

Town of Buena Vista, Colorado

Financial Statements
with Independent Auditor's Report

December 31, 2023



**HINKLE &
COMPANY**
Strategic ^{PC}
Business Advisors

Town of Buena Vista, Colorado

Table of Contents
December 31, 2023
(Continued)

Independent Auditor's Report	1
Management's Discussion and Analysis	i
Basic Financial Statements	
<i>Government-wide Financial Statements</i>	
Statement of Net Position	4
Statement of Activities	5
<i>Governmental Funds</i>	
Balance Sheet	6
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	7
Statement of Revenues, Expenditures and Changes in Fund Balance	8
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities	9
<i>Proprietary Fund</i>	
Statement of Net Position	10
Statement of Revenues, Expenses and Changes in Net Position	11
Statement of Cash Flows.....	12
<i>Notes to Financial Statements</i>	13
Required Supplementary Information	
<i>Budgetary Comparison Schedules</i>	
General Fund.....	43
Capital Improvement Fund	44
Conservation Trust Fund	45
Street Fund	46
<i>Notes to Required Supplementary Information</i>	47
Supplementary Information	
<i>Budgetary Comparison Schedules</i>	
Marijuana Fund.....	48
Water Fund	49
Airport Fund	50
Storm Water Fund	51

(Continued)

Town of Buena Vista, Colorado

Table of Contents
December 31, 2023
(Continued)

Compliance Section

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 <i>Government Auditing Standards</i>	52
Independent Auditor's Report on Compliance for Each Major Federal Program; Internal Control Over Compliance, and Report on Schedule of Expenditures of Federal Awards Required by the <i>Uniform Guidance</i>	54
Schedule of Expenditures of Federal Awards.....	57
<i>Notes to the Schedule of Expenditures of Federal Awards</i>	58
Summary Schedule of Findings and Questioned Costs	59
Summary Schedule of Prior Year Findings.....	61

State Compliance

Local Highway Finance Report.....	62
-----------------------------------	----



**HINKLE &
COMPANY**
Strategic ^{PC}
Business Advisors

Independent Auditor's Report

Honorable Mayor and Members of the Board of Trustees
Town of Buena Vista, Colorado
Buena Vista, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and each major fund of the Town of Buena Vista, Colorado (the Town) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Town, 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 business-type activities and each major fund of the Town as of December 31, 2023, and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (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

The Town's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

Office Locations:

Colorado Springs, CO
Denver, CO
Frisco, CO
Tulsa, OK

Denver Office:

750 W. Hampden Avenue,
Suite 400
Englewood,
Colorado 80110
TEL: 303.796.1000
FAX: 303.796.1001
www.HinkleCPAs.com

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 GAAS and *Government Auditing Standards* 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 GAAS and *Government Auditing Standards*, 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.



Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The supplementary information and the local highway finance report listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 the information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Hick & Company, PC

Englewood, Colorado
May 28, 2024



Basic Financial Statements

Town of Buena Vista, Colorado
Statement of Net Position
December 31, 2023

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Assets			
Cash and cash equivalents	\$ 5,640,962	\$ 333,791	\$ 5,974,753
Cash and cash equivalents - restricted	177,475	-	177,475
Investments	2,852,280	3,608,092	6,460,372
Grants receivable	8,701	71,069	79,770
Accounts Receivable	33,530	3,131,418	3,164,948
Taxes Receivable	891,971	-	891,971
Property Taxes Receivable	603,022	-	603,022
Prepaid Expenses	43,801	-	43,801
Net Pension Asset	100,020	-	100,020
Inventories, net	-	160,054	160,054
Capital Assets, <i>not being depreciated</i>	3,476,866	7,125,711	10,602,577
Capital Assets, <i>net of accumulated depreciation</i>	<u>11,707,672</u>	<u>8,067,432</u>	<u>19,775,104</u>
 Total Assets	 <u>25,536,300</u>	 <u>22,497,567</u>	 <u>48,033,867</u>
Deferred Outflows of Resources			
Deferred Outflows Due to Pensions	<u>415,550</u>	<u>-</u>	<u>415,550</u>
Liabilities			
Accounts Payable	1,354,718	652,186	2,006,904
Retainage Payable	-	58,570	58,570
Accrued Payroll Liabilities	8,799	1,080	9,879
Deposits/Escrow accounts	321,416	1,000	322,416
Unearned Revenue	675,239	-	675,239
Accrued Expenses	24,685	15,663	40,348
Notes payable - due within one year	296,198	119,052	415,250
Notes payable - due in more than one year	<u>4,608,030</u>	<u>2,938,803</u>	<u>7,546,833</u>
 Total Liabilities	 <u>7,289,085</u>	 <u>3,786,354</u>	 <u>11,075,439</u>
Deferred Inflows of Resources			
Deferred Inflows Due to Pensions	110,568	-	110,568
Unavailable Revenue - Property Taxes	<u>603,022</u>	<u>-</u>	<u>603,022</u>
 Total Deferred inflows of resources	 <u>713,590</u>	 <u>-</u>	 <u>713,590</u>
Net Position			
Net Investment in Capital Assets	13,247,763	12,176,659	25,424,422
Restricted for:			
Emergencies (TABOR)	150,000	-	150,000
Debt Service	177,475	-	177,475
Streets Improvements	1,269,735	-	1,269,735
Unrestricted, unreserved	<u>3,104,202</u>	<u>6,534,554</u>	<u>9,638,756</u>
 Total Net Position	 <u>\$ 17,949,175</u>	 <u>\$ 18,711,213</u>	 <u>\$ 36,660,388</u>

See Notes to the Financial Statements.

Town of Buena Vista, Colorado
Statement of Activities
For the Year Ended December 31, 2023

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Change in Net Position		
		Charges for Services	Operating Grants and Contributions	Primary Government		Total
				Governmental Activities	Business-Type Activities	
Primary Government						
Governmental Activities						
General Government	\$ 2,573,454	\$ 26,324	\$ 2,168,173	\$ (378,957)	\$ -	\$ (378,957)
Public Safety	2,283,071	-	-	(2,283,071)	-	(2,283,071)
Public Works	1,487,581	45,143	-	(1,442,438)	-	(1,442,438)
Community Services	569,652	153,099	-	(416,553)	-	(416,553)
Culture and Recreation	1,124,443	187,087	-	(937,356)	-	(937,356)
Capital Outlay	2,499	-	-	(2,499)	-	(2,499)
Interest on Long-term Debt	66,027	-	-	(66,027)	-	(66,027)
Total Governmental Activities	8,106,727	411,653	2,168,173	(5,526,901)	-	(5,526,901)
Business-Type Activities						
Water Operations	1,408,384	3,058,955	872,760	-	2,523,331	2,523,331
Airport Operations	960,646	574,060	895,798	-	509,212	509,212
Storm Water	985	77,074	-	-	76,089	76,089
Total Business-Type Activities	2,370,015	3,710,089	1,768,558	-	3,108,632	3,108,632
Total Primary Government	\$ 10,476,742	\$ 4,121,742	\$ 3,936,731	(5,526,901)	3,108,632	(2,418,269)
General Revenues						
Taxes						
Property				564,044	-	564,044
Specific ownership				65,236	-	65,236
General sales				6,523,200	-	6,523,200
Franchise				129,644	-	129,644
Other				403,600	-	403,600
Investment gain(loss)				269,317	114,757	384,074
Misc				943,661	64,097	1,007,758
Transfers				(488,721)	488,721	-
Total General Revenues and Transfers				8,409,981	667,575	9,077,556
Change in Net Position				2,883,080	3,776,207	6,659,287
Net position, beginning of year				15,066,095	14,935,006	30,001,101
Net position, end of year				\$ 17,949,175	\$ 18,711,213	\$ 36,660,388

