreational Amenity Fees	285,000	300,000	310,984	10,984
Lease of Town-owned Property	58,500	58,500	31,525	(26,975)
Miscellaneous Nonclassified Revenues	100,000	125,000	402,604	277,604
Total Miscellaneous Revenues	443,500	483,500	745,113	261,613
TOTAL REVENUES	\$ 18,223,637	\$ 17,529,533	\$ 18,442,497	\$ 912,964

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TOWN OF AVON, COLORADO

SCHEDULE OF CAPITAL PROJECT FUND PROJECT EXPENDITURES (BUDGETARY BASIS) - BUDGET AND ACTUAL FROM INCEPTION AND FOR THE YEAR ENDED DECEMBER 31, 2020

Project Description	Actual Amounts			Total Project Budget	Variance with Budget - Positive (Negative)
	Prior Years	Current Year	Total		
CAPITAL IMPROVEMENT PROJECTS					
Facilities:					
<i>General Government Facilities:</i>					
Town Hall Control System	\$ -	\$ 10,924	\$ 10,924	\$ 10,715	\$ (209)
New Town Hall Tenant Finish	4,864,853	22,914	4,887,767	4,774,516	(113,251)
Old Town Hall Utility Upgrades	-	144,169	144,169	450,000	305,831
Old Town Hall Asbestos Mitigation/Demolition	-	1,200	1,200	525,000	523,800
Fiber - Pavilion to NTH	46,192	6,247	52,439	70,000	17,561
Level 2 EV Charging Station - NTH	-	5,322	5,322	5,000	(322)
New Town Hall Security Upgrades	-	105,423	105,423	125,000	19,577
New Town Hall 2nd & 3rd Floor Updates	-	3,335	3,335	110,000	106,665
<i>Cultural and Recreational Facilities:</i>					
Pavilion Retractable Door	252,195	40,574	292,769	290,700	(2,069)
Pavilion Deck Railing and Floor Repair	-	95,434	95,434	425,600	330,166
Recreation Center Weight Room Expansion	456,983	3,565	460,548	500,000	39,452
<i>Other Facilities</i>					
Level 3 DC Fast Charging Station	-	51,103	51,103	75,000	23,897
Land and Land Improvements:					
Eagle River Whitewater Park Repair	215,758	20,200	235,958	221,390	(14,568)
Wildfire Mitigation	-	22,859	22,859	40,000	17,141
West Nottingham Park Improvements	-	9,307	9,307	280,000	270,693
Nottingham Park Benches	-	26,640	26,640	26,640	

Project Description	Actual Amounts			Total Project Budget	Variance with Budget - Positive (Negative)
	Prior Years	Current Year	Total		
CAPITAL IMPROVEMENT PROJECTS					
Roads and Streets:					
<i>Streetscape Improvements:</i>					
Mall Activation Elements	\$ -	\$ 15,088	\$ 15,088	\$ 30,000	\$ 14,912
Avon Rd. / I70 Overpass Aesthetics Imp.	8,465	44,668	53,133	1,048,245	995,112
Benchmark Rd. On-street Parking Imp.	37,952	552,940	590,892	600,000	9,108
<i>Street Maintenance and Repair:</i>					
Annual Guardrail Repair	\$ -	\$ 38,668	\$ 38,668	\$ 40,000	\$ 1,332
Eaglebend Dr. Resurfacing	1,040	189,189	190,229	300,000	109,771
Yoder Ave. Asphalt Overlay	3,930	202,611	206,541	550,000	343,459
Buck Creek Repairs	-	11,651	11,651	800,000	788,349
<i>Street Improvements:</i>					
East and West B/C Blvd. Street Rebuild	3,988,243	2,140	3,990,383	4,025,943	35,560
<i>Recreational Trails Program:</i>					
West Avon Preserve Trail Improvements	-	52,464	52,464	57,000	4,536
Water Projects:					
East Stormwater Quality Vault	-	253,972	253,972	315,000	61,028
Nottingham Rd. Debris Flow Study and Imp.	164,303	35,831	200,134	425,000	224,866
Communications and Technology					
Finance / Community Development ERP Systems	-	142,756	142,756	225,290	82,534
Total Capital Improvement Projects	\$10,039,914	\$ 2,111,194	\$12,151,108	\$16,346,039	\$ 4,194,931

LOCAL HIGHWAY FINANCE REPORT				City or County:	
				YEAR ENDING : December 2020	
This Information From The Records Of (example - City of _ or County of _)				Prepared By: Amy Greer Phone: 970-748-4044	
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)		0	
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:		1,981,265	
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:			
c. Total (a.+b.)		a. Traffic control operations		51,893	
2. General fund appropriations	2,770,360	b. Snow and ice removal		792,312	
3. Other local imposts (from page 2)	114,434	c. Other			
4. Miscellaneous local receipts (from page 2)	486,787	d. Total (a. through c.)		844,204	
5. Transfers from toll facilities		4. General administration & miscellaneous			
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety		449,435	
a. Bonds - Original Issues		6. Total (1 through 5)		3,274,904	
b. Bonds - Refunding Issues		B. Debt service on local obligations:			
c. Notes		1. Bonds:			
d. Total (a. + b. + c.)	0	a. Interest		82,151	
7. Total (1 through 6)	3,371,580	b. Redemption		611,497	
B. Private Contributions		c. Total (a. + b.)		693,648	
C. Receipts from State government (from page 2)	192,483	2. Notes:			
D. Receipts from Federal Government (from page 2)	0	a. Interest			
E. Total receipts (A.7 + B + C + D)	3,564,063	b. Redemption			
		c. Total (a. + b.)		0	
		3. Total (1.c + 2.c)		693,648	
		C. Payments to State for highways			
		D. Payments to toll facilities			
		E. Total disbursements (A.6 + B.3 + C + D)		3,968,553	
IV. LOCAL HIGHWAY DEBT STATUS (Show all entries at par)					
		Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)		7,243,778		607,344	6,636,434
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
		3,564,063	3,968,553		(404,490)
Notes and Comments:					

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2020	
II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	114,434	g. Other Misc. Receipts	
6. Total (1. through 5.)	114,434	h. Other RETT	486,787
c. Total (a. + b.)	114,434	i. Total (a. through h.)	486,787
	(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	168,012	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	24,472	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	24,472	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	192,483	3. Total (1. + 2.g)	
			(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation			0
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	0	0
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	0	0
			(Carry forward to page 1)
Notes and Comments:			

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STATISTICAL SECTION

This section of the Town of Avon's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Town's overall financial health.

Financial Trends (Pages 94-102) – These schedules contain trend information to help readers understand how the Town's financial performance and well-being have changed over time.

Revenue Capacity (Pages 103-107) – These schedules contain information to help readers understand and assess the factors affecting the Town's ability to generate its own-source revenues, specifically property taxes.

Debt Capacity (Pages 108-111) – These schedules present information to help readers understand and assess the Town's debt burden and ability to issue additional debt.

Demographic and Economic Information (Pages 112-114) – These schedules offer demographic and economic information to help readers understand the environment in which the Town's financial activities take place and to provide information that facilitates comparisons of financial statement information over time and among other local governments.

