



# Annual Comprehensive Financial Report

*for the year ended*  
December 31, 2021



# Town of Avon, Colorado

## Annual Comprehensive Financial Report

*for the year ended December 31, 2021*

Prepared by:  
Scott C. Wright, CPA, CPFO  
Director of Finance

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**TOWN OF AVON, COLORADO**  
**LIST OF ELECTED AND APPOINTED OFFICIALS**  
**December 31, 2021**

TOWN COUNCIL

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

MANAGEMENT

Eric Heil, Town Manager  
Scott Wright, Finance Director  
Michael LaBagh, Recreation Director  
Greg Daly, Police Chief  
Justin Hildreth, Town Engineer  
Craig Wilmers, Fleet Manager  
Gary Padilla, Public Works Director  
Matt Pielsticker, Planning Director  
Lance Richards, Human Resources Director  
Eva Wilson, Mobility Director

# TOWN OF AVON, COLORADO

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# TOWN OF AVON, COLORADO

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July 15, 2022

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

Town Charter and State statutes require that the Town of Avon (Town) issue a complete set of financial statements presented in conformance with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed independent certified public accountants. Pursuant to these requirements, we hereby issue the annual financial report of the Town of Avon for the fiscal year ended December 31, 2021.

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

The Town of Avon's financial statements have been audited by McMahan and Associates, L.L.C., a firm of certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Avon for the fiscal year ended December 31, 2021, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town of Avon's financial statements for the fiscal year ended December 31, 2021 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

Letter of Transmittal  
Town of Avon, Colorado  
July 15, 2022

## **Profile of the Town**

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

The Town of Avon currently encompasses approximately 8¼ square miles. The Census Bureau's population estimate as of July 1, 2021 was 6,058. This figure represents the permanent resident population. Total population increases significantly during the winter tourist ski season.

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

The Council is elected on a non-partisan basis. Council members are elected to four-year staggered terms with four council members to be elected in November 2022, and the remaining three to be elected in November 2024. The mayor and mayor pro-tem are elected from amongst the elected council members by a majority vote. The mayor presides at meetings of council and shall not vote until all other Council members present who are eligible to vote have had reasonable opportunity to vote. The affirmative concurring vote of four (4) Council members is required for the adoption of an ordinance, resolution, order for appropriation, approval of a contract or approval of an intergovernmental agreement.

The Town is a home-rule community empowered to levy a property tax on the assessed value of real property located within the Town. The Town collects a 4% sales tax on all retail sales, and a 4% accommodations tax on the lease or rental of hotel rooms, condominium units and other accommodations within the Town. Beginning January 1, 2022, with voter approval, the Town began levying a 2% short-term rental tax on all residential short-term rentals. These funds are earmarked for community housing purposes. Effective January 1, 2019, with voter approval, the Town began levying a \$3 per pack excise tax on the sale of cigarettes and a 40% tax on other nicotine and tobacco products. The Town also collects a 2% real estate transfer tax on all sales of

Letter of Transmittal  
Town of Avon, Colorado  
July 15, 2022

real property located within the Town. The Town has the power by state statute to extend its corporate limits by annexation, which is done periodically when deemed appropriate by the Town Council.

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

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

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

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

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

### **Factors Affecting Financial Condition**

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

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

Letter of Transmittal  
Town of Avon, Colorado  
July 15, 2022

In addition to skiing and associated winter-time activities, the area promotes a number of summer activities. The Town of Avon sponsors numerous special events throughout the year to area residents and visitors including Avon's Salute to the USA - a 4th of July fireworks display typically held on July 3<sup>rd</sup>, and Avon LIVE!, a free Wednesday evening live music series; multiple sporting events such as the XTERRA triathlon; and family-friendly activities like the Avon Easter Egg Hunt. The Avon Recreation Center is a spacious 40,000 sq. ft. multi-use facility featuring a large aquatics area with a 5-lane lap pool, lazy river, kid's pool, 140 foot water slide, Aquaclimb climbing wall and diving well; a 2,560 sq. ft. advanced weight training room; a fitness room with treadmills, elliptical motion trainers, upright and recumbent bikes; and, separate Yoga/Tai Chi and multi-purpose training studios. Nottingham Park and Nottingham Lake serve as the Town's central headquarters for summer activities including standup paddleboard, pedal boat, and kayak rentals; fishing, beach volleyball, Fitness Court, and Destination Jump, Splash, Learn. Avon's Whitewater Park, with three distinct water features, is open all summer for rafters and kayakers to enjoy. The West Avon Preserve offers more than 11 miles of mountain bike trails accessible from the Town's paved bike paths with a variety of terrain for all ability levels. Offering several championship golf courses, Eagle County has earned a rating by Golf Digest Magazine as one of the top 40 golf communities in which to live. Other summer activities include hiking, horseback riding, bicycling, kayaking, and rafting, as well as other recreational sports.

**Property Values.** Property tax, which is based on assessed property values and a mill rate, represents approximately fifteen percent of the Town's total tax revenues. Assessed values are dependent upon real property growth and market values of property, along with assessment ratios established by the State legislature. In Avon, gross assessed values of real property increased slightly by 4.04 percent in 2021.

### **Current Initiatives**

Council places a high priority on maintaining the existing level of municipal services in 2022 for the purpose of community stability and support of the local economy. All levels of service and staffing to support those levels of service remain the same as 2021. Personnel cost highlights include a merit-based overall salary cost increase of 5.5% at January 1 and market rate salary range increases of 8% on July 1. There are several one-time purchases included in the 2022 budget, including a Vactor truck in Roads and Bridges, and holdover fleet vehicle purchases.

**Mobility:** The Mobility Department successfully applied for grant funding for the purchase of two electric busses and the purchase of two diesel busses which amount to 80% of the cost of acquiring these new busses. Avon will be able to replace four of its older busses with brand new busses which will reduce maintenance costs and advance Avon's climate action goals.

**Community Housing.** In 2022, the Avon Town Council continues to fund the buyer assistance, deed restriction purchase program originally began in 2020 called Mi Casa Avon! which has been very successful.

Letter of Transmittal  
Town of Avon, Colorado  
July 15, 2022

### **Capital Improvement Projects**

The Town updates its capital improvements long-range plan annually. Substantial expenditures are planned in 2022 from the Capital Projects Fund. A significant portion of the expenditures are planned for the H.A. Nottingham Park to upgrade landscaping, repair recreation paths, complete lighting upgrades, and improve parking on the north side of the park, and construct additional public restrooms on the north and east side of the park. The dedication of real estate transfer tax revenues to capital improvements is unique to Avon and has created a stable Capital Projects Fund with adequate fund balances to continue with street resurfacing, facility replacements, and implementation of community projects identified in the Town's Comprehensive Plan documents.

### **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Avon for its annual comprehensive financial report (ACFR) for the fiscal year ended December 31, 2020. This was the twenty-ninth consecutive year that the Town has received this prestigious award. In order to be awarded a Certificate of Achievement, the Town published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

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

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

Respectfully Submitted,

*Scott Wright*

Scott C. Wright, CPA, CPFO  
Finance Director



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Town of Avon  
Colorado**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2020

*Christopher P. Morill*

Executive Director/CEO

# Avon Citizens

Home Rule Charter adopted and amended by Avon voters

- Planning & Zoning Commission (PZC)
- Culture, Arts & Special Events Committee (CASE)
- Finance Committee
- Health & Recreation Committee

## Council

*Elected by Citizens - 7 Members*  
*Council appoints Mayor, Legal Counsel, Municipal Judge, Town Manager, Boards, Commissions and Committees*  
*Council serves as Local Liquor Authority, Board of Adjustments, and Board of Directors for Avon Urban Renewal Authority*

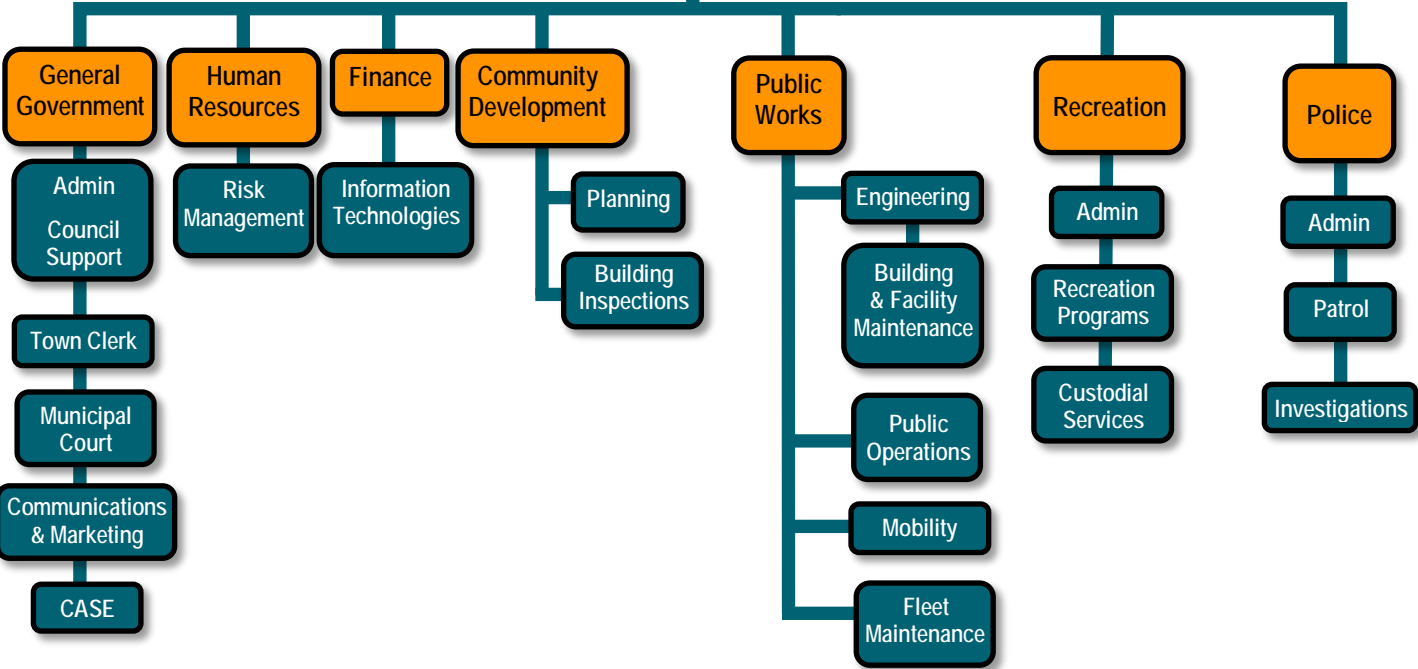
- Town Attorney
- Municipal Prosecutor
- Special Legal Counsel

Municipal Judge

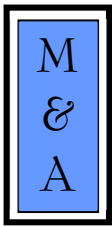
## TOWN MANAGER

*Oversees Departments and Personnel, Prepares Budget, Administers Contracts, Implements Policies and Projects as Directed by Council*

### DEPARTMENTS



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# MCMAHAN AND ASSOCIATES, L.L.C.

*Certified Public Accountants and Consultants*

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## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

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 Avon, Colorado, Colorado (the "Town"), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

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, 2021, 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 ("U.S. GAAP").

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("U.S. GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. GAAP; 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for one year after the date that the financial statements are issued.

*Member: American Institute of Certified Public Accountants*

PAUL J. BACKES, CPA, CGMA  
MICHAEL N. JENKINS, CA, CPA, CGMA  
MATTHEW D. MILLER, CPA

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**INDEPENDENT AUDITOR'S REPORT**  
**To the Town Council**  
**Town of Avon, Colorado**

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with U.S. GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with U.S. GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Required Supplementary Information***

U.S. GAAP require that Management's Discussion and Analysis in Section B on pages 4 – 17 and budgetary comparison information on pages 64-79 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 U.S. GAAS, 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.

**INDEPENDENT AUDITOR'S REPORT  
To the Town Council  
Town of Avon, Colorado**

***Supplementary 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 fund financial statements, individual fund budgetary information, the Local Highway Finance Report, and the Schedule of Expenditures of Federal Awards as required by *Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* included in the Single Audit Section listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining fund financial statements, individual fund budgetary information, the Local Highway Finance Report, and the Schedule of Expenditures of Federal Awards included in the Single Audit Section listed in the accompanying table of contents 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 U.S. GAAS. In our opinion, the introductory section, combining fund financial statements, individual fund budgetary information, the Local Highway Finance Report, the statistical section, and the Schedule of Expenditures of Federal Awards included in the Single Audit Section listed in the accompanying table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 20, 2022 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and on compliance.

*McMahan and Associates, L.L.C.*

**McMahan and Associates, L.L.C.  
Avon, Colorado  
July 20, 2022**

## Management's Discussion and Analysis

As management of the Town of Avon, we offer readers of the Town of Avon's financial statements this narrative overview and analysis of the financial activities of the Town of Avon for the fiscal year ended December 31, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

### Financial Highlights

- The assets of the Town exceeded its liabilities and deferred inflows at the close of its fiscal year ended December 31, 2021 by \$111,028,690 (net position). Of this amount, \$36,931,515 is unrestricted and may be used to meet the Town's ongoing obligations to citizens and creditors in accordance with the Town's fund designation and fiscal policies as more fully described below.
- The Town's total net position increased by \$8,875,581.
- As of the close of the fiscal year, the Town's governmental funds reported combined ending fund balances of \$30,956,721, an increase of \$5,336,091 from the prior year. Approximately 43.9 percent of this total amount, \$13,587,481, is available for spending at the Town's discretion (unassigned fund balance).
- The unassigned fund balance for the General Fund was \$13,587,481, or 77.4 percent of total General Fund expenditures and other financing uses. This represents a \$4,214,244 increase, or 45 percent, from the prior year.
- The Town of Avon's long-term liabilities decreased by a net \$1,669,164 during the current fiscal year. Regular principal payments were made on bonded debt of \$1,482,278 and capital leases of \$112,242.

### Overview of the Financial Statements

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

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

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

decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

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

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

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

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

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

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

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

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

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

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

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

***Notes to the Financial Statements.*** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 30-54 of this report.

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

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

## Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Avon, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$111,028,690 as of December 31, 2021.

The largest portion of the Town's net position (64.9%) reflects its investment in capital assets (e.g. land, buildings, machinery and equipment, and infrastructure), net of any related debt used to acquire those assets that is still outstanding. The Town uses these assets to provide services to citizens, consequently, these assets are not available for future spending. Although the Town's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town's net position (2.3%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (32.8%) may be used to meet the Town's ongoing obligations to citizens and creditors.

### Condensed Net Position

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Government</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Current and Other Assets	\$ 44,655,435	\$ 36,655,572	\$ 2,316,096	\$ 1,214,841	\$ 46,971,531	\$ 37,870,413
Restricted Assets	451,280	657,821	-	-	451,280	657,821
Capital Assets, net	<u>75,171,072</u>	<u>74,591,931</u>	<u>12,734,715</u>	<u>12,298,718</u>	<u>87,905,787</u>	<u>86,890,649</u>
Total Assets	<u>120,277,787</u>	<u>111,905,324</u>	<u>15,050,811</u>	<u>13,513,559</u>	<u>135,328,598</u>	<u>125,418,883</u>
Deferred Outflow of Resources	<u>127,860</u>	<u>143,640</u>	<u>16,010</u>	<u>17,663</u>	<u>143,640</u>	<u>161,303</u>
Other Liabilities	5,082,848	2,999,234	223,228	148,012	5,306,076	3,147,246
Noncurrent Liabilities	<u>15,087,033</u>	<u>16,530,777</u>	<u>1,901,150</u>	<u>2,126,570</u>	<u>16,988,183</u>	<u>18,657,347</u>
Total Liabilities	<u>20,169,881</u>	<u>19,530,011</u>	<u>2,124,378</u>	<u>2,274,582</u>	<u>22,294,259</u>	<u>21,804,593</u>
Deferred Inflows of Resources	<u>2,103,515</u>	<u>2,045,276</u>	<u>46,004</u>	<u>41,976</u>	<u>2,149,519</u>	<u>2,087,252</u>
Net Position:						
Net Investment in Capital Assets	60,606,346	58,743,303	10,940,758	10,299,819	71,547,104	69,043,122
Restricted	2,550,071	2,373,593	-	-	2,550,071	2,373,593
Unrestricted	<u>34,975,834</u>	<u>29,356,781</u>	<u>1,955,681</u>	<u>914,845</u>	<u>36,931,515</u>	<u>30,271,626</u>
Total Net Position	<u>\$ 98,132,251</u>	<u>\$ 90,473,677</u>	<u>\$ 12,896,439</u>	<u>\$ 11,214,664</u>	<u>\$111,028,690</u>	<u>\$101,688,341</u>

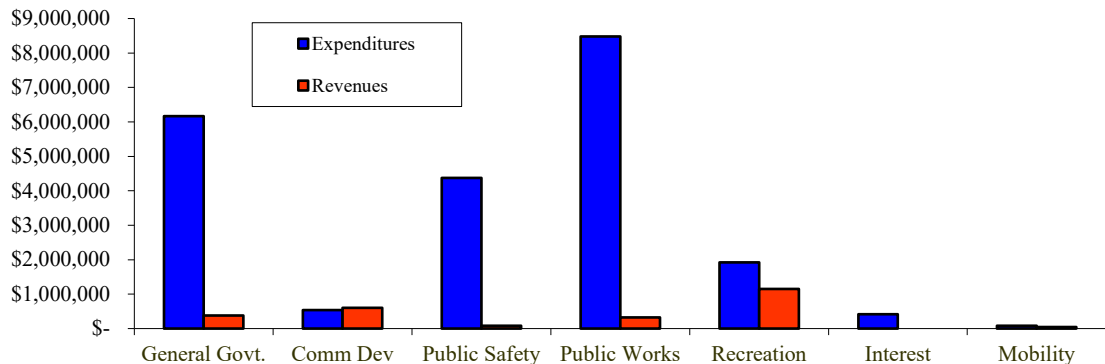
### Analysis of the Town's Operations

Overall, the Town's net position increased by \$8,875,581 for 2021. Governmental activities increased net position by \$7,193,806, while business-type activities increased net position by \$1,681,775. The largest contributors to the overall increase were substantial increases in sales and accommodation taxes from the previous year of \$3.4 million, capital grants for bus purchases of almost \$1 million, substantial increases in real estate transfer taxes from the previous year of \$1.4 million, and positive capital project expenditure variances of \$2.7 million.

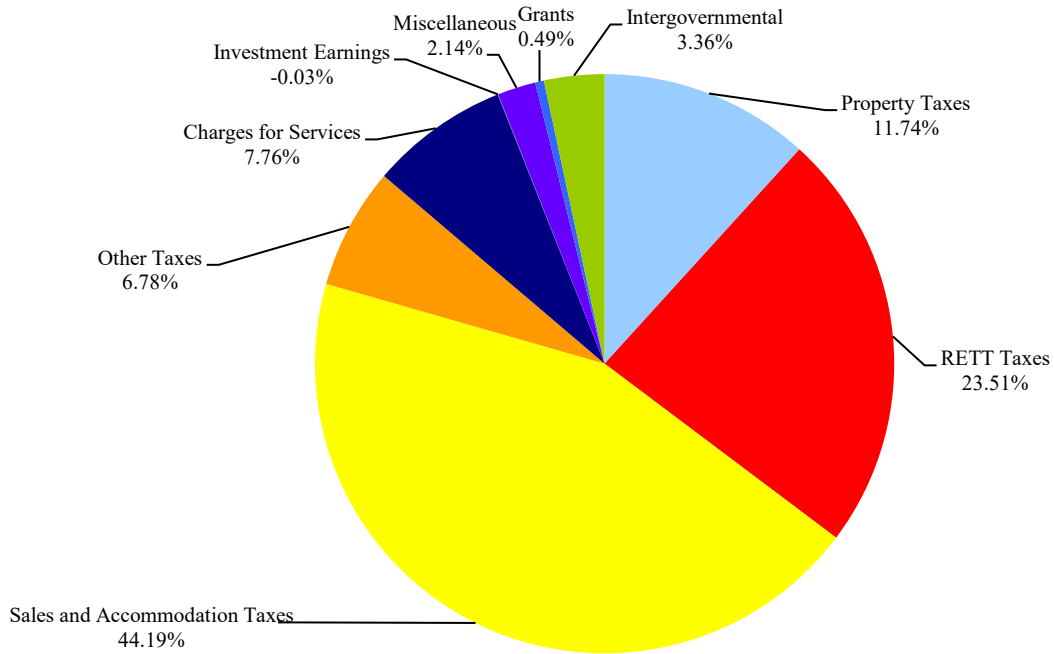
## Change in Net Position

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Government</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>REVENUES</b>						
<b>Program Revenues:</b>						
Charges for Services	\$ 2,428,294	\$ 1,601,708	\$ 1,656,035	\$ 1,813,132	\$ 4,084,329	\$ 3,414,840
Operating Grants and Contributions	104,842	826,152	1,025,745	646,470	1,130,587	1,472,622
Capital Grants and Contributions	48,128	37,206	967,643	-	1,015,771	37,206
<b>General Revenues:</b>						
<b>Taxes:</b>						
Property Taxes	3,672,627	3,727,486	42,069	41,633	3,714,696	3,769,119
Real Estate Transfer Tax	7,354,186	5,998,950	-	-	7,354,186	5,998,950
Sales and Accommodation Taxes	13,820,404	11,303,195	-	-	13,820,404	11,303,195
Other Taxes	2,120,037	996,839	-	-	2,120,037	996,839
Investment Earnings (Loss)	(7,865)	288,927	-	-	(7,865)	288,927
Unrestricted Grants & Contributions	1,052,084	918,375	-	-	1,052,084	918,375
Miscellaneous	667,854	2,392,866	-	-	667,854	2,392,866
<b>Total Revenues</b>	<u>31,260,591</u>	<u>28,091,704</u>	<u>3,691,492</u>	<u>2,501,235</u>	<u>34,952,083</u>	<u>30,592,939</u>
<b>EXPENSES</b>						
<b>Program Activities:</b>						
<b>Governmental Activities:</b>						
General Government	6,169,567	5,809,422	-	-	6,169,567	5,809,422
Community Development	536,564	513,004	-	-	536,564	513,004
Public Safety	4,372,460	4,466,597	-	-	4,372,460	4,466,597
Public Works and Utilities	8,481,110	8,245,335	-	-	8,481,110	8,245,335
Recreation	1,917,182	1,814,889	-	-	1,917,182	1,814,889
Mobility	84,167	-	-	-	84,167	538,010
Interest on Long-term Debt	412,275	538,010	-	-	412,275	-
<b>Business-type Activities:</b>						
Mobility	-	-	2,465,889	2,325,260	2,465,889	2,325,260
Fleet Maintenance	-	-	1,637,288	1,784,854	1,637,288	1,784,854
<b>Total Expenses</b>	<u>21,973,325</u>	<u>21,387,257</u>	<u>4,103,177</u>	<u>4,110,114</u>	<u>26,076,502</u>	<u>25,497,371</u>
Excess (Deficiency) Before Contributions and Transfers	9,287,266	6,704,447	(411,685)	(1,608,879)	8,875,581	5,095,568
Capital Contributions	-	-	-	-	-	-
Transfers	(2,093,460)	(1,881,716)	2,093,460	1,881,716	-	-
<b>Increase (Decrease) in Net Position</b>	<b>7,193,806</b>	<b>4,822,731</b>	<b>1,681,775</b>	<b>(272,837)</b>	<b>8,875,581</b>	<b>5,095,568</b>
Net Position, Beginning of Year	<u>90,938,445</u>	<u>86,115,714</u>	<u>11,214,664</u>	<u>10,941,827</u>	<u>102,153,109</u>	<u>97,057,541</u>
Net Position, Ending	<u>\$ 98,132,251</u>	<u>\$ 90,938,445</u>	<u>\$12,896,439</u>	<u>\$11,214,664</u>	<u>\$111,028,690</u>	<u>\$102,153,109</u>

