Town of Mountain View

Financial Statements
with
Independent Auditor's Report

For the Year Ended
December 31, 2020

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Town of Mountain View, Colorado
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December 31, 2020

rfarmer, llc
a certified public accounting and consulting firm

Independent Auditor's Report

Members of Town Council
Mountain View, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Mountain View (the "(Town"), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express 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, each major fund, and the aggregate remaining fund information of the Town 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.

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension information as listed in the table of contents 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's basic financial statements. The combining and individual nonmajor fund financial statements including budget to actual and the local highway finance report are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

rfarmer, llc

September 16, 2021

Management's Discussion and Analysis

This discussion and analysis of the financial performance of the Town of Mountain View, Colorado (Town) provides an overview of the Town's financial activities for the fiscal year ended December 31, 2020. Please read it in conjunction with the financial statements.

FINANCIAL HIGHLIGHTS

- The assets of the Town exceeded its liabilities at December 31, 2020 by $4,989,927 (net position). Of this amount, $3,940,864 (unrestricted net position) may be used to meet the Town's ongoing general obligations to residents and creditors.
- The fund balance of the General Fund increased by $803,553 (28.1%) during 2020.
- The Town spent $51,127 in the General Fund and $32,396 in the Wastewater & Storm Drainage Enterprise Fund to complete curb, gutter, storm drainage, and sewer improvement projects begun in 2019.

USING THIS ANNUAL REPORT

This discussion and analysis is intended to serve as an introduction to the Town of Mountain View's financial statements. The Town's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves, including budget-to-actual comparisons for all funds with adopted budgets.

Government-wide financial statements

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

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

The *Statement of Activities* presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

Both government-wide financial statements distinguish functions of the Town of Mountain View that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include general government (administration and municipal court), public safety (police), public works, parks and recreation, and trash collection. The business-type activities of the Town include sanitary wastewater & storm water drainage services.

Fund financial statements

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

Governmental Funds -- Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds. The balances left at year-end are available for spending in future years, provided that balances restricted for certain purposes are spent for those purposes only. Governmental Funds utilize the modified accrual accounting method, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements display detailed short-term views of cash, operations, and the basic services provided. Governmental fund statements show the reader whether there are more or fewer financial resources available at the end of a fiscal year that can be spent in the near future to finance government programs and objectives.

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

The Town of Mountain View currently maintains three individual governmental funds. Information is presented by fund name in the *Balance Sheet--Governmental Funds* and the *Statement of Revenues, Expenditures, and Changes in Fund Balance--Governmental Funds* for the two governmental funds that meet the criteria to be designated as major funds (General Fund and Department of Justice Fund) and for the Conservation Trust Fund which is the Town's only non-major governmental fund.

Proprietary Funds -- The Town's wastewater and storm water collection services are reported in the proprietary fund; it focuses on overall economic position rather than year-end fund balances. The type of proprietary fund utilized is an Enterprise Fund. Enterprise funds report the same functions presented as business-type activities in the government-wide financial statements but in a bit more detail.

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 are the final section of the basic financial statements.

Other information

Required and additional supplementary information is included after the Notes to the Financial Statements. This includes certain pension information and budgetary comparison schedules for those funds with adopted budgets (General Fund, Conservation Trust Fund, and Wastewater & Storm Water Fund). The budgetary comparison schedules demonstrate each fund's level of compliance with adopted budgets.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Mountain View, total net position was $4,989,927 at the close of 2020.

Town of Mountain View's Condensed Net Position

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	$ 3,904,388	$ 3,182,593	$ 277,476	$ 987,880	$ 4,181,864	$ 4,170,473
Capital assets, net	683,935	686,731	852,116	837,110	1,536,051	1,523,841
Total assets	4,588,323	3,869,324	1,129,592	1,824,990	5,717,915	5,694,314
Deferred outflows of resources	294,162	223,448	-	-	294,162	223,448
Current liabilities	90,524	140,340	6,927	715,859	97,451	856,199
Noncurrent liabilities	-	-	780,093	810,000	780,093	810,000
Pension liability, net	43,304	62,524	-	-	43,304	62,524
Total liabilities	133,828	202,864	787,020	1,525,859	920,848	1,728,723
Deferred inflows of resources	101,302	33,617	-	-	101,302	33,617
Net position:						
Net investment in capital assets	683,935	686,731	72,023	27,110	755,958	713,841
Restricted	293,105	294,080	-	-	293,105	294,080
Unrestricted	3,670,315	2,875,480	270,549	272,021	3,940,864	3,147,501
Total net position	$ 4,647,355	$ 3,856,291	$ 342,572	$ 299,131	$ 4,989,927	$ 4,155,422

At December 31, 2020, 73.1% ($4,181,864) of the Town's total assets were in Current Assets. The excellent cash position in the Governmental Activities will enable the Town to continue to provide services to the community and build reserves for future infrastructure needs. The Business-type Activities had $277,476 in current assets and long-term debt of $780,093.

Approximately 5.9% ($293,105) of the Town's total net position is restricted for parks and recreation, open space, certain public safety activities, or emergencies. Another 15.1% ($755,958) is invested in capital assets. The remaining amount ($3,940,864) represents 79.0% of total net position and may be used to meet the Town's other ongoing obligations to residents and creditors.

The following chart displays the changes in net position experienced by the Town over the last two years. An analysis of these changes follows for both its Governmental and Business-type Activities.

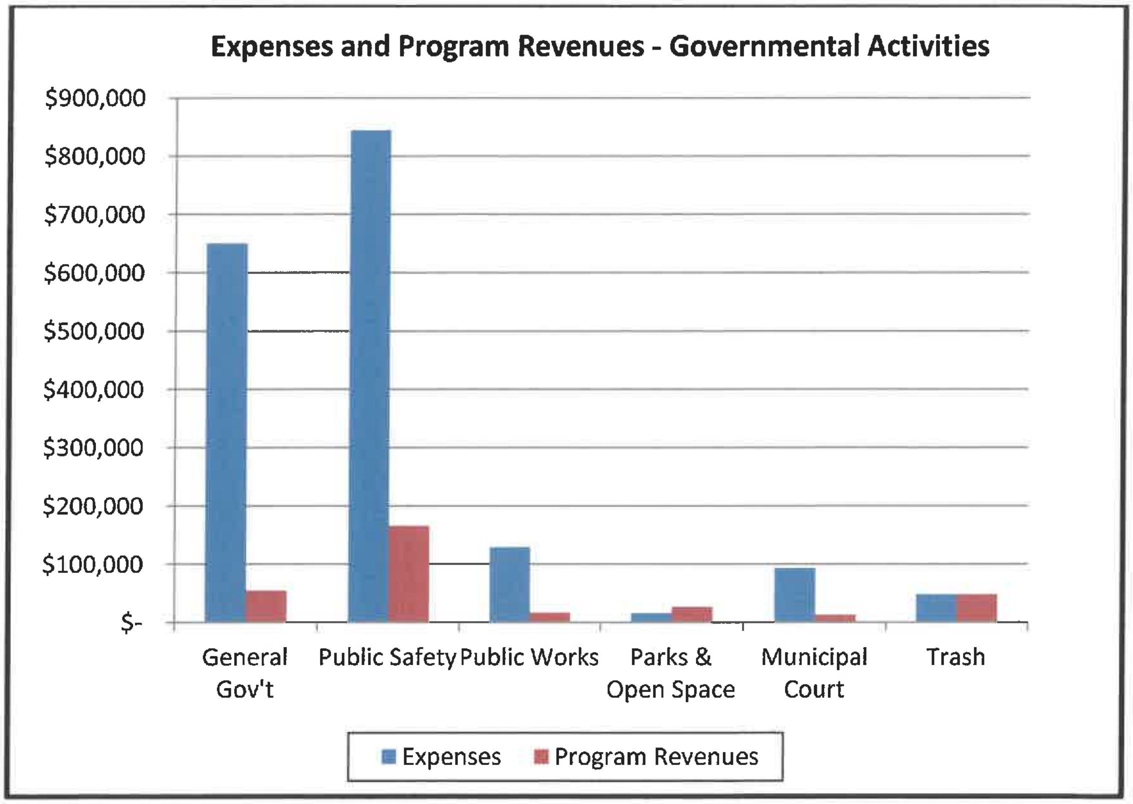
Town of Mountain View's Changes in Net Position