Town of Buena Vista, Colorado
Balance Sheet
Governmental Funds
December 31, 2023

	Major Funds				Non-Major Funds	Total
	General	Capital Improvement	Conservation Trust	Street	Marijuana Fund	
Assets						
Cash and cash equivalents						
Unrestricted	\$ 3,863,386	\$ 1,082,553	\$ -	\$ 636,684	\$ 58,189	\$ 5,640,812
Restricted	-	-	-	177,475	-	177,475
Investments	1,921,540	356,891	71,907	501,942	-	2,852,280
Accounts receivable	33,530	-	-	-	-	33,530
Taxes receivable	761,139	-	-	123,490	7,342	891,971
Property taxes receivable	603,022	-	-	-	-	603,022
Grants receivable	8,701	-	-	-	-	8,701
Due to Other Funds	(537)	-	-	-	-	(537)
Prepaid expenses	14,088	9,341	-	20,369	-	43,798
	<u>7,204,869</u>	<u>1,448,785</u>	<u>71,907</u>	<u>1,459,960</u>	<u>65,531</u>	<u>10,251,052</u>
Total Assets	\$ 7,204,869	\$ 1,448,785	\$ 71,907	\$ 1,459,960	\$ 65,531	\$ 10,251,052
Liabilities						
Accounts Payable	\$ 1,242,874	\$ 111,441	\$ -	\$ 250	\$ -	\$ 1,354,565
Accrued Expenses	(10,019)	-	-	-	-	(10,019)
Accrued payroll	43,503	-	-	-	-	43,503
Due to Other Funds	-	-	(537)	-	-	(537)
Developer deposits - refundable	321,416	-	-	-	-	321,416
Unearned Revenue	39,239	636,000	-	-	-	675,239
	<u>1,637,013</u>	<u>747,441</u>	<u>(537)</u>	<u>250</u>	<u>-</u>	<u>2,384,167</u>
Total Liabilities	1,637,013	747,441	(537)	250	-	2,384,167
Deferred Inflows of Resources						
Property Taxes	603,022	-	-	-	-	603,022
	<u>603,022</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>603,022</u>
Fund Balance						
Restricted for:						
Emergencies (TABOR)	137,500	-	-	12,500	-	150,000
Debt Service	-	-	-	177,475	-	177,475
Street Improvements	-	-	-	1,269,735	-	1,269,735
Committed	-	-	72,444	-	-	72,444
Assigned	-	701,344	-	-	-	701,344
Unassigned	4,827,334	-	-	-	65,531	4,892,865
	<u>4,964,834</u>	<u>701,344</u>	<u>72,444</u>	<u>1,459,710</u>	<u>65,531</u>	<u>7,263,863</u>
Total Fund Balance	4,964,834	701,344	72,444	1,459,710	65,531	7,263,863
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 7,204,869	\$ 1,448,785	\$ 71,907	\$ 1,459,960	\$ 65,531	\$ 10,251,052

Town of Buena Vista, Colorado
 Reconciliation of Balance Sheet of the Governmental Funds
 to the Statement of Net Position
 December 31, 2023

Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:

Total Fund Balance of Governmental Funds	\$ 7,263,863
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in governmental funds.	15,184,538
Pension assets and deferred outflows are not current, therefore, are not reported in governmental funds:	
Net Pension Asset (Liability)	100,020
Deferred Outflows, Pensions	415,550
Deferred Inflows, Pensions	(110,568)
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in governmental funds.	
Bonds Payable	(1,920,000)
Premium on bond payable	(16,775)
Capital leases payable	(2,860,000)
Accrued compensated absences	(107,453)
Total Net Position of Governmental Activities	\$ <u>17,949,175</u>

Town of Buena Vista, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2023

	Major Funds				Non-Major Funds	Total
	General	Capital Improvement	Conservation Trust	Streets	Marijuana Fund	
Revenues						
Taxes	\$ 6,382,629	\$ -	\$ -	\$ 922,439	\$ 84,021	\$ 7,389,089
Licenses and Permits	250,430	-	-	-	-	250,430
Intergovernmental	304,740	2,063,054	41,972	15,027	-	2,424,793
Charges for Services	158,565	-	-	37,898	-	196,463
Investment Income	216,531	18,105	9,216	25,462	-	269,314
Contributions and donations	4,777	-	-	-	-	4,777
Fines and Forfeitures	30,991	-	-	-	-	30,991
Miscellaneous	66,628	134,534	-	-	-	201,162
Total Revenues	<u>7,415,291</u>	<u>2,215,693</u>	<u>51,188</u>	<u>1,000,826</u>	<u>84,021</u>	<u>10,767,019</u>
Expenditures						
Current						
General Government	1,425,212	1,668,125	-	-	-	3,093,337
Public Safety	2,405,362	2,303,572	-	-	-	4,708,934
Public Works	699,466	101,825	-	579,218	-	1,380,509
Community Services	569,652	11,833	-	-	-	581,485
Culture and Recreation	973,936	171,653	-	-	-	1,145,589
Capital Outlay	-	192,156	-	-	-	192,156
Debt Service						
Principal Payments	-	-	-	110,000	-	110,000
Interest Payments	-	-	-	67,225	-	67,225
Total Expenditures	<u>6,073,628</u>	<u>4,449,164</u>	<u>-</u>	<u>756,443</u>	<u>-</u>	<u>11,279,235</u>
Excess Revenues Over (Under) Expenditures	<u>1,341,663</u>	<u>(2,233,471)</u>	<u>51,188</u>	<u>244,383</u>	<u>84,021</u>	<u>(512,216)</u>
Other Financing Sources (Uses)						
Transfers In	17,250	511,250	-	46,918	-	575,418
Transfers Out	(991,889)	-	(17,250)	-	(55,000)	(1,064,139)
Other Financing Sources (Uses)	<u>(974,639)</u>	<u>511,250</u>	<u>(17,250)</u>	<u>46,918</u>	<u>(55,000)</u>	<u>(488,721)</u>
Net Change in Fund Balance	367,024	(1,722,221)	33,938	291,301	29,021	(1,000,937)
Fund Balance, Beginning of Year	<u>4,597,810</u>	<u>2,423,565</u>	<u>38,506</u>	<u>1,168,409</u>	<u>36,510</u>	<u>8,264,800</u>
Fund Balance, End of Year	<u>\$ 4,964,834</u>	<u>\$ 701,344</u>	<u>\$ 72,444</u>	<u>\$ 1,459,710</u>	<u>\$ 65,531</u>	<u>\$ 7,263,863</u>

Town of Buena Vista, Colorado
 Reconciliation of the Statement of Revenues, Expenditures and Changes in
 Fund Balance of Governmental Funds to the Statement of Activities
 For the Year Ended December 31, 2023

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:

Net Change in Fund Balance of Governmental Funds	\$	(1,000,937)
<p>Capital outlays to purchase or construct capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized in the statement of net position and are allocated over their estimated useful lives as annual depreciation expense in the statement of activities.</p>		
Capital outlays		4,390,844
Depreciation expense		(690,113)
Disposal of assets		(88,492)
<p>FPPA Pension liabilities reported in governmental funds as expenditures when contributions are made. However, for governmental activities those costs are reflected as liabilities when incurred.</p>		
Net Pension Asset (Liability)		(431,779)
Deferred Outflows of Resources		236,917
Deferred Inflows of Resources		175,634
<p>Repayments of long-term liabilities are expenditures in governmental funds, but they reduce long-term liabilities in the statement of net position and do not affect the statement of activities.</p>		
Principal payments on bonds payable		110,000
Amortization of premium on bonds payable		1,198
Principal payments on capital leases		180,000
Change in accrued compensated absences		(192)
		(192)
Change in Net Position of Governmental Activities	\$	2,883,080

Town of Buena Vista, Colorado
Statement of Net Position
Proprietary Fund
December 31, 2023

Assets	Water	Airport	Storm Water	Alternative Energy	Total
<i>Current Assets</i>					
Cash and Investments	\$ 702,247	\$ -	\$ 424,927	\$ -	\$ 1,127,174
Investments	3,608,092	-	-	-	3,608,092
Accounts Receivable	2,333,861	791,076	6,481	-	3,131,418
Grants Receivable	-	71,069	-	-	71,069
Inventory	105,674	54,380	-	-	160,054
Total Current Assets	6,749,874	916,525	431,408	-	8,097,807
<i>Noncurrent Assets</i>					
Capital Assets, <i>Not being depreciated</i>	5,564,697	1,561,014	-	-	7,125,711
Capital Assets, <i>Net of accumulated depreciation</i>	6,093,918	1,973,514	-	-	8,067,432
Total Noncurrent Assets	11,658,615	3,534,528	-	-	15,193,143
Total Assets	18,408,489	4,451,053	431,408	-	23,290,950
Liabilities					
<i>Current Liabilities</i>					
Accounts Payable	659,096	51,660	-	-	710,756
Due to Other Fund	-	793,383	-	-	793,383
Accrued Liabilities	16,445	298	-	-	16,743
Current Portion of Noncurrent Liabilities					
Leases payable	119,052	-	-	-	119,052
Total Current Liabilities	794,593	845,341	-	-	1,639,934
<i>Noncurrent Liabilities</i>					
Deposits	1,000	-	-	-	1,000
Accrued Compensated Absences	32,493	8,878	-	-	41,371
Leases payable	2,897,432	-	-	-	2,897,432
Total Noncurrent Liabilities	2,930,925	8,878	-	-	2,939,803
Total Liabilities	3,725,518	854,219	-	-	4,579,737
Net Position					
Net Investment in Capital Assets	8,642,131	3,534,528	-	-	12,176,659
Unrestricted	6,040,840	62,306	431,408	-	6,534,554
Total Net Position	\$ 14,682,971	\$ 3,596,834	\$ 431,408	\$ -	\$ 18,711,213

Town of Buena Vista, Colorado
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Fund
For the Year Ended December 31, 2023