### Expenses and Program Revenues – Governmental Activities



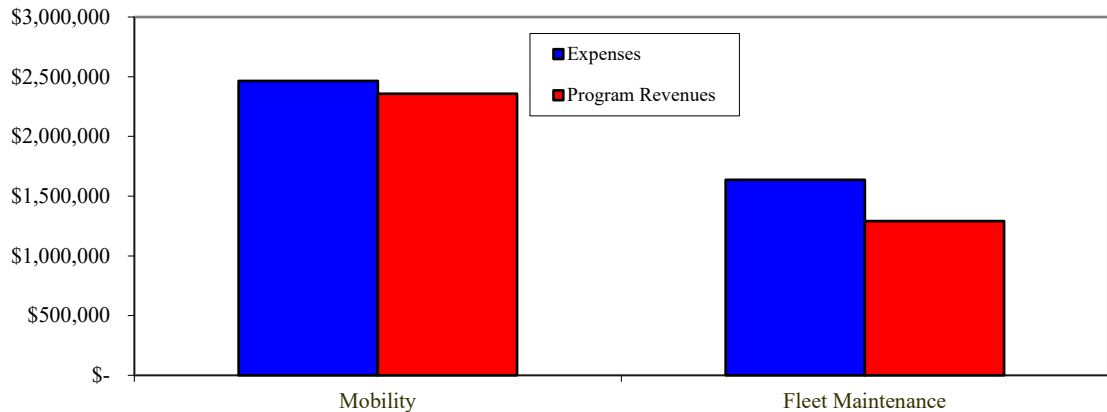
### Revenues by Source – Governmental Activities



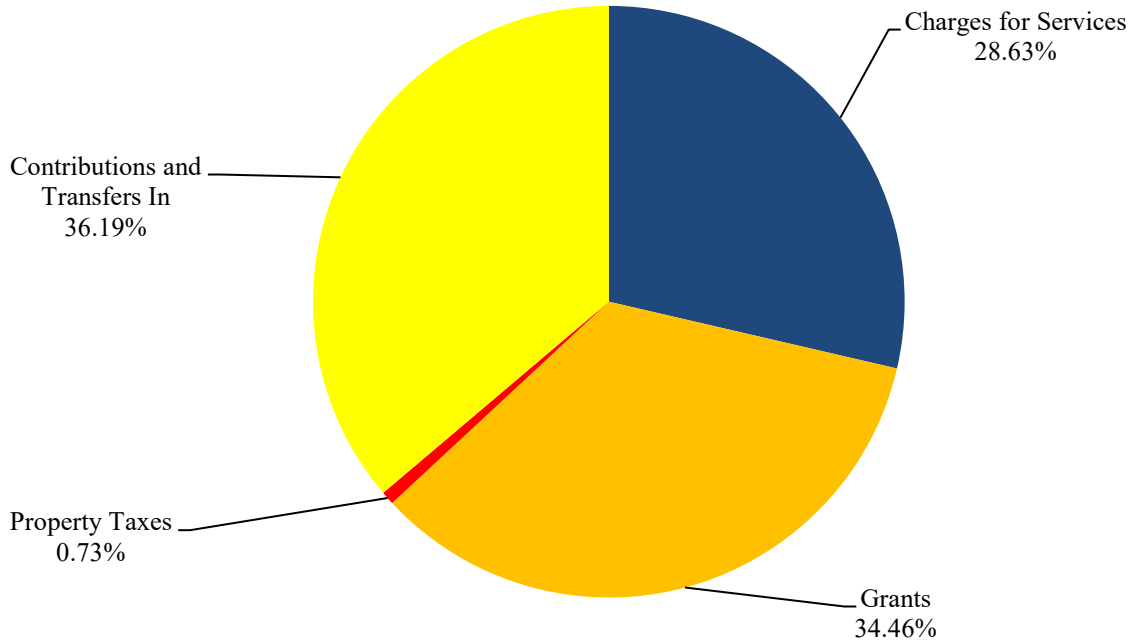
### Business-type activities.

Net position of business-type activities increased by \$1,681,775 in 2021. The key element of this increase was the receipt of \$1.993 million in capital and operating grant funds in the Mobility Enterprise Fund.

### Expenses and Program Revenues – Business-type Activities



## Revenues by Source – Business-type Activities



### Financial Analysis of the Town’s Funds

The following schedule presents a summary of governmental fund revenues for the year ended December 31, 2021 and the amount and percentage of increases and decreases in relation to the prior year.

Revenues	2021 Amount	Percent of Total	2020 Amount	Amount of Increase (Decrease)	Percent Increase (Decrease)
Taxes	\$26,967,254	86.76%	\$22,026,470	\$ 4,940,784	22.43%
Licenses and Permits	461,647	1.48%	388,494	73,153	18.83%
Intergovernmental	1,205,054	3.88%	1,781,733	(576,679)	(32.37%)
Charges for Services	1,742,352	5.61%	1,173,521	568,831	48.47%
Fines and Forfeitures	45,753	0.15%	39,693	6,060	15.27%
Investment Earnings	(8,035)	(0.03%)	288,927	(296,962)	(102.78%)
Other Revenues	669,460	2.15%	2,367,398	(1,697,938)	(71.72%)
<b>Total</b>	<b>\$31,083,485</b>	<b>100.00%</b>	<b>\$28,066,236</b>	<b>\$ 3,017,249</b>	

Tax revenues increased by \$4,940,784 from the prior year. Property tax collections remained essentially the same as the prior year collections. Assessed values declined slightly from \$228,439,560 in 2020 to \$228,369,310 in 2021. The general operating mill rate for the Town remained the same at 8.956 mills. Property tax increment revenues from the Avon Urban Renewal Authority increased by \$60,084 from the prior year due to an increase in the value of the tax increment of \$1,429,360. Sales taxes increased by \$2,321,991 or 25.5% from the

previous year and accommodation taxes increased by \$994,568 or 81.7%. The areas of retail sales tax showing the most growth were the areas most impacted by the Covid-19 pandemic in 2020, namely accommodations and restaurants and bars. Also playing a large role were the new requirements for online travel companies and virtual or out-of-state retailers collecting and remitting taxes on their online platforms. The Town also collects a 2% tax from all transfers of real property within the Town. These revenues are dedicated solely for capital improvement projects. Real estate transfer tax collections increased by 1,371,724 or 22.95% in 2021 after having risen by 19.95% in 2020 and 38% increase in 2019. The five-year average for real estate transfer taxes is now over \$5.2 million per year. 2021 was the third year for the levy and collection of cigarette and tobacco taxes. Cigarette taxes, which are based on a \$3 excise tax per pack sold, were up 3% from the prior year, or \$7,578. Tobacco taxes, which are levied at a tax rate of 40%, increased by \$86,724 or 40.4%.

License and permit revenues increased by \$73,153 from the previous year. Construction permit values increased by \$8,652,944 in total from the prior year with commercial permits valued at \$1,957,878 and residential construction valued at \$31,467,170. Building permit fees increased by \$117,542 while other all other licenses remained fairly stable from the previous year.

Intergovernmental revenues decreased in 2021 by \$576,679. This decrease was due primarily to CARES Act grant funds received in the prior year in the amount of \$713,837 for reimbursement of COVID-19 related pandemic expenditures. Highway Users Tax funds and Eagle County Sales Tax revenues increased by \$36,994 and \$892,920, respectively.

Charges for services increased \$568,831 due to the recovery from the various shutdowns and general decreases in activity due to the COVID-19 pandemic in 2020, the largest of which was the shutdown of the Avon Recreation Center and the implementation of protocols that drastically impacted the volume of Recreation Center customers. Net recreation-related increases in 2021 totaled \$397,450. Other increases include \$90,674 in special event-related fees and charges, and \$80,336 in plan check fees.

Investment earnings decreased in 2021 by \$296,962 due to the change in the fair market value of investments due to an increase in interest rates at year-end and generally lower yields throughout the year.

Other revenues decreased by \$1,697,938 due to the prior year sale of the Town's interest in Buffalo Ridge II LLLP in the amount of \$1.5 million.

The following schedule presents a summary of governmental fund expenditures for the year ended December 31, 2021 and the amount and percentage of increases and decreases in relation to the prior year.

<u>Expenditures</u>	2021 <u>Amount</u>	Percent of <u>Total</u>	2020 Amount	Amount of Increase <u>(Decrease)</u>	Percent Increase <u>(Decrease)</u>
Current:					
General Government	\$ 6,081,429	26.81%	\$ 5,522,841	\$ 558,588	10.11%
Community Development	551,138	2.36%	500,739	50,399	10.06%
Public Safety	4,169,397	17.83%	4,050,935	118,462	2.92%
Public Works and Utilities	4,612,171	19.73%	4,067,683	544,488	13.36%
Parks and Recreation	1,622,206	6.94%	1,311,887	310,319	23.65%
Capital Improvements	4,542,239	19.43%	2,111,194	2,431,045	110.89%
Debt Service:					
Principal	1,387,925	5.94%	1,414,010	(26,085)	(1.84%)
Interest	403,078	1.72%	429,221	(26,143)	(6.09%)
Bond Issuance Costs	-	0.00%	113,525	(113,525)	(100.00%)
Fiscal Charges	<u>9,351</u>	<u>0.04%</u>	<u>7,084</u>	<u>2,267</u>	<u>32.00%</u>
Total	<u>\$23,378,934</u>	<u>100.00%</u>	<u>\$19,529,119</u>	<u>\$ 3,849,815</u>	

Overall, total governmental fund expenditures increased by a net amount of \$3,849,815 in 2021. In 2021, The Town realized a return to more normal governmental services compared to the response to the COVID-19 pandemic in 2020 which instituted a number of operating budget reductions including personnel layoffs and eliminations of positions, a freeze on salary increases, deferral of equipment replacement charges, elimination of special events and other reductions in operating costs. In addition, several capital projects were completed in 2021 after a decline in 2020 due largely to impacts created by the pandemic.

Capital improvement projects completed during the 2021 year included a remodel of the yoga studio and replastering of the pool in the Avon Recreation Center, installation of an electric vehicle charging system, completion of improvements in the western area of Nottingham Park, completion of lighting upgrades in Nottingham Park, asphalt overlays of Mikaela Way and Benchmark Rd., installation of LED messaging boards on the railroad bridge overpass on Avon Rd., purchase of a firearms training simulator, completion of the laying of fiber optic cable between the Pavilion and Town Hall, and completion of stormwater quality vaults on Avon Rd.

At the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$30,956,721, an increase of \$5,336,091 from the prior year. Of this total, \$2,550,071 is restricted due to external limitations on its use such as legal restrictions, or intention of grantors, donors, or trustees. A total of \$14,819,169 has been committed or assigned meaning there are limitations resulting from its intended use, such as construction of capital assets, community housing, and for other purposes. The remaining \$13,587,481 is unassigned and can be used for any lawful purpose.

**General Fund.** The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund is \$13,587,481, while total fund balance is \$14,567,561. As a measure of the General Fund's liquidity, it is useful to compare the unassigned fund balance and total fund balance to total fund expenditures and other financing sources. Unassigned fund balance represents 77.4% of total fund expenditures and other financing uses, while total fund balance represents 82.9% of that same amount.

The fund balance of the General Fund increased by \$4,364,674, or 45.5%, in 2021. This increase is due primarily to the large increases in sales and accommodation taxes and charges for services realized in 2021 compared to the prior year.

The fund balance of the General Fund represents 65.6% of 2022 General Fund appropriations or the equivalent of almost 8 months of operations. The Town has felt it necessary to retain this level of fund balance because of its heavy reliance on sales tax revenues. The Town's position as a resort community also places a heavy reliance upon several other factors including weather, the national economy, and tourism in general. The Town's fund balance provides the resources necessary to be more adaptable to the short-term financial environment and limits the need for capital financing.

***Avon Urban Renewal Fund.*** At the end of the current fiscal year, the Avon Urban Renewal Fund had an ending fund balance of \$95,276. This amount is restricted for use for urban renewal projects within the Town Center West Urban Renewal Plan Area. The fund transferred \$750,000 to the Capital Projects Fund to be used for Tract G projects in the future. Fund balances increased by \$72,334 in 2021 due to lower interest rate costs on tax increment revenue bonds from the bond refinancing in 2020.

***Debt Service Fund.*** The Debt Service Fund has a fund balance at the end of the fiscal year of \$36,433, all of which is assigned for the payment of debt service. Fund balances increased by \$8,788 in 2021 due to lower interest rate costs on certificates of participation from the bond refinancing in 2020

***Capital Projects Fund.*** The Capital Project Fund has an ending fund balance at the end of the fiscal year of \$13,714,320, an increase of \$1,613,077 from the prior year. This substantial increase is due to larger than anticipated real estate transfer taxes for the third year in a row. Restricted fund balances represent escrowed monies for future asphalt repairs pursuant to a lawsuit settlement in the amount of \$451,280. The remaining amount of \$13,263,040 is committed entirely to capital improvement projects.

***Non-major Funds.*** The aggregate non-major funds have a combined fund balance of \$2,543,131. The net decrease in fund balance during the current fiscal year in the aggregate non-major funds was \$722,782. This decrease is due primarily to a deed restriction program that was begun in 2020 and carried on through the end of current fiscal year, whereby a total of \$847,222 in down-payment assistance was provided to Avon residents purchasing a home in exchange for the deed restriction which requires the residence to be a primary residence for at least three (3) years and future purchasers must qualify as Eagle County Employees as defined in Section 3.12.020 of the Avon Municipal Code.

### **General Fund Budgetary Highlights**

The Covid-19 pandemic was the most significant influencer of the 2021 budget such that projections of revenues were highly speculative and directly dependent upon public health orders and visitor confidence to travel to Avon. Council placed a high priority on maintaining the existing level of municipal services in 2021 for the purpose of community stability and support

of the local economy. Levels of service and staffing to support those levels of service remained the same as 2020 with few exceptions. Avon sought to decrease expenses where possible while maintaining existing levels of service. Significant categories of expense reduction included continuation of a Town-wide salary freeze implemented in March, 2020, elimination of a majority of travel, conference and in-person meeting expenses, and foregoing equipment and supply purchases where possible. Increases in expenditures were planned for Town operations to comply with public health orders and to provide a safe work environment, and budgeted expenditures exceeded projected revenues in order to maintain a consistent level of municipal services in 2021.

Avon budgeted for substantial increases in transit services in order to provide a comparable level of Skier Bus Service as the prior year with the severe limitations on capacity established by Colorado Public Health and Environment and Colorado Department of Transportation. The Town is also experiencing significant large-scale construction and real estate activity and sought to improve building inspection services with an increase from a part-time Building Permit Technician to a full-time certified Building Permit Technician position.

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

### **Capital Assets and Debt Administration**

**Capital assets.** The Town of Avon's investment in capital assets for its governmental and business-type activities as of December, 31, 2021, amounts to \$87,905,787 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, public art, water rights, deed restrictions, construction in progress, buildings and building improvements, utility systems, machinery and equipment, and infrastructure (see table below). The total increase in the Town's investment in capital assets for the current fiscal year was 0.63% (a 0.15% decrease for governmental activities and a 3.5% increase for business-type activities).

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

- Governmental-type asset additions totaled \$5,658,910 in 2021. Business-type additions totaled \$1,017,685.
- Eight projects began the year under Construction-in-Progress: (1) Old Town Hall Utility Upgrades (2) Fiber – Pavilion to New Town Hall; (3) New Town Hall 2<sup>nd</sup> & 3<sup>rd</sup> Floor Updates, (4) Pavilion Deck Railing and Floor Repair, (5) West Nottingham Park Improvements, (6) Mall Activation Elements, (7) Avon Rd./Interstate 70 Overpass Aesthetic Improvements and (8) Stormwater Quality Vaults. During the year ended December 31, 2023, three of these projects (Items 2, 5 and 8) were completed and capitalized at a total cost of \$624,889.
- Capital improvement projects completed during the 2021 year included a remodel of the yoga studio and replastering of the pool in the Avon Recreation Center, installation of an

electric vehicle charging system, completion of improvements in the western area of Nottingham Park, completion of lighting upgrades in Nottingham Park, asphalt overlays of Mikaela Way and Benchmark Rd., installation of LED messaging boards on the railroad bridge overpass on Avon Rd., purchase of a firearms training simulator, completion of the laying of fiber optic cable between the Pavilion and Town Hall, and completion of stormwater quality vaults on Avon Rd.

- In Business-type activities, two diesel busses were purchased in the Mobility Fund at a cost of \$1,017,685.
- In the Equipment Replacement Fund a total of \$1,015,130 in equipment was capitalized including \$23,215 in new fitness spin bikes, \$684,873 in heavy machinery and equipment including a bobcat toolcat, a club car, a John Deere loader and a street sweeper, three new police patrol vehicles (\$171,869), and computer and audio/visual equipment (\$90,473).

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Land	\$ 11,449,801	\$ 11,449,801	\$ 411,834	\$ 411,834	\$11,861,635	\$11,861,635
Public Art	1,361,400	1,361,400	-	-	1,361,400	1,361,400
Water Rights	1,792,959	1,792,959	-	-	1,792,959	1,792,959
Deed Restrictions	1,311,990	464,768	-	-	1,311,990	464,768
Construction in Progress	2,373,187	618,412	-	-	2,373,187	618,412
Depreciable Land Improv.	313,062	-	-	-	313,062	-
Buildings	16,246,110	16,959,583	10,675,086	11,096,905	28,056,488	28,056,488
Utilities	2,472,872	2,650,844	-	-	2,650,844	2,650,844
Mach. & Equip.	3,160,004	2,854,785	1,647,795	789,979	3,644,764	3,644,764
Infrastructure	<u>34,689,687</u>	<u>36,904,147</u>	<u>-</u>	<u>-</u>	<u>36,904,147</u>	<u>36,904,147</u>
Total	<u>\$75,171,072</u>	<u>\$75,056,699</u>	<u>\$12,734,715</u>	<u>\$12,298,718</u>	<u>\$87,905,787</u>	<u>\$87,355,417</u>

Additional information on the Town of Avon's capital assets can be found in Note 4 on pages 42-43 of this report.

**Long-term debt.** At the end of the current fiscal year, the Town of Avon had total long-term debt outstanding in the amount of \$15,846,945. Certificates of Participation which evidence assignments of proportionate interests in the right to receive payments pursuant to annually renewable lease agreements total \$10,484,000. The remainder of the Town's debt, \$5,362,945 represents bonds secured solely by specified revenue sources (i.e. revenue bonds).

### Town of Avon's Outstanding Debt

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Revenue Bonds	\$ 5,362,945	\$ 5,968,223	\$ -	\$ -	\$ 5,362,945	\$ 5,968,223
Certificates of Participation	<u>8,829,000</u>	<u>9,535,000</u>	<u>1,655,000</u>	<u>1,826,000</u>	<u>10,484,000</u>	<u>11,361,000</u>
Total	<u>\$14,191,945</u>	<u>\$15,503,223</u>	<u>\$ 1,655,000</u>	<u>\$ 1,826,000</u>	<u>\$15,846,945</u>	<u>\$17,329,223</u>

Regular principal payments were made on bonded debt of \$1,482,278. No other new debt was issued in 2021.

The Avon Town Charter limits the amount of general obligation debt the Town may issue to 25% of assessed valuation of all taxable property within the Town, or \$15 million, whichever is greater. The current legal debt margin for the Town is \$57,092,328. The Town has no outstanding general obligation bonds outstanding as of December 31, 2021. In addition, the Town's total debt per capita is \$2,686. Additional information on the Town's long-term debt can be found in Note 5 on pages 44-48 of this report.

## **Economic Factors and Next Year's Budget and Rates**

### **2022 Budget Highlights**

**Salary Cost Increases:** The Town is transitioning from a step salary system to merit-based salary increases which would follow annual performance evaluations. The Town has shifted performance evaluations from the anniversary of an employee's hiring date to a unified schedule in the fall. This common schedule allows for training of directors and supervisors to conduct performance evaluations and the ability to include the cost of salary increase recommendations into the budget before final adoption in December of each year. Generally, the range would be 0% to 4% increase with the ability to consider increases above 4%.

This 2022 budget provides for a merit-based salary increase of 5.5% in order to establish an adequate budget for salary adjustments. In addition, a mid-year salary survey will be performed in order to adjust salary ranges based on comparative market data. An additional 5% salary adjustment has been provided for in order to remain competitive due to lagging behind the Town's peer communities with ending the COVID-19 based salary freezes. Salary increases will be determined on an individual basis based on our newly adopted system of performance evaluations and merit based increases. The percentage increase is a budget amount that is estimated to cover the cumulative cost of salary increase, not an indication of individual salary increases.

**Training:** Training expenses across all departments has increased. The Employee Pulse Survey in early 2021 indicated a desire for more training. The Town supports and believes in training and considers it essential to maintain best skills and expose employees to perspectives and ideas beyond our local region.

**Equipment Replacement Fund.** Another significant change is updating and catching-up the Equipment Replacement Fund. Council has expressed a sentiment to move towards cash purchases of vehicles and setting aside cash for future purchases and minimizing or eliminating the use of lease purchase agreements. The Town has reserves and surpluses available to catch-up vehicle purchases on a cash basis. In addition, staff has sought to eliminate "hold-over" vehicles wherever possible and formalize departmental vehicle need policies. The updating of fleet purchases includes requirements to consider vehicles which reduce greenhouse gas emissions. Hybrid vehicles and electric vehicles are planned for purchase in 2022.

**GENERAL FUND:** General Fund revenues (\$22,411,420) are estimated to exceed appropriated expenditures (\$22,199,628) by \$211,628. Estimated beginning-of-year fund balances are \$12,664,061 and end-of-year fund balances are projected at \$12,875,689. The Town's budgetary

policies require setting aside fund balance reserves of 27% of expenditures for operations and 3% for TABOR emergencies.

Total tax revenues for 2022 are projected to increase from \$17,588,200 in 2021 to \$18,469,729 in 2022, an increase of \$881,529. This increase is primarily due to increases in sales and accommodations tax collections. Year-to-date through November 2021 sales tax collections have increased by 27.73% and accommodation taxes have increased by 79.01%. All other tax sources are projected to be stable and similar to 2021 amounts. Intergovernmental revenues are projected to decrease by \$83,698 due to the expiration of certain state and federal grants. Charges for Services is projected to grow from \$1,290,694 in 2021 to \$1,423,493 in 2022, an increase of \$132,799, primarily due to Avon Recreation Center patrons continuing to return to indoor gyms and aquatic centers after the significant closure in 2020 and the significant health protection protocols that were put in place for much of the 2021 year.

**General Fund Expenditures:** Much has changed since developing the original 2021 budget. During that process, Avon sought to decrease expenses where possible while maintaining existing levels of service. Significant expense reductions occurred including a Town-wide salary freeze that was implemented in March, 2020 and continued through most of the 2021 year, elimination of a majority of travel, conference and in-person meeting expenses, and foregoing equipment and supply purchases where possible.

As the Town progressed through the 2021 year, it became obvious that many of the significant cuts that had been made were ultimately not necessary and many budget line items and justifications have been returned for the 2022 budget. 2022 expenditures have increased by a total of \$4,385,129 compared to the original 2021 budget.

Reserves remain stable in the 2022 Budget with a 3% Emergency Reserve required by TABOR (\$829,650); a 27% Minimum Operating Reserve per Budget Policies (\$5,993,944), and a remaining Undesignated amount (\$6,052,095), which results in a total fund balance of \$12,875,689.