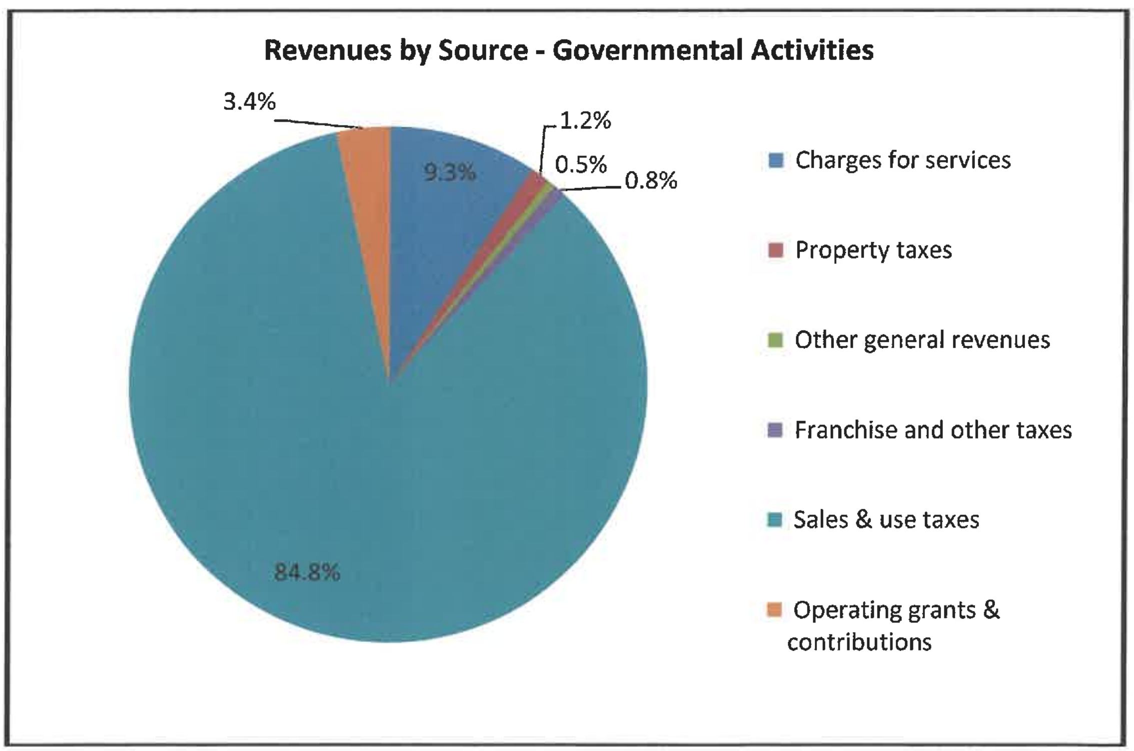
	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Program revenues:						
Charges for services	$ 238,745	$ 260,255	$ 117,418	$ 121,276	$ 356,163	$ 381,531
Operating grants & contributions	86,632	130,823	-	-	86,632	130,823
Capital grants & contributions	-	-	6,102	10,000	6,102	10,000
General revenues:						
Property taxes	31,715	27,952	-	-	31,715	27,952
Sales & use taxes	2,180,893	1,682,172	-	-	2,180,893	1,682,172
Franchise & other taxes	21,201	21,505			21,201	21,505
Other general revenues	12,487	49,492	648	6,847	13,135	56,339
Total revenues	2,571,673	2,172,199	124,168	138,123	2,695,841	2,310,322
Program expenses:						
General government	650,192	535,993	-	-	650,192	535,993
Parks and open space	15,794	14,842	-	-	15,794	14,842
Public safety	844,426	798,661	-	-	844,426	798,661
Public works	129,231	104,578	-	-	129,231	104,578
Municipal court	93,109	101,863	-	-	93,109	101,863
Trash services	47,854	48,785	-	-	47,854	48,785
Wastewater & stormwater	-	-	80,728	80,748	80,728	80,748
Total expenses	1,780,606	1,604,722	80,728	80,748	1,861,334	1,685,470
Transfers In/(Out)	-	-	-	-	-	-
Increase/(decrease)in net assets	791,067	567,477	43,440	57,375	834,507	624,852
Net Position, Beginning	3,856,288	3,288,811	299,132	241,757	4,155,420	3,530,568
Net Position, Ending	$ 4,647,355	$ 3,856,288	$ 342,572	$ 299,132	$ 4,989,927	$ 4,155,420

Governmental Activities

Governmental activities caused the Town's total net position to increase by $791,067 (19.0%) in 2020. This significant increase was primarily attributable to strong sales tax revenues. Program expenses increased by $175,884 (11.0%) in 2020 primarily due to improved health insurance benefits for employees, salary increases, and increased general liability insurance costs.

The following two charts illustrate the Governmental Activities revenues and expenses.

