

TOWN OF BUENA VISTA, COLORADO

FINANCIAL STATEMENTS

DECEMBER 31, 2020

**TOWN OF BUENA VISTA, COLORADO
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December 31, 2020**

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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

Financial Highlights

- The Town's net position at the end of 2020 increased by \$1,053,377 which is attributable to:
 - In the General Fund; The "Incident Response" Department, run by the Fire department staff, grossed \$989,574 in revenue.
 - Also, in the General Fund; In 2020 Sales Tax receipts increased by \$446,534 over 2019 (12.9%).
 - In the Water Fund; recorded an increase of \$25,811 in service fees but showed a decrease in system development fees of -\$170,493.
- Total assets on the Statement of Net Position were \$28,049,414 at the end of 2020, an increase of \$387,837 or 1.4% increase in Assets over 2019 due to:
 - Town continued to complete projects even through the COVID-19 shutdowns.
- Total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$23,500,432 of which \$18,106,115 is attributed to fixed assets.
- Unrestricted net position of \$8,062,152 as of December 31, 2020, was available to meet the Town's future obligations to citizens, employees and creditors:
 - For government activities unrestricted net position was \$2,886,852, an increase of \$182,367 (6.74%). The increase is attributable to an increase of Sales Tax of \$622,787 over 2019 and an increase of Capital and Operating Grants of \$681,374
 - For business-type activities unrestricted net position was \$5,175,300 an increase of \$53,788 (1.05%) due to a decrease in Current Liabilities of \$107,262.
- At December 31, 2020, total liabilities, deferred inflows of resources fund balance and fund balance and for governmental activities was \$4,253,773 of which:
 - \$17,487 was held in the Conservation Trust Fund.
 - \$110,730 was held in the Capital Improvement Fund
 - \$503,483 was held in the Street Fund
 - \$3,622,073 was held in the General Fund
 - The total increase during 2020 was \$763,045 (20.82%). The government fund balance sheet excludes the value of capital assets, causing a different financial result when compared to the Statement of Net Position (as discussed above).
- The total cash and investments balance at December 31, 2020 was \$7,837,702 of which \$7,432,834 was unrestricted. Of the unrestricted amount, \$2,481,496 was available for general government activities and \$4,951,338 was held in funds for business-type activities. Funds designated by the trustees for specific uses, (such as the 27% emergency reserves) are included in unrestricted cash and investments.
- Cash and investments increased \$1,294,169 in 2020 due to the increase in Sales Taxes, cash infusion from the CARES relief bill, and projects being deferred due to the COVID-19 shutdown. During 2020, required debt service and loan covenant restricted fund balance was \$404,868 of which \$180,868 is attributable to payment on the 2018 CWRPDA loan associated with the Water Fund and \$224,000 was used to service the bonds issued in the Street Fund with \$72,475 allocated to interest payment and \$105,000 used to retire bonds

- Within the business-type activities of the Town.
 - Unrestricted funds available for water operations increased in 2020 by \$85,206
 - Unrestricted funds for the airport operations decreased in 2020 by \$94,849 due to a decrease in activity because of COVID-19.
 - The Storm Water Fund showed an increase of \$37,760 unrestricted fund balance.

Overview of the Financial Statements

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

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

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

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

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

The *Statement of Activities* presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the changes occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future periods (e.g. tax revenues earned but not collected and unused vacation leave).

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

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

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

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

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

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

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

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

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

The basic proprietary fund financial statements can be found on pages 8-10 of the report.

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

The notes to the financial statements can be found on pages 11- 46 of this report.

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

The budgetary comparison schedules are on pages 49-52 and pages 59-62 of this report. Pension analysis worksheets are on 53-58 and the Local Highway Finance Report is included on page 63.

Financial Analysis – Government-wide Financial Statements

This discussion of government-wide financial statements focuses primarily on the key indicator, net position, and the activities that generate increases or decreases in this measurement. The Town's assets exceeded liabilities and deferred outflows of resources by \$23,500,432 at December 31, 2020 which is an increase of \$1,053,377 over the 2019 close.

Statement of Net Position. As of December 31, 2020, 41.94% of the Town's total net position is held in the governmental activities and 58.05% is held in the business-type activities, which includes the Water Enterprise, the Storm Water Enterprise and the Airport Enterprise funds. The largest portion of the Town's net position (62.05%) reflects the investment of \$14,582,130 in capital assets such as: land, buildings, transportation infrastructure, water infrastructure, and machinery and equipment, net of any related outstanding debt used to acquire those assets. The Town uses these assets to provide services to the public; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

CONDENSED STATEMENT OF NET POSITION						
	Business-			Business-		
	Governmental	type	Total	Governmental	type	Total
	Activities	Activities		Activities	Activities	
	2020	2020	2020	2019	2019	2019
ASSETS						
Current Assets	\$ 4,408,815	\$ 5,534,484	\$ 9,943,299	\$ 3,787,989	\$ 5,619,039	\$ 9,407,028
Capital Assets	8,535,688	9,570,427	18,106,115	8,819,182	9,435,367	18,254,549
Total Assets	<u>12,944,503</u>	<u>15,104,911</u>	<u>28,049,414</u>	<u>12,607,171</u>	<u>15,054,406</u>	<u>27,661,577</u>
DEFERRED OUTFLOWS OF RESOURCES						
	445,199	-	445,199	312,314	-	312,314
LIABILITIES						
Current Liabilities	3,059,285	271,029	3,330,314	2,751,088	378,291	3,129,379
Noncurrent Liabilities	-	1,191,273	1,191,273	-	1,837,162	1,837,162
Total Liabilities	<u>3,059,285</u>	<u>1,462,302</u>	<u>4,521,587</u>	<u>2,751,088</u>	<u>2,215,453</u>	<u>4,966,541</u>
DEFERRED INFLOWS OF RESOURCES						
	472,594	-	472,594	560,295	-	560,295
NET POSITION						
Net Investment in Capital Assets	6,295,688	8,286,442	14,582,130	6,479,182	7,505,493	13,984,675
Restricted	675,283	180,868	856,151	424,435	211,948	636,383
Unrestricted	<u>2,886,852</u>	<u>5,175,300</u>	<u>8,062,152</u>	<u>2,704,485</u>	<u>5,121,512</u>	<u>7,825,997</u>
Total Net Position	<u>\$ 9,857,823</u>	<u>\$ 13,642,609</u>	<u>\$ 23,500,432</u>	<u>\$ 9,608,102</u>	<u>\$ 12,838,953</u>	<u>\$ 22,447,055</u>

Of the Town's total net position, \$404,868 (1.72%) is restricted for debt service and \$171,800 (.73%) is restricted for emergencies (TABOR Reserve) and \$279,483 (1.19%) is restricted in compliance with the Street Bond covenants. The remaining \$8,062,152 (34.31%) is unrestricted net position available to meet the Town's on-going obligations to the public and creditors. Of the unrestricted net position, \$2,886,852 (35.81%) was held by Governmental Activities and \$5,175,300 (64.19%) was held by Business-Type Activities.

Statement of Activities. As the following table illustrates, the Town's total net position increased \$1,050,255 during 2020. By fund type, governmental activities net position increased by \$249,721 and business-type activities generated an increase in net position of \$800,534.

	CONDENSED STATEMENT OF ACTIVITIES					
	Governmental		Business-type		Total	
	Activities		Activities			
	2020	2019	2020	2019	2020	2019
Revenues						
Program revenues:						
Charges for services	\$ 248,342	\$ 292,588	\$ 1,469,738	\$ 1,810,813	\$ 1,718,080	\$ 2,103,401
Operating grants & contributions	1,174,492	493,118	834,668	645,591	2,009,160	1,138,709
Capital grants & contributions	3,000	271,194	40,360	291,275	43,360	562,469
General revenues:						
Property taxes	441,203	422,928	-	-	441,203	422,928
Sales taxes	4,548,363	3,925,576	-	-	4,548,363	3,925,576
Other taxes	274,426	326,548	6,166	7,727	280,592	334,275
Investment and other revenue	66,278	142,725	64,072	60,830	130,350	203,555
Total Revenue	6,756,104	5,874,677	2,415,004	2,816,236	9,171,108	8,690,913
Expenses						
General government	1,752,432	1,265,650	-	-	1,752,432	1,265,650
Public safety	2,629,778	1,886,343	-	-	2,629,778	1,886,343
Community services	405,592	344,334	-	-	405,592	344,334
Public works	857,566	353,654	-	-	857,566	353,654
Culture and recreation	764,015	818,929	-	-	764,015	818,929
Water	-	-	954,008	837,619	954,008	837,619
Airport	-	-	723,470	847,791	723,470	847,791
Alternative energy	-	-	-	3,645	-	3,645
Storm water	-	-	33,992	560	33,992	560
Total Expenses	6,409,383	4,668,910	1,711,470	1,689,615	8,120,853	6,358,525
Changes in net position-						
normal operations	346,721	1,205,767	703,534	1,126,621	1,050,255	2,332,388
Non-operational changes:						
Increase/(decrease)	(97,000)	(40,000)	97,000	21,253	-	(18,747)
Change in Net Position	249,721	1,165,767	800,534	1,147,874	1,050,255	2,313,641
Net Position, Beginning	9,608,102	8,442,335	12,842,075	11,694,201	22,450,177	20,136,536
Net Position, Ending	\$ 9,857,823	\$ 9,608,102	\$ 13,642,609	\$ 12,842,075	\$ 23,500,432	\$ 22,450,177

Governmental activities. Financing for governmental activities was primarily from Town and County sales tax revenues, which provided 67.32% of general fund revenue in 2020. Additionally, Property taxes provided 6.53% of general fund revenue. In 2020 Operating Grants and Contributions provided 17.38% of General Fund revenue. No other income sources provided 10% or more of total General Fund.