Operating Information (Pages 115-117) – These schedules contain service and infrastructure information to help readers understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.

TOWN OF AVON, COLORADO

NET POSITION BY COMPONENT LAST TEN FISCAL YEARS

	Fiscal Year			
	2011	2012	2013	2014
Governmental Activities				
Net Investment in Capital Assets	\$ 34,738,700	\$ 36,904,217	\$ 34,774,531	\$ 64,112,399
Restricted For:				
Emergencies	447,963	428,947	476,619	598,376
Debt Service	1,047,077	1,015,589	1,139,575	1,136,228
Capital Improvements	2,972,175	2,530,266	4,635,904	3,386,451
Urban Renewal	242,620	216,002	367,082	305,379
Purposes of Grantors	2,725,334	2,238,966	2,007,140	929,226
Unrestricted	14,345,936	13,544,676	10,217,136	10,466,381
Total Governmental Activities Net Position	<u>\$ 56,519,805</u>	<u>\$ 56,878,663</u>	<u>\$ 53,617,987</u>	<u>\$ 80,934,440</u>
Business-type Activities				
Net Investment in Capital Assets	\$ 1,815,425	\$ 1,761,245	\$ 12,583,125	\$ 12,097,298
Unrestricted	1,256,004	943,960	783,529	843,503
Total Business-type Activities Net Position	<u>\$ 3,071,429</u>	<u>\$ 2,705,205</u>	<u>\$ 13,366,654</u>	<u>\$ 12,940,801</u>
Primary Government				
Net Investment in Capital Assets	\$ 36,554,125	\$ 38,665,462	\$ 47,357,656	\$ 76,209,697
Restricted	7,435,169	6,429,770	8,626,320	6,355,660
Unrestricted	15,601,940	14,488,636	11,000,665	11,309,884
Total Primary Government Net Position	<u>\$ 59,591,234</u>	<u>\$ 59,583,868</u>	<u>\$ 66,984,641</u>	<u>\$ 93,875,241</u>

Source: Town of Avon Finance Department

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 60,000,945	\$ 58,088,785	\$ 56,693,531	\$ 60,092,867	\$ 60,035,630	\$ 58,743,303
552,335	664,805	688,786	693,001	805,865	829,650
1,157,629	1,169,163	1,175,301	1,163,056	1,162,093	-
6,198,817	5,921,087	3,373,917	702,390	657,821	657,821
404,048	555,167	717,740	-	-	-
1,106,628	142,100	192,173	267,911	691,828	886,122
11,283,921	16,341,288	20,329,098	20,540,937	22,762,477	29,356,781
<u>\$ 80,704,323</u>	<u>\$ 82,882,395</u>	<u>\$ 83,170,546</u>	<u>\$ 83,460,162</u>	<u>\$ 86,115,714</u>	<u>\$ 90,473,677</u>
\$ 11,633,282	\$ 11,430,538	\$ 11,424,412	\$ 10,877,907	\$ 10,401,752	\$ 10,299,819
859,368	908,749	710,428	652,622	540,075	914,845
<u>\$ 12,492,650</u>	<u>\$ 12,339,287</u>	<u>\$ 12,134,840</u>	<u>\$ 11,530,529</u>	<u>\$ 10,941,827</u>	<u>\$ 11,214,664</u>
\$ 71,634,227	\$ 69,519,323	\$ 68,117,943	\$ 70,970,774	\$ 70,437,382	\$ 69,043,122
9,419,457	8,452,322	6,147,917	2,826,358	3,317,607	2,373,593
12,143,289	17,250,037	21,039,526	21,193,559	23,302,552	30,271,626
<u>\$ 93,196,973</u>	<u>\$ 95,221,682</u>	<u>\$ 95,305,386</u>	<u>\$ 94,990,691</u>	<u>\$ 97,057,541</u>	<u>\$ 101,688,341</u>

TOWN OF AVON, COLORADO

CHANGES IN NET POSITION LAST TEN FISCAL YEARS

	Fiscal Year			
	2011	2012	2013	2014
Expenses				
Governmental Activities:				
General Government	\$ 3,539,636	\$ 3,400,499	\$ 2,836,303	\$ 3,186,870
Community Development	519,631	421,554	365,960	463,821
Public Safety	2,569,100	2,554,404	2,551,559	2,792,174
Public Works and Utilities	5,821,879	5,479,239	4,814,364	7,179,132
Recreation and Culture	2,276,473	2,737,458	3,851,812	2,061,033
Interest and Fiscal Charges on Long-term Debt	575,100	516,160	600,367	504,343
Total Governmental Activity Expenses	15,301,819	15,109,314	15,020,365	16,187,373
Business-type Activities:				
Transportation	1,123,640	1,083,097	1,193,289	1,686,778
Fleet Maintenance	1,618,698	1,382,954	1,608,295	1,609,134
Total Business-type Activity Expenses	2,742,338	2,466,051	2,801,584	3,295,912
Total Primary Government Expenses	\$ 18,044,157	\$ 17,575,365	\$ 17,821,949	\$ 19,483,285
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Government	\$ 259,609	\$ 183,969	\$ 135,448	\$ 163,429
Community Development	230,570	225,778	485,406	279,179
Public Safety	248,442	52,649	54,205	66,662
Public Works and Utilities	524,047	278,662	256,749	564,090
Recreation and Culture	1,208,130	1,116,947	1,064,314	1,092,276
Operating Grants and Contributions	59,329	39,607	39,217	52,151
Capital Grants and Contributions	247,368	1,715,337	7,823,132	1,027,911
Total Governmental Activity Program Revenues	2,777,495	3,612,949	9,858,471	3,245,698
Business-type Activities:				
Charges for Services	1,520,018	1,135,929	1,450,388	1,645,083
Operating Grants and Contributions	-	-	-	-
Capital Grants and Contributions	-	305,351	90,494	-
Total Business-type Activity Program Revenues	1,520,018	1,441,280	1,540,882	1,645,083
Total Primary Government Program Revenues	\$ 4,297,513	\$ 5,054,229	\$ 11,399,353	\$ 4,890,781
Net (Expense) Revenue				
Governmental Activities	\$ (12,524,324)	\$ (11,496,365)	\$ (5,161,894)	\$ (12,941,675)
Business-type Activities	(1,222,320)	(1,024,771)	(1,260,702)	(1,650,829)
Total Primary Government Net Expense	\$ (13,746,644)	\$ (12,521,136)	\$ (6,422,596)	\$ (14,592,504)