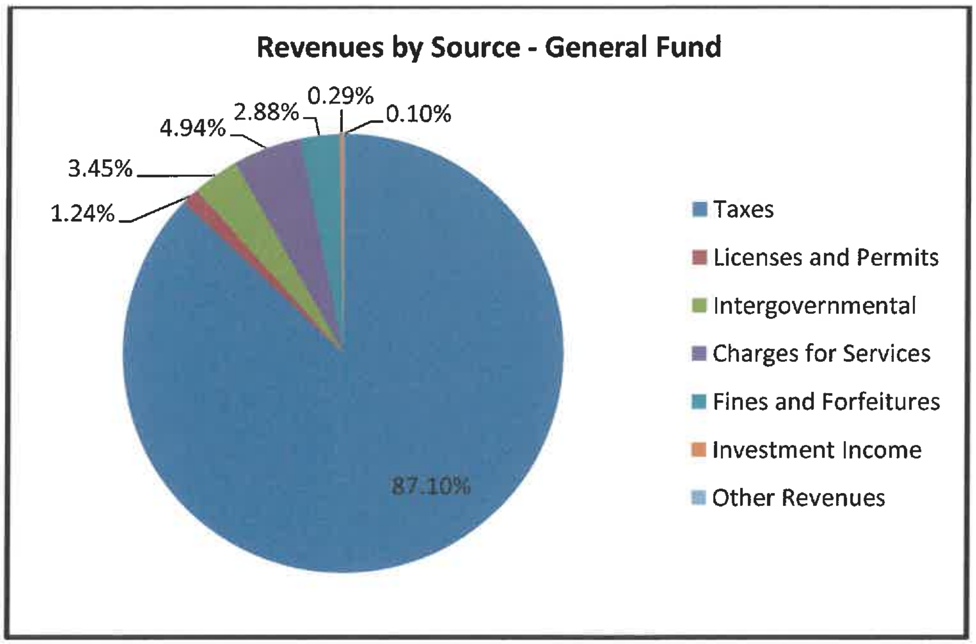


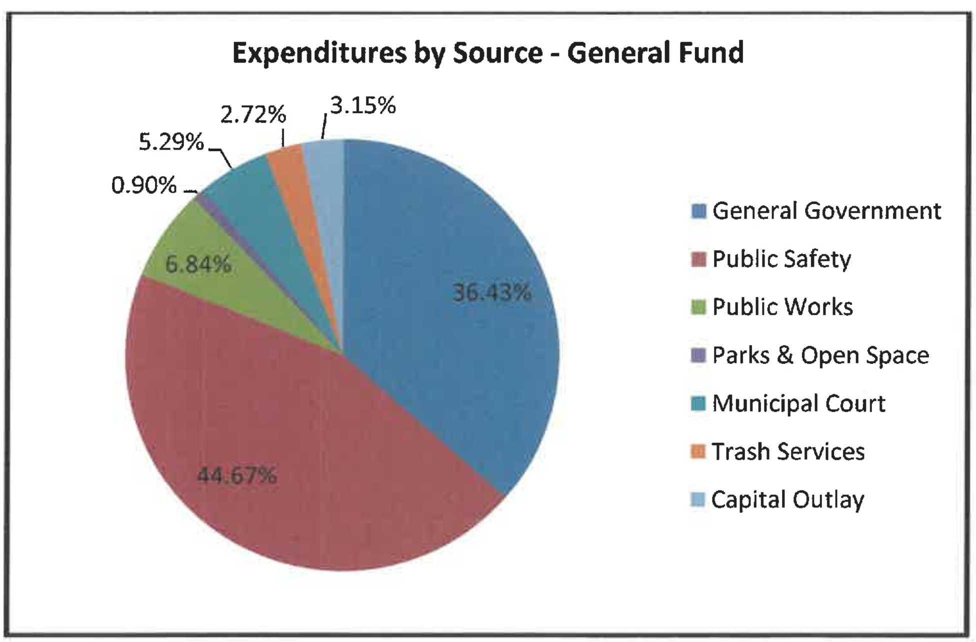


Business-type Activities
Business-type Activities increased the Town of Mountain View's net position by $43,440 (1.0%) during 2020. Charges for services in the Wastewater & Storm Water activity exceeded operating expenses by $36,440 (45.4%).

THE TOWN'S FUNDS
As noted earlier, the Town of Mountain View uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Governmental Funds utilize the modified accrual basis of accounting, and the balances of the spendable resources (fund balances) in each fund are shown at year end. At December 31, 2020 the Town's three Governmental funds reported combined fund balances of $3,781,484. This represented a 25.6% increase over the previous year. The major governmental funds are discussed below.

General Fund. The General Fund is the chief operating fund of the Town of Mountain View. It accounts for all the general services provided by the Town. At the end of 2020, the fund balance of the General Fund totaled $3,661,065. This represented a 28.1% increase over the previous year. As mentioned earlier, strong sales taxes are the primary reason for the improvement of this fund. The following two tables illustrate General Fund revenues and expenditures in 2020.





Department of Justice Fund. The Department of Justice Fund tracks the receipt and use of funds forfeited under laws enforced or administered by the U.S. Department of Justice and joint law enforcement task forces participated in by the Town's police department. At the end of 2020, the fund balance of the Department of Justice Fund totaled $86,964. This represented a 30.3% decrease from the previous year due primarily to allowable uses of prior year reserves for police operations, training, and equipment.

Wastewater & Storm Water Fund. At December 31, 2020 the Net Position of the Town's proprietary fund, the Wastewater & Storm Water Fund, was $342,572. It had $117,418 in operating revenues and $79,879 in operating expenses resulting in operating income of $37,529. The sewer improvement project begun in 2019 was completed, thus extending the useful lives of the Town's sewer lines.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At December 31, 2020 the Town had invested in a range of capital assets including land, buildings and improvements, equipment, and vehicles. Note 3 of the financial statements provides a summary of these assets. Town capital acquisitions and expenses during 2020 included:

Infrastructure (curb, ramp, and gutter improvements)	$ 51,127
Construction in Progress (Town Hall remodeling)	$ 4,355
Sewer and storm drainage system improvements	$ 32,396

Debt Administration. The following changes in long-term debt occurred during 2020 as the Town returned unused loan proceeds to the CWRPDA and began making payments on its 2019 loan for the sewer and storm drainage improvements discussed above. Note 4 of the financial statements provides additional information regarding the City's long-term debt.

	Balance 12/31/2019	Advances	Repayments	Balance 12/31/2020	Current Portion
Business-type Activities					
2019 CWRPDA Note Payable	$ 810,000	$ -	$ 29,907	$ 780,093	$ 24,605
Total Noncurrent Liabilities	$ 810,000	$ -	$ 29,907	$ 780,093	$ 24,605

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Town of Mountain View expects continued strong revenue streams from the sale of marijuana in the Town. In general, it is guardedly optimistic about the pace of general sales taxes as marijuana stores and enhanced commercial properties in neighboring jurisdictions continue to bring shoppers to the area. The Town continues to anticipate increased remodeling activity as housing prices in the Denver metropolitan area have increased. Utility revenues are budgeted with small increases for 2021.

Beginning in March 2020, the State of Colorado imposed restrictions on the operations of certain businesses, recreation, and places of worship with the stated purpose of slowing the spread of the Coronavirus so that hospital facilities would not be overwhelmed with patients. The Town may be economically impacted by these restrictions, however, marijuana retailers were defined as essential businesses and exempted from the more severe restrictions. Through the date of this report, the Town's 2021 Budget does not need to be modified due to these restrictions, but the full economic impact has yet to be determined.

REQUESTS FOR INFORMATION

This financial report is designed to provide the Town of Mountain View's residents, taxpayers, customers, investors, and creditors with a general overview of the Town's finances and to show the Town's accountability for the funds and assets it receives. If you have questions about this report, or should you desire additional financial information, contact the Town Clerk/Treasurer at Town of Mountain View, 4176 Benton St., Mountain View, CO 80212, or visit our website at http://mtvgov.org.

Town of Mountain View
Statement of Net Position
December 31, 2020

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Equivalents	$ 3,532,848	$ 257,745	$ 3,790,593
Receivables	355,855	19,731	375,586
Other assets	15,685	-	15,685
Capital Assets:			
Capital Assets not being Depreciated	223,507	-	223,507
Capital Assets being Depreciated, net	460,428	852,116	1,312,544
Total Capital Assets	683,935	852,116	1,536,051
Total Assets	4,588,323	1,129,592	5,717,915
DEFERRED OUTFLOWS OF RESOURCES			
Net Deferred Outflows Pensions	294,162	-	294,162
Total Deferred Outflows	294,162	-	294,162
Total Assets and Deferred Outflows	4,882,485	1,129,592	6,012,077
LIABILITIES			
Accounts payable and accrued expenses	81,549	6,277	87,826
Other payables	8,975	-	8,975
Long-term liabilities			
Due within one year			
Note payable	-	24,605	24,605
Accrued interest payable	-	650	650
Due in more than one year			
Note payable	-	755,488	755,488
Net pension liability	43,304	-	43,304
Total liabilities	133,828	787,020	920,848
DEFERRED INFLOWS OF RESOURCES			
Deferred Property Taxes	32,379	-	32,379
Deferred Inflows of Pensions	68,923	-	68,923
Total Deferred Inflows	101,302	-	101,302
NET POSITION			
Net Investment in Capital Assets	683,935	72,023	755,958
Restricted for:			
Parks and Open Space	129,151	-	129,151
Public Safety	86,954	-	86,954
Emergencies	77,000	-	77,000
Unrestricted	3,670,315	270,549	3,940,864
Total Net Position	$ 4,647,355	$ 342,572	$ 4,989,927

The accompanying notes to financial statements
are an integral part of these statements.