Key elements of the \$249,721 increase in net position for governmental activities during 2020 and a comparison to 2019 follows:

- Total sales tax receipts increased \$622,787 (15.86%) over 2019. Town sales tax totaled \$3,081,060 (including the .5% dedicated to the street fund) and the allocation from Chaffee County tax totaled \$1,401,7367 which represents an increase of 13.75% and 11.41%, respectively, compared to 2019. Sales taxes are an indicator of the level of general economic activity in the community which is dependent upon the influx of visitors throughout the year, but especially during the summer months.
- Charges for services (licenses, fees, permits and leases) decreased \$44,246 (-15.12%) compared to 2019.

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

Key elements of the \$800,534 increase in net position for business-type activities during 2020 compared to 2019 follows:

- Charges for Water services increased \$90,459 (9.16%) due to the hot dry summer.
- Fuel sales and rental revenue at the Airport decreased -\$333,199 (-54.09%) as testing activity decreased
- Capital revenue in the Water Fund decreased \$170,493 (27.94%) due to new building activity slowing because of the pandemic, fewer tap fees being paid.
- Excluding transfers between funds, total expenses in Business Type Funds totaled \$1,688,054 increasing by \$3,751 (.2%) which is a marginal increase the Water Fund and Airport Funds given the decrease in revenue.

Financial Analysis – Fund Financial Statements

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

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

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

As of December 31, 2020, the Town of Buena Vista's combined governmental funds reported ending fund balance of \$3,057,766 an increase of \$294,653 as compared to December 31, 2019. The unassigned fund balance, which is available for spending at the Town's discretion, was \$2,397,787 which represented 78.42% of the total Governmental funds' equity. The balance sheet reflects the categorization of fund balance in accordance with GASB 54.

The General Fund is the Town's primary operating fund. All activities that are not required to be accounted for in separate funds either by state or local ordinance or by a desire to maintain a matching of revenues and expenses are accounted for in this fund. The Statement of Revenues, Expenditures and Changes in Fund Balances shows 2020 General Fund revenues exceeded expenditures by \$701,259. This was the result of higher than expected sales tax collections and lower than planned expenditures.

The Conservation Trust Fund (CTF) decreased fund balance by -\$6,717 due to additional spending on parks and trails in 2020. The CTF receives money from lottery proceeds that are distributed by the state to local governments based on population. The Fund Balance as of December 31, 2020 was \$17,487.

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

Total unrestricted net position as of December 31, 2020 was \$5,175,300, an increase of \$53,788 (1.05%) over December 31, 2019.

The investment in capital assets net of depreciation increased by \$135,060 (1.43%) in 2020. These capital investments help to ensure service for residents and serve to generate future revenues for the water fund.

Budgetary Highlights

The budget comparison schedules are shown on Pages 49-52 and 59-63 which compares the final 2020 budget and actual expenditures. This section of the report primarily focuses on areas that were different from expectations set in the budget and changes from the prior year.

General Fund. Actual financial results differed from the original budget primarily due to greater sales tax revenue than was expected for the year. Sales tax collections for 2020 exceeded 2019 by 10% or more in all twelve months. Revenue from sales tax was budgeted to be 3.5% higher than 2019. Actual collections of the town sales tax grew by 13.75% in 2020.

Buena Vista's share of the county-wide sales tax was \$1,401,736 in 2020 representing 11.41% growth over 2019.

Capital Improvement Fund. Total actual expenditures for vehicles, equipment, street improvements, Buildings, Land, Infrastructures and park improvements in 2020 totaled \$579,042 which overspent the final budget by \$179,855.

Water Enterprise Fund. During 2020 revenue was realized in the amount of \$1,647,961, which was in excess of the final budget by \$70,477.

Airport Enterprise Fund. In 2020 the airport final budget for revenue was \$1,009,000. Actual revenue was \$216,709 lower.

Capital Assets. Town's investment in capital assets for governmental activities as of December 31, 2020 totaled \$8,535,689 net of accumulated depreciation and investment in capital assets for business type activities as \$9,570,428 net of accumulated depreciation.

Long-term Debt

In the business-type activities, the long-term debt was \$1,283,985 at a rate of 1% at December 31, 2020 payable to the Colorado Water Resources and Power Development Authority (CWRPDA) which will be fully retired in November 2038.

In the Governmental activities a bond was obtained in 2012 including expenses in the amount of \$3,029,955. The remaining balance on this long-term bond debt was \$2,240,000 as of December 31, 2020 and is serviced by Wells Fargo.

Economic Factors and Financial Outlook

2022 Budget. As the Town moves into the 2022 budget cycle the economic outlook has begun to be more predictable after the uncertainty of COVID-19's effect on the economy. Staff will budget conservatively, however, halfway through 2021 it is becoming more apparent that tourism will surge in response to being stifled over the last 18 months. Despite the lockdown, sales tax grew by almost 13% and Town realized a healthy budget surplus in 2020. Sales tax growth is on track in 2021 to be at double or more of that growth rate. The impending threat of inflation is looming and could put a damper on the economy

Some of the key budget considerations are outlined below:

- Staffing – 2021 saw the decrease of staffing by 4 firefighters as Town negotiated to have Chaffee County Fire provide structure fire services, this move allows Town to look toward hiring a long term planner and another police officer;
- Employee health insurance – likely to show a 6%-7% increase;
- Sales tax revenue – revenue forecast is optimistic due to the healthy growth in the first quarter of 2021;
- Water rates – Water rate study to be done to determine if rates should be increased to provide for increased growth and the commensurate demand for water.

Total fund balances showed surprising growth in 2020 and is continuing along the same trajectory in 2021. Expectations for growth during 2022 are not unreasonable.

The Town has debt in the street fund. Debt service obligations will be \$105,000 of principal and \$69,850 of interest in 2022.

2022 budget appropriations are expected to increase based on the extent and length of the rebound in the economy after COVID-19.

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

The Fed is still keeping interest rates relatively low and has stated they will not raise rates unless they see sustained inflation. The economy is still somewhat unpredictable and there are still rolling shortages of goods. An increased demand on housing inventory resulting from urban flight has resulted in a severe shortage in affordable housing. This shortage has had a negative impact on the state prison and tourist related businesses as new employees are frequently commuting from other communities which have more affordable housing available. Few new businesses have opened throughout 2020 and 2021 and several have closed because of the shutdown orders in 2020 and 2021. If the housing issue can be addressed in a quickly, there is a likelihood that retirees and young professionals will continue to relocate to Buena Vista to enjoy the recreational amenities and temperate weather.

Prior to the shutdown created by COVID-19, Buena Vista was showing robust growth in sales tax. During the shutdown, sales tax attributed to tourism which was lost due to the abrupt cessation of the service business activity was offset in large part by sales tax remittances from remote sellers in response to the Wayfair-v-South Dakota ruling.

During the next calendar year, major fiscal sustainability efforts will be underway. In addition to the effect of COVID-19 and the economic recovery from the shutdown, other issues to be addressed include; cost inflation for employee healthcare, fuel, asphalt, natural gas and electricity, the

uncertainty of tourism and how business models will have to change to attract visitors, and finding a way to diversify Town revenue sources.

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

Requests for information

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

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Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Buena Vista, Colorado as of and for the year ended December 31, 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 opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Town of Buena Vista, Colorado, as of December 31, 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

Required Supplementary Information

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

Other Information

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

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

Hamblin and Associates

Golden, Colorado
June 8, 2021

BASIC FINANCIAL STATEMENTS

TOWN OF BUENA VISTA, COLORADO

STATEMENT OF NET POSITION

December 31, 2020

	Governmental Activities	Business - Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 567,590	\$ 1,578,453	\$ 2,146,043
Cash and cash equivalents - restricted	224,000	180,868	404,868
Investments	1,913,906	3,372,885	5,286,791
Grants receivable	125,130	20,000	145,130
Accounts receivable	315,366	276,582	591,948
Taxes receivable	610,878	-	610,878
Property taxes receivable	464,562	-	464,562
Prepaid expenses	32,341	-	32,341
Net pension asset	155,042	-	155,042
Inventories, net	-	105,697	105,697
Capital assets, net	8,535,688	9,570,427	18,106,115
Total Assets	12,944,503	15,104,911	28,049,414
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows due to pensions	445,199	-	445,199
LIABILITIES			
Accounts payable	449,436	130,776	580,212
Accrued payroll liabilities	-	1,759	1,759
Accrued compensated absences	67,471	34,038	101,509
Deposits/escrow accounts	265,175	-	265,175
Unearned revenue	16,834	11,744	28,578
Premium on bond payable	20,369	-	20,369
Notes payable - due within one year	105,000	92,712	197,712
Notes payable - due in more than one year	2,135,000	1,191,273	3,326,273
Total Liabilities	3,059,285	1,462,302	4,521,587
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows due to pensions	8,032	-	8,032
Unavailable revenue - property taxes	464,562	-	464,562
Total Deferred inflows of resources	472,594	-	472,594
NET POSITION			
Net investment in capital assets	6,295,688	8,286,442	14,582,130
Restricted for emergencies (TABOR)	171,800	-	171,800
Restricted for debt service	224,000	180,868	404,868
Restricted for streets	279,483	-	279,483
Unrestricted	2,886,852	5,175,300	8,062,152
Total Net Position	\$ 9,857,823	\$ 13,642,609	\$ 23,500,432