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 3,042,126	\$ 3,291,190	\$ 3,500,101	\$ 3,661,274	\$ 5,968,157	\$ 6,274,190
1,341,706	1,202,097	1,617,329	1,454,581	557,539	513,004
3,039,333	3,214,680	3,703,871	3,983,349	4,310,801	4,466,597
8,458,218	9,656,808	9,026,700	9,448,309	8,134,954	8,245,335
1,430,648	1,584,531	1,684,492	1,978,431	2,160,389	1,814,889
639,267	754,238	796,462	720,441	617,694	538,010
17,951,298	19,703,544	20,328,955	21,246,385	21,749,534	21,852,025
1,979,505	1,963,223	2,253,558	2,272,401	2,502,195	2,325,260
1,506,138	1,623,046	1,655,774	1,720,433	1,780,524	1,784,854
3,485,643	3,586,269	3,909,332	3,992,834	4,282,719	4,110,114
<u>\$ 21,436,941</u>	<u>\$ 23,289,813</u>	<u>\$ 24,238,287</u>	<u>\$ 25,239,219</u>	<u>\$ 26,032,253</u>	<u>\$ 25,962,139</u>
\$ 219,364	\$ 239,199	\$ 294,431	\$ 272,153	\$ 280,165	\$ 197,989
380,130	369,867	396,731	395,239	843,810	421,822
69,629	99,862	64,275	93,646	60,017	41,786
764,549	698,195	287,151	233,982	484,271	195,682
1,238,395	1,334,056	1,519,254	1,458,802	1,385,312	744,429
11,713	104,217	84,761	75,430	89,873	826,152
61,779	1,816,456	31,237	491,600	815	37,206
2,745,559	4,661,852	2,677,840	3,020,852	3,144,263	2,465,066
1,670,213	1,557,439	1,482,770	1,564,465	1,644,868	1,813,132
-	-	-	75,000	245,980	646,470
-	100,000	328,000	-	-	-
1,670,213	1,657,439	1,810,770	1,639,465	1,890,848	2,459,602
<u>\$ 4,415,772</u>	<u>\$ 6,319,291</u>	<u>\$ 4,488,610</u>	<u>\$ 4,660,317</u>	<u>\$ 5,035,111</u>	<u>\$ 4,924,668</u>
\$ (15,205,739)	\$ (15,041,692)	\$ (17,651,115)	\$ (18,225,533)	\$ (18,605,271)	\$ (19,386,959)
(1,815,430)	(1,928,830)	(2,098,562)	(2,353,369)	(2,391,871)	(1,650,512)
<u>\$ (17,021,169)</u>	<u>\$ (16,970,522)</u>	<u>\$ (19,749,677)</u>	<u>\$ (20,578,902)</u>	<u>\$ (20,997,142)</u>	<u>\$ (21,037,471)</u>

TOWN OF AVON, COLORADO

CHANGES IN NET POSITION (CONTINUED) LAST TEN FISCAL YEARS

	Fiscal Year			
	2011	2012	2013	2014
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Taxes:				
Property Taxes	\$ 3,672,307	\$ 3,027,319	\$ 3,039,132	\$ 2,873,055
Real Estate Transfer Taxes	1,616,982	1,707,648	1,574,502	3,764,526
Sales and Accommodation Taxes	6,190,839	6,340,557	7,249,935	8,089,010
Other Taxes	1,323,246	499,114	625,756	1,197,603
Unrestricted Investment Earnings	87,099	37,827	21,296	45,844
Loss on Disposal of Capital Assets	-	(30,857)	-	-
Grants and Contributions Not Restricted to Specific Programs	857,474	839,112	864,231	883,884
Miscellaneous	372,222	344,503	408,142	500,925
Capital Contributions	-	-	(10,955,776)	24,063,281
Transfers	(950,000)	(910,000)	(926,000)	(1,160,000)
Total Governmental Activities	13,170,169	11,855,223	1,901,218	40,258,128
Business-type Activities:				
Property Taxes	40,371	40,032	40,375	40,079
Capital Contributions	-	-	10,955,776	24,897
Loss on Disposal of Capital Assets	-	(291,485)	-	-
Transfers	950,000	910,000	926,000	1,160,000
Total Business-type Activities	990,371	658,547	11,922,151	1,224,976
Total Primary Government	\$ 14,160,540	\$ 12,513,770	\$ 13,823,369	\$ 41,483,104
Change in Net Position				
Governmental Activities	\$ 645,845	\$ 358,858	\$ (3,260,676)	\$ 27,316,453
Business-type Activities	(231,949)	(366,224)	10,661,449	(425,853)
Total Primary Government	\$ 413,896	\$ (7,366)	\$ 7,400,773	\$ 26,890,600

Source: Town of Avon Finance Department

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 2,904,509	\$ 3,315,020	\$ 2,876,177	\$ 3,260,557	\$ 3,226,470	\$ 3,727,486
2,369,314	3,497,602	4,411,530	3,621,125	5,001,145	5,998,950
8,754,673	9,540,260	9,437,658	10,595,905	11,438,117	11,303,195
1,208,352	1,389,896	1,385,171	641,144	990,898	996,839
53,161	139,665	178,997	398,998	549,998	288,927
-	-	-	-	-	-
482,769	513,912	913,784	932,146	968,549	918,375
529,843	558,618	589,767	772,766	847,185	2,392,866
-	(150,215)	(103,403)	-	(61,539)	-
(1,326,999)	(1,584,994)	(1,750,415)	(1,707,492)	(1,700,000)	(1,881,716)
14,975,622	17,219,764	17,939,266	18,515,149	21,260,823	23,744,922
40,280	40,258	40,297	41,566	41,630	41,633
-	150,215	103,403	-	61,539	-
-	-	-	-	-	-
1,326,999	1,584,994	1,750,415	1,707,492	1,700,000	1,881,716
1,367,279	1,775,467	1,894,115	1,749,058	1,803,169	1,923,349
\$ 16,342,901	\$ 18,995,231	\$ 19,833,381	\$ 20,264,207	\$ 23,063,992	\$ 25,668,271
\$ (230,117)	\$ 2,178,072	\$ 288,151	\$ 289,616	\$ 2,655,552	\$ 4,357,963
(448,151)	(153,363)	(204,447)	(604,311)	(588,702)	272,837
\$ (678,268)	\$ 2,024,709	\$ 83,704	\$ (314,695)	\$ 2,066,850	\$ 4,630,800

TOWN OF AVON, COLORADO

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

	Fiscal Year			
	2011	2012	2013	2014
Revenues				
Taxes	\$ 12,083,403	\$ 11,574,638	\$ 12,489,325	\$ 15,924,194
Licenses and Permits	219,265	207,670	336,548	210,636
Intergovernmental	1,164,171	2,594,056	8,324,980	1,963,946
Charges for Services	1,593,303	1,473,552	1,556,262	1,757,625
Fines and Forfeitures	197,103	151,533	104,736	131,513
Investment Earnings	87,099	37,827	21,296	45,827
Other Revenues	368,568	380,647	531,738	503,354
Total Revenues	15,712,912	16,419,923	23,364,885	20,537,095
Expenditures				
Current:				
General Government and Housing	3,411,329	3,088,911	2,762,979	3,084,616
Community Development	519,268	421,133	369,158	456,063
Public Safety	2,516,612	2,551,488	2,539,475	2,726,711
Public Works and Utilities	3,429,238	3,192,763	1,911,225	3,799,489
Recreation and Culture	2,054,477	2,148,410	3,328,177	1,654,078
Capital Improvements	1,023,914	4,087,083	11,837,101	7,927,709
Debt Service:				
Principal	1,195,000	1,240,000	7,300,000	1,491,042
Interest	526,288	470,455	423,487	453,883
Bond Issuance Costs	-	-	133,330	-
Fiscal Charges	56,614	43,622	39,145	51,007
Total Expenditures	14,732,740	17,243,865	30,644,077	21,644,598
Excess (Deficiency) of Revenues Over (Under) Expenditures	980,172	(823,942)	(7,279,192)	(1,107,503)
Other Financing Sources (Uses)				
Transfers In	1,090,335	1,591,071	2,081,160	4,888,511
Transfers Out	(2,040,335)	(2,501,071)	(3,007,160)	(6,048,511)
Debt Issuance Proceeds	-	-	6,851,367	-
Payments to Escrow Agent	-	-	-	-
Sales of Capital Assets	-	-	1,151	-
Total Other Financing Sources (Uses)	(950,000)	(910,000)	5,926,518	(1,160,000)
Net Change in Fund Balances	\$ 30,172	\$ (1,733,942)	\$ (1,352,674)	\$ (2,267,503)
Debt Service as a Percentage of Noncapital Expenditures	12.39%	12.60%	39.77%	12.95%