Town of Mountain View
Statement of Activities
For the Year Ended December 31, 2020

		Program Revenue			Net (Expense) Revenue and Changes in Net Position — Primary Government		
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**Business-type Activities**	**Total**
Primary government							
Governmental Activities							
General Government	$ 650,192	$ 54,737	$ -	$ -	$ (595,455)	$ -	$ (595,455)
Public Safety	844,426	123,167	42,796	-	(678,463)	-	(678,463)
Public Works	129,231	-	16,915	-	(112,316)	-	(112,316)
Trash Services	47,854	48,056	-	-	202	-	202
Parks and Open Space	15,794	-	26,921	-	11,127	-	11,127
Municipal Court	93,109	12,785	-	-	(80,324)	-	(80,324)
Total governmental activities	1,780,606	238,745	86,632	-	(1,455,229)	-	(1,455,229)
Business-type activities:							
Wastewater and Storm Water	80,728	117,418	-	6,102	6,102	42,792	42,792
Total business-type activities	80,728	117,418	-	6,102	6,102	42,792	42,792
Total primary government	$ 1,861,334	$ 356,163	$ 86,632	$ 6,102	(1,455,229)	42,792	(1,412,437)
General revenues:							
Taxes:							
Property taxes, levied for general purposes					31,715	-	31,715
Specific ownership tax					2,401	-	2,401
Sales and use tax					2,180,893	-	2,180,893
Franchise tax					18,800		
Grants and contributions not restricted to specific programs					1,584	-	1,584
Unrestricted investment earnings					7,759	648	8,407
Miscellaneous					2,644	-	2,644
Special item - gain on sale of assets					500	-	500
Total general revenues, special items, and transfers					2,246,296	648	2,228,144
Change in net assets					791,067	43,440	815,707
Net position - beginning					3,856,288	299,132	4,155,420
Net position - ending					$ 4,647,355	$ 342,572	$ 4,989,927

The accompanying notes to financial statements
are an integral part of these statements.

Town of Mountain View
Balance Sheet
Governmental Funds
December 31, 2020

	General	Department of Justice	Nonmajor Conservation Trust	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 3,407,803	$ 91,579	$ 33,465	$ 3,532,847
Taxes receivable, net	32,379	-	-	32,379
Other receivables	323,476	-	-	323,476
Prepaid expenses	15,685	-	-	15,685
Total assets	3,779,343	91,579	33,465	3,904,387
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	36,886	4,625	-	41,511
Other payables	8,975	-	-	8,975
Accrued salaries and benefits	40,038	-	-	40,038
Total liabilities	85,899	4,625	-	90,524
Deferred Inflow of Resources:				
Property taxes from Deferred revenue	32,379	-	-	32,379
Fund balances:				
Restricted for:				
Parks and Open Space	95,686	-	33,465	129,151
Public Safety	-	86,954	-	86,954
Emergencies	77,000	-	-	77,000
Unassigned	3,488,379	-	-	3,488,379
Total fund balances	3,661,065	86,954	33,465	3,781,484
Total liabilities and fund balances	$ 3,779,343	$ 91,579	$ 33,465	$ 3,904,387

The accompanying notes to financial statements
are an integral part of these statements.

Town of Mountain View
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
December 31, 2020

Total fund balance, governmental funds	$	3,781,484
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.		683,935
Some liabilities, (such as Net Pension Liability and Deferred Inflows of Pensions), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.		(112,227)
Some assets, (such as Net Deferred Outflows of Pensions), are not available until a future date but are included in the governmental activities of the Statement of Net Position.		294,162
Rounding		1
Net Position of Governmental Activities in the Statement of Net Position	$	4,647,355

The accompanying notes to financial statements
are an integral part of these statements.

Town of Mountain View
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2020

	General	Department of Justice	Nonmajor Conservation Trust	Total Governmental Funds
REVENUES				
Taxes	$ 2,233,809	$ -	$ -	$ 2,233,809
Fines and forfeitures	73,959	-	-	73,959
Licenses and permits	31,688	-	-	31,688
Intergovernmental	88,407	-	5,556	93,963
Charges for services	126,800	-	-	126,800
Investment income	7,318	355	86	7,759
Miscellaneous	2,644	551	-	3,195
Total revenues	2,564,625	906	5,642	2,571,173
EXPENDITURES				
Current:				
General government	641,603	-	-	641,603
Public safety	786,718	39,242	-	825,960
Public works	120,512	-	-	120,512
Trash services	47,854	-	-	47,854
Parks and open space	15,794	-	-	15,794
Municipal Court	93,109		-	93,109
Capital Outlay	55,482	-	-	55,482
Total Expenditures	1,761,072	39,242	-	1,800,314
Excess (deficiency) of revenues over expenditures	803,553	(38,336)	5,642	770,859
OTHER FINANCING SOURCES (USES)				
Sale of equipment	-	500	-	500
Total other financing sources and uses	-	500	-	500
Net change in fund balances	803,553	(37,836)	5,642	771,359
Fund balances - beginning	2,857,512	124,790	27,823	3,010,125
Fund balances - ending	$ 3,661,065	$ 86,954	$ 33,465	$ 3,781,484

The accompanying notes to financial statements
are an integral part of these statements.

Town of Mountain View

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Year Ended December 31, 2020

Net change in fund balances - total governmental funds:	$	771,359
Amounts reported for Governmental Activities in the Statement of Activities are different because:		
Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period. This is the amount by which capital outlay of $55,482 was less than depreciation of $58,278 in the current period.		(2,796)
Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:		
Increase (Decrease) in FPPA pension plan expense		22,504
Change in net position of governmental activities	$	791,067

The accompanying notes to financial statements are an integral part of these statements.

Town of Mountain View
Statement of Net Position
Proprietary Funds
December 31, 2020

		Enterprise Funds
ASSETS		
Current assets:		
Cash and cash equivalents	$	257,745
Accounts Receivable, net		19,731
Total current assets		277,476
Non-current assets:		
Capital Assets:		
Capital assets being depreciated		869,506
Less Accumulated depreciation		(17,390)
Total non-current assets		852,116
Total assets		1,129,592
LIABILITIES		
Current Liabilities:		
Accounts payable		6,277
Accrued interest payable		650
Notes payable		24,605
Total current liabilities		31,532
Non-current liabilities:		
Notes payable		755,488
Total non-current liabilities		755,488
Total liabilities		787,020
Net Position		
Net investment in capital assets		72,023
Unrestricted		270,549
Total Net Position	$	342,572

The accompanying notes to financial statements
are an integral part of these statements.