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

TOWN OF BUENA VISTA, COLORADO

BALANCE SHEET - GOVERNMENTAL FUNDS

December 31, 2020

	GENERAL	CONSERVATION TRUST	CAPITAL IMPROVEMENT	STREETS	TOTAL
ASSETS					
Cash and cash equivalents	\$ 1,047,519	\$ (295,469)	\$ (347,200)	\$ 386,740	\$ 791,590
Investments	1,268,150	312,956	332,800	-	1,913,906
Accounts receivable	315,366	-	-	-	315,366
Taxes receivable	514,504	-	-	96,374	610,878
Property taxes receivable	464,562	-	-	-	464,562
Grants receivable	-	-	125,130	-	125,130
Prepaid expenses	11,972	-	-	20,369	32,341
TOTAL ASSETS	\$ 3,622,073	\$ 17,487	\$ 110,730	\$ 503,483	\$ 4,253,773
LIABILITIES					
Accounts payable	\$ 305,915	\$ -	\$ 143,521	\$ -	\$ 449,436
Accrued payroll and related liabilities	-	-	-	-	-
Due to other funds	-	-	-	-	-
Developer deposits - refundable	265,175	-	-	-	265,175
Unearned revenue	16,834	-	-	-	16,834
TOTAL LIABILITIES	587,924	-	143,521	-	731,445
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	464,562	-	-	-	464,562
FUND BALANCES					
Restricted for TABOR	171,800	-	-	-	171,800
Restricted for debt service	-	-	-	224,000	224,000
Restricted - Streets	-	-	-	279,483	279,483
Committed	-	17,487	-	-	17,487
Assigned	-	-	(32,791)	-	(32,791)
Unassigned	2,397,787	-	-	-	2,397,787
TOTAL FUND BALANCE	2,569,587	17,487	(32,791)	503,483	3,057,766
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 3,622,073	\$ 17,487	\$ 110,730	\$ 503,483	\$ 4,253,773
TOTAL FUND BALANCE - GOVERNMENTAL FUNDS					\$ 3,057,766
Capital assets used in governmental activities are not resources and are not reported in the funds:					
Capital Assets					16,532,767
Accumulated Depreciation					(7,997,079)
Pension assets and deferred outflows are not current, therefore are not reported in the funds:					
Net Pension Asset (Liability)					155,042
Deferred Outflows Because of Pensions					445,199
Deferred Inflows Because of Pensions					(8,032)
Earned but unpaid accumulated leave balances are not reported in the funds:					
Compensated Absences					(67,471)
Long-term liabilities are not due and payable in the current period:					
Bonds Payable					(2,240,000)
Premium on Bond Payable					(20,369)
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES					\$ 9,857,823

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

TOWN OF BUENA VISTA, COLORADO

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2020

	<u>GENERAL</u>	<u>CONSERVATION TRUST</u>	<u>CAPITAL IMPROVEMENT</u>	<u>STREETS</u>	<u>TOTAL</u>
REVENUES					
Taxes	\$ 4,505,960	\$ -	\$ -	\$ 649,789	\$ 5,155,749
Licenses and permits	209,996	-	-	-	209,996
Fines	20,753	-	-	-	20,753
Intergovernmental	1,235,574	30,196	3,000	-	1,268,770
Contributions	9,282	-	24,995	281	34,558
Interest income	20,101	2,087	2,413	3,393	27,994
Other	38,284	-	-	-	38,284
TOTAL REVENUES	<u>6,039,950</u>	<u>32,283</u>	<u>30,408</u>	<u>653,463</u>	<u>6,756,104</u>
EXPENDITURES					
General government	1,425,196	-	1,032	-	1,426,228
Public safety	2,508,064	-	372,296	-	2,880,360
Community services	388,120	-	49,385	-	437,505
Public works	502,483	-	55,354	446,716	1,004,553
Culture and recreation	514,828	-	100,975	-	615,803
TOTAL EXPENDITURES	<u>5,338,691</u>	<u>-</u>	<u>579,042</u>	<u>446,716</u>	<u>6,364,449</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	701,259	32,283	(548,634)	206,747	391,655
OTHER FINANCING SOURCES (USES)					
Transfers in (out)	(451,603)	(39,000)	393,603	-	(97,000)
CHANGE IN FUND BALANCE	249,656	(6,717)	(155,031)	206,747	294,655
FUND BALANCES - Beginning	<u>2,319,931</u>	<u>24,204</u>	<u>122,240</u>	<u>296,736</u>	<u>2,763,111</u>
FUND BALANCES - Ending	<u>\$ 2,569,587</u>	<u>\$ 17,487</u>	<u>\$ (32,791)</u>	<u>\$ 503,483</u>	<u>\$ 3,057,766</u>

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

TOWN OF BUENA VISTA, COLORADO

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS (Continued)
For the Year Ended December 31, 2020

NET CHANGE IN FUND BALANCES - ALL GOVERNMENTAL FUNDS	\$ 294,655
Principal payments on debt are reported as expenditures in the funds and debt proceeds are shown as revenues:	
Principal Payments on Bonds Payable	100,000
Amortization of Bond Premium	1,198
Earned but unpaid accumulated leave balances are not reported in the funds:	
Change in Accrued Compensated Absences	8,282
FPPA pension changes are not recorded in the funds	155,120
Purchases of capital assets are expensed in governmental funds and depreciated on the statement of activities:	
Net Change Capitalized Assets	455,960
Depreciation Expense	<u>(765,494)</u>
CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES	<u>\$ 249,721</u>

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

TOWN OF BUENA VISTA, COLORADO

STATEMENT OF NET POSITION-
PROPRIETARY FUNDS
December 31, 2020

	<u>WATER</u>	<u>AIRPORT</u>	<u>STORM WATER</u>	<u>TOTAL</u>
ASSETS				
Current Assets				
Cash and equivalents	\$ 1,459,458	\$ (101,219)	220,214	\$ 1,578,453
Cash and equivalents - restricted	180,868	-	-	180,868
Investments	3,372,885	-	-	3,372,885
Grants receivable	0	20,000	-	20,000
Accounts receivable	87,901	182,088	6,593	276,582
Prepays	-	-	-	-
Inventory	53,385	52,312	-	105,697
Total Current Assets	<u>5,154,496</u>	<u>153,181</u>	<u>226,807</u>	<u>5,534,484</u>
Non-current Assets				
Capital assets				
Property, plant and equipment	10,959,562	10,640,166	-	21,599,728
Accumulated depreciation	<u>(4,668,116)</u>	<u>(7,361,185)</u>	-	<u>(12,029,301)</u>
Total Non-current Assets	<u>6,291,446</u>	<u>3,278,981</u>	<u>-</u>	<u>9,570,427</u>
TOTAL ASSETS	<u>11,445,942</u>	<u>3,432,162</u>	<u>226,807</u>	<u>15,104,911</u>
LIABILITIES				
Current Liabilities				
Accounts payable	84,041	46,735	-	130,776
Other accrued liabilities	680	-	-	680
Unearned revenue	11,744	-	-	11,744
Accrued salaries and benefits	781	298	-	1,079
Current portion of long-term debt	92,712	-	-	92,712
Total Current Liabilities	<u>189,958</u>	<u>47,033</u>	<u>-</u>	<u>236,991</u>
Long-Term Liabilities				
Notes and loans payable	1,191,273	-	-	1,191,273
Accrued compensated absences	24,721	9,317	-	34,038
Total Long-Term Liabilities	<u>1,215,994</u>	<u>9,317</u>	<u>-</u>	<u>1,225,311</u>
TOTAL LIABILITIES	<u>1,405,952</u>	<u>56,350</u>	<u>-</u>	<u>1,462,302</u>
NET POSITION				
Net investment in capital assets	5,007,461	3,278,981	-	8,286,442
Restricted for debt service	180,868	-	-	180,868
Unrestricted	<u>4,851,662</u>	<u>96,831</u>	<u>226,807</u>	<u>5,175,300</u>
TOTAL NET POSITION	<u>\$ 10,039,990</u>	<u>\$ 3,375,812</u>	<u>\$ 226,807</u>	<u>\$ 13,642,609</u>

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

TOWN OF BUENA VISTA, COLORADO

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

For the Year Ended December 31, 2020

	WATER	AIRPORT	STORM WATER	TOTAL
OPERATING REVENUES				
Water sales	\$ 1,077,896	\$ -	\$ -	\$ 1,077,896
Water meter sales	4,456	-	-	4,456
Stormwater fees	-	-	71,752	71,752
Finance charges	1,595	-	-	1,595
Fuel sales	-	235,294	-	235,294
Rental revenue	-	47,562	-	47,562
Other revenues	19,117	-	-	19,117
Other fees	797	11,269	-	12,066
TOTAL OPERATING REVENUES	1,103,861	294,125	71,752	1,469,738
OPERATING EXPENSES				
Salaries and benefits	426,718	219,201	-	645,919
Fuel for resale	-	134,933	-	134,933
Professional services	127,305	7,191	-	134,496
Insurance	6,021	20,055	-	26,076
Other general and administrative	38,846	56,322	33,992	129,160
Utilities	13,891	31,402	-	45,293
Repairs and maintenance	6,831	7,025	-	13,856
Plant and building operations	40,680	3,214	-	43,894
Capital outlay	12,741	(4,503)	-	8,238
Depreciation	212,461	248,630	-	461,091
TOTAL OPERATING EXPENSES	930,592	723,470	33,992	1,688,054
OPERATING INCOME (LOSS)	173,269	(429,345)	37,760	(218,316)
NON-OPERATING REVENUE (EXPENSE)				
Investment income	64,072	-	-	64,072
Grants and contributions	40,360	395,000	-	435,360
Other taxes	-	6,166	-	6,166
Interest and fiscal charges	(23,416)	-	-	(23,416)
Transfer in	-	97,000	-	97,000
Gain (loss) on sale of asset	-	-	-	-
Cash capital contributions	439,668	-	-	439,668
Infrastructure capital contributions	-	-	-	-
TOTAL NON-OPERATING REVENUE	520,684	498,166	-	1,018,850
CHANGE IN NET POSITION	693,953	68,821	37,760	800,534
NET POSITION - Beginning	9,346,037	3,306,991	189,047	12,842,075
NET POSITION - Ending	\$ 10,039,990	\$ 3,375,812	\$ 226,807	\$ 13,642,609