### **Requests for Information**

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

*Scott Wright*

Scott Wright, CPA, CPFO  
Finance Director

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# TOWN OF AVON, COLORADO

## STATEMENT OF NET POSITION DECEMBER 31, 2021

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 26,373,193	\$ 621,990	\$ 26,995,183
Investments	9,209,762	-	9,209,762
Receivables	8,972,480	1,121,295	10,093,775
Internal Balances	100,000	(100,000)	-
Prepaid Expenses	-	195,336	195,336
Inventory	-	477,475	477,475
Restricted Assets - Cash and Cash Equivalents	451,280	-	451,280
Capital Assets, net of accumulated depreciation:			
Nondepreciable	18,289,337	411,834	18,701,171
Depreciable	56,881,735	12,322,881	69,204,616
<b>Total Assets</b>	<b>120,277,787</b>	<b>15,050,811</b>	<b>135,328,598</b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Deferred Charge on Refunding of Debt	127,860	16,010	143,870
<b>LIABILITIES</b>			
Accounts Payable	1,318,293	162,588	1,480,881
Accrued Liabilities	410,611	58,944	469,555
Retainages Payable	102,154	-	102,154
Accrued Interest Payable	30,773	1,696	32,469
Deposits and Reserves	2,402,748	-	2,402,748
Unearned Revenues	818,269	-	818,269
Noncurrent Liabilities:			
Due Within One Year	1,897,368	302,993	2,200,361
Due In More Than One Year	13,189,665	1,598,157	14,787,822
<b>Total Liabilities</b>	<b>20,169,881</b>	<b>2,124,378</b>	<b>22,294,259</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenue - Property Taxes	2,103,515	46,004	2,149,519
<b>NET POSITION</b>			
Net Investment in Capital Assets	60,606,346	10,940,758	71,547,104
Restricted For:			
Emergencies	980,080		980,080
Capital Improvements	451,280		451,280
Urban Renewal	95,276		95,276
Purposes of Grantors	1,023,435		1,023,435
Unrestricted	34,975,834	1,955,681	36,931,515
<b>Total Net Position</b>	<b>\$ 98,132,251</b>	<b>\$ 12,896,439</b>	<b>\$ 111,028,690</b>

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

# TOWN OF AVON, COLORADO

## STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2021

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
General Government	\$ 6,169,567	\$ 333,474	\$ 46,880	\$ -
Community Development	536,564	604,037	-	-
Public Safety	4,372,460	30,031	49,712	4,128
Public Works and Utilities	8,481,110	319,428	-	-
Recreation	1,917,182	1,141,324	8,250	-
Mobility	84,167	-	-	44,000
Interest and Fiscal Charges on Long-term Debt	412,275	-	-	-
<b>Total Governmental Activities</b>	<b>21,973,325</b>	<b>2,428,294</b>	<b>104,842</b>	<b>48,128</b>
<b>Business-type Activities:</b>				
Mobility	2,465,889	363,685	1,025,745	967,643
Fleet Maintenance	1,637,288	1,292,350	-	-
<b>Total Business-type Activities</b>	<b>4,103,177</b>	<b>1,656,035</b>	<b>1,025,745</b>	<b>967,643</b>
<b>Total Primary Government</b>	<b>\$ 26,076,502</b>	<b>\$ 4,084,329</b>	<b>\$ 1,130,587</b>	<b>\$ 1,015,771</b>

General Revenues:  
 Property Taxes  
 Real Estate Transfer Taxes  
 Sales and Accommodation Taxes  
 Other Taxes  
 Unrestricted Investment Earnings (Loss)  
 Grants and Contributions Not Restricted  
 to Specific Programs  
 Miscellaneous  
 Contributions and Transfers

**Total General Revenues and Transfers**

**Increase (Decrease) in Net Position**

**Net Position - Beginning of Year (Restated)**

**Net Position - End of Year**

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

Net (Expense) Revenue and  
Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (5,789,213)	\$ -	\$ (5,789,213)
67,473	-	67,473
(4,288,589)	-	(4,288,589)
(8,161,682)	-	(8,161,682)
(767,608)	-	(767,608)
(40,167)	-	(40,167)
(412,275)	-	(412,275)
<u>(19,392,061)</u>	<u>-</u>	<u>(19,392,061)</u>
-	(108,816)	(108,816)
-	(344,938)	(344,938)
<u>-</u>	<u>(453,754)</u>	<u>(453,754)</u>
<u>(19,392,061)</u>	<u>(453,754)</u>	<u>(19,845,815)</u>
3,672,627	42,069	3,714,696
7,354,186	-	7,354,186
13,820,404	-	13,820,404
2,120,037	-	2,120,037
(7,865)	-	(7,865)
1,052,084	-	1,052,084
667,854	-	667,854
(2,093,460)	2,093,460	-
<u>26,585,867</u>	<u>2,135,529</u>	<u>28,721,396</u>
7,193,806	1,681,775	8,875,581
<u>90,938,445</u>	<u>11,214,664</u>	<u>102,153,109</u>
<u>\$ 98,132,251</u>	<u>\$ 12,896,439</u>	<u>\$ 111,028,690</u>

# TOWN OF AVON, COLORADO

## BALANCE SHEET GOVERNMENTAL FUNDS DECEMBER 31, 2021

	General Fund	Avon Urban Renewal Fund	Debt Service Fund	Capital Projects Fund
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 12,617,556	\$ 89,026	\$ 36,433	\$ 7,723,436
Investments	1,997,707	-	-	7,212,055
Receivables:				
- Interest	7,379	-	-	4,941
- Taxes	4,873,249	2,746	-	262,612
- Accounts	58,849	-	-	-
- Intergovernmental	14,624	3,504	-	61,153
- Employees	548	-	-	-
Due from Other Funds	100,000	-	-	-
Restricted Assets - Cash and Cash Equivalents	-	-	-	451,280
<b>Total Assets</b>	<b>\$ 19,669,912</b>	<b>\$ 95,276</b>	<b>\$ 36,433</b>	<b>\$ 15,715,477</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 187,982	\$ -	\$ -	\$ 1,080,734
Accrued Liabilities	409,406	-	-	-
Retainages Payable	-	-	-	102,154
Unearned Revenue	-	-	-	818,269
Deposits and Reserves	2,401,448	-	-	-
<b>Total Liabilities</b>	<b>2,998,836</b>	<b>-</b>	<b>-</b>	<b>2,001,157</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue - Property Taxes	2,103,515	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>2,103,515</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>				
<b>Restricted For:</b>				
Emergencies	980,080	-	-	-
Water Projects	-	-	-	-
Community Enhancement	-	-	-	-
Capital Improvements	-	-	-	451,280
Urban Renewal Projects	-	95,276	-	-
<b>Committed For:</b>				
Capital Improvements	-	-	-	13,263,040
Exterior Energy Offset Programs	-	-	-	-
Waste Reduction Programs	-	-	-	-
<b>Assigned For:</b>				
Community Housing	-	-	-	-
Debt Service	-	-	36,433	-
<b>Unassigned</b>	<b>13,587,481</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Fund Balances</b>	<b>14,567,561</b>	<b>95,276</b>	<b>36,433</b>	<b>13,714,320</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 19,669,912</b>	<b>\$ 95,276</b>	<b>\$ 36,433</b>	<b>\$ 15,715,477</b>

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

**RECONCILIATION OF TOTAL GOVERNMENTAL  
FUND BALANCE TO NET POSITION OF  
GOVERNMENTAL ACTIVITIES  
DECEMBER 31, 2021**

Other Governmental Funds	Total		
\$ 2,429,782	\$ 22,896,233	Total Governmental Fund Balances	\$ 30,956,721
-	9,209,762		
-	12,320	<i>Amounts reported for governmental activities in the Statement of Net Position are different because:</i>	
-	5,138,607	Capital assets used in governmental activities are not financial resources and therefore are not reported as an asset in the governmental funds.	
97,830	156,679	- Capital assets	144,570,958
62,736	142,017	- Accumulated depreciation	(72,559,891)
-	548		72,011,067
-	100,000	Some liabilities, including bonds, notes and leases payable, and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds.	
-	451,280	- Tax Increment Revenue Bonds payable	(5,362,945)
\$ 2,590,348	\$ 38,107,446	- Certificates of Participation payable	(8,829,000)
		- Unamortized bond premium	(238,886)
\$ 44,712	\$ 1,313,428	- Compensated absences payable	(496,601)
1,205	410,611		(14,927,432)
-	102,154	Long-term receivables which are not available to pay for current period expenditures and are not reported in the governmental funds.	
-	818,269		3,522,309
1,300	2,402,748	Deferred outflows of resources are not available to pay for current period expenditures and therefore are deferred in the funds.	
47,217	5,047,210	- Deferred Charge on Refunding of Debt	127,860
-	2,103,515	Accrued interest payable is recognized for governmental activities but is not due and payable in the current period and therefore is not reported as a liability in the governmental funds.	
-	2,103,515		(30,773)
-	980,080	The internal service fund is used by management to charge the rental cost of certain vehicles and equipment to individual funds. The assets and liabilities of the internal service fund is included in governmental activities in the statement of net position.	
722,014	722,014		6,472,499
301,421	301,421	<b>Net Position of Governmental Activities</b>	\$ 98,132,251
-	451,280		
-	95,276		
-	13,263,040		
109,238	109,238		
107,151	107,151		
1,303,307	1,303,307		
-	36,433		
-	13,587,481		
2,543,131	30,956,721		
\$ 2,590,348	\$ 38,107,446		

# TOWN OF AVON, COLORADO

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2021

	General Fund	Avon Urban Renewal Fund	Debt Service Fund	Capital Projects Fund
<b>Revenues</b>				
Taxes	\$ 17,984,254	\$ 1,628,814	\$ -	\$ 7,354,186
Licenses and Permits	453,213	-	-	-
Intergovernmental	1,143,901	-	-	61,153
Charges for Services	1,481,861	-	-	-
Fines and Forfeitures	45,753	-	-	-
Investment Earnings	4,385	21	6	(12,481)
Other Revenues	475,397	-	7,133	34,550
	<b>Total Revenues</b>	<b>1,628,835</b>	<b>7,139</b>	<b>7,437,408</b>
<b>Expenditures</b>				
Current:				
General Government	5,058,990	54,982	-	-
Community Development	539,138	-	-	-
Public Safety	4,169,397	-	-	-
Public Works and Utilities	4,476,007	-	-	-
Recreation	1,622,206	-	-	-
Capital Improvements	-	-	-	4,542,239
Debt Service:				
Principal	-	605,278	706,000	76,647
Interest	-	143,841	253,885	5,352
Fiscal Charges	-	2,400	6,951	-
	<b>Total Expenditures</b>	<b>806,501</b>	<b>966,836</b>	<b>4,624,238</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,723,026	822,334	(959,697)	2,813,170
<b>Other Financing Sources (Uses)</b>				
Transfers In	341,648	-	968,485	928,500
Transfers Out	(1,700,000)	(750,000)	-	(2,128,593)
	<b>Total Other Financing Sources (Uses)</b>	<b>(750,000)</b>	<b>968,485</b>	<b>(1,200,093)</b>
<b>Net Change in Fund Balances</b>	4,364,674	72,334	8,788	1,613,077
<b>Fund Balances, Beginning of Year</b>	10,202,887	22,942	27,645	12,101,243
<b>Fund Balances, End of year</b>	\$ 14,567,561	\$ 95,276	\$ 36,433	\$ 13,714,320

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

**RECONCILIATION OF THE STATEMENT OF  
REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2021**

Other Governmental Funds	Total
\$ -	\$ 26,967,254
8,434	461,647
-	1,205,054
260,491	1,742,352
-	45,753
34	(8,035)
152,380	669,460
<u>421,339</u>	<u>31,083,485</u>
967,457	6,081,429
12,000	551,138
-	4,169,397
136,164	4,612,171
-	1,622,206
-	4,542,239
-	1,387,925
-	403,078
-	9,351
<u>1,115,621</u>	<u>23,378,934</u>
(694,282)	7,704,551
-	2,238,633
(28,500)	(4,607,093)
<u>(28,500)</u>	<u>(2,368,460)</u>
(722,782)	5,336,091
3,265,913	25,620,630
<u>\$ 2,543,131</u>	<u>\$ 30,956,721</u>

Net change in fund balances - Total Governmental Funds \$ 5,336,091

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

Governmental funds report capital outlays as expenditures. However, for governmental activities, those capital outlays other than noncapitalizable items are shown in the Statement of Activities and the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

- Capital outlay	7,173,086
- Depreciation	<u>(6,108,463)</u>
	<u>1,064,623</u>

Expenses reported in the Statement of Activities that do not require the use of current financial resources are not reported as expenditures in governmental funds.

- Change in compensated absences payable	41,908
- Change in accrued interest payable on outstanding bonds	2,023
- Amortization of bond premium	13,911
- Amortization of deferred charge on refunding	<u>(15,780)</u>
	<u>42,062</u>

Payment received on affordable housing notes receivable are reported as revenue in the governmental funds, but the repayment reduces notes receivable in the Statement of Net Position

(2,786)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position.

Principal Repayments:

- Tax Increment Revenue Bonds payable	605,278
- Certificates of Participation payable	706,000
	<u>1,311,278</u>

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

(557,462)

**Change in Net Position of Governmental Activities**

\$ 7,193,806

# TOWN OF AVON, COLORADO

## STATEMENT OF NET POSITION PROPRIETARY FUNDS DECEMBER 31, 2021

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Mobility Fund	Fleet Maintenance Fund	Totals	
<b>ASSETS</b>				
<b>Current Assets:</b>				
Cash and Cash Equivalents	\$ 576,800	\$ 45,190	\$ 621,990	\$ 3,476,960
Receivables:				
- Taxes	46,733	-	46,733	-
- Accounts	14,310	-	14,310	-
- Intergovernmental	871,898	188,354	1,060,252	-
Deferred Expense	195,336	-	195,336	-
Inventory	-	477,475	477,475	-
<b>Total Current Assets</b>	<b>1,705,077</b>	<b>711,019</b>	<b>2,416,096</b>	<b>3,476,960</b>
<b>Noncurrent Assets:</b>				
Capital Assets:				
- Land	281,450	130,384	411,834	-
- Buildings	11,239,736	5,639,286	16,879,022	-
- Machinery and Equipment	4,001,258	330,801	4,332,059	7,399,771
- Accumulated Depreciation	(5,269,367)	(3,618,833)	(8,888,200)	(4,239,766)
<b>Total Noncurrent Assets</b>	<b>10,253,077</b>	<b>2,481,638</b>	<b>12,734,715</b>	<b>3,160,005</b>
<b>Total Assets</b>	<b>11,958,154</b>	<b>3,192,657</b>	<b>15,150,811</b>	<b>6,636,965</b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
Deferred Charge on Refunding of Debt	-	16,010	16,010	-
<b>Total Deferred Outflow of Resources</b>	<b>-</b>	<b>16,010</b>	<b>16,010</b>	<b>-</b>
<b>LIABILITIES</b>				
<b>Current Liabilities:</b>				
Accounts Payable	13,368	149,220	162,588	4,865
Accrued Liabilities	39,483	19,461	58,944	-
Accrued Interest Payable	-	1,696	1,696	-
Compensated Absences Payable	57,027	34,156	91,183	-
Due to Other Funds	-	100,000	100,000	-
Certificates of Participation - Current	-	175,000	175,000	-
Capital Leases Payable - Current	36,810	-	36,810	51,969
<b>Total Current Liabilities</b>	<b>146,688</b>	<b>479,533</b>	<b>626,221</b>	<b>56,834</b>
<b>Noncurrent Liabilities:</b>				
Certificates of Participation	-	1,480,000	1,480,000	-
Capital Leases Payable	118,157	-	118,157	107,632
<b>Total Noncurrent Liabilities</b>	<b>118,157</b>	<b>1,480,000</b>	<b>1,598,157</b>	<b>107,632</b>
<b>Total Liabilities</b>	<b>264,845</b>	<b>1,959,533</b>	<b>2,224,378</b>	<b>164,466</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue - Property Taxes	46,004	-	46,004	-
<b>Total Deferred Inflows of Resources</b>	<b>46,004</b>	<b>-</b>	<b>46,004</b>	<b>-</b>
<b>NET POSITION</b>				
Net Investment in Capital Assets	10,098,110	842,648	10,940,758	3,000,404
Unrestricted	1,549,195	406,486	1,955,681	3,472,095
<b>Total Net Position</b>	<b>\$ 11,647,305</b>	<b>\$ 1,249,134</b>	<b>\$ 12,896,439</b>	<b>\$ 6,472,499</b>

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

# TOWN OF AVON, COLORADO

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION PROPRIETARY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2021

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Mobility Fund	Fleet Maintenance Fund	Totals	
<b>Operating Revenues:</b>				
Charges for Services	\$ 252,272	\$ 1,282,439	\$ 1,534,711	\$ 750,789
Other Operating Revenues	111,413	9,911	121,324	1,180
<b>Total Operating Revenues</b>	<b>363,685</b>	<b>1,292,350</b>	<b>1,656,035</b>	<b>751,969</b>
<b>Operating Expenses:</b>				
Cost of Operations	2,016,031	1,475,360	3,491,391	628
Depreciation and Amortization	443,697	137,989	581,686	607,829
<b>Total Operating Expenses</b>	<b>2,459,728</b>	<b>1,613,349</b>	<b>4,073,077</b>	<b>608,457</b>
<b>Operating Income (Loss)</b>	<b>(2,096,043)</b>	<b>(320,999)</b>	<b>(2,417,042)</b>	<b>143,512</b>
<b>Nonoperating Revenues (Expenses):</b>				
Taxes	42,069	-	42,069	-
Grants	1,993,388	-	1,993,388	-
Investment Earnings	-	-	-	170
Gain (Loss) on Disposal of Capital Assets	-	-	-	(10,932)
Interest Expense	(6,161)	(23,939)	(30,100)	-
<b>Total Nonoperating Revenues (Expenses)</b>	<b>2,029,296</b>	<b>(23,939)</b>	<b>2,005,357</b>	<b>(10,762)</b>
<b>Income (Loss) Before Contributions and Transfers</b>	<b>(66,747)</b>	<b>(344,938)</b>	<b>(411,685)</b>	<b>132,750</b>
<b>Capital Contributions and Transfers</b>				
Contributed Capital In (Out)	-	-	-	(965,212)
Transfers In (Out)	1,500,000	593,460	2,093,460	275,000
<b>Total Capital Contributions and Transfers</b>	<b>1,500,000</b>	<b>593,460</b>	<b>2,093,460</b>	<b>(690,212)</b>
<b>Change in Net Position</b>	<b>1,433,253</b>	<b>248,522</b>	<b>1,681,775</b>	<b>(557,462)</b>
<b>Net Position, Beginning of Year</b>	<b>10,214,052</b>	<b>1,000,612</b>	<b>11,214,664</b>	<b>7,029,961</b>
<b>Net Position, End of Year</b>	<b>\$ 11,647,305</b>	<b>\$ 1,249,134</b>	<b>\$ 12,896,439</b>	<b>\$ 6,472,499</b>

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

# TOWN OF AVON, COLORADO

## STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2021

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Mobility Fund	Fleet Maintenance Fund	Totals	
<b>Cash Flows From Operating Activities</b>				
Cash Received from Customers and Users	\$ 255,647	\$ 633,817	\$ 889,464	\$ -
Cash Received from Interfund Services Provided	-	603,293	603,293	750,789
Cash Payments to Suppliers	(585,786)	(539,339)	(1,125,125)	(14,636)
Cash Payments to Employees	(1,093,735)	(853,351)	(1,947,086)	-
Cash Payments for Interfund Services Used	(374,529)	(18,267)	(392,796)	-
Other Operating Revenues	111,413	9,911	121,324	1,180
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(1,686,990)</b>	<b>(163,936)</b>	<b>(1,850,926)</b>	<b>737,333</b>
<b>Cash Flows From Noncapital Financing Activities</b>				
Taxes Received	41,340	-	41,340	-
Grants Received	1,121,490	-	1,121,490	-
Net Borrowings (To) From Other Funds	200,000	(200,000)	-	-
Transfers In (Out) from Other Funds	1,500,000	593,460	2,093,460	275,000
<b>Net Cash Provided by Noncapital Financing Activities</b>	<b>2,862,830</b>	<b>393,460</b>	<b>3,256,290</b>	<b>275,000</b>
<b>Cash Flows From Capital Financing Activities</b>				
Acquisition and Construction of Capital Assets	(1,017,685)	-	(1,017,685)	(801,520)
Sales of Capital Assets	-	-	-	91,150
Interest Paid on Long-term Debt	(6,161)	(22,461)	(28,622)	-
Principal Paid on Long-term Debt	(35,594)	(171,000)	(206,594)	-
<b>Net Cash Used in Capital Financing Activities</b>	<b>(1,059,440)</b>	<b>(193,461)</b>	<b>(1,252,901)</b>	<b>(710,370)</b>
<b>Cash Flows From Investing Activities</b>				
Investment Earnings	-	-	-	170
<b>Net Cash Provided by Investing Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>170</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>116,400</b>	<b>36,063</b>	<b>152,463</b>	<b>302,133</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b>460,400</b>	<b>9,127</b>	<b>469,527</b>	<b>3,174,827</b>
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 576,800</b>	<b>\$ 45,190</b>	<b>\$ 621,990</b>	<b>\$ 3,476,960</b>

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

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Transit Fund	Fleet Maintenance Fund	Totals	
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>				
<b>Operating Income (Loss)</b>	<u>\$ (2,096,043)</u>	<u>\$ (320,999)</u>	<u>\$ (2,417,042)</u>	<u>\$ 143,512</u>
<b>Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used in) Operating Activities</b>				
Depreciation and Amortization	443,697	137,989	581,686	607,829
Change in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	3,375	-	3,375	-
(Increase) Decrease in Intergov. Receivable	-	(45,328)	(45,328)	-
( Increase) Decrease in Deferred Expense	(40,486)	-	(40,486)	-
(Increase) Decrease in Inventory	-	10,302	10,302	-
Increase (Decrease) in Accounts Payable	(4,217)	77,551	73,334	(14,008)
Increase (Decrease) in Accrued Liabilities	2,208	(150)	2,058	-
Increase (Decrease) in Compensated Absences	4,476	(23,301)	(18,825)	-
Total Adjustments	<u>409,053</u>	<u>157,063</u>	<u>566,116</u>	<u>593,821</u>
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u><u>\$ (1,686,990)</u></u>	<u><u>\$ (163,936)</u></u>	<u><u>\$ (1,850,926)</u></u>	<u><u>\$ 737,333</u></u>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>				
<b>Noncash Transactions Affecting Financial Position</b>				
Contributions of Capital Assets from				
Governmental Activities	\$ -	\$ -	\$ -	\$ 213,610
Contributions of Capital Assets to				
Governmental Activities	-	-	-	(1,255,469)
Capital Assets Disposed	-	-	-	(102,082)
Principal on Capital Leases Paid from				
Governmental Activities	-	-	-	76,647
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,067,294)</u>

# TOWN OF AVON, COLORADO

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## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2021

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

### **Note 1. Summary of Significant Accounting Policies**

#### **A. Financial Reporting Entity**

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

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

The Town’s blended component units are –

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

*Avon General Improvement District No. 1* – The Town of Avon General Improvement District No. 1 was organized on August 28, 2007, by adoption of Ordinance No. 07-07. The services to be provided within and for the District include transportation and recreation services and include the property known as Lots 1 and 2 of the final plat of the Chateau St. Claire

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

## **B. Government-wide and Fund Financial Statements**

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

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

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

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

*Measurement Focus and Basis of Accounting.* The government-wide financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements. Revenues are recognized when earned and expenses are recognized when the liability is incurred regardless of the timing of related cash flows. Depreciation is computed and recorded as an operating expense. Expenditures for property, plant and equipment are

# TOWN OF AVON, COLORADO

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## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2021

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shown as increases in assets and redemption of bonds and notes are recorded as a reduction in liabilities.

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

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

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

The Town's major governmental funds are:

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of all the Town's enterprise and internal service funds are charges to customers for sales and services. Operating expenses for enterprise and internal service funds include the cost of sales and services, administrative expenses, and depreciation on

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capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Town's major proprietary funds are:

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

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

#### **D. Budget Information**

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

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

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

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

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

# TOWN OF AVON, COLORADO

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## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2021

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*Restricted Assets.* Restricted assets in the amount of \$451,280 are reported in the Capital Projects Fund. This consists of an escrow account with FirstBank for accumulating funds for asphalt overlay in the Village at Avon pursuant to the Town’s lawsuit settlement agreement with Traer Creek Metropolitan District and the developer.