Town of Mountain View
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Fund
For the Year Ended December 31, 2020

		Enterprise Funds
REVENUES		
Charges for services	$	117,418
Total operating revenues		117,418
OPERATING EXPENSES		
Systems operations and maintenance		39,489
Administration		23,000
Depreciation		17,390
Total Operating Expenses		79,879
Operating income (loss)		37,539
NON-OPERATING REVENUES (EXPENSES)		
Interest and investment revenue		648
Miscellaneous revenue--sewer tap fees		6,102
Interest expense		(849)
Total non-operating revenue (expenses)		5,901
Change in Net Position		43,440
Total Net Position - beginning		299,132
Total Net Position - ending	$	342,572

The accompanying notes to financial statements
are an integral part of these statements.

Town of Mountain View
Statement of Cash Flows
Business-Type Activities
For the year ended December 31, 2020

	Business-Type Activities Enterprise Fund
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash Received from Charges for Services	$ 114,373
Cash Payments to Suppliers for Goods & Services	(194,704)
NET CASH PROVIDED BY OPERATING ACTIVITIES	(80,331)
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES:	
Tap fees	6,102
Return of unspent loan proceeds	(27,890)
Long Term Debt Paid	(2,016)
Interest Paid on Long-Term Debt	(326)
Construction of assets	(609,636)
NET CASH (USED) FOR CAPITAL AND RELATED FINANCING ACTIVITIES	(633,766)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest Received on Investments	648
NET CASH PROVIDED BY INVESTING ACTIVITIES	648
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	(713,449)
Cash & Cash Equivalents:	
Beginning of Year	971,194
End of Year	$ 257,745

The accompanying notes to financial statements
are an integral part of these statements.

Town of Mountain View
Statement of Cash Flows
Business-Type Activities
for the year ended December 31, 2020
(Continued)

	Business-Type Activities Enterprise Fund
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating Income (Loss)	$ 37,539
Adjustments to Reconcile Operating Income To Net Cash Provided by Operating Activities:	
Depreciation & Amortization	17,390
Change in Assets and Liabilities:	
(Increase) Decrease in Receivables	(3,045)
Increase (Decrease) in Accounts Payable	(132,215)
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ (80,331)

The accompanying notes to financial statements
are an integral part of these statements.

Note 1: Summary of Significant Accounting Policies

The Town of Mountain View, Colorado (the Town) was incorporated in 1904. In April 1972, the residents voted to become a home rule municipality, as authorized by Article 20 of the Colorado Constitution. The Town is governed by a mayor and six-member Town Council elected by the residents.

The accounting policies of the Town conform to generally accepted accounting principles as applicable to government entities. The Governmental Accounting Standard Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following is a summary of the more significant policies.

Reporting Entity

The financial reporting entity consists of the Town, organizations for which the Town is financially accountable, and organizations that raise and hold economic resources for the direct benefit of the Town. All funds, organizations, institutions, agencies, departments, footnotes, and offices that are not legally separate are part of the Town. Legally separate organizations for which the Town is financially accountable are considered part of the reporting entity. Financial accountability exists if the Town appoints a voting majority of the organizations governing board and is able to impose its will on the organization, or if there is a potential for the organization to provide benefits to, or impose financial burdens on, the Town.

Based on the application of this criteria, the Town does not include additional organizations in its reporting entity.

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 activities of the Town. For the most part, the effect of interfund activity has been removed from these financial statements. Exceptions to this general rule are charges for interfund services that are reasonably equivalent to the services provided. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of the given function or segment 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 and other items not properly included among program revenues are reported instead as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

Separate financial statements are provided for governmental funds and the proprietary fund. Major individual funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current year.

Taxes, intergovernmental revenues, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. All other revenues are considered to be measurable and available only when cash is received by the Town.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

In the fund financial statements, the Town reports the following major governmental and proprietary funds:

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

The *Department of Justice Fund* accounts for federal asset forfeitures shared with the Town for law enforcement purposes.

The *Wastewater and Storm Water Fund* accounts for the financial activities associated with the provision of sewer services to Town residents.

Assets, Liabilities, and Net Position/Fund Balance

Cash Equivalents – Cash equivalents include investments with original maturities of three months or less. Investments in pooled cash are considered cash equivalents.

Receivables – All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Capital Assets – Capital assets, which include land, parks, buildings, equipment, vehicles, and infrastructure assets purchased since January 1, 2004, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the proprietary fund in the fund financial statements. Capital assets are defined as assets with an initial, individual cost of $5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the acquisition value on the date of donation. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives.

Buildings and Improvements	20 – 100 years
Infrastructure	25 – 40 years
Vehicles and Equipment	5 – 10 years

Personal Time Off (PTO) – Employees are eligible to accrue PTO of certain amounts depending on length of employment. However, PTO must be used prior to each employee's anniversary date. In certain situations, the mayor may approve a carryover of PTO up to 40 hours. Accrued but unused PTO will be paid upon separation from employment. However, no liability is reported in the financial statements because the accrued PTO is insignificant.

Deferred Inflows of Resources – Deferred inflows of resources include property taxes earned but levied for a subsequent year.

Pensions – The Town participates in the Statewide Defined Benefit Plan (the Plan), a cost-sharing multiple-employer defined benefit pension plan administered by the Fire & Police Pension Association of Colorado (FPPA).

The net pension asset (liability), deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position, and additions to and deductions from the Plan's fiduciary net position have been determined using the accrual basis of accounting, the same basis of accounting used by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Employer contributions are recognized in the year the contributions are due.

Net Position/Fund Balance – In the government-wide and fund financial statements, net position and fund balance are restricted when constraints placed on the use of resources are externally imposed. The Town Council establishes a fund balance commitment through passage of an ordinance and is authorized to informally assign amounts to a specific purpose.

The Town has not established a formal policy for its use of restricted and unrestricted fund balances. However, if both restricted and unrestricted fund balances are available for a specific purpose, the Town uses restricted amounts first, followed by committed, assigned, and unassigned amounts.

Property Taxes

Property taxes attach as an enforceable lien on January 1, are levied the following December, and collected in the subsequent calendar year. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer's Office collects property taxes and remits to the Town on a monthly basis.

Note 2: Cash and Investments

Cash and investments at December 31, 2020, consisted of the following:

Petty Cash	$ 1,750
Cash Deposits	3,777,540
Investments	11,303
Total	$ 3,790,593

Cash Deposits

The Colorado Public Deposit Protection Act (PDPA) requires all local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

At December 31, 2020, the Town had bank deposits of $3,790,593 collateralized with securities held by the financial institution's agent but not in the Town's name.

Investments

The Town is required to comply with State statutes which specify the investments meeting defined rating, maturity, and concentration risk criteria in which local governments may invest, which include the following. State statutes do not address custodial risk.

- Obligations of the United States and certain U.S. Agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

Interest Rate Risk – State statutes generally limit investments to an original maturity of five years unless the governing board authorizes the investment for a period in excess of five years.

Credit Risk – State statutes limit certain investments to those with specified ratings from nationally recognized statistical rating organizations, depending on the type of investment.

Concentration of Credit Risk – Except for corporate securities, State statutes do not limit the amount the Town may invest in any single investment or issuer.

Local Government Investment Pools – At December 31, 2020, the Town had $11,303 invested in the Colorado Surplus Asset Fund Trust (CSAFE) and $3,213,658 in the Colorado Local Government Liquid Asset Trust (ColoTrust), investment vehicles established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating CSAFE. CSAFE operates in conformity with the Securities and Exchange Commission's Rule 2a-7. CSAFE is measured at the net asset value per share, with each share valued at $1. CSAFE is rated AAAm by Standard and Poor's. Investments of CSAFE 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.