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

TOWN OF BUENA VISTA, COLORADO

**STATEMENT OF CASH FLOWS -
PROPRIETARY FUNDS**

For the Year Ended December 31, 2020

	WATER	AIRPORT	STORM WATER	TOTAL
Cash Flows From Operating Activities:				
Cash received from customers	\$ 1,103,849	\$ 385,351	\$ 71,588	\$ 1,560,788
Cash paid to suppliers and employees	(674,239)	(435,428)	(33,992)	(1,143,659)
Net Cash Provided (Used) by Operating Activities	<u>429,610</u>	<u>(50,077)</u>	<u>37,596</u>	<u>417,129</u>
Cash Flows From Non-capital Financing Activities:				
Grants and contributions received	40,360	395,000	-	435,360
Net Cash Provided by Non-capital Financing Activities	<u>40,360</u>	<u>492,000</u>	<u>-</u>	<u>532,360</u>
Cash Flows From Capital and Related Financing Activities:				
System development/resources fees	439,668	-	-	439,668
Additions to fixed assets	(207,402)	(389,752)	-	(597,154)
Loan Principal Payments	(76,775)	-	-	(76,775)
Loan interest payments and fiscal charges	(23,416)	-	-	(23,416)
Net Cash (Used) by Capital and Related Financing Activities	<u>132,075</u>	<u>(389,752)</u>	<u>-</u>	<u>(257,677)</u>
Cash Flows From Investing Activities:				
Interest received	64,072	-	-	64,072
Net Cash Used by Investing Activities	<u>64,072</u>	<u>-</u>	<u>-</u>	<u>64,072</u>
Net Increase in Cash	666,117	52,171	37,596	755,884
Cash - Beginning	<u>4,347,093</u>	<u>(153,390)</u>	<u>182,618</u>	<u>4,376,321</u>
Cash - Ending	<u>\$ 5,013,210</u>	<u>\$ (101,219)</u>	<u>\$ 220,214</u>	<u>\$ 5,132,205</u>
Cash and investments	\$ 1,459,458	\$ (101,219)	\$ 220,214	\$ 1,578,453
Restricted cash	180,868	-	-	180,868
Investments	3,372,885	-	-	3,372,885
Total Cash - Ending	<u>\$ 5,013,210</u>	<u>\$ (101,219)</u>	<u>\$ 220,214</u>	<u>\$ 5,132,205</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Operating Income (Loss)	\$ 173,269	\$ (429,345)	\$ 37,760	\$ (218,316)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Depreciation	212,461	248,630	-	461,091
(Increase) Decrease in:				
Accounts receivable	(5,388)	107,890	(164)	102,338
Inventory	28,201	(16,664)	-	11,537
Increase (decrease) in:				
Accounts payable	20,801	33,562	-	54,363
Unearned revenue	5,376	-	-	5,376
Accrued salaries and benefits	(6,074)	(9,723)	-	(15,797)
Accrued compensated absences	964	6,079	-	7,043
Total Adjustments	<u>256,341</u>	<u>379,268</u>	<u>(164)</u>	<u>635,445</u>
Net Cash Provided by Operating Activities	<u>\$ 429,610</u>	<u>\$ (50,077)</u>	<u>\$ 37,596</u>	<u>\$ 417,129</u>

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

TOWN OF BUENA VISTA, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

Basis of Presentation

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

Government-Wide and Fund Financial Statements

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

TOWN OF BUENA VISTA, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The statement of activities demonstrates the degree to which the direct expenses of the given function or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes, unrestricted interest earnings and other items not properly included among program revenues are reported instead as *general revenues*.

Fund Financial Statements

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

Fund Accounting

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

Governmental Funds

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

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

TOWN OF BUENA VISTA, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Proprietary Funds

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

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

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

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

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

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

TOWN OF BUENA VISTA, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus and Basis of Accounting

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

Long-Term Economic Focus and Accrual Basis

Governmental and business-type activities in the government-wide financial statements, the proprietary fund financial statements, and the fiduciary fund financial statements use the long-term economic focus and are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Current Financial Focus and Modified Accrual Basis

The governmental fund financial statements use the current financial focus and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the fiscal period. The primary revenue sources, which have been treated as susceptible to accrual by the Town, are property tax, sales tax, intergovernmental revenues and other taxes. All other revenue items are considered to be measurable and available only when cash is received by the Town.

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

TOWN OF BUENA VISTA, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Cash, Cash Equivalents and Investments

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

D. Restricted Assets

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

E. Receivables

The Town uses the allowance method for recognizing the uncollectable delinquent accounts receivable. At December 31, 2020, no allowance has been established, as all amounts are considered collectible. Each October, any utility bills more than 60 days old are certified to the County Treasurer for collection with the property taxes to be collected the following year.

F. Property Taxes

Property taxes are assessed in one year as a lien on the property, but not collected by governmental units until the subsequent year. In accordance with GAAP, the assessed, but uncollected, property taxes for calendar year 2020 have been recorded as a receivable and as deferred revenue. Property taxes are billed and collected by Chaffee County, Colorado and distributed to the municipalities and special districts within the county the month after collection.

TOWN OF BUENA VISTA, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Inventories

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

H. Interfund Receivables and Payables

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

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

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

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

I. Deferred Outflows and Inflows of Resources

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

TOWN OF BUENA VISTA, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Deferred Outflows and Inflows of Resources (Continued)

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

J. Capital Assets

Capital assets, which include property, equipment, and infrastructure (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial cost of more than \$5,000 and an estimated useful life in excess of one year. Purchased or constructed assets are recorded at historical cost where historical records are available or estimated historical costs where no historical records exist. Donated capital assets are recorded at estimated fair value at the date of donation.

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

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

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

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

TOWN OF BUENA VISTA, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Compensated Absences

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

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

L. Pensions

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

M. Long-Term Debt

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

TOWN OF BUENA VISTA, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Net Position

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

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

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

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

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

O. Fund Balance - Governmental Funds

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

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

TOWN OF BUENA VISTA, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Fund Balance- Governmental Funds (Continued)

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

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

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

P. Use of Estimates

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

NOTE 2: CASH DEPOSITS AND INVESTMENTS

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

TOWN OF BUENA VISTA, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 2: DEPOSITS AND INVESTMENTS (Continued)

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

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

A. Deposits

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

As of December 31, 2020, the Town had deposits of \$2,448,708. Depositor's insurance (FDIC) covers \$250,000 of this amount; the balance is covered by PDPA.

B. Investments

The Town's investment policy lists the authorized investment types as defined by Colorado statutes. Authorized investments include: direct obligations of the United States, obligations of U.S. government agencies, general or revenue obligations of any state of the United States, any territory, or political subdivision of any state, qualified bankers' acceptances, commercial paper, certificates of participation, repurchase agreements, qualified local government investment pool, money market funds, qualified corporate or bank debt, and certain guaranteed investment contracts. The Town held no such investments at December 31, 2020.

TOWN OF BUENA VISTA, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 2: CASH DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

Local Government Investment Pool - At December 31, 2020, the Town had \$2,513,620 (fair value) invested in COLOTRUST, an investment vehicle established by State statute for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces the requirements of creating and operating COLOTRUST. COLOTRUST operates similar to money market funds and each share is equal in value to \$1.00. COLOTRUST is rated AAAM by Standard and Poor's. Investments are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

The Town had the following investments at December 31, 2020:

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

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

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

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

TOWN OF BUENA VISTA, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 2: DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

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

Concentration of Credit Risk - State statutes generally do not limit the amount the Town may invest in one issuer, However, the Town's investment policy require diversification of investments, including limiting the concentration of investments in one issuer. At December 31, 2020, the Town's investments account for 40% of total deposits and investments.

NOTE 3: CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 1,028,709	\$ -	\$ -	\$ 1,028,709
Construction in progress	135,497	191,941	44,256	283,182
Assets held for other government	535,718	-	-	535,718
Total capital assets not being depreciated	<u>1,699,924</u>	<u>191,941</u>	<u>44,256</u>	<u>1,847,609</u>
Capital assets being depreciated:				
Land improvements & infrastructure	8,543,616	90,389	-	8,634,005
Buildings	1,515,598	-	-	1,515,598
Furniture & fixtures	22,042	-	-	22,042
Machinery, vehicles, & equipment	3,081,955	254,581	37,293	3,299,243
Developer contributed infrastructure	1,211,270	-	-	1,211,270
Intangibles	3,000	-	-	3,000
Total capital assets being depreciated	<u>14,377,481</u>	<u>344,970</u>	<u>37,293</u>	<u>14,685,158</u>
Less accumulated depreciation for:				
Land improvements & infrastructure	(3,221,943)	(489,582)	-	(3,711,525)
Buildings	(1,021,022)	(45,205)	-	(1,066,227)
Furniture & fixtures	(8,269)	(3,422)	-	(11,691)
Machinery, vehicles, & equipment	(2,345,833)	(164,121)	(37,293)	(2,472,661)
Developer contributed infrastructure	(670,811)	(62,564)	-	(733,375)
Intangibles	(1,000)	(600)	-	(1,600)
Total accumulated depreciation	<u>(7,268,878)</u>	<u>(765,494)</u>	<u>(37,293)</u>	<u>(7,997,079)</u>
Total capital assets being depreciated, net	<u>7,108,603</u>	<u>(420,523)</u>	<u>-</u>	<u>6,688,080</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 8,808,527</u></u>	<u><u>\$ (228,582)</u></u>	<u><u>\$ 44,256</u></u>	<u><u>\$ 8,535,689</u></u>

TOWN OF BUENA VISTA, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 3: CAPITAL ASSETS (Continued)

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

General Government	\$ 430,236
Public Safety	114,641
Public Works	27,486
Culture and Recreation	193,131
Total	<u>\$ 765,494</u>