	Water	Airport	Storm Water	Alternative Energy	Total
Operating Revenues					
Charges for Services	\$ 3,058,955	\$ 574,060	\$ 77,074	\$ -	\$ 3,710,089
Miscellaneous	63,007	1,090	-	-	64,097
Total Operating Revenues	<u>3,121,962</u>	<u>575,150</u>	<u>77,074</u>	<u>-</u>	<u>3,774,186</u>
Operating Expenses					
Administration and General	1,007,621	671,547	985	-	1,680,153
Operations and Maintenance	87,516	-	-	-	87,516
Dryfield Ditch Farm	10,300	-	-	-	10,300
Depreciation	302,947	289,099	-	-	592,046
Total Operating Expenses	<u>1,408,384</u>	<u>960,646</u>	<u>985</u>	<u>-</u>	<u>2,370,015</u>
Net Operating Income	<u>1,713,578</u>	<u>(385,496)</u>	<u>76,089</u>	<u>-</u>	<u>1,404,171</u>
Non-Operating Revenues (Expenses)					
Grant Revenue	116,243	845,798	-	-	962,041
Donations	53	50,000	-	-	50,053
Interest Income	146,091	-	-	-	146,091
Interest Expense	(31,334)	-	-	-	(31,334)
Net Income (Loss) Before Contributed Capital	<u>1,944,631</u>	<u>510,302</u>	<u>76,089</u>	<u>-</u>	<u>2,531,022</u>
Contributed Capital and Transfers					
System Development Fees	756,464	-	-	-	756,464
Transfers In	316,285	172,436	-	-	488,721
Total Capital Contributions and Transfers	<u>1,072,749</u>	<u>172,436</u>	<u>-</u>	<u>-</u>	<u>1,245,185</u>
Change in Net Position	3,017,380	682,738	76,089	-	3,776,207
Net Position, Beginning of Year	<u>11,665,591</u>	<u>2,914,096</u>	<u>355,319</u>	<u>-</u>	<u>14,935,006</u>
Net Position, End of Year	<u>\$ 14,682,971</u>	<u>\$ 3,596,834</u>	<u>\$ 431,408</u>	<u>\$ -</u>	<u>\$ 18,711,213</u>

Town of Buena Vista, Colorado
Statement of Cash Flows
Proprietary Fund
For the Year Ended December 31, 2023

	Water	Airport	Storm Water	Total
Cash Flows From Operating Activities				
Cash Received from Customers	\$ 3,058,955	\$ (132,139)	\$ 77,201	\$ 3,004,017
Cash Received from Others	(2,176,991)	1,090	-	(2,175,901)
Cash Paid to Suppliers	(1,108,084)	42,741	(985)	(1,066,328)
Cash Paid to Employees	(420,529)	(672,050)	-	(1,092,579)
Net Cash Provided by Operating Activities	<u>(646,649)</u>	<u>(760,358)</u>	<u>76,216</u>	<u>(1,330,791)</u>
Cash Flows From Noncapital Financing Activities				
Grants Received	53	50,000	-	50,053
Donations Received	116,243	845,798	-	962,041
Transfer to Other Funds	586,739	695,365	-	1,282,104
Net Cash Provided by Noncapital Financing Activities	<u>703,035</u>	<u>1,591,163</u>	<u>-</u>	<u>2,294,198</u>
Cash Flows From Capital and Related Financing Activities				
System Development Fees	756,464	-	-	756,464
Acquisition and Construction of Capital Assets	(1,790,838)	(830,805)	-	(2,621,643)
Funds held by others	1,960,449	-	-	1,960,449
Debt Principal Payments	(96,402)	-	-	(96,402)
Debt Interest Payments	(31,334)	-	-	(31,334)
Net Cash Used by Capital and Related Financing Activities	<u>798,339</u>	<u>(830,805)</u>	<u>-</u>	<u>(32,466)</u>
Cash Flows From Investing Activities				
Additions to Investments	5,515	-	-	5,515
Interest received	146,091	-	-	146,091
Net Cash Used by Capital and Related Financing Activities	<u>151,606</u>	<u>-</u>	<u>-</u>	<u>151,606</u>
Net Change in Cash and Cash Equivalents	1,006,331	-	76,216	1,082,547
Cash and Cash Equivalents, Beginning of Year	<u>(304,084)</u>	<u>-</u>	<u>348,711</u>	<u>44,627</u>
Cash and Cash Equivalents, End of Year	<u>\$ 702,247</u>	<u>\$ -</u>	<u>\$ 424,927</u>	<u>\$ 1,127,174</u>
Reconciliation of Net Operating Income to Net Cash Provided by Operating Activities:				
Net Operating Income	\$ 1,713,578	\$ (385,496)	\$ 76,089	\$ 1,404,171
Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities				
Depreciation Expense	302,947	289,099	-	592,046
Changes in Assets and Liabilities Related to Operations				
Accounts Receivable	(2,239,998)	(706,199)	127	(2,946,070)
Inventory	(22,666)	2,180	-	(20,486)
Accounts Payable	(397,932)	40,561	-	(357,371)
Accrued Expenses	(5,130)	-	-	(5,130)
Accrued Compensated Absences	2,552	(503)	-	2,049
Net Cash Provided by Operating Activities	<u>\$ (646,649)</u>	<u>\$ (760,358)</u>	<u>\$ 76,216</u>	<u>\$ (1,330,791)</u>

See Notes to the Financial Statements.

Town of Buena Vista, Colorado

Notes to Financial Statements

December 31, 2023

Note 1: Summary of Significant Accounting Policies

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

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

Reporting Entity

In accordance with governmental accounting standards, the Town has considered the possibility of inclusion of additional entities in its basic financial statements.

The definition of the reporting entity is based primarily on financial accountability. The Town is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if the Town officials appoint a voting majority of the organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the Town. The Town may also be financially accountable for governmental organizations that are fiscally dependent upon it.

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

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of net position reports all financial, capital and debt resources of the Town. The difference between assets, liabilities and deferred inflows of the Town is net position.

Town of Buena Vista, Colorado

Notes to Financial Statements

December 31, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

Government-wide and Fund Financial Statements (Continued)

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

Fund Financial Statements

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

Fund Accounting

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

Governmental Funds

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

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

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

Town of Buena Vista, Colorado

Notes to Financial Statements

December 31, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

Governmental Funds (Continued)

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

Property taxes, specific ownership taxes, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Town.

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

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

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

Town of Buena Vista, Colorado

Notes to Financial Statements

December 31, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

Cash and Investments

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

Receivables

The Town uses the allowance method for recognizing the uncollectable delinquent accounts receivable. At December 31, 2023, no allowance has been established, as all amounts are considered collectible. Each October, any utility bills more than 60 days old are certified to the County Treasurer for collection with the property taxes to be collected the following year.

Property Taxes

Property taxes are assessed in one year as a lien on the property, but not collected by governmental units until the subsequent year. In accordance with GAAP, the assessed, but uncollected, property taxes for calendar year 2023 have been recorded as receivable and as deferred revenue. Property taxes are billed and collected by Chaffee County, Colorado and distributed to the municipalities and special districts within the county the month after collection.

Inventories

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

Interfund Receivables and Payables

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

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

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

Town of Buena Vista, Colorado

Notes to Financial Statements

December 31, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

Interfund Receivables and Payables (Continued)

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

Deferred Outflows and Inflows of Resources

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

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

Capital Assets

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

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

Town of Buena Vista, Colorado

Notes to Financial Statements

December 31, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

Capital Assets (Continued)

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

Land Improvements	7 - 20 years
Buildings and Improvements	10 - 50 years
Equipment and Vehicles	5 - 20 years
Infrastructure	7 - 40 years

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

Compensated Absences

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

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

Pensions

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

Town of Buena Vista, Colorado

Notes to Financial Statements

December 31, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

Long-Term Obligations

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

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

Net Position

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

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

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

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

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

Fund Balance Classification

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

Nonspendable fund balance - Amounts that are not in a spendable form (such as inventory) or are required to be maintained intact.

Town of Buena Vista, Colorado

Notes to Financial Statements

December 31, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

Fund Balance Classification (Continued)

Restricted fund balance - Amounts constrained to specific purposes stipulated by external resource providers (such as grantor, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation. Restrictions may be changed or lifted only with the consent of the resource providers.

Committed fund balance - Amounts constrained to specific purposes stipulated by a government itself, determined by formal action by the Board of Trustees to be reported as committed, amounts cannot be used for any other purpose unless changed by the Board of Trustees.

Assigned fund balance - Amounts the Town intends to use for a specific purpose as expressed by management.

Unassigned fund balance - Amounts that are available for any purpose; positive amounts are reported only in the general fund.

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

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

Use of Estimates

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

Town of Buena Vista, Colorado

Notes to Financial Statements

December 31, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

Subsequent Events

The Town has evaluated subsequent events through May 28, 2024, the date the financial statements were available to be issued.

Note 2: Stewardship, Compliance and Accountability

Budgets and Budgetary Accounting

The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

- In October, the Town staff submits to the Town Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 15, the budget is legally enacted through passage of an ordinance.
- The Town Administration is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the Town Council.
- Budgets are legally adopted for all funds of the Town. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). The Budgetary comparison presented for the Enterprise Fund is presented on a non-GAAP budgetary basis. Capital outlay and debt payments are budgeted as expenditures and depreciation is not budgeted.
- Budgeted amounts in the financial statements are as originally adopted or as amended by the Town Council. All appropriations lapse at year end. Colorado governments may not exceed budgeted appropriations at the fund level.