GASB 72 Disclosure Requirement for COLOTRUST – COLOTRUST measures its investments a fair market value in accordance with Paragraph 41 of Statement 79 and Paragraph 11 of Statement 31, and therefore a Participant's investment in COLOTRUST is not required to be categorized within the fair value hierarchy for purposes of Paragraph 81a(2) of Statement 72.

Credit Quality Disclosure – COLOTRUST PLUS+ and COLOTRUST PRIME are rated by S&P Global Ratings. The current rating is 'AAAm.'

Interest Rate Risk Disclosure – The dollar weighted average days to maturity (WAM) of COLOTRUST PLUS+ at December 31, 2020, is 51 days. Next interest rate reset dates for floating rate securities are used in the calculation of the WAM. The weighted average life (WAL) of COLOTRUST PLUS+ at December 31, 2020, is 80 days. The dollar weighted average days to maturity (WAM) of COLOTRUST PRIME at December 31, 2020, is 13 days. Next interest rate reset dates for floating rate securities are used in the calculation of the WAM. The weighted average life (WAL) of COLOTRUST PRIME at December 31, 2020, is 92 days.

Note 3: **Capital Assets**

Capital assets activity for the year ended December 31, 2020, is summarized below:

Governmental Activities	**Balance 12/31/19**	**Additions**	**Deletions**	**Balance 12/31/20**
Capital Assets, *Not Being Depreciated:*				
Construction in Progress	$ -	$ 4,355	$ -	$ 4,355
Land	219,152	-	-	219,152
Total Capital Assets, *Not Being Depreciated*	219,152	4,355	-	223,507
Capital Assets, *Being Depreciated*				
Buildings and Improvements	67,754	-	-	67,754
Infrastructure	166,843	51,127	-	217,970
Equipment	209,657	-	-	209,657
Vehicles	264,554	-	(20,512)	244,042
Total Capital Assets, *Being Depreciated*	708,808	51,127	(20,512)	739,423
Less Accumulated Depreciation:				
Buildings and Improvements	(23,781)	(3,228)	-	(27,009)
Infrastructure	(14,186)	(8,719)	-	(22,905)
Equipment	(82,085)	(15,812)	-	(97,897)
Vehicles	(121,177)	(30,519)	20,512	(131,184)
Total Accumulated Depreciation	(241,229)	(58,278)	20,512	(278,995)
Capital Assets, *Being Depreciated, net*	467,579	(7,151)	-	460,428
Governmental Activities Capital Assets, *net*	$ 686,731	$ (2,796)	$ -	$ 683,935

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

Governmental Activities:	
General Government	$ 8,589
Public Safety	40,970
Public Works	8,719
Total	$ 58,278

Business-Type Activities	Balance 12/31/19	Additions	Deletions	Balance 12/31/20
Capital Assets, *Not Being Depreciated:*				
Construction in Progress	$ 837,110	$ -	$ (837,110)	$ -
Capital Assets, *Being Depreciated:*				
Sewer Line and Storm Drain Improvements	-	869,506	-	869,506
Less Accumulated Depreciation	-	(17,390)	-	(17,390)
Capital Assets, *Being Depreciated, net*	-	852,116	-	852,116
Business-Type Activities Capital Assets, *net*	$ 837,110	$ 852,116	$ (837,110)	$ 852,116

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

Business-Type Activities:	
Sewer Line & Storm Drain Improvements	$ 17,390

Note 4: Long-Term Obligations

Following are the changes to long-term debt for the year ended December 31, 2020:

	Balance 12/31/19	Additions	Deletions	Balance 12/31/20
CWRPDA Note Payable Water Pollutions Control Revolving Fund	$ 810,000	$ -	$ (29,907)	$ 780,093

The Town entered into a loan agreement without recourse with the Colorado Water Resources and Power Development Authority on July 2, 2019 to fund the 2019 Sanitary Sewer Improvements Project of the Wastewater and Storm Water Activity Enterprise. The project consists of improvements and repairs to the existing sewer collection system and includes reconstruction and installment of a new stormwater drainage system. The source of repayment is a lien on pledged property with loan repayments occurring semi-annually on May 1 and November 1. The pledged property is net revenue defined as gross revenue from the operation and use of the sewer collection system and stormwater drainage system, after deducting Operation and Maintenance Expenses.

The project was completed in 2020 for a total cost of $869,506, which was less than the original estimated cost. Therefore, the CWRPDA issued a letter of rescission for $27,890 of the original loan proceeds of $810,000 and a revised amortization schedule. The term of the loan is 30 years with an annual interest rate of 0.5%. The loan repayment commencement date was November 1, 2020. The loan agreement requires that gross revenue be sufficient to pay 110% of the debt service due for each calendar year. The Town is in compliance with this requirement.

Future debt service requirements are as follows:

Year Ended December 31,	Principal	Interest	Total
2021	$ 24,605	$ 3,870	$ 28,475
2022	24,728	3,747	28,475
2023	24,852	3,623	28,475
2024	24,977	3,498	28,475
2025	25,102	3,373	28,475
2026-2030	127,405	14,970	142,375
2031-2035	130,625	11,750	142,375
2036-2040	133,919	8,456	142,375
2041-2045	137,315	5,060	142,375
2046-2050	126,565	1,572	128,137
Total	$ 780,093	$ 59,919	$ 840,012

Note 5: Pension Plans

General Information-Defined Benefit Pension Plan

Plan Description – The Town contributes to the Statewide Defined Benefit Plan, a cost-sharing multiple-employer defined benefit pension plan administered by the Fire & Police Pension Association of Colorado (FPPA). The plan covers all full-time police officers. Title 31, Article 31 of the Colorado Revised Statutes (CRS) grants the authority to establish and amend benefit terms to the FPPA Board of Directors. FPPA issues a publicly available financial report that includes information on the plan. That report may be obtained at www.fppaco.org.

Benefits Provided – A plan 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. The annual normal retirement benefit is 2% 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% for each year of service thereafter. Benefits paid to retirees are evaluated and may be re-determined every October 1. The amount of any increase is based on the FPPA Board of Director's discretion and can range from zero to the higher of 3% 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% 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% of the member's average highest three years' base salary for each year of credited service up to ten years, plus 2.5% for each year of service thereafter.

Plan members may elect to participate in the deferred retirement option plan (DROP) after reaching eligibility for normal retirement, early retirement, or vested retirement, and age 55. A member can continue to work while participating in the DROP but must terminate employment within five years of entry into the DROP. The member's percentage of retirement benefits is determined at the time of entry into the DROP. The monthly payments that begin at entry into the DROP are accumulated in a DROP account until the member terminates service, at which time the DROP accumulated benefits can be paid in periodic installments or a lump sum. If desired, a member may elect to convert the DROP to a lifetime monthly benefit with survivor benefits. While participating in the DROP, the member continues to make pension contributions that are credited to the DROP. Each member shall self-direct the investments in their DROP account, which are held by a custodian and not included in the plan's net position.

Contributions – The Town and eligible employees are required to contribute to the plan at rates established by State statutes. Employer contribution rates can only be amended by the State Legislature. Employee contribution rates can be amended by the State Legislature or by election of the membership. The Town and eligible employees contributed 8% and 11%, and 8% and 10.5% of base salary for the years ended December 31, 2020, and 2019, respectively. Plan members elected to increase the employee contribution rate 0.5% annually from 2015 through 2022, to a total of 12% of base salary. Employer contributions increase 0.5% annually, beginning in 2021 through 2030 to a total of 13% pensionable earnings. The Town's contributions to the plan for the year ended December 31, 2020, were $49,356, equal to the required contributions.