Business-Type capital asset activity for the year ended December 31, 2020 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-Type Activities:				
Capital assets not being depreciated:				
Land and water rights	\$ 1,136,312	\$ -	\$ -	\$ 1,136,312
Construction in progress	26,207	54,575	55,597	25,185
Total capital assets not being depreciated	<u>1,162,519</u>	<u>54,575</u>	<u>55,597</u>	<u>1,161,497</u>
Capital assets being depreciated:				
Buildings and treatment plant	3,116,566	55,597	-	3,172,163
Distribution systems	6,120,401	8,299	-	6,128,700
Storage tanks	2,755,314	143,526	-	2,898,840
Vehicles and equipment	1,482,404	7,500	-	1,489,904
Airport infrastructure	2,100,854	382,252	-	2,483,107
Land improvements	4,094,075	-	-	4,094,075
Southard Ground Lease buyout	110,000	-	-	110,000
Office furniture and fixtures	61,443	-	-	61,443
Total capital assets being depreciated	<u>18,145,049</u>	<u>597,174</u>	<u>-</u>	<u>20,438,232</u>
Less accumulated depreciation for:				
Buildings and treatment plant	(1,435,626)	(125,986)	-	(1,561,612)
Distribution systems	(2,480,781)	(134,618)	-	(2,615,399)
Storage tanks	(819,792)	(31,502)	-	(851,294)
Vehicles and equipment	(1,202,341)	(53,316)	-	(1,255,657)
Airport infrastructure	(1,824,839)	(42,074)	-	(1,866,913)
Land improvements	(3,719,555)	(51,595)	-	(3,771,150)
Southard Ground Lease buyout	(23,833)	(22,000)	-	(45,833)
Office furniture and fixtures	(61,443)	-	-	(61,443)
Total accumulated depreciation	<u>(11,568,210)</u>	<u>(461,091)</u>	<u>-</u>	<u>(12,029,301)</u>
Total capital assets being depreciated, net	<u>6,576,839</u>	<u>136,084</u>	<u>-</u>	<u>8,408,931</u>
Business-Type Activities Capital Assets, Net	<u>\$ 7,739,358</u>	<u>\$ 190,659</u>	<u>\$ 55,597</u>	<u>\$ 9,570,428</u>

TOWN OF BUENA VISTA, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 4: INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Transfers for 2020 were as follows:

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

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

NOTE 5: LONG-TERM DEBT

Governmental Activities - The following summarizes the changes in the Town's governmental long-term debt activities for the year ended December 31, 2020:

	<u>Balance</u> <u>January 1,</u> <u>2020</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>December 31,</u> <u>2020</u>	<u>Due Within</u> <u>One Year</u>
Governmental Activities					
2012 Sales tax revenue bonds	\$ 2,340,000	\$ -	\$ 100,000	\$ 2,240,000	\$ 105,000
Compensated absences	75,753	87,089	95,371	67,471	-
Total Governmental Activities	<u>\$ 2,415,753</u>	<u>\$ 87,089</u>	<u>\$ 195,371</u>	<u>\$ 2,307,471</u>	<u>\$ 105,000</u>

Issue: 2012 Sales Tax Revenue Bonds - Capital Improvements Fund

Original Amount: \$3,000,000

Interest: 2.0%

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

<u>Payment</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Balance</u> <u>December 31</u>
2021	\$ 105,000	\$ 72,475	\$ 177,475	\$ 2,135,000
2022	105,000	69,850	174,850	2,030,000
2023	110,000	67,225	177,225	1,920,000
2024	110,000	64,475	174,475	1,810,000
2025	115,000	61,175	176,175	1,695,000
2026-2030	630,000	251,100	881,100	1,065,000
2031-2035	730,000	143,813	873,813	335,000
2036-2037	335,000	18,937	353,937	-
	<u>\$ 2,240,000</u>	<u>\$ 749,050</u>	<u>\$ 2,989,050</u>	

TOWN OF BUENA VISTA, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 5: LONG-TERM DEBT (Continued)

Business-type Activities - The following summarizes the changes in the Town's business-type long-term debt activities for the year ended December 31, 2020:

	<u>Balance</u> <u>January 1,</u> <u>2020</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>December 31,</u> <u>2020</u>	<u>Due Within</u> <u>One Year</u>
Business-Type Activities					
2018 CWRPDA Loan	\$ 1,929,874	\$ -	\$ 645,889	\$ 1,283,985	\$ 65,446
Compensated absences	25,258	26,036	22,231	29,063	-
Total Business-Type Activities	<u>\$ 1,955,132</u>	<u>\$ 26,036</u>	<u>\$ 668,120</u>	<u>\$ 1,313,048</u>	<u>\$ 65,446</u>

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

On July 11, 2018, the Town entered into a \$1,983,370 loan agreement with CWRPDA, for 20 years at an interest rate of 1% for installing redundant raw water supply treatment, adding water storage and tank construction, and making improvements to the water distribution system. On September 28, 2020, the Town returned \$569,114 of excess loan proceeds. With the corresponding balance reduction, CWRPDA changed the repayment schedule to payments of \$39,061 principal and interest, made twice per year until November 1, 2038.

<u>Payment</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Balance</u> <u>December 31</u>
2021	\$ 65,446	\$ 12,677	\$ 78,123	\$ 1,218,539
2022	66,102	12,021	78,123	1,152,437
2023	66,765	11,358	78,123	1,085,672
2024	67,434	10,689	78,123	1,018,238
2025	68,110	10,013	78,123	950,128
2026-2030	350,931	39,683	390,613	599,198
2031-2035	368,877	21,736	390,613	230,320
2036-2038	230,320	4,047	234,368	-
	<u>\$ 1,283,985</u>	<u>\$ 122,222</u>	<u>\$ 1,406,207</u>	

TOWN OF BUENA VISTA, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 6: EMPLOYEE RETIREMENT COMMITMENTS

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

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

For the year ended December 31, 2020, the Town contributed \$101,910 to the Retirement Plan on behalf of participating employees. Participants of the Retirement Plan made equal matching contributions in 2020. No unvested contributions were returned to the Town in 2020.

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

TOWN OF BUENA VISTA, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 6: EMPLOYEE RETIREMENT COMMITMENTS (Continued)

B. Deferred Compensation Plan

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

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

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

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

C. FPPA Statewide Defined Benefit Plan

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

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

TOWN OF BUENA VISTA, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 6: EMPLOYEE RETIREMENT COMMITMENTS (Continued)

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

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

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

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

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

**TOWN OF BUENA VISTA, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020**

NOTE 6: EMPLOYEE RETIREMENT COMMITMENTS (Continued)

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

Net Pension Asset. At measurement date of December 31, 2019 the Town reported an asset of \$41,913 for its proportionate share of the net pension liability/(asset). The net pension liability/(asset) was measured as of December 31, 2019, and the total pension liability/(asset) used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of January 1, 2017. The Town proportion of the net pension liability/(asset) was based on Town contributions to the Plan for the calendar year 2019 relative to the total contributions of participating employers to the Plan.

At December 31, 2019, the Town proportion was 0.074108%, as compared to 0.077289% at December 31, 2018.

For the plan year ended December 31, 2019, the Town recognized pension expense of \$36,939, consisting of the following elements:

**Town's Proportionate Share of Collective Pension Expense for the Plan Year Ended
December 31, 2019**

Service Cost	\$ 82,399
Interest on the Total Pension Liability	138,259
Current-Period Benefit Changes	-
IRC 414(h)(2) Employer-paid Member Contributions	(56,713)
Member Purchases of Service Credit	(26,558)
Projected Earnings on Plan Investments	(133,160)
Pension Plan Administrative Expense	2,612
Other Changes in Plan Fiduciary Net Position	-
Recognition of Inflow of Resources due to Liabilities	30,673
Recognition of Outflow of Resources due to Assets	(573)
Total Pension Plan Expense	\$ 36,939

TOWN OF BUENA VISTA, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 6: EMPLOYEE RETIREMENT COMMITMENTS (Continued)

At December 31, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 141,840	\$ -
Changes of assumptions	15,423	-
Net difference between projected and actual earnings on pension plan investments	45,872	
Changes in proportion and differences between Town contributions and proportionate share of contributions	14,978	-
Town contributions subsequent to the measurement date	43,696	-
Total	<u>\$ 261,809</u>	<u>\$ -</u>

Town contributions subsequent to the measurement date of December 31, 2019 of \$43,696 which are reported as deferred outflows of resources related to pensions, will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending December 31,	
2020	\$ 14,714
2021	9,008
2022	30,442
2023	1,899
2024	30,755
Thereafter	67,158
	<u>\$ 153,976</u>

TOWN OF BUENA VISTA, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 6: EMPLOYEE RETIREMENT COMMITMENTS (Continued)

Actuarial Assumptions. The January 1, 2020 actuarial valuation was used to determine the Actuarially Determined Contribution for the fiscal year ending December 31, 2019. The valuation used the following actuarial assumption and other inputs:

Actuarial Method	Entry Age Normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Long-term Investment Rate of Return*	7.0%
Projected Salary Increases	4.25% - 11.25%
Cost of Living Adjustments (COLA)	0.0%
*Includes Inflation at	2.5%

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

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

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

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

TOWN OF BUENA VISTA, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 6: EMPLOYEE RETIREMENT COMMITMENTS (Continued)

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

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global Equity	38.00%	7.00%
Equity Long/Short	8.00%	6.00%
Illiquid Alternatives	25.00%	9.20%
Fixed Income	15.00%	5.20%
Absolute Return	8.00%	5.20%
Managed Futures	4.00%	5.00%
Cash	2.00%	2.52%
Total	100.0%	

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

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

TOWN OF BUENA VISTA, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 6: EMPLOYEE RETIREMENT COMMITMENTS (Continued)

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

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

	1% Decrease 6.00%	Single Discount Rate Assumption 7.00%	1% Increase 8.00%
Town's Proportionate Share	\$ 254,126	\$ (41,913)	\$ (287,438)

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

D. FPPA Statewide Hybrid Plan - Defined Benefit Component

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

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

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

TOWN OF BUENA VISTA, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 6: EMPLOYEE RETIREMENT COMMITMENTS (Continued)

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

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

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

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

Net Pension Asset. At plan year end December 31, 2019 the Town reported an asset of \$55,723 for its proportionate share of the net pension liability. (The Town reported an asset rather than a liability because the Plan's fiduciary net position currently exceeds the total pension liability.) The net pension liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020. The Town proportion of the net pension liability was based on Town contributions to the plan for the calendar year 2017 relative to the total contributions of participating employers to the Plan.