Source: Town of Avon Finance Department

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 15,236,848	\$ 17,742,776	\$ 18,148,536	\$ 18,118,731	\$ 20,656,630	\$ 22,026,470
335,741	259,997	374,311	398,860	752,345	388,494
989,546	2,868,277	1,029,782	1,499,176	1,156,632	1,781,733
1,682,724	1,772,510	2,005,812	1,927,701	2,181,861	1,173,521
129,356	91,014	94,311	52,220	51,535	39,693
53,158	139,665	178,997	398,998	549,998	288,927
532,353	651,603	664,037	748,101	838,635	2,367,398
18,959,726	23,525,842	22,495,786	23,143,787	26,187,636	28,066,236
2,916,095	3,119,007	3,379,282	3,636,761	4,982,737	5,522,841
1,348,166	1,201,086	1,505,073	1,342,798	521,129	500,739
3,007,164	3,122,942	3,416,991	3,690,530	3,984,465	4,050,935
4,080,272	5,067,825	4,318,222	4,310,596	4,397,725	4,067,683
1,147,149	1,293,277	1,436,483	1,585,571	1,703,007	1,311,887
3,284,852	8,864,565	6,721,147	8,449,771	3,532,547	2,111,194
1,264,966	1,382,506	1,239,743	1,371,210	1,335,902	1,414,010
503,269	473,674	746,385	666,120	624,162	429,221
80,569	147,270	41,162	-	-	113,525
41,289	54,071	81,625	63,337	10,060	7,084
17,673,791	24,726,223	22,886,113	25,116,694	21,091,734	19,529,119
1,285,935	(1,200,381)	(390,327)	(1,972,907)	5,095,902	8,537,117
4,361,441	2,819,319	5,508,421	3,266,471	1,623,043	2,205,115
(5,138,440)	(4,404,313)	(7,258,836)	(5,016,471)	(3,323,043)	(4,086,831)
3,800,000	6,300,000	3,080,204	258,258	-	6,084,000
-	-	-	-	-	(6,850,698)
-	-	-	-	-	-
3,023,001	4,715,006	1,329,789	(1,491,742)	(1,700,000)	(2,648,414)
\$ 4,308,936	\$ 3,514,625	\$ 939,462	\$ (3,464,649)	\$ 3,395,902	\$ 5,888,703
11.37%	10.95%	10.85%	10.65%	10.61%	10.07%

TOWN OF AVON, COLORADO

FUND BALANCES, GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

	Fiscal Year				
	2011	2012	2013	2014	2015
General Fund					
Nonspendable	\$ -	\$ -	\$ 7,442	\$ -	\$ 13,061
Restricted	447,963	428,947	476,619	598,376	552,335
Assigned	413,251	413,251	413,251	325,000	47,878
Unassigned	3,329,981	3,134,327	4,369,187	3,540,922	5,046,651
Total General Fund	4,191,195	3,976,525	5,266,499	4,464,298	5,659,925
All Other Governmental Funds					
Nonspendable	-	-	-	270	-
Restricted	6,987,206	6,045,396	2,803,943	2,370,833	2,668,305
Committed	4,100,746	3,656,294	3,624,653	3,386,451	6,198,817
Assigned	810,418	680,408	1,307,854	513,594	517,335
Unassigned	-	-	-	-	-
Total All Other Governmental Funds	\$ 11,898,370	\$ 10,382,098	\$ 7,736,450	\$ 6,271,148	\$ 9,384,457
	Fiscal Year				
	2016	2017	2018	2019	2020
General Fund					
Nonspendable	\$ 86,136	\$ -	\$ -	\$ -	\$ -
Restricted	664,805	688,786	693,001	805,865	829,650
Assigned	-	-	-	-	-
Unassigned	5,312,950	5,125,805	5,611,041	7,392,670	9,373,237
Total General Fund	6,063,891	5,814,591	6,304,042	8,198,535	10,202,887
All Other Governmental Funds					
Nonspendable	-	-	-	-	-
Restricted	7,787,517	5,459,131	2,133,357	2,511,742	1,543,943
Committed	4,493,621	7,941,466	7,336,358	8,218,307	11,657,356
Assigned	516,183	585,486	716,549	832,594	2,165,857
Unassigned	-	-	(154,281)	(29,251)	50,587
Total All Other Governmental Funds	\$ 12,797,321	\$ 13,986,083	\$ 10,031,983	\$ 11,533,392	\$ 15,417,743

Source: Town of Avon Finance Department

TOWN OF AVON, COLORADO

TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

Year	Property Tax				Specific Ownership
	General	Avon Urban Renewal Authority	Penalties, Interest & Abatements	Delinquent Taxes	
2011	\$ 2,683,995	\$ 1,005,682	\$ (42,784)	\$ 25,414	\$ 93,596
2012	2,209,790	743,212	1,805	(19,593)	92,105
2013	2,158,148	777,838	5,421	875	96,850
2014	2,039,463	784,986	(64,246)	6	112,848
2015	2,027,434	756,471	7,124	172	113,308
2016	2,284,282	1,026,248	4,491	-	119,483
2017	1,733,823	1,136,777	5,555	22	99,498
2018	1,829,624	1,428,646	1,106	181	105,234
2019	1,839,155	1,386,475	12	828	113,657
2020	2,041,834	1,568,090	3,128	-	114,434

Year	Real Estate Transfer Tax	Sales Tax	Utility Tax	Accommodations Tax	Village at Avon Retail Sales Fee
2011	\$ 1,616,982	\$ 5,461,559	\$ 125,155	\$ 746,026	\$ -
2012	1,707,648	5,607,160	127,060	733,397	-
2013	1,574,502	6,374,134	110,474	888,867	118,622
2014	3,764,526	7,093,469	109,441	995,540	683,833
2015	2,369,314	7,622,097	106,786	1,132,576	697,924
2016	3,497,602	8,250,381	102,643	1,289,879	735,280
2017	4,448,666	8,104,582	102,279	1,333,939	763,915
2018	3,621,125	8,475,940	105,881	1,334,306	785,659
2019	5,001,145	9,146,851	107,293	1,486,842	804,424
2020	5,998,950	9,214,444	102,442	1,217,787	870,964

Year	Cigarette Excise Tax	Tobacco Tax	Franchise Fees	Total
2011	\$ -	\$ -	\$ 367,778	\$ 12,083,403
2012	-	-	372,054	11,574,638
2013	-	-	383,594	12,489,325
2014	-	-	404,328	15,924,194
2015	-	-	403,642	15,236,848
2016	-	-	432,488	17,742,777
2017	-	-	419,479	18,148,536
2018	-	-	430,029	18,117,731
2019	189,305	146,016	434,627	20,656,630
2020	250,995	214,907	428,495	22,026,470

Source: Town of Avon Finance Department

TOWN OF AVON, COLORADO

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY LAST TEN FISCAL YEARS

Levy Year	Collection Year	Vacant Land	Residential Property	Commercial Property	Other Property	Total Gross Assessed Value
2010	2011	\$ 23,241,510	\$ 138,877,350	\$ 97,287,710	\$ 3,127,070	\$ 262,533,640
2011	2012	17,238,450	101,871,140	73,141,140	3,361,120	195,611,850
2012	2013	15,456,680	102,328,980	71,704,020	3,441,730	192,931,410
2013	2014	16,403,340	90,703,150	67,157,140	4,576,530	178,840,160
2014	2015	15,183,630	92,056,060	66,419,690	4,280,110	177,939,490
2015	2016	14,261,780	121,724,600	70,940,420	3,929,820	211,061,910
2016	2017	13,201,140	123,870,280	69,822,570	4,310,460	211,204,450
2017	2018	12,927,680	129,786,330	79,660,040	4,387,310	226,761,360
2018	2019	11,625,280	131,277,920	83,581,320	3,901,750	230,386,270
2019	2020	12,669,770	146,905,210	89,774,540	3,291,140	252,640,660

Levy Year	Collection Year	Less TIF District Increment (1)	Total Net Assessed Value	Direct Tax Rate	Actual Taxable Value	Value as a Percentage of Actual Value
2010	2011	\$ 17,481,590	\$ 245,052,050	11.220	\$ 2,127,634,050	12.34%
2011	2012	12,538,960	183,072,890	12.072	1,566,445,080	12.49%
2012	2013	12,511,160	180,420,250	11.983	1,564,516,920	12.33%
2013	2014	12,105,380	166,734,780	12.258	1,406,594,920	12.71%
2014	2015	11,501,900	166,437,590	12.207	1,417,405,720	12.55%
2015	2016	16,476,380	194,585,530	11.765	1,806,178,690	11.69%
2016	2017	17,221,870	193,982,580	8.956	1,825,187,770	11.57%
2017	2018	21,857,430	204,903,930	8.956	2,104,646,220	10.77%
2018	2019	21,475,340	208,910,930	8.956	2,121,154,740	10.86%
2019	2020	24,201,100	228,439,560	8.956	2,389,931,130	10.57%

Source: Eagle County Assessor's Office, Abstract of Assessments

Notes: Property tax rates are stated in mills per \$1,000 of assessed valuation. Other property includes state assessed, agricultural, and abatements and corrections.

(1) The Avon Urban Renewal Authority was established in August, 2007.

TOWN OF AVON, COLORADO

DIRECT AND OVERLAPPING PROPERTY TAX RATES LAST TEN FISCAL YEARS

Taxing Entity	Collection Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Town of Avon										
General Operating	8.956	8.956	8.956	8.956	8.956	8.956	8.956	8.956	8.956	8.956
General Obligation Debt Service	2.264	3.116	3.027	3.302	3.251	2.809	0.000	0.000	0.000	0.000
Total Direct	11.220	12.072	11.983	12.258	12.207	11.765	8.956	8.956	8.956	8.956
Eagle County										
Colleges and School Districts										
Colorado Mountain College	3.997	3.997	3.997	3.997	3.997	3.997	3.997	3.997	4.013	4.013
Eagle County School District RE-50J	19.474	21.601	21.362	20.826	21.517	20.331	25.209	24.912	24.240	24.069
Metropolitan Districts										
Avon Station Metropolitan District	45.000	58.000	58.000	58.000	58.000	58.000	63.000	65.585	65.572	65.780
Confluence Metropolitan District	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Mountain Vista Metropolitan District	25.000	25.000	25.000	25.000	25.000	25.000	25.000	26.155	26.354	9.250
The Village Metropolitan District	40.000	50.000	50.000	50.000	50.000	50.000	50.000	50.000	50.000	15.000
Other Special Districts										
Avon General Improvement District No. 1	9.396	15.288	15.288	17.557	17.557	14.077	14.005	14.005	14.005	15.186
Eagle River Fire Protection District	5.550	5.650	7.553	9.238	9.392	8.205	9.740	9.828	9.766	10.023
Eagle Valley Library District	2.750	2.750	2.750	2.750	2.750	2.750	2.750	2.750	2.763	2.763
Eagle River Water and Sanitation District	0.796	0.932	0.931	0.946	0.954	1.375	1.385	1.302	0.766	0.766
Colorado River Water Conservancy District	0.188	0.228	0.242	0.254	0.253	0.243	0.253	0.254	0.235	0.502
Eagle County Health Services District	1.768	1.764	2.023	2.006	2.019	2.008	2.755	2.753	2.781	2.755

Source: Eagle County Assessor's Office, Abstract of Assessment

Notes: Property tax rates are stated in mills per \$1,000 of assessed valuation. The Town's general operating mill rate may be increased only by a majority approval of the Town's residents during a general election. Rates for debt service are set based on each year's debt service requirements.

TOWN OF AVON, COLORADO

PRINCIPAL PROPERTY TAX PAYERS CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2020			2011		
	Taxable Assessed Value	Rank	Percentage of Total Town of Avon Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Town of Avon Assessed Value
CSB Properties Holdings LLC	\$ 10,554,390	1	4.18%	\$ -	NA	0.00%
Traer Creek-WMT LLC	6,172,680	2	2.44%	7,508,370	1	2.86%
Riverfront Village Hotel, LLC	4,793,178	3	1.90%	5,942,280	2	2.26%
Avon MOB LLC	4,930,820	4	1.95%	-	NA	0.00%
Traer Creek-HD LLC	4,348,210	5	1.72%	5,081,380	5	1.94%
Prime Group Mountain Center LLC	4,257,480	6	1.69%	-	NA	0.00%
Avon Wynfield LLC	4,222,470	7	1.67%	2,957,460	8	1.13%
Beaver Creek Vacation Ownership Plan	3,907,150	8	1.55%	-	NA	0.00%
Points of Colorado	3,245,000	9	1.28%	3,685,290	7	1.40%
Mountain Vista Condominium Assoc Inc.	2,816,510	10	1.11%	2,505,980	11	0.95%
Dillon Real Estate Co, Inc	2,790,230	11	1.10%	2,174,780	13	0.83%
Prime Group Avon LLC	2,281,780	12	0.90%	-	NA	0.00%
Christie Lodge Assoc Ltd	2,262,400	13	0.90%	2,063,870	14	0.79%
Riverfront Mtn Villas Condominium	2,048,400	14	0.81%	-	NA	0.00%
CH Retail Fund II/Bvr Crk Nttngham Sta	1,983,740	15	0.79%	-	NA	0.00%
Avon Partners II, LLC	-	NA	0.00%	5,398,100	3	2.06%
Traer Creek-L2 LLC	-	NA	0.00%	2,900,000	9	1.10%
Chapel Square Ventures LP	-	NA	0.00%	5,296,510	4	2.02%
CCS Vail Loan LLC	-	NA	0.00%	4,295,870	6	1.64%
ARI Mountain Center LLC	-	NA	0.00%	2,870,840	10	1.09%
Traer Creek-RP LLC	-	NA	0.00%	1,902,600	15	0.72%
Riverview Park Assoc., Inc	-	NA	0.00%	2,204,950	12	0.84%
Total Assessed Value of the Fifteen Largest Taxpayers	60,614,438		23.99%	56,788,280		21.63%
Total Gross Assessed Value of Other Taxpayers	192,026,222		76.01%	205,745,360		78.37%
Total Gross Assessed Value of All Taxpayers	\$ 252,640,660		100.00%	\$ 262,533,640		100.00%

Source: Eagle County Assessor's Office

TOWN OF AVON, COLORADO

PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN FISCAL YEARS

Levy Year	Collection Year	(1) Total Tax Levy	Current Tax Collections	Percent of Current Taxes Collected	(2) Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collections To Total Tax Levy
2010	2011	2,789,855	2,704,440	96.94%	4,970	2,709,409	97.12%
2011	2012	2,250,055	2,209,593	98.20%	(19,296)	2,190,298	97.34%
2012	2013	2,202,287	2,160,634	98.11%	875	2,161,509	98.15%
2013	2014	2,083,835	2,042,508	98.02%	6	2,042,514	98.02%
2014	2015	2,071,895	2,029,571	97.96%	172	2,029,743	97.97%
2015	2016	2,329,489	2,286,146	98.14%	-	2,286,146	98.14%
2016	2017	1,777,498	1,736,538	97.70%	22	1,736,560	97.70%
2017	2018	1,876,652	1,829,624	97.49%	181	1,829,805	97.50%
2018	2019	1,912,703	1,839,155	96.15%	828	1,839,983	96.20%
2019	2020	2,087,501	2,083,430	99.80%	-	2,083,430	99.80%

Source: Town of Avon Finance Department

Notes: (1) Taxes are due and payable on January 1 based on the prior year's assessed valuation.

(2) Information on outstanding delinquent taxes is not available.

TOWN OF AVON, COLORADO

RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities					Capital Leases
	General Obligation Bonds	Special Assessment Bonds	Revenue Bonds	Certificates of Participation	Loans	
2011	\$ 2,411,440	\$ -	\$ 1,275,000	\$ 3,195,000	\$ 6,565,000	\$ 420,063
2012	1,960,045	-	870,000	3,075,000	6,295,000	476,227
2013	1,498,650	-	7,270,000	2,950,000	-	516,378
2014	1,017,255	-	6,520,000	2,825,000	-	547,990
2015	520,860	-	6,200,000	6,280,000	-	438,024
2016	-	-	5,790,000	12,235,000	-	325,518
2017	-	-	8,225,362	11,675,000	-	566,231
2018	-	-	7,649,283	11,324,659	-	401,100
2019	-	-	7,053,286	10,661,468	-	311,195
2020	-	-	2,317,223	9,535,000	3,651,000	236,248

Fiscal Year	Business-Type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	Certificates of Participation	Capital Leases			
2011	\$ 3,302,110	\$ 377,753	\$ 17,546,366	0.73%	\$ 2,477
2012	3,174,614	326,774	16,177,660	0.64%	2,531
2013	3,047,119	303,251	15,585,398	0.53%	2,440
2014	2,914,623	244,259	14,069,127	0.43%	2,195
2015	2,777,127	185,937	16,401,948	0.46%	2,534
2016	2,605,000	125,825	21,081,343	0.56%	3,241
2017	2,465,000	63,864	22,995,457	0.57%	3,603
2018	2,349,640	258,258	21,982,940	0.49%	3,373
2019	2,197,144	224,979	20,448,072	0.44%	3,213
2020	1,826,000	190,561	17,756,032	NA	2,743

Source: Town of Avon Finance Department

TOWN OF AVON, COLORADO

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT DECEMBER 31, 2020

Government Unit	Debt Outstanding	Estimated Percentage Applicable ^a	Estimated Share of Overlapping Debt
Debt Repaid With Property Taxes			
Confluence Metropolitan District	\$ 21,875,000	100.00%	\$ 21,875,000
Eagle County School District RE-50J	257,475,315	7.70%	19,833,112
Eagle River Fire Protection District	23,605,554	22.75%	5,371,368
The Village Metropolitan District	45,000,000	100.00%	45,000,000
Other Debt			
Eagle County	18,880,000	7.17%	1,353,680
Subtotal - Overlapping debt			93,433,159
Town of Avon Direct Debt			18,025,949
Total Direct and Overlapping Debt			<u>\$ 111,459,108</u>

Source: Various Governmental Entities, Eagle County Finance Department

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Town. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Avon. This process recognizes that, when considering the Town's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

^a The basic approach to estimating the applicable percentage of overlapping debt was to divide the assessed value of the portion overlapping the Town to the total assessed value of the overlapping entity.

TOWN OF AVON, COLORADO

RATIO OF GENERAL BONDED DEBT OUTSTANDING AND LEGAL DEBT MARGIN LAST TEN FISCAL YEARS

	Fiscal Year			
	2011	2012	2013	2014
General Bonded Debt Outstanding General Obligation Bonds	\$ 2,380,000	\$ 2,380,000	\$ 1,480,000	\$ 1,005,000
Actual Taxable Property Value	2,127,634,050	1,566,445,080	1,564,516,920	1,406,594,920
Net Assessed Value	245,052,050	183,072,890	180,420,250	166,734,780
Percentage of General Bonded Debt Outstanding to Actual Taxable Property Value	0.11%	0.15%	0.09%	0.07%
Town of Avon Population	7,085	6,393	6,388	6,410
Per Capita	\$ 336	\$ 372	\$ 232	\$ 157
Legal Debt Limit	\$ 61,263,013	\$ 45,768,223	\$ 45,105,062	\$ 41,683,695
Total Debt Applicable to Limit	(2,380,000)	(2,380,000)	(1,480,000)	(1,005,000)
Legal Debt Margin	\$ 58,883,013	\$ 43,388,223	\$ 43,625,062	\$ 40,678,695
Total Debt Applicable to the Limit as a Percentage of Legal Debt Limit	3.88%	5.20%	3.28%	2.41%

Source: Eagle County Assessor's Office, State of Colorado Division of Local Governments

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 515,000	\$ -	\$ -	\$ -	\$ -	\$ -
1,417,405,720	1,806,178,690	1,825,187,770	2,104,646,220	2,121,154,740	2,444,013,540
166,437,590	194,585,530	193,982,580	204,903,930	208,910,930	228,369,310
0.04%	0.00%	0.00%	0.00%	0.00%	0.00%
6,472	6,505	6,383	3,518	6,365	6,474
\$ 80	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 41,609,398	\$ 48,646,382	\$ 48,495,645	\$ 51,225,982	\$ 52,227,732	\$ 57,092,328
(515,000)	-	-	-	-	-
\$ 41,094,398	\$ 48,646,382	\$ 48,495,645	\$ 51,225,982	\$ 52,227,732	\$ 57,092,328
1.24%	0.00%	0.00%	0.00%	0.00%	0.00%

TOWN OF AVON, COLORADO

DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS

Year	Town of Avon Population	Eagle County Population	Eagle County Personal Income (In \$1,000's)	Eagle County Per Capita Personal Income	Eagle County Median Age	Eagle County RE-50J School Enrollment	Denver / Boulder Consumer Price Index	Eagle County Unemployment Rate
2011	7,085	54,212	\$ 2,415,413	\$ 48,618	36.30	6,344	220.3	8.70%
2012	6,393	51,874	2,528,424	48,485	35.20	6,244	224.6	8.20%
2013	6,388	53,811	2,920,455	48,750	36.00	6,549	230.8	5.20%
2014	6,410	52,460	3,245,123	50,416	36.20	6,713	237.2	4.75%
2015	6,472	53,605	3,583,264	57,927	36.50	6,546	240.0	2.10%
2016	6,505	53,989	3,741,395	61,522	36.70	6,901	246.6	2.81%
2017	6,383	52,576	4,060,543	64,581	35.60	6,959	254.9	2.22%
2018	6,518	51,364	4,524,124	70,384	39.00	6,882	261.9	2.59%
2019	6,365	55,127	4,672,862	82,342	36.50	6,902	267.4	2.25%
2020	6,474	55,483	NA	84,765	37.81	6,931	272.2	5.10%

N/A - Information not available.

Information was compiled by the Demographic Section of the Colorado Division of Local Government, Bureau of Labor Statistics and U.S. Census Bureau. School Enrollment was obtained by Eagle County School District Administration Office based on June Enrollment. Per Capita Personal Income obtained from Bureau of Economic Analysis, Regional Economic Accounts.

TOWN OF AVON, COLORADO

PRINCIPAL EMPLOYERS CURRENT YEAR AND NINE YEARS AGO

Employer	2020		2011	
	Employees	Rank	Employees	Rank
Westin Riverfront Resort & Spa	330	1	230	3
Wal-Mart	250	2	246	2
City Market	139	3	115	5
Maya, Mexican Kitchen	132	4	NA	NA
Eagle River Water & Sanitation	115	5	97	6
Home Depot	112	6	357	1
Christie Lodge	105	7	77	9
Town of Avon	99	8	87	8
Colorado Mountain Medical - Avon	71	9	NA	NA
Sheraton Mountain Vista	47	10	89	7
Montana's Bar & Grill	NA	NA	45	10
Restaurant Avondale	NA	NA	150	4

Sources: Various Town of Avon businesses, Department of Labor

TOWN OF AVON, COLORADO

COMMERCIAL AND RESIDENTIAL CONSTRUCTION LAST TEN FISCAL YEARS

Year	Total Permits Issued	Commercial Construction		Residential Construction		Total Building Construction Value
		Square Footage	Value	No. of Units	Value	
2011	125	2,210	\$ 922,600	9	\$ 8,412,190	\$ 9,334,790
2012	126	54,250	11,400,000	8	2,448,500	13,848,500
2013	159	217,293	27,121,876	12	9,027,760	36,149,636
2014	156	-	1,500,000	10	13,735,900	15,235,900
2015	153	114,614	14,336,000	10	6,970,000	21,306,000
2016	158	90,309	21,525,147	7	8,551,360	30,076,507
2017	167	60,043	29,298,052	6	18,930,069	48,228,121
2018	164	93,579	37,542,440	20	15,120,198	52,662,638
2019	177	23,276	11,851,054	278	64,258,298	76,109,352
2020	169	36,082	14,430,422	12	10,341,682	24,772,104

Source: Town of Avon Community Development Department

TOWN OF AVON, COLORADO

FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

	Full-time Equivalent Employees as of December 31				
	2011	2012	2013	2014	2015
General Government					
Administration	3.75	2.75	3.75	4.75	4.75
Special Events	1.00	1.00	1.00	1.00	1.00
Human Resources	2.00	2.00	2.00	2.00	3.00
Finance	8.00	8.00	8.00	8.00	8.00
Nondepartmental	3.00	1.00	1.00	1.00	1.00
Community Development	5.00	4.00	3.00	3.00	3.00
Police	20.00	20.00	20.00	20.00	20.00
Public Works:					
Engineering	3.00	2.00	2.00	2.00	2.00
Buildings and Facilities	2.75	2.75	3.00	3.00	4.00
Roads and Bridges, Parks	16.25	15.25	16.00	14.00	14.00
Mobility	4.35	4.35	4.00	4.00	6.00
Fleet Maintenance	9.25	7.25	8.00	8.00	8.00
Recreation	8.00	9.00	6.00	7.00	9.00
Total	86.35	79.35	77.75	77.75	83.75

	Full-time Equivalent Employees as of December 31				
	2016	2017	2018	2019	2020
General Government					
Administration	4.60	4.60	5.00	6.00	5.00
Special Events	1.00	2.00	2.00	2.00	1.00
Human Resources	3.00	3.00	3.75	3.75	3.75
Finance	8.00	8.00	9.00	9.00	8.50
Nondepartmental	1.00	1.00	1.00	1.00	1.00
Community Development	3.00	3.00	3.00	3.75	3.00
Police	20.40	20.40	21.50	22.50	22.50
Public Works:					
Engineering	2.00	2.00	2.00	2.00	2.00
Buildings and Facilities	4.00	5.00	5.00	5.00	5.00
Roads and Bridges, Parks	15.00	16.00	15.00	16.00	15.00
Mobility	6.00	6.00	8.00	8.00	8.00
Fleet Maintenance	8.00	8.00	8.00	8.00	8.00
Recreation	9.00	10.00	10.00	10.00	9.50
Total	85.00	89.00	93.25	97.00	92.25