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

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

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

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

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

Deferred inflows of resources represent an acquisition of net assets that applies to future periods that will not be recognized as an inflow of resources (revenue) until that time. The Town has one item that qualifies for reporting in this category: unavailable revenue. *Unavailable revenue* is reported in the government-wide and proprietary fund statement of net position and in the governmental funds balance sheet. The Town reports *unavailable revenue* from one source: property taxes: *unavailable revenue – property taxes* is reported in the

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government-wide and proprietary funds statement of net position and in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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

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

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

## **F. Property Taxes**

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

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

## **G. Compensated Absences**

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

# TOWN OF AVON, COLORADO

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## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2021

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

### **H. Fund Equity**

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

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

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

When fund balance resources are available for a specific purpose in more than one classification, it is the Town’s policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed. The Town considers all unassigned fund balances to be “reserves” for future operations or capital replacement as defined within Article X, Section 20 of the Constitution of the State of Colorado (see Note 10).

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## **I. Statements of Cash Flows**

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

## **J. Debt Costs**

Unamortized premiums of \$238,886 are reflected in noncurrent liabilities. Premiums are amortized over the remaining lives of the related debt issues using the effective interest method.

## **Note 2. Legal Compliance – Budgets**

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

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

Expenditures may not legally exceed budgeted appropriations at the fund level. Budgetary comparisons in the accompanying combined financial statements and in the individual fund statements are presented at a lower-than-required level of control to facilitate detailed financial analysis. The Avon Urban Renewal Fund expenditures exceeded budgeted appropriations during 2021. This may be a violation of Colorado budget law.

# TOWN OF AVON, COLORADO

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## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2021

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### Note 3. Cash and Investments

Cash and investments as of December 31, 2021 are classified in the accompanying financial statements as follows:

	\$ 27,025,183
Cash and Cash Equivalents	9,209,762
Investments	<u>451,280</u>
Restricted Assets - Cash and Cash Equivalents	
 Total	 <u>\$ 36,686,225</u>

Cash and investments as of December 31, 2021 consist of the following:

Cash on Hand	\$ 5,075
Demand Deposits	2,659,638
Other Deposits with Financial Institutions	451,280
Local Government Investment Pools	29,360,783
Investments	<u>4,209,449</u>
 Total	 <u>\$ 36,686,225</u>

### Investments Authorized by the Town of Avon Investment Policy

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

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

### Fair Value of Investments

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

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

At December 31, 2021, the Town had the following recurring fair value measurements:

<u>Investments Measured at Fair Value</u>	<u>Total</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
U.S. Government Treasury Securities	\$ 2,705,500	\$ 2,705,500	\$ -	\$ -
Federal Instrumentality Securities	1,503,979	1,503,979	-	-
Colostrust Edge	<u>13,000,735</u>	<u>13,000,735</u>	-	-
Total	<u>\$17,210,214</u>	<u>\$17,210,214</u>	<u>\$ -</u>	<u>\$ -</u>

<u>Investments Measured at Net Asset Value</u>	<u>Total</u>
Colostrust	<u>\$16,360,048</u>

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

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

At December 31, 2021 unrealized losses were \$28,084 which reflects changes in the fair market value of investments.

### **Interest Rate Risk**

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

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

# TOWN OF AVON, COLORADO

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## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2021

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		Weighted Average Maturity (in Years)
U.S. Government Treasury Notes	\$ 2,705,500	1.91
U.S. Government Agency Securities:		
Federal Home Loan Bank	506,019	0.68
Federal Home Loan Mortgage Corp.	997,960	0.75
Colotrust	<u>29,360,783</u>	NA
Total	<u>\$ 33,570,262</u>	

### Credit Risk

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

Presented below is the minimum rating, as required by the Town's investment policy, for investments of the Town as of December 31, 2021.

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

### Concentration of Credit Risk

Except for commercial paper investments, the investment policy of the Town contains no limitations on the amount that can be invested in any one issuer. Commercial paper issuers are limited to no more than 5% of the Town's portfolio. The Town had no direct investments in commercial paper at December 31, 2021.

The Town did not have any investments in any one issuer (other than U.S. Treasury obligations and local government investment pools) that represented 5% or more of total Town investments.

### Custodial Credit Risk

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

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The Town's deposits are entirely covered by federal depository insurance ("FDIC") or by collateral held under Colorado's Public Deposit Protection Act ("PDPA"). The FDIC insures the first \$250,000 of the Town's deposits at each financial institution. Deposit balances over \$250,000 are collateralized as required by PDPA. The Colorado Public Deposit Protection Act (PDPA) requires that cash be deposited in eligible public depositories and that deposits in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds with the Town being a named participant in the single institution collateral pool. The minimum pledging requirement is 102% of the uninsured deposits. The Colorado State Banking Board verifies the market value at least monthly. Bank assets (usually securities) are required by PDPA to be delivered to a third-party institution for safekeeping and pledged to the Colorado Division of Banking. Based on the above, the Colorado State Auditor has concluded that there is no custodial risk for public deposits collateralized under PDPA. The carrying amount of the Town's demand deposits was \$2,659,638 at year end.

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

### **Local Government Investment Pools**

Local government investment pools are trusts established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the trusts. A designated custodial bank serves as custodian pursuant to a custodian agreement. The custodian acts as safekeeping agent for the trusts' investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the trusts.

The Town of Avon invests its surplus funds in the Colorado Local Government Liquid Asset Trust's Colotrust Plus+ and Colotrust Edge funds. The Plus+ fund may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities as well as in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. The Plus+ fund is a stable \$1.00 net asset value (NAV) fund that offers daily liquidity. At December 31, 2021, the Town's investment in Colotrust Plus+ was 48.7% of the Town's investment portfolio. The Edge fund is an enhanced cash, variable rate NAV fund that is

# TOWN OF AVON, COLORADO

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2021

managed to approximate a \$10.00 per share and offers weekly liquidity. As of December 31, 2021, the Town's investment in Colotrust Edge was 38.7% of the Town's investment portfolio.

### Note 4. Capital Assets

Capital asset activity for the year ended December 31, 2021 was as follows:

<b>Governmental Activities:</b>	Beginning Balance (Restated)	<u>Increases</u>	<u>Decreases</u>	Ending Balance
Capital Assets, Not Being Depreciated:				
Land and Land Improvements	\$ 11,449,801	\$ -	\$ -	\$ 11,449,801
Public Art	1,361,400	-	-	1,361,400
Water Rights	1,792,959	-	-	1,792,959
Deed Restrictions	464,768	847,222	-	1,311,990
Construction in Progress	<u>618,412</u>	<u>2,379,664</u>	<u>(624,889)</u>	<u>2,373,187</u>
Total Capital Assets, Not Being Depreciated	<u>15,687,340</u>	<u>3,226,886</u>	<u>(624,889)</u>	<u>18,289,337</u>
Capital Assets, Being Depreciated:				
Depreciable Land Improvements	190,870	314,372	-	505,242
Buildings	27,632,075	231,670	(126,717)	27,737,028
Utilities	4,771,174	52,439	-	4,823,613
Machinery and Equipment	7,153,077	1,015,130	(768,436)	7,399,771
Infrastructure	<u>92,397,325</u>	<u>818,413</u>	<u>-</u>	<u>93,215,738</u>
Total Capital Assets, Being Depreciated	<u>132,144,521</u>	<u>2,432,024</u>	<u>(895,153)</u>	<u>133,681,392</u>
Less Accumulated Depreciation:				
Depreciable Land Improvements	(190,870)	(1,310)	-	(192,180)
Buildings	(10,672,492)	(945,143)	126,717	(11,490,918)
Utilities	(2,120,330)	(230,411)	-	(2,350,741)
Machinery and Equipment	(4,298,292)	(607,829)	666,354	(4,239,767)
Infrastructure	<u>(55,493,178)</u>	<u>(3,032,873)</u>	<u>-</u>	<u>(58,526,051)</u>
Total Accumulated Depreciation	<u>(72,775,162)</u>	<u>(4,817,566)</u>	<u>793,071</u>	<u>(76,799,657)</u>
Total Capital Assets, Being Depreciated, Net	<u>59,369,359</u>	<u>(2,385,542)</u>	<u>(102,082)</u>	<u>56,881,735</u>
Governmental Activities Capital Assets, Net	<u>\$ 75,056,699</u>	<u>\$ 841,344</u>	<u>\$ (726,971)</u>	<u>\$ 75,171,072</u>

<b>Business-type Activities:</b>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets, Not Being Depreciated:				
Land	\$ 411,834	\$ -	\$ -	\$ 411,834
Total Capital Assets, Not Being Depreciated	<u>411,834</u>	<u>-</u>	<u>-</u>	<u>411,834</u>
Capital Assets, Being Depreciated:				
Buildings	16,879,022	-	-	16,879,022
Machinery and Equipment	<u>3,321,418</u>	<u>1,017,685</u>	<u>(7,044)</u>	<u>4,332,059</u>
Total Capital Assets, Being Depreciated	<u>20,200,440</u>	<u>1,017,685</u>	<u>(7,044)</u>	<u>21,211,081</u>
Less Accumulated Depreciation:				
Buildings and Facilities	(5,782,118)	(421,818)	-	(6,203,936)
Machinery and Equipment	<u>(2,531,440)</u>	<u>(159,868)</u>	<u>7,044</u>	<u>(2,684,264)</u>
Total Accumulated Depreciation	<u>(8,313,558)</u>	<u>(581,686)</u>	<u>7,044</u>	<u>(8,888,200)</u>
Total Capital Assets, Being Depreciated, Net	<u>11,886,882</u>	<u>435,999</u>	<u>-</u>	<u>12,322,881</u>
Business-type Activities Capital Assets, Net	<u>\$ 12,298,716</u>	<u>\$ 435,999</u>	<u>\$ -</u>	<u>\$ 12,734,715</u>

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

Governmental Activities:	
General Government	\$ 463,024
Community Development	3,100
Public Safety	342,366
Public Works and Utilities, including general infrastructure assets	3,516,583
Recreation	408,643
Mobility	<u>83,850</u>
Total Depreciation Expense – Governmental Activities	<u>\$ 4,817,566</u>
Business-type Activities:	
Transportation	\$443,697
Fleet Maintenance	<u>137,989</u>
Total Depreciation Expense – Business-type Activities	<u>\$ 581,686</u>

# TOWN OF AVON, COLORADO

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2021

### Note 5. Long-term Debt

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

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

In 2020, the Avon Urban Renewal Authority issued its Series 2020 Tax Increment Revenue Refunding Loan in the amount of \$4,111,000 with an interest rate of 2.11%. This loan along with the release of the Series 2013 debt service reserve of \$628,240 was used to refund the outstanding Series 2013 Tax Increment Revenue Bonds in the aggregate principal amount of \$4,560,000. The refunding resulted in an economic gain of \$176,403 with a cash flow savings of \$883,089.

The 2017 Bonds and the 2020 Loan constitute a pledge of, and an irrevocable first lien (but not an exclusive first lien), on all pledged revenues. Pledged revenues include the portion of the ad valorem proprietary taxes produced by the levies at the rates fixed each year by the governing bodies of the various taxing jurisdictions within the Urban Renewal Project Area. The levies are assessed upon that portion of the valuation for assessment of all taxable property in excess of a defined property tax base amount. The pledged revenues are reduced by a) any County collection fee (b) tax increment revenues required to be remitted by the Authority to the Confluence Metropolitan District pursuant to the Avon Station/Confluence IGA; and (c) ad valorem property taxes produced by a mill levy of any special district formed after May 28, 2009. Revenue bonds and loans outstanding at December 31, 2021, are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
General Government – Avon Urban Renewal Authority	2.11% - 2.90%	<u>\$ 5,362,945</u>

Annual debt service requirements to maturity for revenue bonds outstanding at December 31, 2021, are as follows:

<u>Year Ending December 31</u>	<u>Avon Urban Renewal Authority</u>	
	<u>Principal</u>	<u>Interest</u>
2022	\$ 619,647	\$ 129,525
2023	634,175	114,861
2024	648,867	99,843
2025	664,728	84,466
2026	679,762	68,705
2030-2031	<u>2,115,766</u>	<u>125,452</u>
Total	<u>\$ 5,362,945</u>	<u>\$ 622,852</u>

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

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

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

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

Certificates of Participation outstanding at December 31, 2021, are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
General Government – Refunding and Capital	1.23% - 4.0%	<u>\$10,484,000</u>

# TOWN OF AVON, COLORADO

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2021

Annual debt service requirements to maturity for Certificates of Participation outstanding at December 31, 2021, are as follows:

Year Ending December 31	Governmental Activities		Business Activities	
	Principal	Interest	Principal	Interest
2022	\$ 715,000	\$ 238,558	\$ 175,000	\$ 20,357
2023	734,000	222,992	179,000	18,204
2024	748,000	203,973	177,000	16,002
2025	770,000	184,605	180,000	13,825
2026	784,000	167,720	184,000	11,611
2027-2031	3,428,000	511,360	760,000	23,493
2032-2035	<u>1,650,000</u>	<u>124,068</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 8,829,000</u>	<u>\$ 1,653,276</u>	<u>\$ 1,655,000</u>	<u>\$ 103,492</u>

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

- Lease obligation for equipment with a total cost of \$355,818 and a book value net of accumulated depreciation at December 31, 2021 of \$252,607. Due in seven annual installments of \$55,720 through November 2024. Amortization is based on an interest rate of 2.35%. The Town may terminate the lease by paying the applicable purchase option on any scheduled payment. Balance at December 31, 2021 is \$159,601.
- Lease obligation for equipment with a total cost of \$258,258 and a book value net of accumulated depreciation at December 31, 2021 of \$221,783. Due in fourteen semi-annual installments of \$20,877 through August 2025. Amortization is based on an interest rate of 3.39%. The Town may terminate the lease by paying the applicable purchase option on any scheduled payment. Balance at December 31, 2021 is \$154,967.

Annual debt service requirements to maturity for Capital Lease Obligations outstanding at December 31, 2021, are as follows:

Year Ending December 31	Governmental Activities		Business Activities	
	Principal	Interest	Principal	Interest
2022	\$ 51,969	\$ 3,751	\$ 36,811	\$ 4,944
2023	53,191	2,529	38,069	3,686
2024	54,441	1,279	39,371	2,384
2025	<u>-</u>	<u>-</u>	<u>40,716</u>	<u>1,038</u>
Total	<u>\$ 159,601</u>	<u>\$ 7,559</u>	<u>\$ 154,967</u>	<u>\$ 12,052</u>

*Changes in Long-term Liabilities.* Long-term liability activity for the year ended December 31, 2021, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
Bonds Payable:					
Revenue Bonds	\$ 5,968,223	\$ -	\$ 605,278	\$ 5,362,945	\$ 619,647
Certificates of Participation	<u>9,535,000</u>	<u>-</u>	<u>706,000</u>	<u>8,829,000</u>	<u>715,000</u>
	15,503,223	-	1,311,278	14,191,945	1,334,647
Bond Premium	<u>252,797</u>	<u>-</u>	<u>13,911</u>	<u>238,886</u>	<u>14,151</u>
Total Bonds Payable	15,756,020	-	1,325,189	14,430,831	1,348,788
Capitalized Leases Payable	236,248	-	76,647	159,601	51,969
Compensated Absences	<u>538,509</u>	<u>776,871</u>	<u>818,779</u>	<u>496,601</u>	<u>496,601</u>
Governmental Activity Long-term Liabilities	<u>\$16,530,777</u>	<u>\$ 776,871</u>	<u>\$ 2,220,615</u>	<u>\$15,087,033</u>	<u>\$ 1,897,368</u>
<b>Business-type Activities:</b>					
Certificates of Participation	\$ 1,826,000	\$ -	\$ 171,000	\$ 1,655,000	\$ 175,000
Total Bonds Payable	1,826,000	-	171,000	1,655,000	175,000
Capitalized Leases Payable	190,562	-	35,595	154,967	36,810
Compensated Absences	<u>110,008</u>	<u>144,191</u>	<u>163,016</u>	<u>91,183</u>	<u>91,183</u>
Business-type Activity Long-term Liabilities	<u>\$ 2,126,570</u>	<u>\$ 144,191</u>	<u>\$ 369,611</u>	<u>\$ 1,901,150</u>	<u>\$ 302,993</u>

*Conduit Debt Obligations.* The Town has sponsored the issuance of revenue bonds in prior years to provide financial assistance to private-sector entities for the acquisition and construction of facilities deemed to be in the public interest. Neither the Town, the State of Colorado, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying general purpose financial statements. Conduit debt obligations at December 31, 2021, are described as follows:

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

In 2003, the Town approved the issuance by Dowd of \$9,520,000 in Series 2003 Refunding Revenue Bonds to defease the outstanding Series 1998A Revenue Bonds by placing the

# TOWN OF AVON, COLORADO

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## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2021

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proceeds of the Series 2003 bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. In August 2013, Dowd issued \$8,450,000 in Series 2013 Multifamily Housing Project Refunding Revenue Bonds to refund the Series 2003 Bonds. In November 2014, Dowd issued \$8,850,000 of Multifamily Housing Project Refunding Revenue Bonds, Series 2014A to refund and defease the Series 2013 bonds. As of December 31, 2021, there was \$7,600,780 outstanding in Series 2014A Multifamily Housing Project Refunding Revenue Bonds, and \$1,600,000 outstanding in Series 1998 B&C Subordinate Revenue Bonds.

*Defeased Debt.* Certain other bonds previously issued by the Town have been defeased by the issuance of refunding bonds. As of December 31, 2021, there are no amounts outstanding on any refunded bonds.

### **Note 6. Employee Retirement Plans**

*Full-time Employees.* The Town maintains two single-employer, defined contribution pension plans for full-time employees: (1) the Town of Avon Police Officers Money Purchase Pension Plan of which there are 28 participants, and (2) the Town of Avon General Employee Money Purchase Pension Plan of which there are 129 participants as of December 31, 2021. Plan administration and recordkeeping of these plans is provided by The Principal Financial Group.

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

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

Employees hired prior to September 30, 1990, become vested in accordance with a vesting schedule which is dependent on the type of employee and hire date. All employees hired after September 30, 1990, start partial vesting after two years of service and are fully vested after five years of service. In addition, if an employee reaches normal retirement age, dies, or becomes totally and permanently disabled his account becomes fully vested regardless of length of service. Forfeitures by employees who leave employment before being fully vested are applied, first, to offset administrative expenses of the plans, and second, to reduce matching employer contributions. Forfeitures totaling \$27,382 were used in 2021 for administrative expenses. No forfeitures were used to reduce matching employer contributions.

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Contributions made by employees and the Town for the three years ended December 31, 2021, are as follows:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Employee Contributions	<u>\$ 792,164</u>	<u>\$ 784,962</u>	<u>\$ 747,006</u>
Town Contributions	<u>\$ 792,164</u>	<u>\$ 784,962</u>	<u>\$ 747,006</u>

Both the Town and the covered employees each made the required 11% contributions to the plans. There are no liabilities for benefits beyond the Town’s matching payments. No changes in the various plan’s provisions occurred in 2021.

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

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

Contributions made by plan members and the Town for the three years ended December 31, 2021, are as follows:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Employees	<u>\$41,043</u>	<u>\$35,822</u>	<u>\$42,997</u>
Town	<u>\$35,359</u>	<u>\$30,137</u>	<u>\$37,245</u>

Both the Town and the covered employees each made the required 3.75% contributions to the plan. There are no liabilities for benefits beyond the Town’s matching payments. As of December 31, 2021, there were 205 participants in this plan.

# TOWN OF AVON, COLORADO

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## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2021

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### Note 7. 457 Deferred Compensation Plan

The Town offers its full-time employees an optional supplemental deferred compensation plan created in accordance with Internal Revenue Code Section 457. Plan administration and recordkeeping is provided by The Principal Financial Group. The 457 plan allows eligible participants the opportunity to accumulate additional retirement savings with certain tax advantages. Deposits into the 457 plan are not subject to state or federal income taxes at the time of deposit, and earnings on these deposits are deferred until withdrawn. As of December 31, 2021, there were 46 participants in the 457 plan.

### Note 8. Employee Health Care

The Town has a self-insurance plan for employee health and dental care. A third-party administrator processes individual employee claims and negotiates excess stop-loss insurance policies. Excess stop-loss insurance policies are purchased to cover individual claims in excess of \$40,000 and aggregate total yearly claims in excess of \$1,882,920. Settled benefit claims did not exceed the aggregate total yearly claims for 2021. As of December 31, 2021, the Town held reserves for future claims in the amount of \$1,446,415.

The following represents the changes in the claims reserve for the Town for 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Claims Reserve for Future Claims, Beginning of Year	\$ 1,239,247	\$ 1,123,095
Current Year Deposits for Estimated Claims	1,594,487	1,664,624
Excess Stop Loss Refunds for Specific (Individual) Claims	213,156	541,355
Claim Payments	<u>(1,600,475)</u>	<u>(2,089,827)</u>
Claims Reserve for Future Claims, End of Year	<u>\$ 1,446,415</u>	<u>\$ 1,239,247</u>

### Note 9. Interfund Receivables, Payables and Transfers

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are reported in the fund financial statements as “due to/from other funds”. These interfund receivables and payables are expected to be repaid within the next year. The composition of these interfund balances as of December 31, 2021, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Fleet Maintenance Fu	<u>\$ 100,000</u>

Interfund Transfers:

<u>Fund</u>	Transfers <u>In</u>	Transfers <u>Out</u>
Major Funds:		
General Fund	\$ 341,648	\$ 1,700,000
Urban Renewal Authority Fund	-	750,000
Debt Service	968,485	-
Capital Projects Fund	928,500	2,128,593
Mobility Enterprise Fund	1,500,000	-
Fleet Maintenance Enterprise Fund	593,460	-
Equipment Replacement Fund	425,000	150,000
Other Funds:		
Community Enhancement Fund	<u>-</u>	<u>28,500</u>
 Total	 <u>\$ 4,757,093</u>	 <u>\$ 4,757,093</u>

During the year, capital assets purchased in 2021 related to governmental funds, with a book values of \$213,610 were transferred to the internal service fund. In addition, capital lease principal payments of \$76,647 were made on behalf of the internal service fund. No amounts were reported in the governmental funds as the amounts did not involve the transfer of financial resources. However, the internal service fund reported contributed capital in for the capital resources received.

**Note 10. Commitments and Contingencies**

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

*Construction Contract Commitments.* As of December 31, 2021, the Town had four construction contract commitments outstanding in the amount of \$377,695.

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

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

# TOWN OF AVON, COLORADO

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## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2021

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defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

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

Enterprises, defined as government-owned business authorized to issue revenue bonds and receiving less than 10 percent of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR. TABOR also requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. The Town has established an emergency reserve in the General Fund for the year ended December 31, 2021 in the amount of \$980,080.

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

### **Note 11. Risk Management**

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

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

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

Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members. CIRSA has indicated that the amount of any excess losses would be billed to members in proportion to their contributions in the year such

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excess occurs, although it is not legally required to do so. The Town's annual contribution to CIRSA amounted to \$251,782 for 2021. The Town has not been informed of any excess losses that may have been incurred by the pool.

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

### **Note 12. Upper Eagle Regional Water Authority**

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

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

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

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

### **Note 13. Tax Abatements**

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

# TOWN OF AVON, COLORADO

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2021

<u>Development Area</u>	<u>Revenues Impacted</u>	<u>Governing Document</u>	<u>Amount</u>	<u>Requirements</u>
Village at Avon PUD	Sales Tax, Accommodation Tax, Real Estate Transfer Tax	Consolidated, Amended and Restated Annexation and Development Agreement	\$4,681,931	100% tax credit against sales, accommodations and real estate transfer taxes paid within the development area.
Riverfront PUD	Property Tax Increment	Intergovernmental Agreement	\$ 493,584	100% tax rebate of incremental property taxes received from Avon Station Metropolitan District, excluding Lot B.

### Note 14. Major Taxpayers

For the year ended December 31, 2021 fifty-six percent (56%) of the Town's sales tax revenues were received from the ten highest-paying companies.

### Note 15. Restated Beginning Net Position

Governmental Accounting Standards Board (GASB) Statement No. 51, Accounting and Financial Reporting for Intangible Assets, requires intangible assets to be classified and reported as capital assets. Examples of intangible assets include easements, water rights, timber rights, patents, trademarks, and computer software.

In 2020, the Town of Avon began a program whereby the Town provides financial assistance to local residents purchasing a home, in exchange for a future deed restriction on the ownership of that home. A buyer is required to use the residence as a primary residence for at least three (3) years and future purchasers must qualify as Eagle County Employees as defined in Section 3.12.020 of the Avon Municipal Code.

As such, the government-wide statement of activities reports a restatement of the beginning net position in the amount of \$464,768 for its governmental activities, which represents the capitalization of intangible assets at December 31, 2020.

<u>Statement of Activities</u> <u>Governmental Activities</u>	
Net Position, Beginning of Year	\$ 90,473,677
Capitalization of Intangible Assets	<u>464,768</u>
Net Position, Beginning of Year (Restated)	<u>\$ 90,938,445</u>

# TOWN OF AVON, COLORADO

## REQUIRED SUPPLEMENTAL INFORMATION

### GENERAL FUND

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

### (BUDGETARY BASIS) - BUDGET AND ACTUAL

### FOR THE YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 13,525,678	17,588,200	\$ 17,984,254	\$ 396,054
Licenses and Permits	300,100	320,325	453,213	132,888
Intergovernmental	1,009,480	1,169,778	1,143,901	(25,877)
Charges for Services	1,059,782	1,290,694	1,481,861	191,167
Fines and Forfeitures	46,900	38,700	45,753	7,053
Investment Earnings	150,000	75,000	4,385	(70,615)
Other Revenues	488,500	502,500	475,397	(27,103)
<b>Total Revenues</b>	<b>16,580,440</b>	<b>20,985,197</b>	<b>21,588,764</b>	<b>603,567</b>
<b>Expenditures</b>				
Current:				
General Govt., Finance & Administration	4,851,740	5,445,933	5,058,990	386,943
Community Development	544,161	551,108	539,138	11,970
Public Safety	4,188,557	4,279,054	4,169,397	109,657
Public Works	4,788,045	5,118,144	4,476,007	642,137
Recreation	1,742,160	1,771,432	1,622,206	149,226
<b>Total Expenditures</b>	<b>16,114,663</b>	<b>17,165,671</b>	<b>15,865,738</b>	<b>1,299,933</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	465,777	3,819,526	5,723,026	1,903,500
<b>Other Financing Sources (Uses)</b>				
Transfers In:				
Capital Projects Fund	247,314	341,648	341,648	-
Community Enhancement Fund	30,000	-	-	-
Transfers Out:				
Mobility Enterprise Fund	(1,300,000)	(1,300,000)	(1,300,000)	-
Fleet Maintenance Enterprise Fund	(400,000)	(400,000)	(400,000)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(1,422,686)</b>	<b>(1,358,352)</b>	<b>(1,358,352)</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>(956,909)</b>	<b>2,461,174</b>	<b>4,364,674</b>	<b>1,903,500</b>
<b>Fund Balances, Beginning of Year</b>	<b>8,447,722</b>	<b>10,202,887</b>	<b>10,202,887</b>	<b>-</b>
<b>Fund Balances, End of year</b>	<b>\$ 7,490,813</b>	<b>\$ 12,664,061</b>	<b>\$ 14,567,561</b>	<b>\$ 1,903,500</b>

# TOWN OF AVON, COLORADO

## REQUIRED SUPPLEMENTAL INFORMATION AVON URBAN RENEWAL AUTHORITY FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (BUDGETARY BASIS) - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 1,607,703	\$ 1,597,957	\$ 1,628,814	\$ 30,857
Investment Earnings	-	-	21	21
<b>Total Revenues</b>	<u>1,607,703</u>	<u>1,597,957</u>	<u>1,628,835</u>	<u>30,878</u>
<b>Expenditures</b>				
Current:				
General Government	49,231	49,231	54,982	(5,751)
Debt Service:				
Principal	600,063	605,278	605,278	-
Interest	149,055	143,841	143,841	-
Fiscal Charges	900	2,150	2,400	(250)
<b>Total Expenditures</b>	<u>799,249</u>	<u>800,500</u>	<u>806,501</u>	<u>(6,001)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	808,454	797,457	822,334	24,877
<b>Other Financing Sources (Uses)</b>				
Transfers Out:				
Capital Project Fund	(700,000)	(750,000)	(750,000)	-
<b>Net Change in Fund Balances</b>	<u>108,454</u>	<u>47,457</u>	<u>72,334</u>	<u>24,877</u>
<b>Fund Balances, Beginning of Year</b>	<u>71,639</u>	<u>22,942</u>	<u>22,942</u>	<u>-</u>
<b>Fund Balances, End of year</b>	<u>\$ 180,093</u>	<u>\$ 70,399</u>	<u>\$ 95,276</u>	<u>\$ 24,877</u>

# TOWN OF AVON, COLORADO

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## NOTES TO REQUIRED SUPPLEMENTAL INFORMATION DECEMBER 31, 2021

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### **Note 1. Budgetary Information**

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

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

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# NONMAJOR GOVERNMENTAL FUNDS

## Special Revenue Funds

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

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

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

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

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

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

# TOWN OF AVON, COLORADO

## COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS DECEMBER 31, 2021

	Special Revenue Funds			
	Water Fund	Community Enhancement Fund	Community Housing Fund	Exterior Energy Offset Fund
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 682,772	\$ 218,973	\$ 1,321,825	\$ 109,238
Receivables:				
- Accounts	-	82,448	4,725	-
- Intergovernmental	62,736	-	-	-
<b>Total Assets</b>	<u>\$ 745,508</u>	<u>\$ 301,421</u>	<u>\$ 1,326,550</u>	<u>\$ 109,238</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 22,289	\$ -	\$ 21,943	\$ -
Accrued Liabilities	1,205	-	-	-
Deposits and Reserves	-	-	1,300	-
<b>Total Liabilities</b>	<u>23,494</u>	<u>-</u>	<u>23,243</u>	<u>-</u>
<b>FUND BALANCES</b>				
<b>Restricted For:</b>				
Water Projects	722,014	-	-	-
Community Enhancement	-	301,421	-	-
<b>Committed For:</b>				
Exterior Energy Offset Programs	-	-	-	109,238
Waste Reduction Programs	-	-	-	-
<b>Assigned For:</b>				
Community Housing Programs	-	-	1,303,307	-
<b>Total Fund Balances</b>	<u>722,014</u>	<u>301,421</u>	<u>1,303,307</u>	<u>109,238</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<u>\$ 745,508</u>	<u>\$ 301,421</u>	<u>\$ 1,326,550</u>	<u>\$ 109,238</u>

Disposable Paper Bag Fee Fund	Total Nonmajor Governmental Funds
\$ 96,974	\$ 2,429,782
10,657	97,830
-	62,736
<u>\$ 107,631</u>	<u>\$ 2,590,348</u>
\$ 480	44,712
-	1,205
-	1,300
<u>480</u>	<u>47,217</u>
-	722,014
-	301,421
-	109,238
107,151	107,151
<u>-</u>	<u>1,303,307</u>
<u>107,151</u>	<u>2,543,131</u>
<u>\$ 107,631</u>	<u>\$ 2,590,348</u>

# TOWN OF AVON, COLORADO

## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2021

	Special Revenue Funds			
	Water Fund	Community Enhancement Fund	Community Housing Fund	Exterior Energy Offset Fund
<b>Revenues</b>				
Licenses and Permits	\$ -	\$ -	\$ -	\$ 8,434
Charges for Services	219,529	-	40,962	-
Investment Earnings	-	-	34	-
Other Revenues	-	82,448	16,876	-
<b>Total Revenues</b>	<b>219,529</b>	<b>82,448</b>	<b>57,872</b>	<b>8,434</b>
<b>Expenditures</b>				
Current:				
General Government	-	-	920,422	-
Community Development	-	-	-	12,000
Public Works and Utilities	136,164	-	-	-
<b>Total Expenditures</b>	<b>136,164</b>	<b>-</b>	<b>920,422</b>	<b>12,000</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	83,365	82,448	(862,550)	(3,566)
<b>Other Financing Sources (Uses):</b>				
Transfers Out:				
Capital Projects Fund	-	(28,500)	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(28,500)</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>83,365</b>	<b>53,948</b>	<b>(862,550)</b>	<b>(3,566)</b>
<b>Fund Balances, Beginning of Year</b>	<b>638,649</b>	<b>247,473</b>	<b>2,165,857</b>	<b>112,804</b>
<b>Fund Balances, End of year</b>	<b>\$ 722,014</b>	<b>\$ 301,421</b>	<b>\$ 1,303,307</b>	<b>\$ 109,238</b>

Disposable Paper Bag Fee Fund	Total Nonmajor Governmental Funds
\$ -	\$ 8,434
-	260,491
-	34
<u>53,056</u>	<u>152,380</u>
<u>53,056</u>	<u>421,339</u>
47,035	967,457
-	12,000
<u>-</u>	<u>136,164</u>
<u>47,035</u>	<u>1,115,621</u>
<u>6,021</u>	<u>(694,282)</u>
<u>-</u>	<u>(28,500)</u>
<u>-</u>	<u>(28,500)</u>
6,021	(722,782)
<u>101,130</u>	<u>3,265,913</u>
<u>\$ 107,151</u>	<u>\$ 2,543,131</u>

# TOWN OF AVON, COLORADO

## WATER FUND

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (BUDGETARY BASIS) - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for Services:				
Water Surcharges	\$ 160,000	\$ 160,000	\$ 164,567	\$ 4,567
Tap Fees	40,000	40,000	54,962	14,962
Total Charges for Services	200,000	200,000	219,529	19,529
<b>Total Revenues</b>	200,000	200,000	219,529	19,529
<b>Expenditures</b>				
Current:				
Public Works and Utilities	128,358	131,348	136,164	(4,816)
<b>Total Expenditures</b>	128,358	131,348	136,164	(4,816)
<b>Net Change in Fund Balances</b>	71,642	68,652	83,365	14,713
<b>Fund Balances, Beginning of Year</b>	600,207	638,649	638,649	-
<b>Fund Balances, End of year</b>	\$ 671,849	\$ 707,301	\$ 722,014	\$ 14,713

# TOWN OF AVON, COLORADO

## COMMUNITY ENHANCEMENT FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (BUDGETARY BASIS) FOR THE YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Other Revenues	\$ 80,000	\$ 80,000	\$ 82,448	\$ 2,448
<b>Total Revenues</b>	<u>80,000</u>	<u>80,000</u>	<u>82,448</u>	<u>2,448</u>
<b>Expenditures</b>				
Current:				
Public Works and Utilities	-	-	-	-
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>80,000</u>	<u>80,000</u>	<u>82,448</u>	<u>2,448</u>
<b>Other Financing Sources (Uses)</b>				
Transfers Out:				
General Fund	(30,000)	-	-	-
Capital Projects Fund	(148,500)	(28,500)	(28,500)	-
<b>Total Other Financing Sources (Uses)</b>	<u>(178,500)</u>	<u>(28,500)</u>	<u>(28,500)</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>(98,500)</u>	<u>51,500</u>	<u>53,948</u>	<u>2,448</u>
<b>Fund Balances, Beginning of Year</b>	<u>246,081</u>	<u>247,473</u>	<u>247,473</u>	<u>-</u>
<b>Fund Balances, End of year</b>	<u>\$ 147,581</u>	<u>\$ 298,973</u>	<u>\$ 301,421</u>	<u>\$ 2,448</u>

# TOWN OF AVON, COLORADO

## COMMUNITY HOUSING FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (BUDGETARY BASIS) FOR THE YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for Services				
Rental Revenues - Employees	\$ 49,068	\$ 49,068	\$ 40,962	\$ (8,106)
Investment Earnings	32	32	34	2
Other Revenues:				
Bond Issuance Fee	10,000	9,514	9,514	-
Loan Principal Repayment	2,636	2,636	2,634	(2)
Miscellaneous Nonclassified	-	-	4,728	4,728
<b>Total Revenues</b>	<b>61,736</b>	<b>61,250</b>	<b>57,872</b>	<b>(3,378)</b>
<b>Expenditures</b>				
Current:				
General Government	900,000	1,302,231	920,422	381,809
<b>Total Expenditures</b>	<b>900,000</b>	<b>1,302,231</b>	<b>920,422</b>	<b>381,809</b>
<b>Net Change in Fund Balances</b>	<b>(838,264)</b>	<b>(1,240,981)</b>	<b>(862,550)</b>	<b>378,431</b>
<b>Fund Balances, Beginning of Year</b>	<b>1,986,773</b>	<b>2,165,857</b>	<b>2,165,857</b>	<b>-</b>
<b>Fund Balances, End of year</b>	<b>\$ 1,148,509</b>	<b>\$ 924,876</b>	<b>\$ 1,303,307</b>	<b>\$ 378,431</b>

# TOWN OF AVON, COLORADO

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## EXTERIOR ENERGY OFFSET FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (BUDGETARY BASIS) FOR THE YEAR ENDED DECEMBER 31, 2021

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	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Licenses and Permits:				
Exterior Energy Offset Fee	\$ 5,000	\$ 5,000	\$ 8,434	\$ 3,434
<b>Total Revenues</b>	<u>5,000</u>	<u>5,000</u>	<u>8,434</u>	<u>3,434</u>
<b>Expenditures</b>				
Current:				
Community Development	<u>13,000</u>	<u>13,000</u>	<u>12,000</u>	<u>1,000</u>
<b>Total Expenditures</b>	<u>13,000</u>	<u>13,000</u>	<u>12,000</u>	<u>1,000</u>
<b>Net Change in Fund Balances</b>	(8,000)	(8,000)	(3,566)	4,434
<b>Fund Balances, Beginning of Year</b>	<u>112,804</u>	<u>112,804</u>	<u>112,804</u>	<u>-</u>

# TOWN OF AVON, COLORADO

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## DISPOSABLE PAPER BAG FEE FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (BUDGETARY BASIS) FOR THE YEAR ENDED DECEMBER 31, 2021

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	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Other Revenues:				
Disposable Paper Bag Fee	\$ -	\$ 44,000	\$ 53,056	\$ 9,056
<b>Total Revenues</b>	<u>-</u>	<u>44,000</u>	<u>53,056</u>	<u>9,056</u>
<b>Expenditures</b>				
Current:				
General Government	<u>36,000</u>	<u>67,000</u>	<u>47,035</u>	<u>19,965</u>
<b>Total Expenditures</b>	<u>36,000</u>	<u>67,000</u>	<u>47,035</u>	<u>19,965</u>
<b>Net Change in Fund Balances</b>	(36,000)	(23,000)	6,021	29,021
<b>Fund Balances, Beginning of Year</b>	<u>76,787</u>	<u>101,130</u>	<u>101,130</u>	<u>-</u>
<b>Fund Balances, End of year</b>	<u>\$ 40,787</u>	<u>\$ 78,130</u>	<u>\$ 107,151</u>	<u>\$ 29,021</u>

# TOWN OF AVON, COLORADO

## DEBT SERVICE FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (BUDGETARY BASIS) FOR THE YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Investment Earnings	\$ -	\$ -	\$ 6	\$ 6
Other Revenues	-	-	7,133	7,133
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>7,139</b>	<b>7,139</b>
<b>Expenditures</b>				
Debt Service:				
Principal	\$ 691,000	\$ 706,000	\$ 706,000	\$ -
Interest	266,705	253,885	253,885	-
Fiscal Charges	6,150	8,600	6,951	1,649
<b>Total Expenditures</b>	<b>963,855</b>	<b>968,485</b>	<b>966,836</b>	<b>1,649</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(963,855)	(968,485)	(959,697)	8,788
<b>Other Financing Sources (Uses)</b>				
Transfers In:				
Capital Projects Fund	967,385	968,485	968,485	-
<b>Net Change in Fund Balances</b>	<b>3,530</b>	<b>-</b>	<b>8,788</b>	<b>8,788</b>
<b>Fund Balances, Beginning of Year</b>	<b>27,645</b>	<b>27,645</b>	<b>27,645</b>	<b>-</b>
<b>Fund Balances, End of year</b>	<b>\$ 31,175</b>	<b>\$ 27,645</b>	<b>\$ 36,433</b>	<b>\$ 8,788</b>

# TOWN OF AVON, COLORADO

## CAPITAL PROJECTS FUND

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes:				
Real Estate Transfer Tax	\$ 2,500,000	\$ 6,000,000	\$ 7,354,186	\$ 1,354,186
Intergovernmental	-	69,000	61,153	(7,847)
Investment Earnings	50,000	50,000	(12,481)	(62,481)
Other Revenues	-	28,500	34,550	6,050
<b>Total Revenues</b>	<b>2,550,000</b>	<b>6,147,500</b>	<b>7,437,408</b>	<b>1,289,908</b>
<b>Expenditures</b>				
Capital Projects:				
Facilities	1,604,840	2,571,222	1,856,104	715,118
Land and Land Improvements	848,000	817,905	598,700	219,205
Roads and Streets	2,367,000	2,888,698	1,818,387	1,070,311
Utility Projects	-	285,894	68,162	217,732
Communications and Technology	357,000	644,534	200,886	443,648
Debt Service:				
Capital Leases	81,999	81,999	81,999	-
<b>Total Expenditures</b>	<b>5,258,839</b>	<b>7,290,252</b>	<b>4,624,238</b>	<b>2,666,014</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,708,839)	(1,142,752)	2,813,170	3,955,922
<b>Other Financing Sources (Uses)</b>				
Transfers In:				
Avon Urban Renewal Fund	700,000	750,000	750,000	-
Community Enhancement Fund	148,500	28,500	28,500	-
Equipment Replacement Fund	-	150,000	150,000	-
Transfers Out:				
General Fund	(247,314)	(341,648)	(341,648)	-
Debt Service Fund	(967,385)	(968,485)	(968,485)	-
Mobility Fund	(500,000)	(200,000)	(200,000)	-
Fleet Maintenance Fund	(193,460)	(193,460)	(193,460)	-
Equipment Replacement Fund	(425,000)	(425,000)	(425,000)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(1,484,659)</b>	<b>(1,200,093)</b>	<b>(1,200,093)</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>(4,193,498)</b>	<b>(2,342,845)</b>	<b>1,613,077</b>	<b>3,955,922</b>
<b>Fund Balances, Beginning of Year</b>	<b>7,222,383</b>	<b>12,101,243</b>	<b>12,101,243</b>	<b>-</b>
<b>Fund Balances, End of Year</b>	<b>\$ 3,028,885</b>	<b>\$ 9,758,398</b>	<b>\$ 13,714,320</b>	<b>\$ 3,955,922</b>

## ENTERPRISE FUNDS

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

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

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

# TOWN OF AVON, COLORADO

## MOBILITY FUND

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (BUDGETARY BASIS) FOR THE YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 41,597	\$ 41,597	\$ 42,069	\$ 472
Intergovernmental	2,245,980	2,023,708	1,993,388	(30,320)
Charges for Services	273,930	273,930	252,272	(21,658)
Other Revenue	107,243	115,943	111,413	(4,530)
<b>Total Revenues</b>	<b>2,668,750</b>	<b>2,455,178</b>	<b>2,399,142</b>	<b>(56,036)</b>
<b>Expenditures:</b>				
Administration	270,058	309,921	278,793	31,128
Operations	3,757,918	2,408,849	2,316,015	92,834
Wash Bay	222,169	225,250	166,294	58,956
Mobility Programs	313,375	360,042	314,369	45,673
<b>Total Expenditures</b>	<b>4,563,520</b>	<b>3,304,062</b>	<b>3,075,471</b>	<b>228,591</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,894,770)	(848,884)	(676,329)	172,555
<b>Other Financing Sources (Uses):</b>				
Transfers In:				
General Fund	1,300,000	1,300,000	1,300,000	-
Capital Projects Fund	500,000	200,000	200,000	500,000
<b>Total Other Financing Sources (Uses)</b>	<b>1,800,000</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>500,000</b>
<b>Net Change in Fund Balances</b>	<b>(94,770)</b>	<b>651,116</b>	<b>823,671</b>	<b>672,555</b>
<b>Fund Balances, Beginning of Year</b>	<b>618,905</b>	<b>725,524</b>	<b>725,524</b>	<b>-</b>
<b>Fund Balances, End of Year</b>	<b>\$ 524,135</b>	<b>\$ 1,376,640</b>	<b>\$ 1,549,195</b>	<b>\$ 672,555</b>

Fund Balances at December 31, 2021, is computed as follows:

Current Assets	\$ 1,705,077
Less: Current Liabilities and Deferred Inflows of Resources	(192,692)
Add: Current Portion of Capital Leases Payable	36,810
<b>Fund Balances - December 31, 2021</b>	<b>\$ 1,549,195</b>

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

**Net Change in Fund Balances (Budgetary Basis)** \$ 823,671

**Adjustments to Reconcile Budgetary  
Basis to GAAP Basis**

Principal Paid on Capital Leases 35,594  
Capitization of Capital Assets 1,017,685  
Depreciation (443,697)

**Total Adjustments** 609,582

**Change in Net Position (GAAP Basis)** \$ 1,433,253

# TOWN OF AVON, COLORADO

## FLEET MAINTENANCE FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (BUDGETARY BASIS) FOR THE YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Charges for Services:				
Third-party Fleet Maintenance Charges	\$ 725,000	\$ 643,577	\$ 683,105	\$ 39,528
Departmental Fleet Maintenance Services	525,898	618,387	603,293	(15,094)
Fuel Mark-up	12,644	32,200	(3,959)	(36,159)
Other Revenues	-	1,890	9,911	8,021
<b>Total Revenues</b>	<b>1,263,542</b>	<b>1,296,054</b>	<b>1,292,350</b>	<b>(3,704)</b>
<b>Expenditures:</b>				
Fleet Maintenance	1,776,934	1,842,164	1,668,645	173,519
<b>Total Expenditures</b>	<b>1,776,934</b>	<b>1,842,164</b>	<b>1,668,645</b>	<b>173,519</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(513,392)	(546,110)	(376,295)	169,815
<b>Other Financing Sources (Uses):</b>				
Transfers In:				
General Fund	400,000	400,000	400,000	-
Capital Projects Fund	193,460	193,460	193,460	-
<b>Total Other Financing Sources (Uses)</b>	<b>593,460</b>	<b>593,460</b>	<b>593,460</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>80,068</b>	<b>47,350</b>	<b>217,165</b>	<b>169,815</b>
<b>Fund Balances, Beginning of Year</b>	<b>184,906</b>	<b>189,321</b>	<b>189,321</b>	<b>-</b>
<b>Fund Balances, End of Year</b>	<b>\$ 264,974</b>	<b>\$ 236,671</b>	<b>\$ 406,486</b>	<b>\$ 169,815</b>

Fund Balances at December 31, 2021, is computed as follows:

Current Assets	\$ 711,019
Less: Current Liabilities	(479,533)
Add: Current Portion of Certificates of Participation	175,000
<b>Fund Balances - December 31, 2021</b>	<b>\$ 406,486</b>

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

**Net Change in Fund Balances (Budgetary Basis)** \$ 217,165

**Adjustments to Reconcile Budgetary  
Basis to GAAP Basis**

Principal Paid on Certificates of Participation	171,000
Amortization of Deferred Charge on Refunding of Debt	(1,654)
Depreciation	<u>(137,989)</u>

**Total Adjustments** 31,357

**Change in Net Position (GAAP Basis)** \$ 248,522

## **INTERNAL SERVICE FUNDS**

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

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

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# TOWN OF AVON, COLORADO

## EQUIPMENT REPLACEMENT FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (BUDGETARY BASIS) FOR THE YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Charges for Services:				
Equipment Replacement Charges	\$ 750,789	\$ 750,789	\$ 750,789	\$ -
Investment Earnings	-	-	170	170
Other Revenues	-	-	1,180	1,180
<b>Total Revenues</b>	<u>750,789</u>	<u>750,789</u>	<u>752,139</u>	<u>1,350</u>
<b>Expenditures:</b>				
Capital Outlay:				
Fleet and Heavy Equipment	990,505	983,133	653,240	329,893
Recreation Center Equipment & Improvements	3,331	38,478	23,215	15,263
Computer and Office Equipment	24,499	34,443	34,543	(100)
Machinery and Equipment	43,898	43,898	-	43,898
<b>Total Expenditures</b>	<u>1,062,233</u>	<u>1,099,952</u>	<u>710,998</u>	<u>388,954</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(311,444)</u>	<u>(349,163)</u>	<u>41,141</u>	<u>390,304</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In:				
Equipment Replacement Fund	425,000	425,000	425,000	-
Transfers Out:				
Equipment Replacement Fund	-	(150,000)	(150,000)	-
Sales of Capital Assets	35,000	75,000	-	(75,000)
<b>Total Other Financing Sources (Uses)</b>	<u>460,000</u>	<u>350,000</u>	<u>275,000</u>	<u>(75,000)</u>
<b>Net Change in Fund Balances</b>	148,556	837	316,141	315,304
<b>Fund Balances, Beginning of Year</b>	<u>3,030,717</u>	<u>3,155,954</u>	<u>3,155,954</u>	<u>-</u>
<b>Fund Balances, End of Year</b>	<u>\$ 3,179,273</u>	<u>\$ 3,156,791</u>	<u>\$ 3,472,095</u>	<u>\$ 315,304</u>

Fund Balances at December 31, 2021, is computed as follows:

Current Assets	\$ 3,476,960
Less: Current Liabilities	(56,834)
Add: Current Portion of Capital Leases Payable	<u>51,969</u>
Fund Balances - December 31, 2021	<u>\$ 3,472,095</u>

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

<b>Net Change in Fund Balances (Budgetary Basis)</b>	<u>\$ 316,141</u>
<b>Basis to GAAP Basis</b>	
Capitalization of Capital Assets	801,520
Book Value of Capital Assets Disposed	(102,082)
Transfers In of Non-financial Resources	290,257
Transfers Out of Non-financial Resources	(1,255,469)
Depreciation	<u>(607,829)</u>
<b>Total Adjustments</b>	<u>(873,603)</u>
<b>Change in Net Position (GAAP Basis)</b>	<u><u>\$ (557,462)</u></u>

## **MISCELLANEOUS SCHEDULES**

# TOWN OF AVON, COLORADO

## DEBT SCHEDULE DECEMBER 31, 2021

Purpose	Schedule of Indebtedness					Payments Due In 2022	
	Date Issued	Interest Rate	Maturity Date	Amount Issued	Amount Outstanding	Principal	Interest
<b>Revenue Bonds:</b>							
Series 2017, Avon URA Tax Increment Revenue Bonds	1/5/17	2.90%	12/1/31	\$ 3,000,000	\$ 2,135,945	\$ 186,647	\$ 61,436
Series 2020, Avon URA Tax Increment Revenue Loan	5/1/20	2.11%	12/1/28	4,111,000	3,227,000	433,000	68,090
<b>Total Revenue Bonds</b>				<u>7,111,000</u>	<u>5,362,945</u>	<u>619,647</u>	<u>129,526</u>
<b>Certificates of Participation:</b>							
Series 2014B, Certificates of Participation	1/14/15	3.03%	12/1/29	3,800,000	2,230,000	250,000	67,569
Series 2016, Certificates of Participation	8/2/16	2.00%-4.00%	12/1/35	6,300,000	4,980,000	295,000	151,075
Series 2020, Refunding Certificates of Participation	9/2/20	1.23%	12/1/30	3,983,000	3,274,000	345,000	40,270
<b>Total Certificates of Participation</b>				<u>14,083,000</u>	<u>10,484,000</u>	<u>890,000</u>	<u>258,914</u>
<b>Capital Lease Obligations</b>							
Master Lease-Purchase, Clayton Holdings	10/5/17	2.35%	11/27/24	355,818	159,601	51,969	3,751
Master Lease-Purchase, Clayton Holdings	8/24/18	3.39%	8/24/25	258,258	154,967	36,811	4,944
<b>Total Capital Lease Obligations</b>				<u>614,076</u>	<u>314,568</u>	<u>88,780</u>	<u>8,695</u>
<b>Total Long-term Debt</b>				<u>\$ 21,808,076</u>	<u>\$ 16,161,513</u>	<u>\$ 1,598,427</u>	<u>\$ 397,135</u>

# TOWN OF AVON, COLORADO

## DETAILED SCHEDULE OF GENERAL FUND EXPENDITURES (BUDGETARY BASIS) - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2021

Description	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>General Government:</b>				
Mayor and Town Council	\$ 292,101	\$ 295,825	\$ 247,434	\$ 48,391
Town Attorney	205,000	255,000	195,295	59,705
Town Clerk	135,652	137,754	136,058	1,696
Municipal Court	134,547	135,767	115,125	20,642
Administrative Services	423,644	462,167	443,512	18,655
Community Relations	248,119	287,104	270,790	16,314
Economic Development	158,700	172,774	154,020	18,754
Special Events	514,898	844,162	741,165	102,997
Community Grants	94,150	99,650	100,200	(550)
<b>Subtotal General Government</b>	<b>2,206,811</b>	<b>2,690,203</b>	<b>2,403,599</b>	<b>286,604</b>
<b>Human Resources:</b>				
Human Resources	593,786	609,680	591,828	17,852
<b>Finance and Information Technology:</b>				
Finance	994,292	1,053,941	867,088	186,853
Information Systems	457,892	473,381	452,877	20,504
Nondepartmental	598,959	618,728	743,598	(124,870)
<b>Subtotal Finance and Administration</b>	<b>2,051,143</b>	<b>2,146,050</b>	<b>2,063,563</b>	<b>82,487</b>
<b>Total General Government, Finance and Administration</b>	<b>4,851,740</b>	<b>5,445,933</b>	<b>5,058,990</b>	<b>386,943</b>
<b>Community Development:</b>				
Boards and Commissions	21,177	21,177	9,952	11,225
Planning	298,600	302,546	307,403	(4,857)
Building Inspection	224,384	227,385	221,783	5,602
<b>Total Community Development</b>	<b>544,161</b>	<b>551,108</b>	<b>539,138</b>	<b>11,970</b>
<b>Public Safety: Police</b>				
Administration	844,494	852,169	770,899	81,270
Patrol	3,009,938	3,089,281	3,018,735	70,546
Investigations	334,125	337,604	379,763	(42,159)
<b>Total Public Safety</b>	<b>4,188,557</b>	<b>4,279,054</b>	<b>4,169,397</b>	<b>109,657</b>

Description	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Public Works and Engineering</b>				
<i>Engineering:</i>				
Engineering	\$ 270,215	\$ 341,027	\$ 335,876	\$ 5,151
Buildings and Facilities	1,282,870	1,354,283	1,280,484	73,799
<i>Public Works:</i>				
Roads and Bridges	2,615,781	2,803,655	2,377,607	426,048
Parks and Grounds	619,179	619,179	482,040	137,139
<b>Total Public Works</b>	<b>4,788,045</b>	<b>5,118,144</b>	<b>4,476,007</b>	<b>642,137</b>
<b>Recreation:</b>				
Administration	263,139	267,702	332,777	(65,075)
Adult Programs	35,703	36,526	24,535	11,991
Aquatics	623,524	634,669	543,975	90,694
Fitness	125,677	123,820	108,895	14,925
Guest Services	350,061	353,468	341,728	11,740
Youth Programs	187,286	196,359	95,083	101,276
Community Swim Program	156,770	158,888	175,213	(16,325)
<b>Total Recreation</b>	<b>1,742,160</b>	<b>1,771,432</b>	<b>1,622,206</b>	<b>149,226</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 16,114,663</b>	<b>\$ 17,165,671</b>	<b>\$ 15,865,738</b>	<b>\$ 1,299,933</b>

# TOWN OF AVON, COLORADO

## DETAILED SCHEDULE OF GENERAL FUND REVENUES (BUDGETARY BASIS) - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2021

Description	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Taxes:</b>				
General Property Tax	\$ 2,045,905	\$ 2,045,905	\$ 2,045,147	\$ (758)
General Property Tax - Delinquent Collections	500	500	301	(199)
General Property Tax - Interest and Penalties	1,500	1,500	1,980	480
General Property Tax - Abatements	-	(3,615)	(3,615)	-
Specific Ownership Tax	115,000	130,000	126,985	(3,015)
Sales Tax	8,476,984	11,264,470	11,425,673	161,203
Utility Tax	115,000	120,000	115,387	(4,613)
Accommodations Tax	1,040,789	2,017,544	2,212,356	194,812
Penalties and Interest	35,000	51,896	52,933	1,037
Sales Tax Audit Assessments	10,000	100,000	129,442	29,442
VAA Retail Sales Fee	855,000	875,000	877,862	2,862
Cigarette Excise Tax	210,000	255,000	258,573	3,573
Tobacco Tax	185,000	300,000	301,631	1,631
Franchise Fees	435,000	430,000	439,599	9,599
<b>Total Taxes</b>	<b>13,525,678</b>	<b>17,588,200</b>	<b>17,984,254</b>	<b>396,054</b>
<b>Licenses and Permits:</b>				
Liquor Licenses	12,500	8,300	10,443	2,143
Business Licenses	75,000	95,000	90,782	(4,218)
Contractor's Licenses	12,000	18,625	18,510	(115)
Tobacco / Cigarette Retailers License	1,500	1,750	1,750	-
Booting/Towing Licenses	500	600	450	(150)
Building Permits	190,000	190,000	322,529	132,529
Road Cut Permits	8,000	5,700	8,749	3,049
Mobile Vendor Cart Permits	600	350	-	(350)
<b>Total Licenses and Permits</b>	<b>300,100</b>	<b>320,325</b>	<b>453,213</b>	<b>132,888</b>
<b>Intergovernmental:</b>				
<i>Federal:</i>				
Click It or Ticket	3,000	3,000	-	(3,000)
Bullet Proof Vest Grant	2,000	2,000	-	(2,000)
LEAF Grant	-	3,808	11,086	7,278
Other Federal Grants	-	-	4,248	4,248
<i>State:</i>				
High Visibility Grants	20,000	20,000	9,073	(10,927)
POST I70 Training Grants	21,000	48,135	27,722	(20,413)
DOLA Grants	47,000	47,000	29,717	(17,283)
<i>Local Government/Other Agency</i>				
Recreation Center Grants	-	8,250	8,250	-
Other Local Grants	5,000	-	1,831	1,831

Description	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Intergovernmental:</b>				
<i>State/County Shared Revenue:</i>				
Conservation Trust	\$ 73,500	\$ 70,000	\$ 79,128	\$ 9,128
Motor Vehicle Registration	24,800	24,800	25,940	1,140
Highway User's Tax	168,430	190,465	205,005	14,540
County Sales Tax	500,000	586,570	590,743	4,173
Road & Bridge Fund	144,000	165,000	150,512	(14,488)
State Severance Tax	750	750	646	(104)
<b>Total Intergovernmental</b>	<b>1,009,480</b>	<b>1,169,778</b>	<b>1,143,901</b>	<b>(25,877)</b>
<b>Charges for Services:</b>				
<i>General Government:</i>				
Photocopying Charges	100	100	-	(100)
License Hearing Fees	100	100	-	(100)
Other Fees and Charges	2,000	3,500	3,149	(351)
Credit Card and Paper Filing Fees	2,500	2,500	1,975	(525)
<i>Community Development:</i>				
Plan Check Fees	120,000	120,000	202,191	82,191
Design Review Fees	15,000	15,000	11,237	(3,763)
Animal Control Fees	150	150	-	(150)
Impact Fee Administrative Fees	1,500	1,500	174	(1,326)
<i>Public Safety:</i>				
Police Reports	1,000	1,000	730	(270)
Off-duty Police Employment	25,000	12,000	9,917	(2,083)
Fingerprinting Fees	500	500	790	290
VIN Inspection Fees	1,800	2,000	1,890	(110)
False Alarm Fees	75	75	65	(10)
National Night Out	1,500	1,500	-	(1,500)
DUI Reimbursement	15,000	15,000	16,639	1,639
<i>Avon Recreation Center:</i>				
Admission Fees	550,000	650,000	789,745	139,745
Program Fees	7,945	15,000	34,886	19,886
Facility Rentals	-	2,000	6,582	4,582
Merchandise Sales	4,596	4,596	4,113	(483)
Other Recreation Center Services	5,004	5,004	4,517	(487)
Fitness Program Revenues	12,000	25,000	46,482	21,482
Swim Team Revenue	50,112	65,000	49,404	(15,596)
Private Lessons	21,000	32,000	23,830	(8,170)

# TOWN OF AVON, COLORADO

## DETAILED SCHEDULE OF GENERAL FUND REVENUES (BUDGETARY BASIS) - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2021 (CONTINUED)

Description	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Charges for Services:</b>				
<i>General Recreation:</i>				
Adult Program Revenues	\$ -	\$ 1,500	\$ 4,513	\$ 3,013
Cabin Equipment Rentals	60,000	60,000	50,158	(9,842)
Athletic Field Rentals	2,000	2,000	340	(1,660)
Cabin Concessions	-	700	645	(55)
Youth Program Revenues	160,000	160,000	126,109	(33,891)
<i>Special Events:</i>				
Concession Sales	-	58,548	58,210	(338)
Sponsorships	-	16,000	16,000	-
Event Fees	400	8,740	8,114	(626)
Special Event Admission Fees	-	5,977	5,631	(346)
Pavillion Rentals	500	3,704	3,825	121
<b>Total Charges for Services</b>	<b>1,059,782</b>	<b>1,290,694</b>	<b>1,481,861</b>	<b>191,167</b>
<b>Fines and Forfeitures:</b>				
Court Fines - Traffic	23,000	23,000	27,188	4,188
Court Fines - Criminal	10,000	6,500	8,405	1,905
Court Fines - Parking	6,700	3,000	4,290	1,290
Court Costs	4,000	3,000	2,820	(180)
Jury Fees	100	100	-	(100)
Bond Forfeitures	100	100	-	(100)
Police Training Surcharge	3,000	3,000	3,050	50
<b>Total Fines and Forfeitures</b>	<b>46,900</b>	<b>38,700</b>	<b>45,753</b>	<b>7,053</b>
<b>Investment Earnings</b>	<b>150,000</b>	<b>75,000</b>	<b>4,385</b>	<b>(70,615)</b>
<b>Miscellaneous Revenues:</b>				
Recreational Amenity Fees	305,000	315,000	328,728	13,728
Lease of Town-owned Property	58,500	58,500	3,589	(54,911)
Miscellaneous Nonclassified Revenues	125,000	129,000	143,080	14,080
<b>Total Miscellaneous Revenues</b>	<b>488,500</b>	<b>502,500</b>	<b>475,397</b>	<b>(27,103)</b>
<b>TOTAL REVENUES</b>	<b>\$ 16,580,440</b>	<b>\$ 20,985,197</b>	<b>\$ 21,588,764</b>	<b>\$ 603,567</b>

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# TOWN OF AVON, COLORADO

## SCHEDULE OF CAPITAL PROJECT FUND PROJECT EXPENDITURES (BUDGETARY BASIS) - BUDGET AND ACTUAL FROM INCEPTION AND FOR THE YEAR ENDED DECEMBER 31, 2021

Project Description	Actual Amounts			Total Project Budget	Variance with Budget - Positive (Negative)
	Prior Years	Current Year	Total		
<b>CAPITAL IMPROVEMENT PROJECTS</b>					
<b>Facilities:</b>					
<i>General Government Facilities:</i>					
Old Town Hall Utility Upgrades	157,002	293,731	450,733	450,000	(733)
Old Town Hall Asbestos Mitigation/Demolition	1,200	442,050	443,250	643,359	200,109
Level 2 EV Charging Station - NTH	5,322	38	5,360	5,000	(360)
New Town Hall 2nd & 3rd Floor Updates	3,335	33,423	36,758	130,000	93,242
Nottingham Park East Improvements	-	58,556	58,556	2,850,000	2,791,444
Office Furniture	-	27,184	27,184	27,000	(184)
<i>Public Safety Facilities:</i>					
PSF Parking Lot Canopy Design	-	14,153	14,153	20,000	5,847
Wildridge Emergency Warning Siren	-	28,436	28,436	51,000	22,564
<i>Fleet and Transportation Facilities:</i>					
Fleet Maintenance EPDM Roof Replacement	-	10,500	10,500	320,000	309,500
<i>Cultural and Recreational Facilities:</i>					
Pavilion Deck Railing and Floor Repair	95,434	301,719	397,153	425,600	28,447
Recreation Center Locker Replacement	-	303,412	303,412	290,000	(13,412)
Recreation Center HVAC Upgrade	-	7,500	7,500	250,000	242,500
Recreation Center ADA Parking	-	865	865	10,000	9,135
Recreation Center Yoga Studio Bathroom Convers	-	28,690	28,690	30,000	1,310
Recreation Center Jacuzzi Leak Repair	-	27,406	27,406	60,000	32,594
Recreation Center Pool Replastering	-	202,980	202,980	205,000	2,020
<i>Other Facilities</i>					
Level 3 DC Fast Charging Station	51,103	317	51,420	75,000	23,580
Level 2 & DC Fast Charging Stations - Tract A	-	75,144	75,144	81,000	5,856
<b>Land and Land Improvements:</b>					
Nottingham Park West Courts Reconstruction	9,307	24,853	34,160	1,077,000	1,042,840
Powerline Undergrounding	-	333	333	120,000	119,667
West Nottingham Park Improvements	-	305,064	305,064	318,000	12,936
North Restrooms - Nottingham Lake Beach	-	19,942	19,942	540,000	520,058
Nottingham Park Light Upgrade - Phase 2	-	247,643	247,643	281,200	33,557
Beach Expansion Planning	-	865	865	20,000	19,135

Project Description	Actual Amounts			Total Project Budget	Variance with Budget - Positive (Negative)
	Prior Years	Current Year	Total		
<b>CAPITAL IMPROVEMENT PROJECTS</b>					
<b>Roads and Streets:</b>					
<i>Streetscape Improvements:</i>					
Mall Activation Elements	\$ 15,088	\$ 1,613	\$ 16,701	\$ 40,000	\$ 23,299
Avon Rd. / I70 Overpass Aesthetics Imp.	53,133	854,960	908,093	1,048,245	140,152
<i>Street Maintenance and Repair:</i>					
Retaining Wall Repairs - Nottingham and Swift C	-	6,179	6,179	150,000	143,821
Annual Guardrail Repair	-	7,035	7,035	40,000	32,965
Buck Creek Repairs	11,651	568,816	580,467	800,000	219,533
Mikaela Way and Benchmark Rd.	-	312,692	312,692	400,000	87,308
Hurd Lane and Avon Rd. Intersection	-	7,030	7,030	20,000	12,970
Metcalf Rd. Culvert Repair	-	41,610	41,610	450,000	408,390
<i>Street Improvements:</i>					
West B/C Blvd. / Beach On-street Parking	-	10,325	10,325	10,325	-
<i>Recreational Trails Program:</i>					
West Avon Preserve Trail Improvements	52,464	1,000	53,464	57,000	3,536
June Creek Emergency Access	-	7,127	7,127	110,000	102,873
<b>Water Projects:</b>					
East Stormwater Quality Vault	253,972	4,106	258,078	315,000	56,922
Nottingham Rd. Debris Flow Study and Imp.	200,134	64,056	264,190	425,000	160,810
<b>Communications and Technology:</b>					
Broadband	-	44,598	44,598	125,000	80,402
RR Bridge LED Messaging Board	-	55,930	55,930	75,000	19,070
Permanent Variable Message Boards	-	17,719	17,719	150,000	132,281
Finance / Comm. Dev. ERP Systems	142,756	22,299	165,055	275,290	110,235
Firearms Simulator	-	32,000	32,000	32,000	-
Hybrid Meeting Technical Improvements	-	28,340	28,340	30,000	1,660
<b>Total Capital Improvement Projects</b>	<b>\$ 1,051,901</b>	<b>\$ 4,542,239</b>	<b>\$ 5,594,140</b>	<b>\$ 12,832,019</b>	<b>\$ 7,237,879</b>

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

<b>LOCAL HIGHWAY FINANCE REPORT</b>		City or County: Avon
		YEAR ENDING : December 2021
This Information From The Records Of (example - City of _ or County of _)		Prepared By: Joel McCracken Phone: 970.748.4019

**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**

II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES	
ITEM	AMOUNT	ITEM	AMOUNT
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	0
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	3,257,858
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	52,160
2. General fund appropriations	2,703,023	b. Snow and ice removal	734,022
3. Other local imposts (from page 2)	126,985	c. Other	
4. Miscellaneous local receipts (from page 2)	1,743,503	d. Total (a. through c.)	786,182
5. Transfers from toll facilities		4. General administration & miscellaneous	
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	440,424
a. Bonds - Original Issues		6. Total (1 through 5)	4,484,463
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	74,993
7. Total (1 through 6)	4,573,511	b. Redemption	245,000
<b>B. Private Contributions</b>		c. Total (a. + b.)	319,993
<b>C. Receipts from State government (from page 2)</b>	230,945	2. Notes:	
<b>D. Receipts from Federal Government (from page 2)</b>	0	a. Interest	
<b>E. Total receipts (A.7 + B + C + D)</b>	4,804,456	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	319,993
		<b>C. Payments to State for highways</b>	
		<b>D. Payments to toll facilities</b>	
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	4,804,456

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
<b>A. Bonds (Total)</b>	2,475,000		245,000	2,230,000
1. Bonds (Refunding Portion)				
<b>B. Notes (Total)</b>				0

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

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		4,804,456	4,804,456		0

Notes and Comments:

<b>LOCAL HIGHWAY FINANCE REPORT</b>		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2021	
<b>II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL</b>			
<b>ITEM</b>	<b>AMOUNT</b>	<b>ITEM</b>	<b>AMOUNT</b>
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	126,985	g. Other Misc. Receipts	
6. Total (1. through 5.)	126,985	h. Other RETT	1,743,503
c. Total (a. + b.)	126,985	i. Total (a. through h.)	1,743,503
	(Carry forward to page 1)		(Carry forward to page 1)
<b>III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL</b>			
<b>ITEM</b>	<b>AMOUNT</b>	<b>ITEM</b>	<b>AMOUNT</b>
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	205,005	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	25,940	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	25,940	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	230,945	3. Total (1. + 2.g)	
			(Carry forward to page 1)
		ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)
		TOTAL (c)	
<b>A.1. Capital outlay:</b>			
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
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)		0	0
			(Carry forward to page 1)
<b>Notes and Comments:</b>			

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# STATISTICAL SECTION

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

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

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

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

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

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

# TOWN OF AVON, COLORADO

## NET POSITION BY COMPONENT LAST TEN FISCAL YEARS

	Fiscal Year			
	2012	2013	2014	2015
<b>Governmental Activities</b>				
Net Investment in Capital Assets	\$ 36,904,217	\$ 34,774,531	\$ 64,112,399	\$ 60,000,945
Restricted For:				
Emergencies	428,947	476,619	598,376	552,335
Debt Service	1,015,589	1,139,575	1,136,228	1,157,629
Capital Improvements	2,530,266	4,635,904	3,386,451	6,198,817
Urban Renewal	216,002	367,082	305,379	404,048
Purposes of Grantors	2,238,966	2,007,140	929,226	1,106,628
Unrestricted	13,544,676	10,217,136	10,466,381	11,283,921
Total Governmental Activities Net Position	<u>\$ 56,878,663</u>	<u>\$ 53,617,987</u>	<u>\$ 80,934,440</u>	<u>\$ 80,704,323</u>
<b>Business-type Activities</b>				
Net Investment in Capital Assets	\$ 1,761,245	\$ 12,583,125	\$ 12,097,298	\$ 11,633,282
Unrestricted	943,960	783,529	843,503	859,368
Total Business-type Activities Net Position	<u>\$ 2,705,205</u>	<u>\$ 13,366,654</u>	<u>\$ 12,940,801</u>	<u>\$ 12,492,650</u>
<b>Primary Government</b>				
Net Investment in Capital Assets	\$ 38,665,462	\$ 47,357,656	\$ 76,209,697	\$ 71,634,227
Restricted	6,429,770	8,626,320	6,355,660	9,419,457
Unrestricted	14,488,636	11,000,665	11,309,884	12,143,289
Total Primary Government Net Position	<u>\$ 59,583,868</u>	<u>\$ 66,984,641</u>	<u>\$ 93,875,241</u>	<u>\$ 93,196,973</u>

Source: Town of Avon Finance Department

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 58,088,785	\$ 56,693,531	\$ 60,092,867	\$ 60,035,630	\$ 59,208,071	\$ 60,606,346
664,805	688,786	693,001	805,865	829,650	980,080
1,169,163	1,175,301	1,163,056	1,162,093	-	-
5,921,087	3,373,917	702,390	657,821	657,821	451,280
555,167	717,740	-	-	22,942	95,276
142,100	192,173	267,911	691,828	886,122	1,023,435
<u>16,341,288</u>	<u>20,329,098</u>	<u>20,540,937</u>	<u>22,762,477</u>	<u>29,333,839</u>	<u>34,975,834</u>
<u>\$ 82,882,395</u>	<u>\$ 83,170,546</u>	<u>\$ 83,460,162</u>	<u>\$ 86,115,714</u>	<u>\$ 90,938,445</u>	<u>\$ 98,132,251</u>
\$ 11,430,538	\$ 11,424,412	\$ 10,877,907	\$ 10,401,752	\$ 10,299,819	\$ 10,940,758
908,749	710,428	652,622	540,075	914,845	1,955,681
<u>\$ 12,339,287</u>	<u>\$ 12,134,840</u>	<u>\$ 11,530,529</u>	<u>\$ 10,941,827</u>	<u>\$ 11,214,664</u>	<u>\$ 12,896,439</u>
\$ 69,519,323	\$ 68,117,943	\$ 70,970,774	\$ 70,437,382	\$ 69,507,890	\$ 71,547,104
8,452,322	6,147,917	2,826,358	3,317,607	2,396,535	2,550,071
<u>17,250,037</u>	<u>21,039,526</u>	<u>21,193,559</u>	<u>23,302,552</u>	<u>30,248,684</u>	<u>36,931,515</u>
<u>\$ 95,221,682</u>	<u>\$ 95,305,386</u>	<u>\$ 94,990,691</u>	<u>\$ 97,057,541</u>	<u>\$ 102,153,109</u>	<u>\$ 111,028,690</u>

# TOWN OF AVON, COLORADO

## CHANGES IN NET POSITION LAST TEN FISCAL YEARS

	Fiscal Year			
	2012	2013	2014	2015
<b>Expenses</b>				
<b>Governmental Activities:</b>				
General Government	\$ 3,400,499	\$ 2,836,303	\$ 3,186,870	\$ 3,042,126
Community Development	421,554	365,960	463,821	1,341,706
Public Safety	2,554,404	2,551,559	2,792,174	3,039,333
Public Works and Utilities	5,479,239	4,814,364	7,179,132	8,458,218
Recreation and Culture	2,737,458	3,851,812	2,061,033	1,430,648
Mobility	-	-	-	-
Interest and Fiscal Charges on Long-term Debt	516,160	600,367	504,343	639,267
<b>Total Governmental Activity Expenses</b>	<b>15,109,314</b>	<b>15,020,365</b>	<b>16,187,373</b>	<b>17,951,298</b>
<b>Business-type Activities:</b>				
Transportation	1,083,097	1,193,289	1,686,778	1,979,505
Fleet Maintenance	1,382,954	1,608,295	1,609,134	1,506,138
<b>Total Business-type Activity Expenses</b>	<b>2,466,051</b>	<b>2,801,584</b>	<b>3,295,912</b>	<b>3,485,643</b>
<b>Total Primary Government Expenses</b>	<b>\$ 17,575,365</b>	<b>\$ 17,821,949</b>	<b>\$ 19,483,285</b>	<b>\$ 21,436,941</b>
<b>Program Revenues</b>				
<b>Governmental Activities:</b>				
Charges for Services:				
General Government	\$ 183,969	\$ 135,448	\$ 163,429	\$ 219,364
Community Development	225,778	485,406	279,179	380,130
Public Safety	52,649	54,205	66,662	69,629
Public Works and Utilities	278,662	256,749	564,090	764,549
Recreation and Culture	1,116,947	1,064,314	1,092,276	1,238,395
Mobility	-	-	-	-
Operating Grants and Contributions	39,607	39,217	52,151	11,713
Capital Grants and Contributions	1,715,337	7,823,132	1,027,911	61,779
<b>Total Governmental Activity Program Revenues</b>	<b>3,612,949</b>	<b>9,858,471</b>	<b>3,245,698</b>	<b>2,745,559</b>
<b>Business-type Activities:</b>				
Charges for Services	1,135,929	1,450,388	1,645,083	1,670,213
Operating Grants and Contributions	-	-	-	-
Capital Grants and Contributions	305,351	90,494	-	-
<b>Total Business-type Activity Program Revenues</b>	<b>1,441,280</b>	<b>1,540,882</b>	<b>1,645,083</b>	<b>1,670,213</b>
<b>Total Primary Government Program Revenues</b>	<b>\$ 5,054,229</b>	<b>\$ 11,399,353</b>	<b>\$ 4,890,781</b>	<b>\$ 4,415,772</b>
<b>Net (Expense) Revenue</b>				
Governmental Activities	\$ (11,496,365)	\$ (5,161,894)	\$ (12,941,675)	\$ (15,205,739)
Business-type Activities	(1,024,771)	(1,260,702)	(1,650,829)	(1,815,430)

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 3,291,190	\$ 3,500,101	\$ 3,661,274	\$ 5,968,157	\$ 5,809,422	\$ 6,169,567
1,202,097	1,617,329	1,454,581	557,539	513,004	536,564
3,214,680	3,703,871	3,983,349	4,310,801	4,466,597	4,372,460
9,656,808	9,026,700	9,448,309	8,134,954	8,245,335	8,481,110
1,584,531	1,684,492	1,978,431	2,160,389	1,814,889	1,917,182
-	-	-	-	-	84,167
754,238	796,462	720,441	617,694	538,010	412,275
19,703,544	20,328,955	21,246,385	21,749,534	21,387,257	21,973,325
1,963,223	2,253,558	2,272,401	2,502,195	2,325,260	2,465,889
1,623,046	1,655,774	1,720,433	1,780,524	1,784,854	1,637,288
3,586,269	3,909,332	3,992,834	4,282,719	4,110,114	4,103,177
<u>\$ 23,289,813</u>	<u>\$ 24,238,287</u>	<u>\$ 25,239,219</u>	<u>\$ 26,032,253</u>	<u>\$ 25,497,371</u>	<u>\$ 26,076,502</u>
\$ 239,199	\$ 294,431	\$ 272,153	\$ 280,165	\$ 197,989	\$ 333,474
369,867	396,731	395,239	843,810	421,822	604,037
99,862	64,275	93,646	60,017	41,786	30,031
698,195	287,151	233,982	484,271	195,682	319,428
1,334,056	1,519,254	1,458,802	1,385,312	744,429	1,141,324
-	-	-	-	-	-
104,217	84,761	75,430	89,873	826,152	104,842
1,816,456	31,237	491,600	815	37,206	48,128
4,661,852	2,677,840	3,020,852	3,144,263	2,465,066	2,581,264
1,557,439	1,482,770	1,564,465	1,644,868	1,813,132	1,656,035
-	-	75,000	245,980	646,470	1,025,745
100,000	328,000	-	-	-	967,643
1,657,439	1,810,770	1,639,465	1,890,848	2,459,602	3,649,423
<u>\$ 6,319,291</u>	<u>\$ 4,488,610</u>	<u>\$ 4,660,317</u>	<u>\$ 5,035,111</u>	<u>\$ 4,924,668</u>	<u>\$ 6,230,687</u>
\$ (15,041,692)	\$ (17,651,115)	\$ (18,225,533)	\$ (18,605,271)	\$ (18,922,191)	\$ (19,392,061)
<u>(1,928,830)</u>	<u>(2,098,562)</u>	<u>(2,353,369)</u>	<u>(2,391,871)</u>	<u>(1,650,512)</u>	<u>(453,754)</u>

# TOWN OF AVON, COLORADO

## CHANGES IN NET POSITION (CONTINUED) LAST TEN FISCAL YEARS

	Fiscal Year			
	2012	2013	2014	2015
<b>General Revenues and Other Changes in Net Position</b>				
<b>Governmental Activities:</b>				
Taxes:				
Property Taxes	\$ 3,027,319	\$ 3,039,132	\$ 2,873,055	\$ 2,904,509
Real Estate Transfer Taxes	1,707,648	1,574,502	3,764,526	2,369,314
Sales and Accommodation Taxes	6,340,557	7,249,935	8,089,010	8,754,673
Other Taxes	499,114	625,756	1,197,603	1,208,352
Unrestricted Investment Earnings	37,827	21,296	45,844	53,161
Loss on Disposal of Capital Assets	(30,857)	-	-	-
Grants and Contributions Not Restricted to Specific Programs	839,112	864,231	883,884	482,769
Miscellaneous	344,503	408,142	500,925	529,843
Capital Contributions	-	(10,955,776)	24,063,281	-
Transfers	(910,000)	(926,000)	(1,160,000)	(1,326,999)
<b>Total Governmental Activities</b>	<b>11,855,223</b>	<b>1,901,218</b>	<b>40,258,128</b>	<b>14,975,622</b>
<b>Business-type Activities:</b>				
Property Taxes	40,032	40,375	40,079	40,280
Capital Contributions	-	10,955,776	24,897	-
Loss on Disposal of Capital Assets	(291,485)	-	-	-
Transfers	910,000	926,000	1,160,000	1,326,999
<b>Total Business-type Activities</b>	<b>658,547</b>	<b>11,922,151</b>	<b>1,224,976</b>	<b>1,367,279</b>
<b>Total Primary Government</b>	<b>\$ 12,513,770</b>	<b>\$ 13,823,369</b>	<b>\$ 41,483,104</b>	<b>\$ 16,342,901</b>
<b>Change in Net Position</b>				
Governmental Activities	\$ 358,858	\$ (3,260,676)	\$ 27,316,453	\$ (230,117)
Business-type Activities	(366,224)	10,661,449	(425,853)	(448,151)
<b>Total Primary Government</b>	<b>\$ (7,366)</b>	<b>\$ 7,400,773</b>	<b>\$ 26,890,600</b>	<b>\$ (678,268)</b>

Source: Town of Avon Finance Department

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 3,315,020	\$ 2,876,177	\$ 3,260,557	\$ 3,226,470	\$ 3,727,486	\$ 3,672,627
3,497,602	4,411,530	3,621,125	5,001,145	5,998,950	7,354,186
9,540,260	9,437,658	10,595,905	11,438,117	11,303,195	13,820,404
1,389,896	1,385,171	641,144	990,898	996,839	2,120,037
139,665	178,997	398,998	549,998	288,927	(7,865)
-	-	-	-	-	-
513,912	913,784	932,146	968,549	918,375	1,052,084
558,618	589,767	772,766	847,185	2,392,866	667,854
(150,215)	(103,403)	-	(61,539)	-	-
(1,584,994)	(1,750,415)	(1,707,492)	(1,700,000)	(1,881,716)	(2,093,460)
17,219,764	17,939,266	18,515,149	21,260,823	23,744,922	26,585,867
40,258	40,297	41,566	41,630	41,633	42,069
150,215	103,403	-	61,539	-	-
-	-	-	-	-	-
1,584,994	1,750,415	1,707,492	1,700,000	1,881,716	2,093,460
1,775,467	1,894,115	1,749,058	1,803,169	1,923,349	2,135,529
\$ 18,995,231	\$ 19,833,381	\$ 20,264,207	\$ 23,063,992	\$ 25,668,271	\$ 28,721,396
\$ 2,178,072	\$ 288,151	\$ 289,616	\$ 2,655,552	\$ 4,822,731	\$ 7,193,806
(153,363)	(204,447)	(604,311)	(588,702)	272,837	1,681,775
\$ 2,024,709	\$ 83,704	\$ (314,695)	\$ 2,066,850	\$ 5,095,568	\$ 8,875,581

# TOWN OF AVON, COLORADO

## CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

	Fiscal Year			
	2012	2013	2014	2015
<b>Revenues</b>				
Taxes	\$ 11,574,638	\$ 12,489,325	\$ 15,924,194	\$ 15,236,848
Licenses and Permits	207,670	336,548	210,636	335,741
Intergovernmental	2,594,056	8,324,980	1,963,946	989,546
Charges for Services	1,473,552	1,556,262	1,757,625	1,682,724
Fines and Forfeitures	151,533	104,736	131,513	129,356
Investment Earnings	37,827	21,296	45,827	53,158
Other Revenues	380,647	531,738	503,354	532,353
<b>Total Revenues</b>	<b>16,419,923</b>	<b>23,364,885</b>	<b>20,537,095</b>	<b>18,959,726</b>
<b>Expenditures</b>				
Current:				
General Government and Housing	3,088,911	2,762,979	3,084,616	2,916,095
Community Development	421,133	369,158	456,063	1,348,166
Public Safety	2,551,488	2,539,475	2,726,711	3,007,164
Public Works and Utilities	3,192,763	1,911,225	3,799,489	4,080,272
Recreation and Culture	2,148,410	3,328,177	1,654,078	1,147,149
Capital Improvements	4,087,083	11,837,101	7,927,709	3,284,852
Debt Service:				
Principal	1,240,000	7,300,000	1,491,042	1,264,966
Interest	470,455	423,487	453,883	503,269
Bond Issuance Costs	-	133,330	-	80,569
Fiscal Charges	43,622	39,145	51,007	41,289
<b>Total Expenditures</b>	<b>17,243,865</b>	<b>30,644,077</b>	<b>21,644,598</b>	<b>17,673,791</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(823,942)	(7,279,192)	(1,107,503)	1,285,935
<b>Other Financing Sources (Uses)</b>				
Transfers In	1,591,071	2,081,160	4,888,511	4,361,441
Transfers Out	(2,501,071)	(3,007,160)	(6,048,511)	(5,138,440)
Debt Issuance Proceeds	-	6,851,367	-	3,800,000
Payments to Escrow Agent	-	-	-	-
Sales of Capital Assets	-	1,151	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(910,000)</b>	<b>5,926,518</b>	<b>(1,160,000)</b>	<b>3,023,001</b>
<b>Net Change in Fund Balances</b>	<b>\$ (1,733,942)</b>	<b>\$ (1,352,674)</b>	<b>\$ (2,267,503)</b>	<b>\$ 4,308,936</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	12.60%	39.77%	12.95%	11.37%

Source: Town of Avon Finance Department

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 17,742,776	\$ 18,148,536	\$ 18,118,731	\$ 20,656,630	\$ 22,026,470	\$ 26,967,254
259,997	374,311	398,860	752,345	388,494	461,647
2,868,277	1,029,782	1,499,176	1,156,632	1,781,733	1,205,054
1,772,510	2,005,812	1,927,701	2,181,861	1,173,521	1,742,352
91,014	94,311	52,220	51,535	39,693	45,753
139,665	178,997	398,998	549,998	288,927	(8,035)
651,603	664,037	748,101	838,635	2,367,398	669,460
<u>23,525,842</u>	<u>22,495,786</u>	<u>23,143,787</u>	<u>26,187,636</u>	<u>28,066,236</u>	<u>31,083,485</u>
3,119,007	3,379,282	3,636,761	4,982,737	5,522,841	6,081,429
1,201,086	1,505,073	1,342,798	521,129	500,739	551,138
3,122,942	3,416,991	3,690,530	3,984,465	4,050,935	4,169,397
5,067,825	4,318,222	4,310,596	4,397,725	4,067,683	4,612,171
1,293,277	1,436,483	1,585,571	1,703,007	1,311,887	1,622,206
8,864,565	6,721,147	8,449,771	3,532,547	2,111,194	4,542,239
1,382,506	1,239,743	1,371,210	1,335,902	1,414,010	1,387,925
473,674	746,385	666,120	624,162	429,221	403,078
147,270	41,162	-	-	113,525	-
54,071	81,625	63,337	10,060	7,084	9,351
<u>24,726,223</u>	<u>22,886,113</u>	<u>25,116,694</u>	<u>21,091,734</u>	<u>19,529,119</u>	<u>23,378,934</u>
<u>(1,200,381)</u>	<u>(390,327)</u>	<u>(1,972,907)</u>	<u>5,095,902</u>	<u>8,537,117</u>	<u>7,704,551</u>
2,819,319	5,508,421	3,266,471	1,623,043	2,205,115	2,238,633
(4,404,313)	(7,258,836)	(5,016,471)	(3,323,043)	(4,086,831)	(4,607,093)
6,300,000	3,080,204	258,258	-	6,084,000	-
-	-	-	-	(6,850,698)	-
-	-	-	-	-	-
<u>4,715,006</u>	<u>1,329,789</u>	<u>(1,491,742)</u>	<u>(1,700,000)</u>	<u>(2,648,414)</u>	<u>(2,368,460)</u>
<u>\$ 3,514,625</u>	<u>\$ 939,462</u>	<u>\$ (3,464,649)</u>	<u>\$ 3,395,902</u>	<u>\$ 5,888,703</u>	<u>\$ 5,336,091</u>
10.95%	10.85%	10.65%	10.61%	10.07%	10.50%

# TOWN OF AVON, COLORADO

## FUND BALANCES, GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

	Fiscal Year				
	2012	2013	2014	2015	2016
<b>General Fund</b>					
Nonspendable	\$ -	\$ 7,442	\$ -	\$ 13,061	\$ 86,136
Restricted	428,947	476,619	598,376	552,335	664,805
Assigned	413,251	413,251	325,000	47,878	-
Unassigned	3,134,327	4,369,187	3,540,922	5,046,651	5,312,950
<b>Total General Fund</b>	<b>3,976,525</b>	<b>5,266,499</b>	<b>4,464,298</b>	<b>5,659,925</b>	<b>6,063,891</b>
<b>All Other Governmental Funds</b>					
Nonspendable	-	-	270	-	-
Restricted	6,045,396	2,803,943	2,370,833	2,668,305	7,787,517
Committed	3,656,294	3,624,653	3,386,451	6,198,817	4,493,621
Assigned	680,408	1,307,854	513,594	517,335	516,183
Unassigned	-	-	-	-	-
<b>Total All Other Governmental Funds</b>	<b>\$ 10,382,098</b>	<b>\$ 7,736,450</b>	<b>\$ 6,271,148</b>	<b>\$ 9,384,457</b>	<b>\$ 12,797,321</b>

	Fiscal Year				
	2017	2018	2019	2020	2021
<b>General Fund</b>					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	688,786	693,001	805,865	829,650	980,080
Assigned	-	-	-	-	-
Unassigned	5,125,805	5,611,041	7,392,670	9,373,237	13,587,481
<b>Total General Fund</b>	<b>5,814,591</b>	<b>6,304,042</b>	<b>8,198,535</b>	<b>10,202,887</b>	<b>14,567,561</b>
<b>All Other Governmental Funds</b>					
Nonspendable	-	-	-	-	-
Restricted	5,459,131	2,133,357	2,511,742	1,566,885	1,569,991
Committed	7,941,466	7,336,358	8,218,307	11,657,356	13,479,429
Assigned	585,486	716,549	832,594	2,193,502	1,303,307
Unassigned	-	(154,281)	(29,251)	-	-
<b>Total All Other Governmental Funds</b>	<b>\$ 13,986,083</b>	<b>\$ 10,031,983</b>	<b>\$ 11,533,392</b>	<b>\$ 15,417,743</b>	<b>\$ 16,352,727</b>

Source: Town of Avon Finance Department

# TOWN OF AVON, COLORADO

## TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

Year	Property Tax				Specific Ownership
	General	Avon Urban Renewal Authority	Penalties, Interest & Abatements	Delinquent Taxes	
2012	\$ 2,209,790	\$ 743,212	\$ 1,805	\$ (19,593)	\$ 92,105
2013	2,158,148	777,838	5,421	875	96,850
2014	2,039,463	784,986	(64,246)	6	112,848
2015	2,027,434	756,471	7,124	172	113,308
2016	2,284,282	1,026,248	4,491	-	119,483
2017	1,733,823	1,136,777	5,555	22	99,498
2018	1,829,624	1,428,646	1,106	181	105,234
2019	1,839,155	1,386,475	12	828	113,657
2020	2,041,834	1,568,090	3,128	-	114,434
2021	2,045,147	1,628,814	(1,635)	301	126,985

Year	Real Estate Transfer Tax	Sales Tax	Utility Tax	Accommodations Tax	Village at Avon Retail Sales Fee
2012	\$ 1,707,648	\$ 5,607,160	\$ 127,060	\$ 733,397	\$ -
2013	1,574,502	6,374,134	110,474	888,867	118,622
2014	3,764,526	7,093,469	109,441	995,540	683,833
2015	2,369,314	7,622,097	106,786	1,132,576	697,924
2016	3,497,602	8,250,381	102,643	1,289,879	735,280
2017	4,448,666	8,104,582	102,279	1,333,939	763,915
2018	3,621,125	8,475,940	105,881	1,334,306	785,659
2019	5,001,145	9,146,851	107,293	1,486,842	804,424
2020	5,998,950	9,214,444	102,442	1,217,787	870,964
2021	7,354,186	11,608,048	115,387	2,212,356	877,862

Year	Cigarette Excise Tax	Tobacco Tax	Franchise Fees	Total
2012	\$ -	\$ -	\$ 372,054	\$ 11,574,638
2013	-	-	383,594	12,489,325
2014	-	-	404,328	15,924,194
2015	-	-	403,642	15,236,848
2016	-	-	432,488	17,742,777
2017	-	-	419,479	18,148,536
2018	-	-	430,029	18,117,731
2019	189,305	146,016	434,627	20,656,630
2020	250,995	214,907	428,495	22,026,470
2021	258,573	301,631	439,599	26,967,254

Source: Town of Avon Finance Department

# TOWN OF AVON, COLORADO

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

Levy Year	Collection Year	Vacant Land	Residential Property	Commercial Property	Other Property	Total Gross Assessed Value
2011	2012	\$ 17,238,450	\$ 101,871,140	\$ 73,141,140	\$ 3,361,120	\$ 195,611,850
2012	2013	15,456,680	102,328,980	71,704,020	3,441,730	192,931,410
2013	2014	16,403,340	90,703,150	67,157,140	4,576,530	178,840,160
2014	2015	15,183,630	92,056,060	66,419,690	4,280,110	177,939,490
2015	2016	14,261,780	121,724,600	70,940,420	3,929,820	211,061,910
2016	2017	13,201,140	123,870,280	69,822,570	4,310,460	211,204,450
2017	2018	12,927,680	129,786,330	79,660,040	4,387,310	226,761,360
2018	2019	11,625,280	131,277,920	83,581,320	3,901,750	230,386,270
2019	2020	12,669,770	146,905,210	89,774,540	3,291,140	252,640,660
2020	2021	10,282,760	151,345,100	89,159,320	3,212,590	253,999,770

Levy Year	Collection Year	Less TIF District Increment (1)	Total Net Assessed Value	Direct Tax Rate	Actual Taxable Value	Value as a Percentage of Actual Value
2011	2012	\$ 12,538,960	\$ 183,072,890	12.072	\$ 1,566,445,080	12.49%
2012	2013	12,511,160	180,420,250	11.983	1,564,516,920	12.33%
2013	2014	12,105,380	166,734,780	12.258	1,406,594,920	12.71%
2014	2015	11,501,900	166,437,590	12.207	1,417,405,720	12.55%
2015	2016	16,476,380	194,585,530	11.765	1,806,178,690	11.69%
2016	2017	17,221,870	193,982,580	8.956	1,825,187,770	11.57%
2017	2018	21,857,430	204,903,930	8.956	2,104,646,220	10.77%
2018	2019	21,475,340	208,910,930	8.956	2,121,154,740	10.86%
2019	2020	24,201,100	228,439,560	8.956	2,389,931,130	10.57%
2020	2021	25,630,460	228,369,310	8.956	2,444,013,540	10.39%

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

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

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

# TOWN OF AVON, COLORADO

## DIRECT AND OVERLAPPING PROPERTY TAX RATES LAST TEN FISCAL YEARS

Taxing Entity	Collection Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Town of Avon</b>										
General Operating	8.956	8.956	8.956	8.956	8.956	8.956	8.956	8.956	8.956	8.956
General Obligation Debt Service	3.116	3.027	3.302	3.251	2.809	0.000	0.000	0.000	0.000	0.000
<b>Total Direct</b>	<b>12.072</b>	<b>11.983</b>	<b>12.258</b>	<b>12.207</b>	<b>11.765</b>	<b>8.956</b>	<b>8.956</b>	<b>8.956</b>	<b>8.956</b>	<b>8.956</b>
<b>Eagle County</b>										
<b>Colleges and School Districts</b>										
Colorado Mountain College	3.997	3.997	3.997	3.997	3.997	3.997	3.997	3.997	4.013	4.013
Eagle County School District RE-50J	21.601	21.362	20.826	21.517	20.331	25.209	24.912	25.115	24.240	24.069
<b>Other Special Districts</b>										
Eagle River Fire Protection District	5.650	7.553	9.238	9.392	8.205	9.740	9.828	10.226	9.766	10.023
Eagle Valley Library District	2.750	2.750	2.750	2.750	2.750	2.750	2.750	2.763	2.763	2.763
Eagle River Water and Sanitation District	0.932	0.931	0.946	0.954	0.852	0.849	0.816	0.815	0.766	0.766
Colorado River Water Conservancy District	0.228	0.242	0.254	0.253	0.243	0.253	0.254	0.256	0.235	0.502
Eagle County Health Services District	1.764	2.023	2.006	2.019	2.008	2.755	2.753	2.766	2.781	2.755
<b>Metropolitan Districts</b>										
Avon General Improvement District No. 1	15.288	15.288	17.557	17.557	14.077	14.005	14.005	14.005	15.186	15.186
Avon Station Metropolitan District	58.000	58.000	58.000	58.000	58.000	63.000	65.585	65.596	65.572	65.780
Confluence Metropolitan District	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Mountain Vista Metropolitan District	25.000	25.000	25.000	25.000	25.000	25.000	26.155	26.354	26.354	9.250
The Village Metropolitan District	50.000	50.000	50.000	50.000	50.000	50.000	50.000	50.000	15.000	15.000

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

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

# TOWN OF AVON, COLORADO

## PRINCIPAL PROPERTY TAX PAYERS CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2021			2012		
	Taxable Assessed Value	Rank	Percentage of Total Town of Avon Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Town of Avon Assessed Value
CSB Properties Holdings LLC	\$ 9,213,860	1	3.63%			0.00%
BFG Colorado LLC	6,654,210	2	2.62%			0.00%
Traer Creek-WMT LLC	5,517,370	3	2.17%	\$ 6,675,480	1	3.41%
Avon MOB LLC	5,355,810	4	2.11%			0.00%
Riverfront Village Hotel, LLC	4,341,930	5	1.71%	2,266,130	10	1.16%
Beaver Creek Vacation Ownership Plan	4,053,510	6	1.60%			0.00%
Traer Creek-HD LLC	3,886,820	7	1.53%	4,824,150	2	2.47%
Avon Piedmont LLC	3,553,100	8	1.40%			0.00%
Avon Wynfield LLC	3,515,990	9	1.38%	2,376,620	8	1.21%
Mountain Vista Condominium Assoc Inc.	3,128,530	10	1.23%	2,309,540	9	1.18%
Points of Colorado	3,015,210	11	1.19%	3,426,460	4	1.75%
Dillon Real Estate Co, Inc	2,779,760	12	1.09%	1,635,990	14	0.84%
Christie Lodge Assoc Ltd	2,461,450	13	0.97%			0.00%
Riverfront Mtn Villas Condominium	2,131,470	14	0.84%			0.00%
CH Retail Fund II/Bvr Crk Nttingham Sta	1,775,680	15	0.70%			0.00%
Comcast of Colorado VII LLC		NA	0.00%	1,290,710	15	0.66%
Servco Inc.		NA	0.00%	2,797,110	6	1.43%
Avon Partners II, LLC		NA	0.00%	2,972,490	5	1.52%
Traer Creek-L2 LLC		NA	0.00%	2,030,010	11	1.04%
Chapel Square Ventures LP		NA	0.00%	4,449,750	3	2.27%
ARI Mountain Center LLC		NA	0.00%	2,519,450	7	1.29%
Traer Creek-RP LLC		NA	0.00%	1,981,370	12	1.01%
Riverview Park Assoc., Inc		NA	0.00%	1,763,960	13	0.90%
<b>Total Assessed Value of the Fifteen Largest Taxpayers</b>	61,384,700		24.17%	43,319,220		22.15%
<b>Total Gross Assessed Value of Other Taxpayers</b>	192,615,070		75.83%	152,292,630		77.85%
<b>Total Gross Assessed Value of All Taxpayers</b>	<u>\$ 253,999,770</u>		<u>100.00%</u>	<u>\$ 195,611,850</u>		<u>100.00%</u>

Source: Eagle County Assessor's Office

# TOWN OF AVON, COLORADO

## PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN FISCAL YEARS

Levy Year	Collection Year	(1) Total Tax Levy	Current Tax Collections	Percent of Current Taxes Collected	(2) Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collections To Total Tax Levy
2011	2012	\$ 2,250,055	\$ 2,209,593	98.20%	\$ (19,296)	\$ 2,190,298	97.34%
2012	2013	2,202,287	2,160,634	98.11%	875	2,161,509	98.15%
2013	2014	2,083,835	2,042,508	98.02%	6	2,042,514	98.02%
2014	2015	2,071,895	2,029,571	97.96%	172	2,029,743	97.97%
2015	2016	2,329,489	2,286,146	98.14%	-	2,286,146	98.14%
2016	2017	1,777,498	1,736,538	97.70%	22	1,736,560	97.70%
2017	2018	1,876,652	1,829,624	97.49%	181	1,829,805	97.50%
2018	2019	1,912,703	1,839,155	96.15%	828	1,839,983	96.20%
2019	2020	2,087,501	2,083,430	99.80%	-	2,083,430	99.80%
2020	2021	2,087,252	2,086,359	99.96%	301	2,086,660	99.97%

**Source:** Town of Avon Finance Department

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

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

# TOWN OF AVON, COLORADO

## RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities					
	General Obligation Bonds	Special Assessment Bonds	Revenue Bonds	Certificates of Participation	Loans	Capital Leases
2012	\$ 1,960,045	\$ -	\$ 870,000	\$ 3,075,000	\$ 6,295,000	\$ 476,227
2013	1,498,650	-	7,270,000	2,950,000	-	516,378
2014	1,017,255	-	6,520,000	2,825,000	-	547,990
2015	520,860	-	6,200,000	6,280,000	-	438,024
2016	-	-	5,790,000	12,235,000	-	325,518
2017	-	-	8,225,362	11,675,000	-	566,231
2018	-	-	7,649,283	11,324,659	-	401,100
2019	-	-	7,053,286	10,661,468	-	311,195
2020	-	-	2,317,223	9,535,000	3,651,000	236,248
2021	-	-	2,135,945	8,829,000	3,227,000	159,601

Fiscal Year	Business-Type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	Certificates of Participation	Capital Leases			
2012	\$ 3,174,614	\$ 326,774	\$ 16,177,660	0.41%	\$ 2,631
2013	3,047,119	303,251	15,585,398	0.39%	2,563
2014	2,914,623	244,259	14,069,127	0.34%	2,337
2015	2,777,127	185,937	16,401,948	0.40%	2,746
2016	2,605,000	125,825	21,081,343	0.49%	3,566
2017	2,465,000	63,864	22,995,457	0.52%	3,948
2018	2,349,640	258,258	21,982,940	0.49%	3,811
2019	2,197,144	224,979	20,448,072	0.44%	3,026
2020	1,826,000	190,561	17,756,032	0.36%	2,890
2021	1,619,000	154,967	16,125,513	NA	2,686

Source: Town of Avon Finance Department

# TOWN OF AVON, COLORADO

## DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT DECEMBER 31, 2021

Government Unit	Debt Outstanding	Estimated Percentage Applicable <sup>a</sup>	Estimated Share of Overlapping Debt
<b>Debt Repaid With Property Taxes</b>			
Confluence Metropolitan District	\$ 23,120,000	100.00%	\$ 23,120,000
Eagle County School District RE-50J	206,620,000	7.70%	15,915,769
Eagle River Fire Protection District	22,328,992	22.75%	5,080,890
The Village Metropolitan District	44,810,000	100.00%	44,810,000
<b>Subtotal - Overlapping debt</b>			88,926,659
<b>Town of Avon Direct Debt</b>			16,085,831
<b>Total Direct and Overlapping Debt</b>			<u>\$ 105,012,490</u>

**Source:** Various Governmental Entities, Eagle County Finance Department

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

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

# TOWN OF AVON, COLORADO

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

	Fiscal Year			
	2012	2013	2014	2015
General Bonded Debt Outstanding General Obligation Bonds	\$ 2,380,000	\$ 1,480,000	\$ 1,005,000	\$ 515,000
Actual Taxable Property Value	1,566,445,080	1,564,516,920	1,406,594,920	1,417,405,720
Net Assessed Value	183,072,890	180,420,250	166,734,780	166,437,590
Percentage of General Bonded Debt Outstanding to Actual Taxable Property Value	0.15%	0.09%	0.07%	0.04%
Town of Avon Population	6,393	6,388	6,410	6,472
Per Capita	\$ 372	\$ 232	\$ 157	\$ 80
Legal Debt Limit	\$ 45,768,223	\$ 45,105,062	\$ 41,683,695	\$ 41,609,398
Total Debt Applicable to Limit	(2,380,000)	(1,480,000)	(1,005,000)	(515,000)
Legal Debt Margin	\$ 43,388,223	\$ 43,625,062	\$ 40,678,695	\$ 41,094,398
Total Debt Applicable to the Limit as a Percentage of Legal Debt Limit	5.20%	3.28%	2.41%	1.24%

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

Fiscal Year						
2016	2017	2018	2019	2020	2021	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
1,806,178,690	1,825,187,770	2,104,646,220	2,121,154,740	2,389,931,130	2,444,013,540	
194,585,530	193,982,580	204,903,930	208,910,930	228,439,560	228,369,310	
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6,505	6,383	6,518	6,365	6,144	6,144	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
\$ 48,646,382	\$ 48,495,645	\$ 51,225,982	\$ 52,227,732	\$ 57,109,890	\$ 57,092,328	
-	-	-	-	-	-	-
\$ 48,646,382	\$ 48,495,645	\$ 51,225,982	\$ 52,227,732	\$ 57,109,890	\$ 57,092,328	
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

# TOWN OF AVON, COLORADO

## DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS

Year	Town of Avon Population	Eagle County Population	Eagle County Personal Income (In \$1,000's)	Eagle County Per Capita Personal Income	Eagle County Median Age	Eagle County RE-50J School Enrollment	Denver / Boulder Consumer Price Index	Eagle County Unemployment Rate
2012	6,148	51,768	\$ 3,955,075	\$ 76,400	34.90	6,408	224.6	8.20%
2013	6,080	51,921	4,008,301	77,200	36.00	6,383	230.8	5.20%
2014	6,021	52,460	4,107,618	78,300	36.20	6,713	237.2	4.75%
2015	5,972	52,921	4,106,670	77,600	36.50	6,546	240.0	2.10%
2016	5,911	53,989	4,297,524	79,600	36.70	6,901	246.6	2.81%
2017	5,825	54,772	4,414,623	80,600	37.00	6,956	254.9	2.22%
2018	5,769	54,993	4,502,332	81,871	37.40	6,863	261.9	2.59%
2019	6,758	55,127	4,699,742	85,253	36.50	6,841	267.4	2.25%
2020	6,144	55,665	4,891,395	87,872	37.80	6,692	272.2	5.10%
2021	6,003	55,727	NA	NA	37.70	7,562	281.8	4.30%

N/A - Information not available.

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

# TOWN OF AVON, COLORADO

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## PRINCIPAL EMPLOYERS CURRENT YEAR AND NINE YEARS AGO

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Employer	2021		2012	
	Employees	Rank	Employees	Rank
Westin Riverfront Resort & Spa	330	1	267	1
Wal-Mart	250	2	252	2
City Market	139	3	129	4
Maya, Mexican Kitchen	132	4	NA	NA
Eagle River Water & Sanitation	115	5	99	6
Home Depot	112	6	124	5
Christie Lodge	105	7	78	9
Town of Avon	99	8	82	8
Colorado Mountain Medical - Avon	71	9	NA	NA
Sheraton Mountain Vista	47	10	89	7
CIMA	NA	NA	150	3
Montana's Bar & Grill	NA	NA	45	10

**Sources:** Various Town of Avon businesses, Department of Labor

# TOWN OF AVON, COLORADO

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## COMMERCIAL AND RESIDENTIAL CONSTRUCTION LAST TEN FISCAL YEARS

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Year	Total Permits Issued	Commercial Construction		Residential Construction		Total Building Construction Value
		Square Footage	Value	No. of Units	Value	
2012	126	54,250	\$ 11,400,000	8	\$ 2,448,500	\$ 13,848,500
2013	159	217,293	27,121,876	12	9,027,760	36,149,636
2014	156	-	1,500,000	10	13,735,900	15,235,900
2015	153	114,614	14,336,000	10	6,970,000	21,306,000
2016	158	90,309	21,525,147	7	8,551,360	30,076,507
2017	167	60,043	29,298,052	6	18,930,069	48,228,121
2018	164	93,579	37,542,440	20	15,120,198	52,662,638
2019	177	23,276	11,851,054	278	64,258,298	76,109,352
2020	169	36,082	14,430,422	12	10,341,682	24,772,104
2021	208	7,900	1,957,878	20	31,467,170	33,425,048

Source: Town of Avon Community Development Department

# TOWN OF AVON, COLORADO

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

	Full-time Equivalent Employees as of December 31				
	2012	2013	2014	2015	2016
General Government					
Administration	2.75	3.75	4.75	4.75	4.60
Special Events	1.00	1.00	1.00	1.00	1.00
Human Resources	2.00	2.00	2.00	3.00	3.00
Finance	9.00	9.00	9.00	9.00	9.00
Community Development	4.00	3.00	3.00	3.00	3.00
Police	20.00	20.00	20.00	20.00	20.40
Public Works:					
Engineering	2.00	2.00	2.00	2.00	2.00
Buildings and Facilities	2.75	3.00	3.00	4.00	4.00
Roads and Bridges, Parks	15.25	16.00	14.00	14.00	15.00
Mobility	4.35	4.00	4.00	6.00	6.00
Fleet Maintenance	7.25	8.00	8.00	8.00	8.00
Recreation	9.00	6.00	7.00	9.00	9.00
Total	<u>79.35</u>	<u>77.75</u>	<u>77.75</u>	<u>83.75</u>	<u>85.00</u>

	Full-time Equivalent Employees as of December 31				
	2017	2018	2019	2020	2021
General Government					
Administration	4.60	5.00	6.00	5.00	6.00
Special Events	2.00	2.00	2.00	1.00	1.00
Human Resources	3.00	3.70	3.70	3.70	3.70
Finance	9.00	10.00	10.00	10.00	9.00
Community Development	3.00	3.00	0.00	3.75	4.00
Police	20.40	21.50	23.30	23.85	24.60
Public Works:					
Engineering	2.00	2.00	2.00	3.00	3.00
Buildings and Facilities	5.00	5.00	5.00	5.00	6.00
Roads and Bridges, Parks	16.00	15.00	16.00	16.00	16.00
Mobility	6.00	8.00	8.00	8.00	9.00
Fleet Maintenance	8.00	8.00	8.00	8.00	9.00
Recreation	10.00	10.00	10.00	10.00	10.00
Total	<u>89.00</u>	<u>93.20</u>	<u>94.00</u>	<u>97.30</u>	<u>101.30</u>

Source: Town of Avon Budget

# TOWN OF AVON, COLORADO

## OPERATING INDICATORS BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

	Fiscal Year			
	2012	2013	2014	2015
<b>Town of Avon Facilities and Services:</b>				
Miles of Streets	23.73	23.73	23.73	23.73
Number of Street Lights	632	632	613	619
<b>Culture and Recreation:</b>				
Miles of Bike/Pedestrian Paths	8.75	8.75	8.82	8.82
Miles of dirt, singletrack trails	0.00	0.00	11.00	11.00
Parks / Lakes	5/1	5/1	5/1	5/1
Park Acreage	672	672	672	672
Tennis/Volleyball /Basketball Courts/Pickleball Courts	4 / 2 / 3	4 / 2 / 3 / 2	4 / 2 / 3 / 2	4 / 2 / 3 / 2
Recreation Centers	1	1	1	1
Softball / Soccer Fields	1 / 2	1 / 2	1 / 2	1 / 2
Playgrounds	4	4	4	4
Performance Art Pavilion			1	1
<b>Police Protection:</b>				
Number of Stations	1	1	1	1
Number of Police Personnel and Officers	20	20	20	21
Number of Patrol Units	16	16	16	15
Number of Law Violations:				
General Ordinance Violations	396	207	438	384
Traffic Violations	495	285	372	314
Parking Violations	110	165	366	282
<b>Facilities and Services Not Included in the Reporting Entity:</b>				
<b>Libraries:</b>				
Number of Libraries / Volumes	1 / 82,193	1 / 79,405	1 / 80,239	1 / 79,226
<b>Water System:</b>				
Miles of Water Mains	24.99	24.99	24.99	24.99
Number of Service Connections	3,814	3,831	3,897	3,917
Daily Average Consumption in Gallons	589,567	675,728	706,833	706,833
Maximum Daily Capacity of Plant in Gallons	10MGD	10MGD	10MGD	10MGD
<b>Sanitary Sewer System:</b>				
Miles of Sanitary Sewers	33.44	33.44	33.44	33.44
Number of Treatment Plants	1	1	1	1
Number of Service Connections	3,953	3,969	4,038	4,086
Maximum Daily Capacity of Treatment Plant in Gallons	4.3MGD	4.3MGD	4.3MGD	4.3MGD
<b>Education:</b>				
Number of Elementary Schools / Instructors	1 / 23	1 / 27	1 / 25	1 / 27
<b>Fire Protection:</b>				
Number of Stations	8	5	5	5
Number of Fire Personnel and Officers	55	66	64	67
Number of Calls Answered	2,089	2,244	2,357	636
Number of Inspections Conducted	190	154	154	122

Fiscal Year					
2016	2017	2018	2019	2020	2021
23.73	23.73	23.73	23.73	23.73	24
634	646	646	666	699	699
9.32	9.32	9.36	9.44	9.51	9.51
11.00	11.00	11.00	11.00	11.00	11.00
5/1	5/2	5/2	5/2	5/2	5/2
672	672	672	672	672	672
4 / 2 / 3 / 2	4 / 2 / 3 / 2	4 / 2 / 3 / 2	4 / 2 / 3 / 2	4 / 2 / 3 / 2	4 / 2 / 3 / 2
1	1	1	1	1	1
1 / 2	1 / 2	1 / 2	1 / 2	1 / 2	0 / 2
4	4	4	4	4	4
1	1	1	1	1	1
1	1	1	1	1	1
23	23	23	22	23	23
15	15	15	15	15	17
419	91	118	82	52	51
543	446	142	226	208	295
234	147	59	160	157	148
1 / 77,490	1 / 78,779	1 / 77,137	1 / 75,963	1 / 77,318	1 / 78,880
24.99	24.99	24.99	24.99	24.99	24.99
3,917	3,980	3,980	4,019	4,267	4,323
709,478	712,521	718,731	725,684	698,030	744,896
10MGD	10MGD	10MGD	10MGD	10MGD	10MGD
33.44	33.44	33.44	33.44	33.44	33.4
1	1	1	1	1	1
4,086	4,118	4,118	4,157	4,405	4,449
4.3MGD	4.3MGD	4.3MGD	4.3MGD	4.3MGD	4.3MGD
1 / 47	1 / 62	1 / 44	1 / 39	1 / 36	1 / 36
6	6	5	5	5	5
68	68	70	70	68	67
670	644	554	564	2,518	634
175	179	166	134	127	141

## **SINGLE AUDIT**

# TOWN OF AVON, COLORADO

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## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED DECEMBER 31, 2021

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### **Note 1. General**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Town of Avon under programs of the federal government for the year ended December 31, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Town of Avon, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Town of Avon.

### **Note 2. Summary of Significant Accounting Policies**

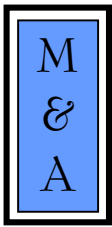
Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, whereas certain types of expenditures are not allowable or are limited as to reimbursement.

### **Note 3. Sub-recipients**

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

### **Note 4. Indirect Facilities and Administration Costs**

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



# MCMAHAN AND ASSOCIATES, L.L.C.

*Certified Public Accountants and Consultants*

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Avon, Colorado (the "Town") as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated July 20, 2022.

### ***Internal Control Over Financial Reporting***

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

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

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

*Member: American Institute of Certified Public Accountants*

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**INDEPENDENT AUDITOR'S REPORT  
To the Town Council  
Town of Avon, Colorado**

***Compliance and Other Matters***

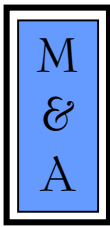
As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect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

***Purpose of this Report***

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

*McMahan and Associates, L.L.C.*

**McMahan and Associates, L.L.C.  
Avon, Colorado  
July 20, 2022**



# MCMAHAN AND ASSOCIATES, L.L.C.

*Certified Public Accountants and Consultants*

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

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

### ***Opinion on Each Major Federal Program***

We have audited Town of Avon, Colorado's (the "Town") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Town's major federal programs for the year ended December 31, 2021. The Town's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

### ***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Town's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Town's federal programs.

*Member: American Institute of Certified Public Accountants*

**INDEPENDENT AUDITOR'S REPORT  
To the Town Council  
Town of Avon, Colorado**

***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Town's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Town's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

***Report on Internal Control Over Compliance***

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

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

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

**INDEPENDENT AUDITOR'S REPORT**  
**To the Town Council**  
**Town of Avon, Colorado**

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

*McMahan and Associates, L.L.C.*

**McMahan and Associates, L.L.C.**  
**Avon, Colorado**  
**July 20, 2022**

**Town of Avon, Colorado**  
**SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended December 31, 2021**

**Part I – Summary of Auditor’s Results**

*Financial Statements:*

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

*Federal Awards:*

Internal control over major programs:	
Material weakness identified	None noted
Significant deficiency identified	None noted
Type of auditor’s report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations Part 200	No
Major programs:	
2021 CARES Act 5311 CRRSAA	ALN 20.509
Dollar threshold used to identify Type A from Type B programs:	\$750,000
Identified as low-risk auditee	Yes

**Part II – Findings Related to Financial Statements**

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

**Part III – Findings Related to Federal Awards**

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

There were no findings for the fiscal year ended December 31, 2020.

# TOWN OF AVON, COLORADO

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## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2021

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Federal Grantor / Pass Through Grantor / Program Or Cluster Title	Federal CFDA #	Federal Expenditures
<b><u>U.S. Department of Justice</u></b>		
Bulletproof Vest Partnership Program	16.607	\$ 4,128
<b>Total U.S. Department of Justice</b>		<b>4,128</b>
<b><u>U.S. Department of Transportation</u></b>		
<i>Passed Through Colorado Department of Transportation:</i>		
Formula Grants for Rural Areas Program	20.509	245,980
Formula Grants for Rural Areas Program - 2020 CARES Act 5311 Operating Award	21.509	967,643
<b>Total U.S. Department of Transportation</b>		<b>1,213,623</b>
<b>Total Expenditures of Federal Awards</b>		<b>\$ 1,217,751</b>

The accompanying notes are an integral part of this schedule.