TOWN OF BUENA VISTA, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 6: EMPLOYEE RETIREMENT COMMITMENTS (Continued)

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

For the plan year ended December 31, 2019, the Town recognized pension expense of \$3,976, consisting of the following elements:

**Town's Proportionate Share of Collective Pension Expense for the Plan Year Ended
December 31, 2018**

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

At December 31, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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

TOWN OF BUENA VISTA, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 6: EMPLOYEE RETIREMENT COMMITMENTS (Continued)

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

Town contributions subsequent to the measurement date of December 31, 2019 of \$13,005 which are reported as deferred outflows of resources related to pensions, will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

P13 - other amounts reported as deferred outflows:

Year ending December 31,		
	2020 \$	16,600
	2021	14,980
	2022	21,349
	2023	9,721
	2024	7,205
Thereafter		1,068
	\$	70,923

Actuarial Assumptions. The January 1, 2020 actuarial valuation was used to determine the Actuarially Determined Contribution for the fiscal year ending December 31, 2019. The valuation used the following actuarial assumption and other inputs:

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

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

TOWN OF BUENA VISTA, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 6: EMPLOYEE RETIREMENT COMMITMENTS (Continued)

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

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

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

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

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

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global Equity	38.0%	7.00%
Equity Long/Short	8.0%	6.00%
Illiquid Alternatives	25.0%	9.20%
Fixed Income	15.0%	5.20%
Absolute Return	8.0%	5.20%
Managed Futures	4.0%	5.00%
Cash	2.0%	2.52%
Total	100.0%	

TOWN OF BUENA VISTA, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 6: EMPLOYEE RETIREMENT COMMITMENTS (Continued)

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

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

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

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

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

	1% Decrease 6.00%	Single Discount Rate Assumption 7.00%	1% Increase 8.00%
Town's Proportionate Share	\$ (98,825)	\$ (162,484)	\$ (215,740)

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

TOWN OF BUENA VISTA, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 6: EMPLOYEE RETIREMENT COMMITMENTS (Continued)

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

Plan Description. The Buena Vista Volunteer Fire Pension Plan is an agent multiple-employer Public Employee Retirement System (PERS). The PERS represents the assets of numerous separate plans that have been pooled for investment purposes. The pension plans have elected to affiliate with FPPA for plan administration and investment only. FPPA issues a publicly available comprehensive annual financial report can be obtained on FPPA's website at <http://www.fppaco.org>.

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

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

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

TOWN OF BUENA VISTA, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 6: EMPLOYEE RETIREMENT COMMITMENTS (Continued)

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

Changes in the Net Pension Liability/(Asset). Sources of the changes in the net pension liability/(asset) for the measurement period ended December 31, 2019 is shown below:

	Measurement Period Ended December 31, 2019
Service cost	\$ 4,431
Interest on the total pension liability	31,713
Benefit changes	-
Difference between expected and actual experience of the Total Pension Liability	-
Changes of assumptions	-
Benefit payments	(30,900)
Net change in total pension liability	5,244
Total pension liability - beginning	466,049
Total pension liability - ending	\$ 471,293

Actuarial Assumptions. The January 1, 2020 actuarial valuation was used to determine the net pension liability/(asset) for the fiscal year ending December 31, 2019. The valuation used the following actuarial assumption and other inputs:

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

TOWN OF BUENA VISTA, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 6: EMPLOYEE RETIREMENT COMMITMENTS (Continued)

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

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

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

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

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

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

Contributions and Funding. Participating volunteer firefighters do not contribute to the pension plan. Contributions to the Plan are made by the Town and through a 90% matching grant from the State of Colorado. The contribution requirements of the Plan are established under Title 31, Article 30 of the Colorado Revised Statutes, as amended. The Town contributed \$37,387 to the Plan for the year ended December 31, 2019.

TOWN OF BUENA VISTA, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 6: EMPLOYEE RETIREMENT COMMITMENTS (Continued)

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

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

	Measurement Period Ended December 31, 2019
Total Pension Liability	\$ 471,293
Plan Fiduciary Net Position	520,648
Net Pension Liability (Asset)	<u>\$ (49,355)</u>
Plan fiduciary net position as a Total Pension Expense/(Income)	110.47% \$ (21,199)

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

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

**TOWN OF BUENA VISTA, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020**

NOTE 6: EMPLOYEE RETIREMENT COMMITMENTS (Continued)

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

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

1% Decrease 6.0%	Single Discount Rate Assumption 7.0%	1% Increase 8.0%
\$ (1,945)	\$ (49,355)	\$ (89,264)

F. Death And Disability Benefits

Death and disability coverage is provided to full-time police officers through the Statewide Death and Disability Plan, which is administered by the FPPA. During the past year, the Town's required contribution rate was 2.6% of base salary for members. Town contributions to this plan totaled \$12,000 during 2020, with State supplemental contribution of \$10,800. Employees are not required to contribute to this plan.

NOTE 7: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

TABOR Amendment

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

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

TOWN OF BUENA VISTA, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 7: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

TABOR Amendment (Continued)

TABOR also requires local governments to establish an emergency reserve to be used to declare emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. The reserve is calculated at 3% of fiscal year spending. Fiscal year spending excludes bonded debt service and enterprise spending. The Town has reserved \$171,700, which is the approximate required reserve at December 31, 2020.

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

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

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

NOTE 8: RISK MANAGEMENT

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

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

CIRSA's operations are funded by contributions from member governments. Coverage is provided in the amount of \$500,000 per claim or occurrence for property damage, \$600,000 per claim or occurrence for liability, and \$150,000 per claim or occurrence for crime. CIRSA has also acquired additional excess coverage from outside sources. While the Town may be liable for any losses in excess of this coverage, the Town does not anticipate losses at December 31, 2020. No settlements of claims against the Town in the last three years have exceeded the Town's coverage.

TOWN OF BUENA VISTA, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 8: RISK MANAGEMENT (Continued)

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

For 2020, the Town's deductible for property and liability claims per occurrence is \$1,000 for each. The auto liability deductible and the auto physical damage deductible are both \$1,000 per occurrence.

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

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

NOTE 9: COMMITMENTS AND CONTINGENCIES

A. Legal Claims

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

B. Federal and State Grants and Financial Sources

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

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF BUENA VISTA, COLORADO

BUDGETARY COMPARISON SCHEDULE
FOR THE GENERAL FUND

For the Year Ended December 31, 2020

With Comparative Totals for the Year Ended December 31, 2019

	2020			VARIANCE POSITIVE (NEGATIVE)	2019 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
REVENUES					
Taxes:					
General property	\$ 443,905	\$ 443,905	441,203	\$ (2,702)	422,928
Specific ownership	55,747	55,747	50,253	(5,494)	64,022
Franchise fees	84,000	84,000	79,461	(4,539)	82,072
General sales	3,413,950	3,681,698	3,898,574	216,876	3,374,756
Mineral severance	17,591	17,591	26,820	9,229	17,065
Cigarette	9,450	9,450	9,649	199	8,863
Total Taxes	<u>4,024,643</u>	<u>4,292,391</u>	<u>4,505,960</u>	<u>213,569</u>	<u>3,969,706</u>
Charges for Services:					
Business licenses	21,275	21,275	27,093	5,818	33,896
Building and development fees	32,850	32,850	34,976	2,126	44,964
Other permits and fees	38,010	38,010	65,053	27,043	43,765
Recreation fees and permits	111,920	111,920	41,734	(70,186)	110,456
Fines	42,970	42,970	20,753	(22,217)	38,357
Cemetery fees	6,350	6,350	41,140	34,790	5,910
Lease income	400	400	-	(400)	-
Total Charges for Services	<u>253,775</u>	<u>253,775</u>	<u>230,749</u>	<u>(23,026)</u>	<u>277,348</u>
Intergovernmental:					
Highway users tax	145,000	145,000	102,837	(42,163)	149,577
County road and bridge tax	4,500	4,500	5,406	906	4,949
Grants	70,500	485,600	1,109,738	624,138	448,519
Motor vehicle registration	15,000	15,000	17,593	2,593	15,240
Total Intergovernmental	<u>235,000</u>	<u>650,100</u>	<u>1,235,574</u>	<u>585,474</u>	<u>618,285</u>
Other Revenues					
Contributions	2,000	2,000	9,282	7,282	6,994
Earnings on investments	30,000	30,000	20,101	(9,899)	35,470
Other revenue	5,525	5,525	38,284	32,759	83,311
Total Other Revenues	<u>37,525</u>	<u>37,525</u>	<u>67,667</u>	<u>30,142</u>	<u>125,775</u>
TOTAL REVENUES	<u>4,550,943</u>	<u>5,233,791</u>	<u>6,039,950</u>	<u>806,159</u>	<u>4,991,114</u>

(Continued)

See the accompanying Independent Auditor's Report.

TOWN OF BUENA VISTA, COLORADO

BUDGETARY COMPARISON SCHEDULE
FOR THE GENERAL FUND

For the Year Ended December 31, 2020

With Comparative Totals for the Year Ended December 31, 2019

	2020			VARIANCE POSITIVE (NEGATIVE)	2019 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
EXPENDITURES					
General Government:					
Mayor and Board of Trustees	44,730	44,730	46,572	(1,842)	42,300
Town Clerk	147,636	147,636	145,137	2,499	87,858
Municipal Court	72,655	72,655	52,275	20,380	69,217
Town Administrator	274,062	274,062	281,641	(7,579)	246,781
Financial Administration	234,904	234,904	241,279	(6,375)	216,668
Town Hall Operations	37,038	37,038	59,408	(22,370)	49,437
Public Support	343,908	611,523	586,235	25,288	283,221
Elections	18,875	18,875	12,649	6,226	528
Total General Government	<u>1,173,808</u>	<u>1,441,423</u>	<u>1,425,196</u>	<u>16,227</u>	<u>996,010</u>
Public Safety:					
Police	1,210,168	1,218,805	1,144,654	74,151	1,105,897
Fire	471,150	471,150	566,652	(95,502)	388,069
Fire deployments	40,500	103,000	771,795	(668,795)	284,212
Public Safety Complex	17,900	17,900	24,963	(7,063)	21,041
Total Public Safety	<u>1,739,718</u>	<u>1,810,855</u>	<u>2,508,064</u>	<u>(697,209)</u>	<u>1,799,219</u>
Community Services					
Development	264,740	264,740	362,027	(97,287)	330,369
Community Center	32,043	32,043	26,071	5,972	26,914
Public Television	500	500	22	478	2,340
Total Community Services	<u>297,283</u>	<u>297,283</u>	<u>388,120</u>	<u>(90,837)</u>	<u>359,623</u>
Public Works:					
Streets and Properties - Maintenance and Improvements	511,162	511,162	502,483	8,679	450,673
Culture and Recreation:					
Parks	353,112	353,112	257,242	95,870	256,962
Cemetery	3,250	3,250	5,085	(1,835)	2,470
Recreation Programs	322,932	322,932	252,501	70,431	243,724
Total Culture and Recreation	<u>679,294</u>	<u>679,294</u>	<u>514,828</u>	<u>164,466</u>	<u>503,156</u>
TOTAL EXPENDITURES	<u>4,401,265</u>	<u>4,740,017</u>	<u>5,338,691</u>	<u>(598,674)</u>	<u>4,108,681</u>
Other Financing Sources (Uses)					
Transfers In (Out)	<u>(200,500)</u>	<u>(451,603)</u>	<u>(451,603)</u>	<u>-</u>	<u>(319,440)</u>
Net Change in Fund Balance	(50,822)	42,171	249,656	1,404,833	562,993
Fund Balances - Beginning of Year	<u>2,319,931</u>	<u>2,319,931</u>	<u>2,319,931</u>	<u>-</u>	<u>1,756,938</u>
Fund Balances - End of Year	<u>\$ 2,269,109</u>	<u>\$ 2,362,102</u>	<u>\$ 2,569,587</u>	<u>\$ 1,404,833</u>	<u>\$ 2,319,931</u>