Source: Town of Avon Budget

TOWN OF AVON, COLORADO

OPERATING INDICATORS BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

	Fiscal Year			
	2011	2012	2013	2014
Town of Avon Facilities and Services:				
Miles of Streets	23.73	23.73	23.73	23.73
Number of Street Lights	632	632	632	613
Culture and Recreation:				
Miles of Bike/Pedestrian Paths	8.75	8.75	8.75	8.82
Miles of dirt, singletrack trails	0.00	0.00	0.00	11.00
Parks / Lakes	5/1	5/1	5/1	5/1
Park Acreage	672	672	672	672
Tennis/Volleyball /Basketball Courts/Pickleball Courts	4 / 2 / 3	4 / 2 / 3	4 / 2 / 3 / 2	4 / 2 / 3 / 2
Recreation Centers	1	1	1	1
Softball / Soccer Fields	1 / 2	1 / 2	1 / 2	1 / 2
Playgrounds	4	4	4	4
Performance Art Pavilion				1
Police Protection:				
Number of Stations	1	1	1	1
Number of Police Personnel and Officers	18	20	20	20
Number of Patrol Units	15	16	16	16
Number of Law Violations:				
General Ordinance Violations	218	396	207	438
Traffic Violations	1,204	495	285	372
Parking Violations	285	110	165	366
Facilities and Services Not Included in the Reporting Entity:				
Libraries:				
Number of Libraries / Volumes	1 / 83,008	1 / 82,193	1 / 79,405	1 / 80,239
Water System:				
Miles of Water Mains	24.99	24.99	24.99	24.99
Number of Service Connections	3,799	3,814	3,831	3,897
Daily Average Consumption in Gallons	687,099	589,567	675,728	706,833
Maximum Daily Capacity of Plant in Gallons	10MGD	10MGD	10MGD	10MGD
Sanitary Sewer System:				
Miles of Sanitary Sewers	33.44	33.44	33.44	33.44
Number of Treatment Plants	1	1	1	1
Number of Service Connections	3,933	3,953	3,969	4,038
Maximum Daily Capacity of Treatment Plant in Gallons	4.3MGD	4.3MGD	4.3MGD	4.3MGD
Education:				
Number of Elementary Schools / Instructors	1 / 23	1 / 23	1 / 27	1 / 25
Fire Protection:				
Number of Stations	9	8	5	5
Number of Fire Personnel and Officers	55	55	66	64
Number of Calls Answered	2,198	2,089	2,244	2,357
Number of Inspections Conducted	166	190	154	154

Fiscal Year					
2015	2016	2017	2018	2019	2020
23.73	23.73	23.73	23.73	23.73	23.73
619	634	646	646	666	699
8.82	9.32	9.32	9.36	9.44	9.51
11.00	11.00	11.00	11.00	11.00	11.00
5/1	5/1	5/2	5/2	5/2	5/2
672	672	672	672	672	672
4 / 2 / 3 / 2	4 / 2 / 3 / 2	4 / 2 / 3 / 2	4 / 2 / 3 / 2	4 / 2 / 3 / 2	4 / 2 / 3 / 2
1	1	1	1	1	1
1 / 2	1 / 2	1 / 2	1 / 2	1 / 2	1 / 2
4	4	4	4	4	4
1	1	1	1	1	1
1	1	1	1	1	1
21	23	23	23	22	23
15	15	15	15	15	15
384	419	91	118	82	52
314	543	446	142	226	208
282	234	147	59	160	157
1 / 79,226	1 / 77,490	1 / 78,779	1 / 77,137	1 / 75,963	1 / 77,318
24.99	24.99	24.99	24.99	24.99	24.99
3,917	3,917	3,980	3,980	4,019	4,267
706,833	709,478	712,521	718,731	725,684	698,030
10MGD	10MGD	10MGD	10MGD	10MGD	10MGD
33.44	33.44	33.44	33.44	33.44	33.44
1	1	1	1	1	1
4,086	4,086	4,118	4,118	4,157	4,405
4.3MGD	4.3MGD	4.3MGD	4.3MGD	4.3MGD	4.3MGD
1 / 27	1 / 47	1 / 62	1 / 44	1 / 39	1 / 36
5	6	6	5	5	5
67	68	68	70	70	68
636	670	644	554	564	2,518
122	175	179	166	134	127

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TOWN OF AVON, COLORADO

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED DECEMBER 31, 2020

Note 1. General

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

Note 2. Summary of Significant Accounting Policies

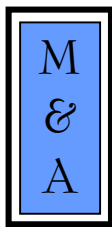
Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, whereas certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. Sub-recipients

The Town of Avon did not provide any federal funds listed in the Schedule of Expenditures of Federal Awards to sub-recipients.

Note 4. Indirect Facilities and Administration Costs

The Town of Avon did not elect to use the 10% de minimus cost rate allowed in Title 2 U.S. Code of Federal Regulations (CFR) Part 200.414, Indirect (F&A) costs.



McMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

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

**To the Honorable Mayor and Town Council
Town of Avon, Colorado**

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Avon, Colorado (the "Town") as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated July 6, 2021.

Internal Control Over Financial Reporting

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

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

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

Member: American Institute of Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT
Town of Avon, Colorado

Compliance and Other Matters

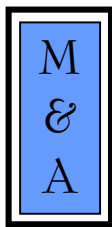
As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect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

Purpose of this Report

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

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
Avon, Colorado
July 6, 2021



McMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

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

**To the Honorable Mayor and Town Council
Town of Avon, Colorado**

Report on Compliance for Each Major Program

We have audited the Town of Avon, Colorado's (the "Town") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget *OMB Compliance Supplement* that could have a direct and material effect on each of the Town's major federal programs for the year ended December 31, 2020. The Town's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

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INDEPENDENT AUDITOR's REPORT
Town of Avon, Colorado

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

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

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

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

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



McMahan and Associates, L.L.C.
Avon, Colorado
July 6, 2021

Town of Avon, Colorado
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2020

Part I – Summary of Auditor’s Results

Financial Statements:

Type of auditor’s report issued	Unmodified
Internal control over financial reporting:	
Material weakness identified	None noted
Significant deficiency identified	None noted
Noncompliance material to financial statements noted	None noted

Federal Awards:

Internal control over major programs:	
Material weakness identified	None noted
Significant deficiency identified	None noted
Type of auditor’s report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations Part 200	No
Major programs:	
Coronavirus Relief Fund	CFDA #21.019
2020 CARES Act 5311	CFDA #20.509
Dollar threshold used to identify Type A from Type B programs:	\$750,000
Identified as low-risk auditee	No

Part II – Findings Related to Financial Statements

Findings related to financial statements as required by <i>Government Auditing Standards</i>	None noted
Auditor-assigned reference number	Not applicable

Part III – Findings Related to Federal Awards

Internal control findings	None noted
Compliance findings	None noted
Questioned costs	None noted
Auditor-assigned reference number	Not applicable

There were no findings for the fiscal year ended December 31, 2019.

TOWN OF AVON, COLORADO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2020

Federal Grantor / Pass Through Grantor / Program Or Cluster Title	Federal CFDA #	Federal Expenditures
<u>U.S. Department of the Treasury</u>		
<i>Passed Through Colorado Dept. of Local Affairs:</i>		
Coronavirus Relief Fund	21.019	\$ 713,837
Total U.S. Department of the Treasury		<u>713,837</u>
<u>U.S. Department of Justice</u>		
Bulletproof Vest Partnership Program	16.607	\$ 1,600
Total U.S. Department of Justice		<u>1,600</u>
<u>U.S. Department of Transportation</u>		
<i>Passed Through Colorado Department of Transportation:</i>		
Formula Grants for Rural Areas Program	20.509	245,980
Formula Grants for Rural Areas Program - 2020 CARES Act 5311 Operating Award	20.509	400,490
NHTSA - Click it or Ticket	20.616	<u>5,500</u>
Total U.S. Department of Transportation		<u>651,970</u>
Total Expenditures of Federal Awards		<u><u>\$ 1,367,407</u></u>

The accompanying notes are an integral part of this schedule.

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