Note 3: Cash Deposits and Investments

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

Town of Buena Vista, Colorado

Notes to Financial Statements

December 31, 2023

Note 3: Cash Deposits and Investments (Continued)

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

Petty Cash	\$	1,268
Cash Deposits		6,150,960
Investments		6,460,372
Total	\$	12,612,600

Deposits

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

As of December 31, 2023, the Town had deposits of \$8,268,014. Depositor's insurance (FDIC) covers \$250,000 of this amount; the balance is covered by PDPA.

Investments

The Town's investment policy lists the authorized investment types as defined by Colorado statutes. Authorized investments include direct obligations of the United States, obligations of U.S. government agencies, general or revenue obligations of any state of the United States, any territory, or political subdivision of any state, qualified bankers' acceptances, commercial paper, certificates of participation, repurchase agreements, qualified local government investment pool, money market funds, qualified corporate or bank debt, and certain guaranteed investment contracts. The Town held no such investments at December 31, 2023.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Trustees. Such actions are generally associated with a debt service reserve or sinking fund requirements.

State statutes specify investment instruments meeting defined rating, maturity, and concentration risk criteria in which local governments may invest, which include the following.

- Obligations of the United States & certain U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Commercial paper
- Local government investment pools

Town of Buena Vista, Colorado

Notes to Financial Statements

December 31, 2023

Note 3: Cash Deposits and Investments (Continued)

Investments (Continued)

- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

Local Government Investment Pool - At December 31, 2023, the Town had \$2,852,279 (fair value) invested in Colotrust, an investment vehicle established by State statute for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces the requirements of creating and operating Colotrust. Colotrust operates similar to money market funds and each share is equal in value to \$1.00. Colotrust is rated AAAM by Standard and Poor's. Investments are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

The Town had the following investments at December 31, 2023:

Investment Type	Rating	Total	Less than 1 year	1 to 5 years
Colorado Liquid Government				
Asset Trust (Colo Trust Plus)	No Rating	\$ 2,852,279	\$ 2,852,279	\$ -
Money Market Funds	No Rating	105,714	105,714	-
U.S. Treasury Securities				
Fixed Income US Treasury Securities	Aaa	773,169	-	773,169
Federal Home Loan Bank	AA+	854,474	-	854,474
Federal Farm Credit Bank	AA+	456,736	-	456,736
Federal Home Loan Mortgage Corporation	Aaa	481,805	481,805.00	-
Federal National Mortgage Association	AA+	936,195	-	936,195
		<u>\$ 6,460,372</u>	<u>\$ 3,439,798</u>	<u>\$ 3,020,574</u>

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

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

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

Town of Buena Vista, Colorado
Notes to Financial Statements
December 31, 2023

Note 4: Capital Assets

Capital assets activity for the year ended December 31, 2023 is summarized below:

Governmental Activities	Balance 12/31/22	Additions	Transfers	Deletions	Balance 12/31/23
<i>Capital Assets, Not Being Depreciated</i>					
Land	\$ 1,046,164	\$ -	\$ -	\$ (88,492)	\$ 957,672
Construction in Progress	4,186,689	3,923,298	(6,126,511)	-	1,983,476
Assets held for other governments	535,718	-	-	-	535,718
Total Capital Assets, Not Being Depreciated	5,768,571	3,923,298	(6,126,511)	(88,492)	3,476,866
<i>Capital Assets, Being Depreciated</i>					
Land improvements & infrastructure	8,641,310	10,870	53,960	-	8,706,140
Buildings	1,889,290	98,741	6,072,551	-	8,060,582
Furniture & fixtures	22,042	-	-	-	22,042
Machinery, vehicles & equipment	2,952,666	357,935	-	-	3,310,601
Developer contributed infrastructure	1,211,270	-	-	-	1,211,270
Intangible	3,000	-	-	-	3,000
Total Capital Assets, Being Depreciated	14,719,578	467,546	6,126,511	-	21,313,635
<i>Less Accumulated Depreciation</i>					
Land improvements & infrastructure	(4,630,347)	(405,142)	-	-	(5,035,489)
Buildings	(1,010,071)	(53,150)	-	-	(1,063,221)
Furniture & fixtures	(17,519)	(987)	-	-	(18,506)
Machinery, vehicles & equipment	(2,396,610)	(168,070)	-	-	(2,564,680)
Developer contributed infrastructure	(858,503)	(62,564)	-	-	(921,067)
Intangible	(2,800)	(200)	-	-	(3,000)
Total Accumulated Depreciation	(8,915,850)	(690,113)	-	-	(9,605,963)
Total Capital Assets, Being Depreciated, net	5,803,728	(222,567)	6,126,511	-	11,707,672
Governmental Activities Capital Assets, net	\$ 11,572,299	\$ 3,700,731	\$ -	\$ (88,492)	\$ 15,184,538

As per the Town's Resolution No. 49, the Town entered into a development agreement with Carbonate Street Apartments, LLC (the Developer) on August 1, 2023 for a housing and childcare project. The Town donated 0.71 acres of land to the Developer with an agreed upon value of \$800,000. Per the agreement, the Town will receive an asset in return once the construction of the childcare building is completed.

Town of Buena Vista, Colorado
Notes to Financial Statements
December 31, 2023

Note 4: Capital Assets (Continued)

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

Governmental Activities	
General Government	\$ 267,323
Public Safety	96,097
Public Works	198,478
Parks and Recreation	<u>128,215</u>
Total	<u>\$ 690,113</u>

Capital assets Business-Type activity for the year ended December 31, 2023 is summarized below:

	<u>Balance 12/31/22</u>	<u>Additions</u>	<u>Transfers</u>	<u>Deletions</u>	<u>Balance 12/31/23</u>
Business-Type Activities					
<i>Capital Assets, Not Being Depreciated</i>					
Land and Water Rights	\$ 2,915,158	\$ -	\$ -	\$ -	\$ 2,915,158
Construction in Progress	<u>2,001,493</u>	<u>2,209,060</u>	<u>-</u>	<u>-</u>	<u>4,210,553</u>
Total Capital Assets, <i>Not Being Depreciated</i>	<u>4,916,651</u>	<u>2,209,060</u>	<u>-</u>	<u>-</u>	<u>7,125,711</u>
<i>Capital Assets, Being Depreciated</i>					
Building and Treatment Plant	3,778,456	138,546	-	-	3,917,002
Distribution Systems	6,128,701	89,349	-	-	6,218,050
Storage Tanks	2,909,412	-	-	-	2,909,412
Vehicles and Equipment	1,685,450	154,212	-	-	1,839,662
Airport Infrastructure	2,543,980	-	-	-	2,543,980
Land Improvements	4,094,075	30,475	-	-	4,124,550
Southard Ground Lease Buyout	110,000	-	-	-	110,000
Office Furniture and Fixtures	<u>61,443</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>61,443</u>
Total Capital Assets, <i>Being Depreciated</i>	<u>21,311,517</u>	<u>412,582</u>	<u>-</u>	<u>-</u>	<u>21,724,099</u>
<i>Less: Accumulated depreciation</i>					
Building and Treatment Plant	(1,855,613)	(208,228)	-	-	(2,063,841)
Distribution Systems	(2,884,636)	(119,505)	-	-	(3,004,141)
Storage Tanks	(920,251)	(34,480)	-	-	(954,731)
Vehicles and Equipment	(1,430,079)	(114,212)	-	-	(1,544,291)
Airport Infrastructure	(2,000,016)	(95,459)	-	-	(2,095,475)
Land Improvements	(3,822,745)	-	-	-	(3,822,745)
Southard Ground Lease Buyout	(89,833)	(20,167)	-	-	(110,000)
Office Furniture and Fixtures	<u>(61,443)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(61,443)</u>
	<u>(13,064,616)</u>	<u>(592,051)</u>	<u>-</u>	<u>-</u>	<u>(13,656,667)</u>
Total Capital Assets, <i>Being Depreciated, net</i>	<u>8,246,901</u>	<u>(179,469)</u>	<u>-</u>	<u>-</u>	<u>8,067,432</u>
Business-Type Activities Capital Assets, <i>net</i>	<u>\$ 13,163,552</u>	<u>\$ 2,029,591</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,193,143</u>

Town of Buena Vista, Colorado

Notes to Financial Statements

December 31, 2023

Note 5: Interfund Receivables, Payables and Transfers

Transfers for 2023 were as follows:

Transfers In	Transfers Out	Amount
Airport Fund	General Fund	\$ 172,436
Water Fund	General Fund	316,285
Capital Improvement Fund	General Fund	439,000
Capital Improvement Fund	Conservation Trust Fund	17,250
Capital Improvement Fund	All Hazard Response Fund	55,000
Total		<u>\$ 999,971</u>

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

Note 6: Long-Term Debt

Governmental Activities

Following is a summary of long-term debt transactions for the governmental activities for the year ended December 31, 2023.

Governmental Activities	Balance 12/31/2022	Additions	Deletions	Balance 12/31/2023	Due Within One Year
2012 Sales tax revenue bonds	\$ 2,030,000	\$ -	\$ (110,000)	\$ 1,920,000	\$ 110,000
Premium	17,973	-	(1,198)	16,775	1,198
Bond Lease Police Station NEW	3,040,000	-	(180,000)	2,860,000	185,000
Compensated Absences	107,262	128,657	(128,466)	107,453	-
Total	<u>\$ 5,195,235</u>	<u>\$ 128,657</u>	<u>\$ (419,664)</u>	<u>\$ 4,904,228</u>	<u>\$ 296,198</u>

Accrued Compensated Absences are being paid from resources generated by the General Fund.

Sales Tax Revenue Bonds

In 2012 the Town issued sales tax revenue bonds in the amount of \$3,000,000 to provide funding for the design, construction and installation of street improvements with the Town. The bonds are being repaid by the Capital Improvement Fund and carry an interest rate of 2.0%.

Town of Buena Vista, Colorado

Notes to Financial Statements

December 31, 2023

Note 6: Long-Term Debt (Continued)

Governmental Activities (Continued)

Sales Tax Revenue Bonds (Continued)

Following is a schedule of the future minimum lease payments required under the outstanding capital lease obligations for the 2012 Sales Tax Revenue Bond at December 31, 2023:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 110,000	\$ 64,475	\$ 174,475
2025	115,000	61,175	176,175
2026	120,000	57,725	177,725
2027	120,000	54,125	174,125
2028	125,000	50,375	175,375
2029-2033	690,000	190,313	880,313
2034-2037	640,000	61,312	701,312
Total	<u>\$ 1,920,000</u>	<u>\$ 539,500</u>	<u>\$ 2,459,500</u>

New Bond Lease Purchase Agreement

The Town entered into a new Bond lease purchase agreement on July 27, 2022 for the acquisition of property and construction of the Town's new Police Station. The term of the Bond is 15 years with a coupon-interest rate at 3.00%

Following is a schedule of the future minimum Bond payments required under the terms of agreement at December 31, 2023:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 185,000	\$ 85,800	\$ 270,800
2025	190,000	80,250	270,250
2026	195,000	74,550	269,550
2027	200,000	68,700	268,700
2028	205,000	62,700	267,700
2029-2033	1,125,000	217,350	1,342,350
2034-2037	<u>760,000</u>	<u>46,050</u>	<u>806,050</u>
Total	<u>\$ 2,860,000</u>	<u>\$ 635,400</u>	<u>\$ 3,495,400</u>

Town of Buena Vista, Colorado

Notes to Financial Statements

December 31, 2023

Note 6: Long-Term Debt (Continued)

New Bond Lease Purchase Agreement (Continued)

Following is a schedule of the future minimum Bond Premium payments required under the terms of agreement at December 31, 2023:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 1,198	\$ -	\$ 1,198
2025	1,198	-	1,198
2026	1,198	-	1,198
2027	1,198	-	1,198
2028	1,198	-	1,198
2029-2033	5,991	-	5,991
2034-2037	4,794	-	4,794
 Total	 <u>\$ 16,775</u>	 <u>\$ -</u>	 <u>\$ 16,775</u>

Business-Type Activities

Following is a summary of long-term debt transactions for the business-type activities for the year ended December 31, 2023.

<u>Business-Type Activities</u>	<u>Balance</u> <u>12/31/22</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/23</u>	<u>Due Within</u> <u>One Year</u>
2018 CWRPDA Loan	\$ 1,152,437	\$ -	\$ (66,765)	\$ 1,085,672	\$ 67,434
2022 CWRPDA Loan	1,960,449	-	(29,638)	1,930,811	51,618
Compensated Absences	39,322	27,283	(25,233)	41,372	-
 Total	 <u>\$ 3,152,208</u>	 <u>\$ 27,283</u>	 <u>\$ (121,636)</u>	 <u>\$ 3,057,855</u>	 <u>\$ 119,052</u>

Colorado Water Resources and Power Development Authority (CWRPDA) Loan

Accrued Compensated Absences are being paid from resources generated by the Business-Type activities.

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

Town of Buena Vista, Colorado

Notes to Financial Statements

December 31, 2023

Note 6: Long-Term Debt (Continued)

Business-Type Activities (Continued)

Colorado Water Resources and Power Development Authority (CWRPDA) Loan (Continued)

Following is a schedule of the future minimum payments required for the 2018 CWRPDA loan at December 31, 2023:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 67,434	\$ 10,689	\$ 78,123
2025	68,110	10,013	78,123
2026	68,793	9,330	78,123
2027	69,483	8,640	78,123
2028	70,179	7,944	78,123
2029-2033	361,591	29,022	390,613
2034-2038	<u>380,082</u>	<u>10,529</u>	<u>390,611</u>
Total	<u>\$ 1,085,672</u>	<u>\$ 86,167</u>	<u>\$ 1,171,839</u>

On November 8, 2022, the Town entered into a \$4,300,000 loan agreement with CWRPDA, for 30 years at an interest rate of 1.75% for the Towns Water Treatment Plant project. The Town qualified for the up-front principal forgiveness in the amount of 2,339,551, which was applied at closing. The outstanding amount of the loan at closing was 1,960,449.

Following is a schedule of the future minimum payments required for the 2022 CWRPDA loan at December 31, 2023:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 51,618	\$ 33,564	\$ 85,182
2025	52,525	32,657	85,182
2026	53,448	31,734	85,182
2027	54,387	30,794	85,181
2028	55,343	29,839	85,182
Thereafter	<u>1,663,490</u>	<u>380,876</u>	<u>2,044,366</u>
Total	<u>\$ 1,930,811</u>	<u>\$ 539,464</u>	<u>\$ 2,470,275</u>

Town of Buena Vista, Colorado

Notes to Financial Statements

December 31, 2023

Note 7: Employee Retirement Plans

General Employees Retirement Plan - Section 401(a) Plan

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

For the year ended December 31, 2022, the Town contributed \$47,964 to the Retirement Plan on behalf of participating employees. Participants of the Retirement Plan made equal matching contributions in 2022. No unvested contributions were returned to the Town in 2022.

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

Deferred Compensation Plan

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

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

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

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

Town of Buena Vista, Colorado

Notes to Financial Statements

December 31, 2023

Note 7: Employee Retirement Plans (Continued)

FPPA Statewide Defined Benefit Plan

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

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

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

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

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

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

Town of Buena Vista, Colorado

Notes to Financial Statements

December 31, 2023

Note 7: Employee Retirement Plans (Continued)

FPPA Statewide Defined Benefit Plan (Continued)

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

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

The Town's contributions to the SWDB Plan for the year ended December 31, 2023, were \$63,266, equal to the required contributions.

The Town and eligible employees are required to contribute to the SWH Plan at rates established by the Town Council. However, the amount allocated to the defined benefit component is set annually by the FPPA Board of Directors, which currently must be at least 8% of base salary for the employee and the employer.

The Town no longer has active participants in the SWH Plan.

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

At December 31, 2023, the Town reported a net pension liability (asset) of \$(100,020) representing its proportionate share of the net pension asset of the SWDB.

The net pension liability was measured at December 31, 2022, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation at January 1, 2023. The Town's proportion of the net pension asset was based on a projection of the Town's contributions to the plans for the calendar year ended December 31, 2023, relative to the projected contributions of all participating employers.

At December 31, 2022, the Town's proportion of the SWDB Plan was 0.05784583%, which was a decrease of 0.00008347% from its proportion measured at December 31, 2022.

Town of Buena Vista, Colorado

Notes to Financial Statements

December 31, 2023

Note 7: Employee Retirement Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

For the year ended December 31, 2023, the Town recognized pension expense (Benefit) for the SWDB plan of \$(40,662).

At December 31, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Statewide Defined Benefit Plan		
Differences between expected and actual experience	\$ 89,495	\$ 5,291
Net difference between projected and actual earnings on plan investments	122,321	-
Changes in assumptions and other inputs	53,222	-
Changes in proportion	-	27,022
Contributions subsequent to the measurement date	70,591	-
Total	\$ 335,629	\$ 32,313

Town contributions to the SWDB plan subsequent to the measurement date were \$70,591 and will be recognized as an increase or decrease to the net pension (asset) liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows.

Year Ended December 31,	SWDB
2024	\$ 45,607
2025	65,129
2026	91,721
2027	39,375
2028	(1,294)
Thereafter	(7,813)
Total	\$ 232,725

Town of Buena Vista, Colorado

Notes to Financial Statements

December 31, 2023

Note 7: Employee Retirement Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Actuarial Assumptions - The actuarial valuation at January 1, 2023, determined the total pension liability using the following actuarial assumptions and other inputs, applied to all periods included in the measurement:

Actuarial Method	Entry Age Normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Long-term Investment Rate of Return*	7.5%
Projected Salary Increases	4.25% - 11.25%
Cost of Living Adjustments (COLA)	0.0%
Includes Inflation at	2.5%

Mortality rates were based on the RP-2014 Mortality Table for Blue Collar Employees projected with Scale BB, using a 55% multiplier for off-duty mortality. The RP-2014 Mortality Table for Blue Collar Employees was used in the projection of post-retirement benefits for members under age 55. For post-retirement members ages 65 and older, the RP-2014 Mortality Tables for Blue Collar Healthy Annuitants were used. For post-retirement members ages 55 through 64, a blend of the previous tables was used.

The current actuarial methods and assumptions were adopted by the FPPA Board of Directors for first use in the actuarial valuation as of January 1, 2016, based upon the actuary's unchanged analysis and recommendations from the 2015 Experience Study.

Town of Buena Vista, Colorado

Notes to Financial Statements

December 31, 2023

Note 7: Employee Retirement Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of December 31, 2022, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global Equity	35%	8.93%
Equity Long/Short	6%	7.47%
Private Markets	34%	10.31%
Fixed Income Rates	10%	5.45%
Fixed Income Credit	5%	6.90%
Absolute Return	9%	6.49%
Cash	1%	3.92%
	100%	

Discount Rate - The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates in the FPPA Board of Director's funding policy, which establishes the contractually required rates under State statutes. Based on this assumption, the Plans' fiduciary net position was projected to be available to make all projected future benefit payments to current members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate at the prior measurement date was 7.5%.

Sensitivity of the Net Pension (Asset) Liability to Changes in the Discount Rate - The following presents the Town's proportionate share of the net pension (asset) liability calculated using the discount rate of 7.0%, as well as the Town's proportionate share of the net pension (asset) liability if it were calculated using a discount that is one percentage point lower (6.0%) or one percentage point higher (8.0%) than the current rate, as follows:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Town's proportionate share of the SWDB net pension (asset) liability	\$ 353,962	\$ 51,345	\$ (199,320)

Town of Buena Vista, Colorado

Notes to Financial Statements

December 31, 2023

Note 7: Employee Retirement Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

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

FPPA Buena Vista Volunteer Fire Pension Plan - Defined Benefit Plan

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

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

Contributions - The Town and eligible employees are required to contribute to the Volunteer Plan at rates established by State statutes. Employer contribution rates can only be amended by the State Legislature. Employee contribution rates can be amended by the State Legislature or by election of the membership. The Town and eligible employees each contributed 8% and 11% of base salary, respectively, for the year ended December 31, 2023.

The Town's contributions to the Volunteer Plan for the year ended December 31, 2023, were \$0, equal to the required contributions.

At December 31, 2023, the Town reported a net pension liability (asset) of \$409,554 representing its proportionate share of the net pension asset.

The net pension liability was measured at December 31, 2022, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation at January 1, 2023. The Town's proportion of the net pension asset was based on a projection of the Town's contributions to the plans for the calendar year ended December 31, 2022, relative to the projected contributions of all participating employers.

Town of Buena Vista, Colorado

Notes to Financial Statements

December 31, 2023

Note 7: Employee Retirement Plans (Continued)

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

For the year ended December 31, 2023, the Town recognized pension expense (Benefit) for the Volunteer Plan of \$(31,707).

At December 31, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Town contributions to the Volunteer Plan subsequent to the measurement date of \$0 will be

	Deferred Outflows of Resources	Deferred Inflows of Resources
Volunteer		
Differences between expected and actual experience	\$ -	\$ 33,024
Net difference between projected and actual earnings on plan investments	75,466	45,231
Changes in assumptions and other inputs	4,455	-
Changes in proportion	-	-
Contributions subsequent to the measurement date	-	-
 Total	 \$ 79,921	 \$ 78,255

recognized as an increase or decrease to the net pension (asset) liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows.

Actuarial Assumptions - The actuarial valuation at January 1, 2023, determined the total pension liability using the following actuarial assumptions and other inputs, applied to all periods included in the measurement:

Year Ended December 31,	Volunteer Plan
2024	\$ (20,360)
2025	(6,772)
2026	9,930
2027	18,868
2028	-
Thereafter	-
 Total	 \$ 1,666

Town of Buena Vista, Colorado

Notes to Financial Statements

December 31, 2023

Note 7: Employee Retirement Plans (Continued)

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

Actuarial Method	Entry Age
Amortization Method	Level dollar - open
Remaining Amortization Period	20 years
Asset Valuation Method	5-Year Smoothed Fair Value
Long-term Investment Rate of Return*	7.0%
Projected Salary Increases	N/A
Cost of Living Adjustments (COLA)	None
*Includes Inflation at	2.5%

Mortality rates were based on the RP-2014 Mortality Table for Blue Collar Employees projected with Scale BB, using a 55% multiplier for off-duty mortality. The RP-2014 Mortality Table for Blue Collar Employees was used in the projection of post-retirement benefits for members under age 55. For post-retirement members ages 65 and older, the RP-2014 Mortality Tables for Blue Collar Healthy Annuitants were used. For post-retirement members ages 55 through 64, a blend of the previous tables was used.

The current actuarial methods and assumptions were adopted by the FPPA Board of Directors for first use in the actuarial valuation as of January 1, 2016, based upon the actuary's unchanged analysis and recommendations from the 2015 Experience Study.

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

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

Town of Buena Vista, Colorado

Notes to Financial Statements

December 31, 2023

Note 8: Employee Retirement Plans (Continued)

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of December 31, 2022, are summarized in the following table.

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global Equity	35%	8.93%
Equity Long/Short	6%	7.47%
Private Markets	34%	10.31%
Fixed Income Rates	10%	5.45%
Fixed Income Credit	5%	6.90%
Absolute Return	9%	6.49%
Cash	1%	3.92%
	<hr/> 100%	

Discount Rate - The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates in the FPPA Board of Director's funding policy, which establishes the contractually required rates under State statutes. Based on this assumption, the plans' fiduciary net position was projected to be available to make all projected future benefit payments to current members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate at the prior measurement date was 7.5%.

Sensitivity of the Net Pension (Asset) Liability to Changes in the Discount Rate - The following presents the Town's proportionate share of the net pension (asset) liability calculated using the discount rate of 7.0%, as well as the Town's proportionate share of the net pension (asset) liability if it were calculated using a discount that is one percentage point lower (6.0%) or one percentage point higher (8.0%) than the current rate, as follows:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Town's proportionate share of the net pension (asset)	\$ (112,232)	\$ (151,365)	\$ (184,691)

Town of Buena Vista, Colorado

Notes to Financial Statements

December 31, 2023

Note 7: Employee Retirement Plans (Continued)

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

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

Death and Disability Benefits

Death and disability coverage is provided to full-time police officers through the Statewide Death and Disability Plan, which is administered by the FPPA. During the past year, the Town's required contribution rate was 2.6% of base salary for members. Town contributions to this plan totaled \$26,013 during 2023, with State supplemental contribution of \$0. Employees are not required to contribute to this plan.

Note 8: Public Entity Risk Pool

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For these risks of loss, the Town is involved with the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to the provision of 24-10-115.5, Colorado Revised Statutes (1982 Replacement Volume) and Colorado Constitution, Article XIV, Section 18(2).

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

It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability of loss, to the limit of the financial resources of CIRSA.

It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverages at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members. CIRSA is a separate legal entity, and the Town does not approve budgets, nor does it have the ability to significantly affect the operations of the entity.

Town of Buena Vista, Colorado

Notes to Financial Statements

December 31, 2023

Note 8: Public Entity Risk Pool (Continued)

CIRSA's operations are funded by contributions from member governments. Coverage is provided in the amount of \$500,000 per claim or occurrence for property damage, \$600,000 per claim or occurrence for liability, and \$150,000 per claim or occurrence for crime. CIRSA has also acquired additional excess coverage from outside sources. While the Town may be liable for any losses in excess of this coverage, the Town does not anticipate losses at December 31, 2021. No settlements of claims against the Town in the last three years have exceeded the Town's coverage.

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

For 2023, the Town's deductible for property and liability claims per occurrence is \$1,000 for each. The auto liability deductible and the auto physical damage deductible are both \$1,000 per occurrence.

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

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

Note 9: Commitments and Contingencies

Litigation/Legal Claims

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

Federal and State Grants and Financial Sources

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

Town of Buena Vista, Colorado

Notes to Financial Statements

December 31, 2023

Note 9: Commitments and Contingencies (Continued)

TABOR Amendment

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

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

TABOR also requires local governments to establish an emergency reserve to be used to declare emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. The reserve is calculated at 3% of fiscal year spending. Fiscal year spending excludes bonded debt service and enterprise spending. The Town has reserved \$150,000, which is the approximate required reserve at December 31, 2023.

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

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

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

Required Supplementary Information

Town of Buena Vista, Colorado
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes	\$ 4,315,060	\$ 4,324,485	\$ 6,382,629	\$ 2,058,144
Licenses and Permits	93,965	93,965	250,430	156,465
Intergovernmental	-	-	304,740	304,740
Charges for Services	2,228,788	2,228,788	158,565	(2,070,223)
Interest	20,000	90,000	216,531	126,531
Contributions and Donations	1,200	1,200	4,777	3,577
Fines and Forfeitures	48,450	48,450	30,991	(17,459)
Miscellaneous/Other	96,450	188,220	66,628	(121,592)
Total Revenues	<u>6,803,913</u>	<u>6,975,108</u>	<u>7,415,291</u>	<u>440,183</u>
Expenditures				
Current				
General Government	1,742,805	1,921,317	1,425,212	496,105
Public Safety	2,316,028	2,364,591	2,405,362	(40,771)
Public Works	1,333,004	1,367,986	699,466	668,520
Community Service	193,190	197,190	569,652	(372,462)
Culture and Recreation	572,960	572,960	973,936	(400,976)
Total Expenditures	<u>6,157,987</u>	<u>6,424,044</u>	<u>6,073,628</u>	<u>350,416</u>
Excess Revenues Over (Under) Expenditures	645,926	-	1,341,663	1,341,663
Other Financing Sources (Uses)				
Transfers In	-	-	17,250	17,250
Transfers Out	(944,971)	(944,971)	(991,889)	(46,918)
Net Change in Fund Balance	(299,045)	(944,971)	367,024	1,311,995
Fund Balance, Beginning of Year	<u>4,597,810</u>	<u>4,597,810</u>	<u>4,597,810</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 4,298,765</u>	<u>\$ 3,652,839</u>	<u>\$ 4,964,834</u>	<u>\$ 1,311,995</u>

Town of Buena Vista, Colorado
 Budgetary Comparison Schedule
 Capital Improvement Fund
 For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Intergovernmental	\$ 678,750	\$ 678,750	\$ 2,063,054	\$ 1,384,304
Interest	3,000	3,000	18,105	15,105
Misc/Donations	107,834	144,980	134,534	(10,446)
Grants	1,472,248	4,928,913	-	(4,928,913)
Total Revenues	<u>2,261,832</u>	<u>5,755,643</u>	<u>2,215,693</u>	<u>(3,539,950)</u>
Expenditures				
General Government	43,100	43,100	1,668,125	(1,625,025)
Public Safety	2,940,000	2,940,000	2,303,572	636,428
Public Works	324,149	272,949	101,825	171,124
Community Service	8,000	3,008,000	11,833	2,996,167
Culture & Recreation	893,010	1,506,021	171,653	1,334,368
Capital Outlay	903,442	903,442	192,156	711,286
Total Expenditures	<u>5,111,701</u>	<u>8,673,512</u>	<u>4,449,164</u>	<u>4,224,348</u>
Excess Revenues Over (Under) Expenditures	(2,849,869)	(2,917,869)	(2,233,471)	684,398
Other Financing Sources (Uses)				
Transfers In	627,750	627,750	511,250	(116,500)
Net Change in Fund Balance	(2,222,119)	(2,290,119)	(1,722,221)	567,898
Fund Balance, Beginning of Year	<u>2,423,565</u>	<u>2,423,565</u>	<u>2,423,565</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 201,446</u>	<u>\$ 133,446</u>	<u>\$ 701,344</u>	<u>\$ 567,898</u>

Town of Buena Vista, Colorado
 Budgetary Comparison Schedule
 Conservation Trust Fund
 For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Intergovernmental	\$ 36,000	\$ 36,000	\$ 41,972	\$ 5,972
Interest	3,000	3,000	9,216	6,216
Total Revenues	<u>39,000</u>	<u>39,000</u>	<u>51,188</u>	<u>12,188</u>
Expenditures				
(Under) Expenditures	39,000	39,000	51,188	12,188
Other Financing Sources (Uses)				
Transfers Out	<u>(66,000)</u>	<u>(66,000)</u>	<u>(17,250)</u>	<u>48,750</u>
Net Change in Fund Balance	(27,000)	(27,000)	33,938	60,938
Fund Balance, Beginning of Year	<u>50,688</u>	<u>68,688</u>	<u>38,506</u>	<u>(30,182)</u>
Fund Balance, End of Year	<u>\$ 23,688</u>	<u>\$ 41,688</u>	<u>\$ 72,444</u>	<u>\$ 30,756</u>

Town of Buena Vista, Colorado
 Budgetary Comparison Schedule
 Street Fund
 For the Year Ended December 31, 2023

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Taxes	\$ 891,230	\$ 922,439	\$ 31,209
Licenses and Permits	3,000	15,027	12,027
Interest	5,000	25,462	20,462
Misc	5,000	-	(5,000)
Total Revenues	904,230	962,928	58,698
Expenditures			
Capital Outlay	776,250	-	776,250
Public Works	-	579,218	(579,218)
Debt Service			
Principal Payments	105,000	110,000	(5,000)
Interest Payments	72,478	67,225	5,253
Total Expenditures	953,728	756,443	197,285
Excess Revenues Over (Under) Expenditures	(49,498)	206,485	255,983
Other Financing Source (Uses)			
Transfers In	-	84,816	84,816
Net Change in Fund Balance	(49,498)	291,301	340,799
Fund Balance, Beginning of Year	27,595	1,168,409	1,140,814
Fund Balance, End of Year	\$ (21,903)	\$ 1,459,710	\$ 1,481,613

Town of Buena Vista, Colorado
Notes to Required Supplementary Information
December 31, 2023

Note 1: Stewardship, Compliance, and Accountability

Budgets

Budgets are legally adopted for all funds of the Town. Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons for the proprietary fund are presented on a non-GAAP budgetary basis, whereby capital outlay and debt principal are budgeted as expenditures.

The Town follows these procedures to establish the budgetary information reflected in the financial statements:

- Management submits to the Town Board a proposed budget for the fiscal year commencing the following January 1. The budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally enacted through passage of a resolution.
- Management is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the Town Board.
- All appropriations lapse at year end.

Supplementary Information

Town of Buena Vista, Colorado
 Budgetary Comparison Schedule
 Marijuana Fund
 For the Year Ended December 31, 2023

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Marijuana Taxes	\$ 70,000	\$ 84,021	\$ 14,021
Total Revenues	70,000	84,021	14,021
(Under) Expenditures	70,000	84,021	14,021
Other Financing Sources (Uses)			
Transfers Out	(55,000)	(55,000)	-
Net Change in Fund Balance	15,000	29,021	14,021
Fund Balance, Beginning of Year	-	36,510	36,510
Fund Balance, End of Year	\$ 15,000	\$ 65,531	\$ 50,531

Town of Buena Vista, Colorado
 Budgetary Comparison Schedule
 Water Fund
 For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Charges For Services	\$ 5,608,585	\$ 5,608,585	\$ 2,700,060	\$ (2,908,525)
Cash in Lieu of Water Rights	150,000	150,000	358,895	208,895
System Investment Fees	323,000	323,000	756,464	433,464
Intergovernmental	1,416,285	2,155,735	116,243	(2,039,492)
Contributions / Donations	-	-	53	53
Interest Income	40,000	40,000	146,091	106,091
Other Income	19,700	19,700	63,007	43,307
	<u>7,557,570</u>	<u>8,297,020</u>	<u>4,140,813</u>	<u>(4,156,207)</u>
Expenses				
Administration and General	944,752	949,752	1,007,621	(57,869)
Operations and Maintenance	8,495,466	7,599,266	87,516	7,511,750
Dryfield Ditch Farm	16,146	16,146	10,300	5,846
	<u>9,456,364</u>	<u>8,565,164</u>	<u>1,105,437</u>	<u>(7,459,727)</u>
Net Operating Income	<u>(1,898,794)</u>	<u>(268,144)</u>	<u>3,035,376</u>	<u>3,303,520</u>
Nonoperating Revenues (Expenses)				
Debt Service				
Principal	(116,023)	(116,023)	-	116,023
Interest	(46,800)	(46,800)	(31,334)	15,466
	<u>(162,823)</u>	<u>(162,823)</u>	<u>(31,334)</u>	<u>131,489</u>
Net Income (Loss) Before Budgetary Basis	<u>\$ (2,061,617)</u>	<u>\$ (430,967)</u>	<u>\$ 3,004,042</u>	<u>\$ 3,435,009</u>
Other Financing Source (Uses)				
Transfers In	-	-	316,285	316,285
	<u>-</u>	<u>-</u>	<u>316,285</u>	<u>316,285</u>
Reconciliation to GAAP Basis				
Depreciation			(302,947)	
			<u>(302,947)</u>	
Change in Net Position, GAAP Basis			<u>\$ 3,017,380</u>	

Town of Buena Vista, Colorado
 Budgetary Comparison Schedule
 Airport Fund
 For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Charges For Services	\$ 569,149	\$ 569,149	\$ 574,060	\$ 4,911
Donations/Contributions	4,400	4,400	1,090	(3,310)
Total Revenue	573,549	573,549	575,150	1,601
Expenses				
Operations and Maintenance	1,934,347	1,940,347	671,547	(1,268,800)
Total Expenses	1,934,347	1,940,347	671,547	(1,268,800)
Net Operating Income	(1,360,798)	(1,366,798)	(96,397)	1,270,401
Nonoperating Revenues (Expenses)				
Grant Revenue	1,163,362	1,163,362	845,798	(317,564)
Donations	50,000	50,000	50,000	-
Total Nonoperating Revenues (Expenses)	1,213,362	1,213,362	895,798	(317,564)
Net Income (Loss) Before Contributed Capital	(147,436)	(153,436)	799,401	952,837
Contributed Capital				
Transfers In	172,436	172,436	172,436	-
Change in Net Position, Budgetary Basis	\$ 25,000	\$ 19,000	971,837	\$ 952,837
Reconciliation to GAAP Basis				
Depreciation			(289,099)	
Change in Net Position, GAAP Basis			\$ 682,738	

Town of Buena Vista, Colorado
 Budgetary Comparison Schedule
 Stormwater Fund
 For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Charges For Services	\$ 75,600	\$ 75,600	\$ 77,074	\$ 1,474
Total Revenue	<u>75,600</u>	<u>75,600</u>	<u>77,074</u>	<u>1,474</u>
Expenses				
Operations and Maintenance	<u>45,000</u>	<u>45,000</u>	<u>985</u>	<u>44,015</u>
Total Expenses	<u>45,000</u>	<u>45,000</u>	<u>985</u>	<u>44,015</u>
Change in Net Position, Budgetary Basis	<u>\$ 30,600</u>	<u>\$ 30,600</u>	<u>\$ 76,089</u>	<u>\$ 45,489</u>

Compliance Section



**HINKLE &
COMPANY**
Strategic PC
Business Advisors

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards

Honorable Mayor and Members of the Board of Trustees
Town of Buena Vista, Colorado
Buena Vista, Colorado

We have audited, in accordance with the 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 Town of Buena Vista, Colorado (the Town), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated May 28, 2024.

Internal Control over Financial Reporting

In planning and performing our audit of 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 over financial reporting.

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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity'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 identify deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Office Locations:

Colorado Springs, CO
Denver, CO
Frisco, CO
Tulsa, OK

Denver Office:

750 W. Hampden Avenue,
Suite 400
Englewood,
Colorado 80110
TEL: 303.796.1000
FAX: 303.796.1001
www.HinkleCPAs.com

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from 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 financial statements. 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Buena Vista, Colorado's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hick & Company, PC

Englewood, Colorado
May 28, 2024





**Independent Auditor's Report on Compliance for Each
Major Federal Program; Report on Internal Control over Compliance
and Report on Schedule of Expenditures of Federal Awards Required
by the *Uniform Guidance***

Honorable Mayor and Members of the Board of Trustees
Town of Buena Vista, Colorado
Buena Vista, Colorado

Report on Compliance for Each Major Federal Program

Opinion Report on Compliance for Each Major Federal Program

We have audited the Town of Buena Vista, Colorado's (the Town) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have direct and material effect on each of the Town's major federal programs for the year ended December 31, 2023. 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, 2023.

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 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.

Office Locations:

Colorado Springs, CO
Denver, CO
Frisco, CO
Tulsa, OK

Denver Office:

750 W. Hampden Avenue,
Suite 400
Englewood,
Colorado 80110
TEL: 303.796.1000
FAX: 303.796.1001
www.HinkleCPAs.com

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.

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 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 on a timely basis.



Report on Internal Control Over Compliance (Continued)

A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not 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.

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, each discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Town. We issued our report thereon dated May 28, 2024, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

Hick & Company, PC

Englewood, Colorado
May 28, 2024



Town of Buena Vista
Schedule of Expenditures of Federal Awards
Year December 31, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Listing Number	Pass-Through Entity Identification Number	Award Amount Expended	Total Amount Expended	Passed Through Subrecipients
United States Environmental Protection Agency					
Capitalization Grants for Drinking Water State Revolving Fund Cluster					
Passed through the State of Colorado					
Water Resources and Power Development Authority Drinking Water State Revolving Fund (DWSRF)	66.468	DS22F474	1,024,275	<u>\$ 1,024,275</u>	<u>\$ -</u>
Total Drinking Water State Revolving Fund Cluster					
Federal Aviation Administration (FAA)					
Department of Transportation					
Airport Improvement Program	20.106	N/A	759,528	<u>759,528</u>	<u>-</u>
Total					
Total Expenditures of Federal Awards				<u><u>\$ 1,783,803</u></u>	<u><u>\$ -</u></u>

Town of Buena Vista, Colorado
Notes to Schedule of Expenditures of Federal Awards
December 31, 2023

Note 1: Basis of Presentation

The accompanying schedule of expenditures of the Town under programs for the federal government for the year ended December 31, 2023. The information in this Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of the Town, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Town.

Note 2: Summary of Significant Accounting Policies

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

The Town has elected to note use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

Town of Buena Vista, Colorado
 Schedule of Findings and Questioned Costs
 December 31, 2023

Section I: Summary of Auditor’s Results

1. The opinion expressed in the independent auditor’s report was:

Unmodified Qualified Adverse Disclaimed

2. The independent auditor’s report on internal control over financial reporting described:

Significant deficiencies Yes None reported

Material weaknesses? Yes No

3. Noncompliance considered material to the financial statements was disclosed by the audit?

Yes No

4. The independent auditor’s report on internal control over compliance for major federal awards programs disclosed:

Significant deficiencies? Yes None reported

Material weaknesses? Yes No

5. The opinion expressed in the independent auditor’s report on compliance for major federal awards was:

Unmodified Qualified Adverse Disclaimed

6. The audit disclosed findings required to be reported by the Uniform Guidance?

Yes No

7. The Town’s major program was:

Cluster/Program	Federal Assistance Number
Drinking Water State Revolving Fund Cluster	66.468

8. The threshold used to distinguish between Type A and Type B programs as those terms are defined in the Uniform Guidance was \$750,000.

9. The Town qualified as a low-risk auditee as that term is defined in Uniform Guidance.

Yes No

Town of Buena Vista, Colorado
Schedule of Findings and Questioned Costs
December 31, 2023

Section II: Financial Statement Findings

No current year findings or questioned costs were reported.

Section III: Federal Award Findings and Questioned Costs

No current year findings or questioned costs were reported.

Town of Buena Vista, Colorado
Summary Schedule of Prior Audit Findings
December 31, 2023

Findings Required to be Reported by the Uniform Guidance

No items requiring follow up.

State Compliance

LOCAL HIGHWAY FINANCE REPORT	STATE: COLORADO
	YEAR ENDING (mm/yy): 12/23

This Information From The Records Of: The Town of Buena Vista, CO 81211	Prepared By: Phillip Puckett, 719-581-1031
---	--

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. EXPENDITURES FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway expenditures:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	\$ 558,597.46
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	\$ 41,636.61
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	\$ 143,005.47
2. General fund appropriations	\$ 150,386.56	b. Snow and ice removal	\$ 22,048.75
3. Other local imposts (from page 2)	\$ 987,674.60	c. Other	\$ 76,731.21
4. Miscellaneous local receipts (from page 2)	\$ 23,814.74	d. Total (a. through c.)	\$ 241,785.43
5. Transfers from toll facilities		4. General administration & miscellaneous	\$ 82,190.80
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	\$ 14,300.00
a. Bonds - Original Issues		6. Total (1 through 5)	\$ 938,510.30
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	\$ -	a. Interest	\$ 67,225.00
7. Total (1 through 6)	\$ 1,161,875.90	b. Redemption	\$ 110,000.00
B. Private Contributions		c. Total (a. + b.)	\$ 177,225.00
C. Receipts from State government (from page 2)	\$ 160,344.23	2. Notes:	
D. Receipts from Federal Government (from page 2)	\$ -	a. Interest	
E. Total receipts (A.7 + B + C + D)	\$ 1,322,220.13	b. Redemption	
		c. Total (a. + b.)	\$ -
		3. Total (1.c + 2.c)	\$ 177,225.00
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total expenditures (A.6 + B.3 + C + D)	\$ 1,115,735.30

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				\$ -
1. Bonds (Refunding Portion)				\$ -
B. Notes (Total)				\$ -

V. LOCAL ROAD AND STREET FUND BALANCE (RECEIPTS AND DISBURSEMENTS ONLY)

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	\$ 1,168,409.90	\$ 1,322,220.13	\$ 1,115,735.30	\$ 1,374,894.73	\$ -

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
COLORADO
 YEAR ENDING (mm/yy):
12/23

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	\$ 22,354.74
1. Sales Taxes	\$ 922,438.63	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	\$ 65,235.97	g. Other Misc. Receipts	
6. Total (1. through 5.)	\$ 987,674.60	h. Other	\$ 1,460.00
c. Total (a. + b.)	\$ 987,674.60	i. Total (a. through h.)	\$ 23,814.74
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes (from Item I.C.5.)	\$ 138,185.04	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	\$ 14,914.16	d. Federal Transit Administration	
d. DOLA Grant	\$ 7,245.03	e. U.S. Corps of Engineers	
e. Other		f. Other Federal	
f. Total (a. through e.)	\$ 22,159.19	g. Total (a. through f.)	\$ -
4. Total (1. + 2. + 3.f)	\$ 160,344.23	3. Total (1. + 2.g)	\$ -
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			\$ -
b. Engineering Costs	\$ 55,425.05		\$ 55,425.05
c. Construction:			
(1). New Facilities			\$ -
(2). Capacity Improvements			\$ -
(3). System Preservation		\$ 503,172.41	\$ 503,172.41
(4). System Enhancement And Operation			\$ -
(5). Total Construction (1)+(2)+(3)+(4)	\$ -	\$ 503,172.41	\$ 503,172.41
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)	\$ 55,425.05	\$ 503,172.41	\$ 558,597.46
<i>(Carry forward to page 1)</i>			

Notes and Comments:

The Town of Buena Vista is partnering with CDOT on intersection improvements on US Highway 24. Design and engineering began in late 2022 and continued through 2023