See the accompanying Independent Auditor's Report.

TOWN OF BUENA VISTA, COLORADO

BUDGETARY COMPARISON SCHEDULE
FOR THE CONSERVATION TRUST FUND

For the Year Ended December 31, 2020

With Comparative Totals for the Year Ended December 31, 2019

	2020			VARIANCE POSITIVE (NEGATIVE)	2019 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
REVENUES					
Lottery proceeds	\$ -	\$ 35,000	\$ 30,196	\$ (4,804)	\$ 33,005
Interest income	5,000	5,000	2,087	(2,913)	6,004
TOTAL REVENUES	<u>5,000</u>	<u>40,000</u>	<u>32,283</u>	<u>(7,717)</u>	<u>39,009</u>
EXPENDITURES					
Park maintenance	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,000	40,000	32,283	(7,717)	39,009
Other Financing Sources (Uses)					
Transfers in (out)	<u>(39,000)</u>	<u>(39,000)</u>	<u>(39,000)</u>	<u>-</u>	<u>(61,000)</u>
Net Change in Fund Balance	(34,000)	1,000	(6,717)	(7,717)	(21,991)
FUND BALANCE - Beginning of Year	<u>24,204</u>	<u>24,204</u>	<u>24,204</u>	<u>-</u>	<u>46,195</u>
FUND BALANCE - End of Year	<u>\$ (9,796)</u>	<u>\$ 25,204</u>	<u>\$ 17,487</u>	<u>\$ (7,717)</u>	<u>\$ 24,204</u>

See the accompanying Independent Auditor's Report.

TOWN OF BUENA VISTA, COLORADO

BUDGETARY COMPARISON SCHEDULE
FOR THE STREET FUND

For the Year Ended December 31, 2020

With Comparative Totals for the Year Ended December 31, 2019

	2020			VARIANCE POSITIVE (NEGATIVE)	2019 ACTUAL
	ORIGINAL BUDGET	ORIGINAL & FINAL BUDGET	ACTUAL		
REVENUES					
Town Sales Tax	\$ 405,000	\$ 504,457	\$ 649,789	\$ 145,332	\$ 550,820
Development Fees	66,900	-	281	281	-
Interest income	5,700		3,393	3,393	7,814
TOTAL REVENUES	<u>574,600</u>	<u>504,457</u>	<u>653,463</u>	<u>149,006</u>	<u>598,634</u>
EXPENDITURES					
Street Expenses	5,500	310,250	270,543	39,707	294,353
Debt Service Principal	20,107	100,000	100,000	-	100,000
Debt Service Interest	63,850	76,975	76,173	802	79,371
TOTAL EXPENDITURES	<u>89,457</u>	<u>487,225</u>	<u>446,716</u>	<u>40,509</u>	<u>473,724</u>
Net Change in Fund Balance	485,143	17,232	206,747	189,515	124,910
FUND BALANCE - Beginning of Year	<u>296,736</u>	<u>296,736</u>	<u>296,736</u>	<u>-</u>	<u>211,827</u>
FUND BALANCE - End of Year	<u>\$ 781,879</u>	<u>\$ 313,968</u>	<u>\$ 503,483</u>	<u>\$ 189,515</u>	<u>\$ 336,737</u>

See the accompanying Independent Auditor's Report.

TOWN OF BUENA VISTA, COLORADO

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

<u>Measurement period ending December 31,</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Town's portion of the net pension asset	0.074108%	0.077289%	0.053647%	0.058169%	0.055701%	0.046123%	0.042529%
Town's proportionate share of the net pension liability (asset)	(41,913)	97,714	(77,180)	21,019	(982)	(52,053)	(38,029)
Town's covered payroll	546,200	517,725	313,800	297,700	270,025	207,419	188,097
Town's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-8%	19%	-25%	7%	0%	-25%	-20%
Plan fiduciary net position as a percentage of the total pension asset	101.90%	95.20%	106.30%	98.21%	100.10%	106.80%	105.80%

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

See the accompanying Independent Auditor's Report.

TOWN OF BUENA VISTA, COLORADO

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

<u>Measurement period ending December 31,</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 43,696	\$ 41,418	\$ 25,104	\$ 23,816	\$ 21,602	\$ 16,593	\$ 14,778
Contributions in relation to the contractually required contribution	(43,696)	(41,418)	(25,104)	(23,816)	(21,602)	(16,593)	(14,778)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	546,200	517,725	313,800	297,700	270,025	207,419	188,097
Contributions as a percentage of covered payroll	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%

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

See the accompanying Independent Auditor's Report.

TOWN OF BUENA VISTA, COLORADO

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

<u>Measurement period ending December 31,</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Town's portion of the net pension asset	0.834363%	0.815985%	0.776310%	0.882542%	0.864078%	0.850630%	0.752145%
Town's proportionate share of the net pension liability (asset)	(162,484)	(112,634)	(151,790)	(96,067)	(91,012)	(100,882)	(76,720)
Town's covered payroll	166,438	163,375	148,375	142,663	142,238	131,618	121,632
Town's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-98%	-69%	-102%	-67%	-64%	-77%	-63%
Plan fiduciary net position as a percentage of the total pension asset	130.06%	123.46%	127.5%	127.5%	129.4%	140.6%	139.0%

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

See the accompanying Independent Auditor's Report.

TOWN OF BUENA VISTA, COLORADO

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

<u>Measurement period ending December 31,</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 13,315	\$ 13,005	\$ 11,870	\$ 11,413	\$ 11,379	\$ 10,529	\$ 9,730
Contributions in relation to the contractually required contribution	(13,315)	(13,005)	(11,870)	(11,413)	(11,379)	(10,529)	(9,730)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	166,438	163,375	148,375	142,663	142,238	131,618	121,632
Contributions as a percentage of covered payroll	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%

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

See the accompanying Independent Auditor's Report.

TOWN OF BUENA VISTA, COLORADO

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

<u>Measurement period ending December 31,</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability						
Service Cost	\$ 4,431	\$ 5,906	\$ 5,906	\$ 4,754	\$ 4,754	\$ 4,453
Interest on the Total Pension Liability	31,713	37,602	36,733	37,598	36,877	35,425
Benefit Changes	-	-	-	-	-	-
Difference between Expected and Actual Experience	-	(76,151)	-	(35,430)	-	12,571
Assumption Changes	-	16,773	-	11,921	-	-
Benefit Payments	(30,900)	(32,488)	(29,663)	(32,185)	(31,850)	(34,589)
Net Change in Total Pension Liability	<u>5,244</u>	<u>(48,358)</u>	<u>12,976</u>	<u>(13,342)</u>	<u>9,781</u>	<u>17,860</u>
Total Pension Liability - Beginning	466,049	514,407	501,431	514,773	504,992	487,132
Total Pension Liability - Ending (a)	<u>\$ 471,293</u>	<u>\$ 466,049</u>	<u>\$ 514,407</u>	<u>\$ 501,431</u>	<u>\$ 514,773</u>	<u>\$ 504,992</u>
Plan Fiduciary Net Position						
Employer Contributions	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 24,000
Pension Plan Net Investment Income	65,555	301	62,018	22,059	7,660	27,215
Benefit Payments	(30,900)	(32,488)	(29,663)	(32,185)	(31,850)	(34,589)
Pension Plan Administrative Expense	(6,391)	(6,884)	(6,464)	(934)	(1,747)	(1,011)
State of Colorado supplemental discretionary payment	10,800	10,800	10,800	10,800	10,800	21,600
Net Change in Plan Fiduciary Net Position	<u>51,064</u>	<u>(16,271)</u>	<u>48,691</u>	<u>11,740</u>	<u>(3,137)</u>	<u>37,215</u>
Plan Fiduciary Net Position - Beginning	469,584	485,855	437,164	425,424	428,561	391,346
Plan Fiduciary Net Position - Ending (b)	<u>\$ 520,648</u>	<u>\$ 469,584</u>	<u>\$ 485,855</u>	<u>\$ 437,164</u>	<u>\$ 425,424</u>	<u>\$ 428,561</u>
Net Pension Liability/(Asset) - Ending (a)-(b)	\$ (49,355)	\$ (3,535)	\$ 28,552	\$ 64,267	\$ 89,349	\$ 76,431
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	110.47%	100.76%	94.45%	87.18%	82.64%	84.86%
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A
Net Pension Liability as a % of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A

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

See the accompanying Independent Auditor's Report.