Pension Liabilities, Pension Expense, and Deferred Outflow of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2020, the Town reported a net pension liability of $43,304, representing its proportionate share of the net pension liability of the plan. The net pension liability was measured at December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 01, 2019. The Town's proportion of the net pension liability was based on the Town's contributions to the plan for the calendar year ended December 31, 2019, relative to the projected contributions of all participating employers. At December 31, 2019, the Town's proportion was 0.076568%, which was an increase of 0.02702% from its proportion measured at December 31, 2018.

For the year ended December 31, 2020, the Town recognized pension expense of $65,389. 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
Difference between expected and actual experience	$ 146,548	$ 848
Changes of assumptions and other inputs	82,225	-
Net difference between projected and actual earnings on plan investments	-	68,075
Contributions subsequent to the measurement date	65,389	-
Total	$ 294,162	$ 68,923

The Town contributions subsequent to the measurement date of $65,389 will be recognized as a decrease to the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended December 31,	
2021	$ 15,202
2022	9,306
2023	31,453
2024	2,727
2025	31,776
Thereafter	69,387
Total	$ 159,851

The actuarial valuations for the Statewide Defined Benefit Plan were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2019. The valuations used the following actuarial assumption and other inputs:

	Total Pension Liability	Actuarial Determined Contributions
Actuarial Valuation Method	January 1, 2020	January 1, 2019
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, Open
Amortization Period	N/A	30 Years
Long-term Investment Rate of Return*	7.0%	7.0%
Projected Salary Increases*	4.25% - 11.25%	4.25% - 11.25%
Cost of Living Adjustments (COLA)	0%	0%
*Includes Inflation at	2.5%	2.5%

For determining the total pension liability and actuarially determined contributions, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rates from the RP-2014 Annuitant Mortality Tables projected to 2018 using the MP-2017 projection scales, and the projected prospectively using the ultimate rates of the scale for all years. The pre-retirement off-duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.

At least every five years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2018 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA'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, 2019. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

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 (assumed at 2.5 percent). 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, 2019 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%
Private Markets	25.00%	9.20%
Fixed Income	15.00%	5.20%
Absolute Return	8.00%	5.50%
Managed Futures	4.00%	5.00%
Cash	2.00%	2.52%
Total	100.00%	

Discount Rate – The discount rate used to measure the total pension liability was 7.00%. 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 in the FPPA Board of Director's funding policy, which establishes the contractually required rates under State statutes. Based on this assumption, the plan's fiduciary net position was projected to be available to make all projected future benefit payments to current members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate at the prior measurement date was 7.5%.

Sensitivity of the Net Pension Asset (Liability) to Changes in the Discount Rate – The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as the Town's proportionate share of the net pension asset (liability) if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate, as follows:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Town's proportionate share of the Net Pension Asset (Liability)	$ 262,562	$ (43,304)	$ (296,979)

Pension Plan Fiduciary Net Position – Detailed information about the plan's fiduciary net position is available in FPPA's separately issued financial report, which may be obtained at www.fppaco.org.

General Employees' Pension Plan

The Town contributes to an Internal Revenue Code Section 401(a) pension plan on behalf of all full-time employees. Employees may participate in the Plan on their date of employment. The Town and employees are each required to contribute 8% of each employees' eligible salary. The Town Council is authorized to amend the Plan provisions and determines the contributions to be made by the Town. During the year ended December 31, 2020, the Town contributed $15,769, which is equal to the required contributions. The Plan investments are managed by Great-West Financial.

Note 6: Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town purchases commercial insurance for its workers compensation claims. For other risks of loss, the Town participates in the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to the provisions of 24-10-115.5, Colorado Revised Statutes (1982 Replacement Volume) and Colorado Constitution, Article XIV, Section 18(2).

The purposes of CIRSA are to provide members defined liability and property coverages and to assist members in preventing and reducing losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees and officers.

It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability of loss, to the limit of the financial resources of CIRSA. It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverages at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members.

Note 7: Other Postemployment Benefits

Plan Description – The Town contributes to the Statewide Death and Disability Plan, a cost sharing multiple-employer defined benefit death and disability plan administered by the Fire & Police Pension Association of Colorado (FPPA). All full-time police officers are members of the plan. Contributions to the plan are used solely for the payment of death and disability benefits. Benefits are established by State statute and generally allow for benefits upon the death or disability of a plan member prior to retirement. FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by contacting FPPA as described previously.

Funding Policy – The contribution requirements are established by State statute. The Town Council determines the contribution split between members and the Town. No contributions are required for members hired prior to January 1, 1997. For members hired on or after January 1, 1997, the Town contributed 2.8% of base salaries during the year ended December 31, 2020.

Note 8: Commitments and Contingencies

Claims and Judgements

The Town participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental entities. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Town may be required to reimburse the grantor government. Management believes that additional disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Town.

TABOR Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. On November 8, 1994, voters authorized the Town to collect, retain and expend the full proceeds of any revenue source of the Town notwithstanding any limitation contained in the Amendment.

The Town has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2020, the reserve was reported within the General Fund as restricted fund balance in the amount of $77,000.

Note 9: Subsequent Event

Subsequent to year-end, the United State of America and the State of Colorado have declared an emergency associated with the Coronavirus pandemic. The Town has been economically impacted by the event, however the full economic effect has yet to be determined.

REQUIRED SUPPLEMENTARY INFORMATION

Town of Mountain View, Colorado
Schedule of Proportionate Share of the Net Pension Asset (Liability) and Contributions
FPPA Statewide Defined Benefit Plan
Last 10 Fiscal Years (to be Built Prospectively)

	12/31/19	12/31/18	12/31/17	12/31/16	12/31/15	12/31/14	12/31/2013
Proportionate Share of the Net Pension							
Town's Proportion of the Net Pension Asset (Liability)	0.076568%	0.04945456%	0.062385714%	0.055101530%	0.042450328%	0.041036365%	0.041821000%
Town's Proportionate Share of the Net Pension Asset (Liability)	$ (43,304)	$ (62,524)	$ 89,752	$ (19,910)	$ 748	$ 36,694	$ 37,395
Town's Covered Payroll	$ 576,741	$ 348,662	$ 365,152	$ 281,997	$ 2,057,925	$ 184,541	$ 225,547
Town's Proportionate Share of the Net Pension Asset (Liability) as a Percentage of the Covered Payroll	(7.05%)	(17.9%)	(24.7%)	7.2%	0.4%	20.0%	17.0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	101.9%	95.2%	106.3%	98.0%	100.1%	107.0%	106.0%

	12/31/20	12/31/19	12/31/18	12/31/17	12/31/16	12/31/15	12/31/14
Town Contributions							
Statutorily Required Contribution	$ 45,147	$ 44,893	$ 27,893	$ 29,212	$ 22,560	$ 16,463	$ 14,763
Contributions in Relation to the Statutorily Required Contribution	(45,147)	(44,893)	(27,893)	(29,212)	(22,560)	(16,463)	(14,763)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Town's Covered Payroll	$ 564,337	$ 576,741	$ 348,662	$ 365,152	$ 281,997	$ 205,792	$ 184,541
Contributions as a Percentage of Covered Payroll	8.00%	7.78%	8.00%	8.00%	8.00%	8.00%	8.00%

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

Town of Mountain View
Budget and Actual
General
For the year ended December 31, 2020

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Taxes	$ 1,844,382	$ 1,844,382	$ 2,233,809
Fines and forfeitures	93,372	93,372	73,959
Licenses and permits	51,453	51,453	31,688
Intergovernmental	54,100	54,100	88,407
Charges for services	154,865	154,865	126,800
Investment income	32,000	32,000	7,318
Miscellaneous	2,054	2,054	2,644
Total revenues	2,232,226	2,232,226	2,564,625
EXPENDITURES			
Current:			
General government	721,334	721,334	641,603
Public safety	860,354	860,354	786,718
Public works	134,298	134,298	120,512
Trash services	52,300	52,300	47,854
Parks and open space	14,900	14,900	15,794
Mumicipal court	98,864	98,864	93,109
Capital Outlay	174,500	174,500	55,482
Total Expenditures	2,056,550	2,056,550	1,761,072
Excess (deficiency) of revenues over expenditures	175,676	175,676	803,553
Net change in fund balances	175,676	175,676	803,553
Fund balances - beginning	3,032,131	3,032,131	2,857,512
Fund balances - ending	$ 3,207,807	$ 3,207,807	$ 3,661,065

Town of Mountain View
Budget and Actual
Department of Justice
For the year ended December 31, 2020

	Budgeted Amounts		Actual Amounts,
	Original	Final	
REVENUES			
Intergovernmental	$ 25,000	$ 25,000	$ -
Investment income	3,152	3,152	355
Miscellaneous	15,000	15,000	551
Total revenues	43,152	43,152	906
EXPENDITURES			
Current:			
Public Safety	19,617	19,617	39,242
Total Expenditures	19,617	19,617	39,242
Excess (deficiency) of revenues over expenditures	23,535	23,535	(38,336)
SPECIAL ITEM			
Proceeds from sale of capital assets			500
Net change in fund balances	23,535	23,535	(37,836)
Fund balances - beginning	157,609	157,609	124,790
Fund balances - ending	$ 181,144	$ 181,144	$ 86,954

Town of Mountain View, Colorado
Notes to Required Supplementary Information
December 31, 2020

Note 1: Stewardship, Compliance, and Accountability

Budgetary Accounting

In accordance with State statutes, budgets are adopted for all funds of the Town except the Department of Justice Fund. The expenditure of federal asset forfeitures in the Department of Justice Fund are not required to be budgeted by the Town Council. Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons for the enterprise fund are presented on a non-GAAP budgetary basis. Capital outlay and debt principal are budgeted as expenditures and depreciation is not budgeted.

- The Town follows these procedures to establish the budgetary information reflected in the financial statements:
- Management submits to the Town Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally adopted through passage of an ordinance.
- Management is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the Town Council.
- All appropriations lapse at year end.

SUPPLEMENTARY INFORMATION

Town of Mountain View
Budget and Actual
Conservation Trust
For the year ended December 31, 2020

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Intergovernmental	$ 6,300	$ 6,300	$ 5,556
Investment earnings	300	300	86
Total revenues	6,600	6,600	5,642
EXPENDITURES			
Current:			
Culture and recreation	6,600	6,600	-
Total Expenditures	6,600	6,600	-
Excess (deficiency) of revenues over expenditures	-	-	5,642
Net change in fund balances	-	-	5,642
Fund balances - beginning	27,954	27,954	27,823
Fund balances - ending	$ 27,954	$ 27,954	$ 33,465

Town of Mountain View
Budget and Actual
Wastewater and Storm Water
For the year ended December 31, 2020

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Charges for Services	$ 122,250	$ 122,250	$ 117,418
Investment earnings	1,200	1,200	648
Sewer tap fees	-	-	6,102
Total revenues	123,450	123,450	124,168
EXPENDITURES			
Systems operations and maintenance	68,500	68,500	39,489
Administration	23,000	23,000	23,000
Capital Outlay	540,000	540,000	32,396
Total Expenditures	631,500	631,500	94,885
Operating income (loss)	(508,050)	(508,050)	29,283
OTHER FINANCING SOURCES (USES)			
Loan debt service - Interest	(338)	(338)	(326)
Loan debt service - Principal	(2,088)	(2,088)	(2,016)
Total other financing sources (uses)	(2,426)	(2,426)	(2,342)
Change in Net Position, Budgetary Basis	$ (510,476)	$ (510,476)	26,941
ADJUSTMENTS to GAAP BASIS			
Capital Outlay			32,396
Depreciation			(17,390)
Loan debt service - Interest accrual adjustment			(523)
Loan debt service - Principal			2,016
Change in Net Position, GAAP Basis			$ 43,440

Town of Mountain View
Balance Sheet
Other Governmental Funds
December 31, 2020

	Conservation Trust	Total Special Revenue Funds
ASSETS		
Cash and cash equivalents	$ 33,465	$ 33,465
Total assets	33,465	33,465
LIABILITIES AND FUND BALANCES		
Liabilities:		
Total liabilities	-	-
Fund balances:		
Restricted for:		
Parks and Open Spaces	33,465	33,465
Total fund balances	33,465	33,465
Total liabilities and fund balances	$ 33,465	$ 33,465

Town of Mountain View
Statement of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds
For the Year Ended December 31, 2020

	Conservation Trust	Total Special Revenue Funds
REVENUES		
Intergovernmental	5,556	5,556
Investment earnings	86	86
Total revenues	5,642	5,642
EXPENDITURES		
Current:		
Total Expenditures	-	-
Excess (deficiency) of revenues over expenditures	5,642	5,642
Net change in fund balances	5,642	5,642
Fund balances - beginning	27,823	27,823
Fund balances - ending	$ 33,465	$ 33,465

COMPLIANCE SECTION

STATE COMPLIANCE

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

Financial Planning 02/01
Form # 350-050-36

LOCAL HIGHWAY FINANCE REPORT		City or County: Town of Mountain View YEAR ENDING : December 31, 2020
This Information From The Records Of (example - City of _ or County of _) Town of Mountain View, Colorado	Prepared By: Phone:	Lorraine Trotter, Professional Mgmt Solutions 303-910-9197

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

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	63,651
3. Other local imposts (from page 2)	2,401
4. Miscellaneous local receipts (from page 2)	5,141
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	71,193
B. Private Contributions	
C. Receipts from State government (from page 2)	11,774
D. Receipts from Federal Government (from page 2)	0
E. Total receipts (A.7 + B + C + D)	82,967

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	0
2. Maintenance:	49,886
3. Road and street services:	
a. Traffic control operations	
b. Snow and ice removal	1,861
c. Other Street Lights	24,645
d. Total (a. through c.)	26,506
4. General administration & miscellaneous	6,575
5. Highway law enforcement and safety	
6. Total (1 through 5)	82,967
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
3. Total (1.c + 2.c)	0
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total disbursements (A.6 + B.3 + C + D)	82,967

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				0
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
0	82,967	82,967		0

Notes and Comments:

FORM FHWA-536 (Rev. 1-05) PREVIOUS EDITIONS OBSOLETE (Next Page)

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado
	YEAR ENDING (mm/yy): December 31, 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 & Penalities	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	2,401	g. Other Mis County Road & Bridge Tax	5,141
6. Total (1. through 5.)	2,401	h. Other	
c. Total (a. + b.)	2,401	i. Total (a. through h.)	5,141
	(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	10,196	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	1,578	d. Federal Transit Admin	
d. Other (Specify)		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	1,578	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	11,774	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

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

Notes and Comments:

FORM FHWA-536 (Rev.1-05) PREVIOUS EDITIONS OBSOLETE