TOWN OF BUENA VISTA, COLORADO

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

FY Ending December 31,	Actuarially Determined Contribution	Actual Contribution*	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2014	\$ 35,901	\$ 45,600	\$ (9,699)	N/A	N/A
2015	13,043	22,800	(9,757)	N/A	N/A
2016	11,734	22,800	(11,066)	N/A	N/A
2017	11,734	22,800	(11,066)	N/A	N/A
2018	10,422	22,800	(12,378)	N/A	N/A
2019	10,422	22,800	(12,378)	N/A	N/A

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

See the accompanying Independent Auditor's Report.

OTHER SUPPLEMENTARY INFORMATION

TOWN OF BUENA VISTA, COLORADO

BUDGETARY COMPARISON SCHEDULE
FOR THE CAPITAL IMPROVEMENTS FUND

For the Year Ended December 31, 2020

With Comparative Totals for the Year Ended December 31, 2019

	2020			VARIANCE POSITIVE (NEGATIVE)	2019 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
REVENUES					
Contributions	\$ 23,500	\$ 23,500	\$ 24,995	\$ 1,495	\$ 4,600
Grants	940,547	30,835	3,000	(27,835)	271,194
Interest income	15,000	15,000	2,413	(12,587)	10,127
TOTAL REVENUES	<u>979,047</u>	<u>69,335</u>	<u>30,408</u>	<u>(38,927)</u>	<u>285,921</u>
EXPENDITURES					
General Government					
Office equipment/furniture	-	21,687	1,032	20,655	15,500
Public Safety					
Police vehicles	106,000	159,000	164,785	(5,785)	53,153
Fire fighting equipment	-	200,000	200,000	-	227,316
Office equipment/furniture	7,000	7,000	7,511	(511)	14,000
Total Public Safety	<u>106,000</u>	<u>366,000</u>	<u>372,296</u>	<u>(6,296)</u>	<u>294,469</u>
Community Services					
Capital outlay	-	-	49,385	(49,385)	40,072
Public Works					
General	-	-	204	(204)	490
Street improvements	-	-	55,150	(55,150)	47,353
Total Public Works	<u>-</u>	<u>-</u>	<u>55,354</u>	<u>(55,354)</u>	<u>47,843</u>
Culture and Recreation					
Park improvements	11,500	11,500	100,975	(89,475)	260,901
TOTAL EXPENDITURES	<u>117,500</u>	<u>399,187</u>	<u>579,042</u>	<u>(179,855)</u>	<u>658,785</u>
Excess (Deficiency) of Revenues Over Expenditures	861,547	(329,852)	(548,634)	140,928	(372,864)
Other Financing Sources					
Transfers in	142,500	393,513	393,603	(90)	340,440
Net Change in Fund Balance	1,004,047	63,661	(155,031)	218,692	(32,424)
FUND BALANCE - Beginning of Year	122,240	122,240	122,240	-	154,664
FUND BALANCE - End of Year	<u>\$1,126,287</u>	<u>\$ 185,901</u>	<u>\$ (32,791)</u>	<u>\$ 218,692</u>	<u>\$ 122,240</u>

See the accompanying Independent Auditor's Report.

TOWN OF BUENA VISTA, COLORADO

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

For the Year Ended December 31, 2020
With Comparative Totals for the Year Ended December 31, 2019

	2020			VARIANCE POSITIVE (NEGATIVE)	2019 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
REVENUES					
Water sales	\$ 1,015,140	\$ 1,015,140	\$ 1,077,896	\$ 62,756	\$ 987,437
Water meter sales	25,000	25,000	4,456	(20,544)	22,230
Finance charges	9,190	9,190	1,595	(7,595)	9,635
Investment income	16,254	16,254	64,072	47,818	60,830
System development fees	463,000	463,000	439,668	(23,332)	610,161
Other fees	3,500	3,500	797	(2,703)	1,338
Other revenues	45,400	45,400	59,477	14,077	348,685
TOTAL REVENUES	1,577,484	1,577,484	1,647,961	70,477	2,040,316
EXPENDITURES					
Salaries and benefits	470,951	470,951	426,718	44,233	399,783
Professional services	106,500	106,500	127,305	(20,805)	96,906
Meters, materials and freight	26,900	26,900	45,098	(18,198)	-
Insurance	5,883	5,883	6,021	(138)	6,692
Other general and administrative	42,400	156,950	38,846	118,104	35,395
Utilities	17,047	17,047	13,891	3,156	14,501
Repairs and maintenance	13,500	13,500	6,831	6,669	30,550
Plant and building operations	42,350	42,350	40,680	1,670	34,088
Capital outlay	763,675	763,675	274,740	488,935	1,715,260
Debt principal payments	100,000	100,000	76,775	23,225	53,496
Debt interest and fiscal charges	11,780	11,780	23,416	(11,636)	5,312
TOTAL EXPENDITURES	1,600,986	1,715,536	1,080,321	635,215	2,391,983
CHANGE IN NET POSITION- BUDGET BASIS	(23,502)	(138,052)	567,640	705,692	(351,667)
RECONCILIATION TO GAAP BASIS:					
Depreciation			(212,461)		(194,661)
Capitalized assets			261,999		1,695,529
Debt principal payments			76,775		53,496
Total GAAP basis adjustments			126,313		1,554,364
CHANGE IN NET POSITION- GAAP BASIS			\$ 693,953		\$ 1,202,697

See the accompanying Independent Auditor's Report.

TOWN OF BUENA VISTA, COLORADO

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

For the Year Ended December 31, 2020
With Comparative Totals for the Year Ended December 31, 2019

	2020			VARIANCE POSITIVE (NEGATIVE)	<u>2019</u> ACTUAL
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>		
REVENUES					
Charges for services:					
Fuel sales	\$ 405,000	\$ 405,000	\$ 235,294	\$ (169,706)	\$ 385,134
Rental revenue	66,900	66,900	47,562	(19,338)	230,921
Other fees and sales	19,400	19,400	11,269	(8,131)	46,959
Grant revenue	395,000	415,000	395,000	(20,000)	35,430
Transfers	97,000	97,000	97,000	-	40,000
Other taxes	5,700	5,700	6,166	466	7,727
TOTAL REVENUES	<u>989,000</u>	<u>1,009,000</u>	<u>792,291</u>	<u>(216,709)</u>	<u>746,171</u>
EXPENDITURES					
Fuel cost	229,450	229,450	134,933	94,517	252,755
Salaries and benefits	212,626	212,626	219,201	(6,575)	212,316
Professional services	5,500	5,500	7,191	(1,691)	5,226
Insurance	20,107	20,107	20,055	52	19,036
Other general and administrative	63,850	63,850	56,322	7,528	79,742
Utilities	25,640	25,640	31,402	(5,762)	32,717
Repairs and maintenance	8,000	8,000	7,025	975	5,675
Airport and weather station operations	2,000	2,000	3,214	(1,214)	1,486
Capital outlay	420,889	420,889	385,249	35,640	42,367
TOTAL EXPENDITURES	<u>988,062</u>	<u>988,062</u>	<u>864,592</u>	<u>123,470</u>	<u>651,320</u>
CHANGE IN NET POSITION - BUDGET BASIS	<u>\$ 938</u>	<u>\$ 20,938</u>	(72,301)	<u>\$ (51,363)</u>	94,851
RECONCILIATION TO GAAP BASIS:					
Depreciation			(248,630)		(238,562)
Capitalized assets			389,752		42,091
Total GAAP basis adjustments			<u>141,122</u>		<u>(196,471)</u>
CHANGE IN NET POSITION - GAAP BASIS			<u>\$ 68,821</u>		<u>\$ (101,620)</u>

See the accompanying Independent Auditor's Report.

TOWN OF BUENA VISTA, COLORADO

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

For the Year Ended December 31, 2020
 With Comparative Totals for the Year Ended December 31, 2019

	2020			VARIANCE POSITIVE (NEGATIVE)	2019 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
REVENUES					
Charges for services:					
Storm water fees	\$ 68,000	\$ 68,000	\$ 71,752	\$ 3,752	\$ 69,284
EXPENDITURES					
Other general and administrative	115,036	115,036	33,992	81,044	560
CHANGE IN NET POSITION - BUDGET BASIS	<u>\$ (47,036)</u>	<u>\$ (47,036)</u>	37,760	<u>\$ 84,796</u>	68,724
RECONCILIATION TO GAAP BASIS:			-		-
CHANGE IN NET POSITION - GAAP BASIS			<u>\$ 37,760</u>		<u>\$ 68,724</u>

See the accompanying Independent Auditor's Report.

STATE REQUIRED REPORT SECTION

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

LOCAL HIGHWAY FINANCE REPORT	City or County: Town of Buena Vista YEAR ENDING : December 2020
This Information From The Records Of (example - City of _ or County of _ Town of Buena Vista	Prepared By: Michelle Stoke, Treasurer Phone: 719-589-1035

I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES	
ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	286,364
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	16,322
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	98,094
2. General fund appropriations		b. Snow and ice removal	16,700
3. Other local imposts (from page 2)	700,042	c. Other	74,946
4. Miscellaneous local receipts (from page 2)	15,735	d. Total (a. through c.)	189,740
5. Transfers from toll facilities		4. General administration & miscellaneous	48,618
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	9,809
a. Bonds - Original Issues		6. Total (1 through 5)	550,853
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	76,173
7. Total (1 through 6)	715,777	b. Redemption	100,000
B. Private Contributions		c. Total (a. + b.)	176,173
C. Receipts from State government (from page 2)	125,836	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	841,613	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	176,173
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	727,026

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	2,536,397	0	100,000	2,436,397
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	296,736	653,463	446,716	503,483	0

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	15,015
1. Sales Taxes	649,789	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	50,253	g. Other Misc. Receipts	
6. Total (1. through 5.)	700,042	h. Other	720
c. Total (a. + b.)	700,042	i. Total (a. through h.)	15,735
	(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	102,837	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	17,593	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify) Road & Bridge	5,406	f. Other Federal	
f. Total (a. through e.)	22,999	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	125,836	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		16,322	16,322
(4). System Enhancement & Operation		270,042	270,042
(5). Total Construction (1) + (2) + (3) + (4)	0	286,364	286,364
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	286,364	286,364
			(Carry forward to page 1)

Notes and Comments: