

**Town of Buena Vista
Buena Vista, Colorado**

**Financial Statements
December 31, 2009**



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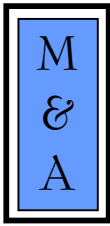
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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Buena Vista, Colorado (the "Town") as of and for the year ended December 31, 2009, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the Town. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above presently fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Buena Vista as of December 31, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis in Section B is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The budgetary schedules in Section E are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. This budgetary fund information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Member: American Institute of Certified Public Accountants

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

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The budgetary schedules and the Local Highway Finance Report found in Section F are presented for purposes of additional analysis and are not a required part of the basic financial statements. The budgetary schedules in Section F and the Local Highway Finance Report have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

**McMahan and Associates, L.L.C.
July 23, 2010**

MANAGEMENT'S DISCUSSION AND ANALYSIS



Town of Buena Vista, Colorado

Management's Discussion and Analysis

December 31, 2009

This section of the Town of Buena Vista's (the Town) financial statements provides a narrative overview and analysis of the financial activities of the Town for the year ended December 31, 2009. Readers are encouraged to consider the information presented here in conjunction with additional information that is furnished in the Town's financial statements, including the Notes, which follow this section.

Overview of the Financial Statements

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

Government-wide Financial Statements: These financial statements are designed to provide readers with an overview of the Town's finances, from both a short-term fund perspective and a long-term economic perspective, in a manner similar to a private-sector business.

The **Statement of Net Assets** presents information on all the Town's assets and liabilities (both short-term and long-term), with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The **Statement of Activities** presents information that shows how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (for example, accrued, but uncollected taxes and earned, but unused, vacation leave). The Statement of Activities focuses on long-term economic resources and is reported on a full accrual basis.

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

The Town's government-wide financial statements can be found on pages C1 and C2 of this report.

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing

Management's Discussion and Analysis

so, readers may better understand the long-term impact of the government's near-term financing decisions. The governmental fund financial statements provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains four individual governmental funds, since the Airport Enterprise Fund was transferred to a proprietary fund in 2008. Information is presented separately on each fund in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances. Basic governmental fund financial statements can be found on pages C3 through C5 of this report.

The Town adopts annual appropriated budgets for all Governmental Funds. Budgetary comparison schedules have been provided for these funds to demonstrate compliance with these budgets and are found in the Section E of this report.

Proprietary funds are generally used to account for services for which the Town charges customers – either outside customers or internal units or department of the Town. Proprietary funds provide the same type of information as shown in the government-wide financial statements, only in more detail. The Town maintains one type of proprietary fund, an enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses an enterprise fund to account for the operation of its water utility service and the Airport which the Town began completely operating in mid-2007.

The basic proprietary fund financial statements can be found on pages C6 through C8 of this report.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's programs. The Town maintains a fiduciary fund for the Volunteer Firefighters Pension.

The basic fiduciary fund financial statements can be found on pages C9 and C10 of this report.

Notes to the Financial Statements: The notes provide a background of the entity, certain required statutes, and accounting policies utilized by the Town. They also provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found in Section D of this report.

Other Supplemental Information: In addition to the basic financial statements, required supplementary information, and accompanying notes, this report also presents budgetary comparison schedules for the Capital Improvement, Water, and Airport Funds along with the Local Highway Finance Report. This supplementary information can be found in Section F of this report.

Government-wide Financial Analysis

Table 1 presents a comparison of the Town's net assets as of December 31, 2009 to December 31, 2008. The Town's total assets exceeded its liabilities by \$10.98 million as of the close of the current fiscal year, which is an increase of \$366,314 over the prior year close. Of the Town's total net assets 51.2% are held in the governmental activities and 48.8% are held in the business type activities, which includes the Water Enterprise and the Airport Enterprise funds. The largest portion of the Town's net assets (73.4%) reflects the investment of \$8.06 million in capital assets (for example, land, buildings, transportation infrastructure, water infrastructure, and machinery and equipment), net of any related outstanding debt used to acquire those assets. The Town uses these assets to provide services to the public; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay the debt used to purchase the assets must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion (1.4%) of the Town's net assets, \$155,800, is restricted for emergencies (\$79,000) and for improvements to parks, open space and trails (\$76,800) within the Town. The remaining \$2.8

Management's Discussion and Analysis

million (25.2%) is unrestricted net assets available to meet the Town's on-going obligations to the public and creditors.

Consistent with the prior year, the Town is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities at December 31, 2009.

Table 1 – Comparison of Net Assets

	Town of Buena Vista, Colorado					
	Governmental Activities		Business-type Activities		Total	
	12/31/09	12/31/08	12/31/09	12/31/08	12/31/09	12/31/08
Assets						
Current and other assets	\$ 2,123,008	\$ 2,807,275	\$ 1,413,708	\$ 1,430,354	\$ 3,536,716	\$ 4,237,629
Capital assets, net	4,067,950	3,242,970	4,851,407	4,926,832	8,919,357	8,169,802
Total assets	6,190,958	6,050,245	6,265,115	6,357,186	12,456,073	12,407,431
Liabilities						
Other liabilities	460,772	472,708	54,945	118,104	515,717	590,812
Long-term liabilities	106,298	120,141	858,623	1,087,357	964,921	1,207,498
Total liabilities	567,070	592,849	913,568	1,205,461	1,480,638	1,798,310
Net Assets						
Invested in capital assets	4,047,391	3,203,127	4,010,313	3,854,532	8,057,704	7,057,659
Restricted	148,800	149,204	7,000	-	155,800	149,204
Unrestricted	1,427,697	2,105,065	1,334,234	1,297,193	2,761,931	3,402,258
Total net assets	\$ 5,623,888	\$ 5,457,396	\$ 5,351,547	\$ 5,151,725	\$ 10,975,435	\$ 10,609,121

Changes in Net Asset components

In 2009 total net assets increased by \$366,314, or 3.5%. The increase was due to the increase in Capital Assets offset by the decrease in unrestricted net assets due to the early retirement of debt and investment in capital assets. With the assistance of state and federal grants the Town added a reconstructed East Main Street with pedestrian friendly bump-outs in the historic commercial section of downtown, the addition of a Boulder Garden providing three new climbing structures for recreation, and improvements to the whitewater kayak park. Other additions to capital assets included a new copier, three new vehicles and 2 used vehicles as part of fleet maintenance, and the replacement of 10 old fire hydrants. Note IV. E. provides detail on capital assets.

Total Liabilities decreased \$317,672 with the early retirement of a 1995 Water Bond. Governmental Activities decreased total liabilities in 2009 by \$25,779, with decreases in accounts payable, accrued interest payable, and lease obligations, offset by increases in accrued payroll, compensated absences, and deferred taxes. In 2009 the Town switched from paying all employees on a semi-monthly basis to a bi-weekly basis, which results in earned but not paid wages as of December 31. Business-type Activities decreased liabilities by \$291,893 due to the decrease in long-term liabilities and accounts payable.

Total Current and Other Assets decreased \$700,913 from 2008 to 2009 due to a decrease in governmental activity unrestricted cash offset by an increase in receivables from other governments, which represents the reimbursable grants earned but not received. Other reimbursable grants used for capital projects in 2009 were not earned as of December 31, 2009 due to remaining grant terms to be completed. The drawdown of cash was used to finance the capital projects described above. The remaining whitewater park improvements, signage for the Boulder Garden, and sidewalk replacement on Main Street are budgeted for 2010 to complete these capital projects.

Other changes in Current Assets include a decrease in total inventories due to an increase of \$21,812 in the water meter inventory offset by a decrease of \$25,038 in the Airport fuel inventory from 2008 to 2009. Prepaid Expenses and Interest Receivable both also decreased due to the timing of payments and the schedule of interest payments on investments.

Of the Town's \$3.5 million of non-capital assets, \$2.5 million is related to cash and investments, of which \$193,474 is restricted as required in the Town's applicable bond and loan covenants. The business-type activity holds 57.65% of the total cash and investments. More detail on the Town's cash deposits is available in Note IV.A. of the financial statements.

Long-term liabilities represent 65.2% of total liabilities at December 31. These included future payments for employee leave time accrued but not paid, and bond, loan, and lease payments. Other liabilities make up the remaining 34.8% of liabilities, and include accounts payable, accrued payroll, deferred property taxes, and other deferred revenue. Of the Town's liabilities, \$673,094 is related to a loan payable to the Colorado Water Resource and Power Development Authority, \$168,000 represents amounts due on water revenue bonds, \$103,269 is for compensated absences, and \$20,558 is related to a lease purchase obligation for a street sweeper that will be paid off in 2010. Long-term liabilities are detailed in Notes IV.G.- J. of the financial statements.

Analysis of Statement of Activities

Table 2 shows the comparison of the 2009 Statement of Activities to the 2008 Statement. The Town's change in net assets from normal operations increased by \$366,314 in 2009. From normal operations Governmental Activities contributed \$314,492 to the change in net assets and Business-type Activities contributed \$51,622. The General Fund transferred \$148,000 in cash to subsidize the Airport Operations, which will be discussed in more detail later in this analysis.

Governmental Activities: Key elements of the activity levels that resulted in the change in net assets include:

- Governmental activities' charges for services for the Town decreased by \$9,731 from the prior year. Decreases in charges for government services were realized by the Volunteer Fire Department due to decreased standby fees for the volunteer fire department personnel for fire prevention during aircraft testing at the Airport (\$23,601) and by the Municipal Court with reduced fines levied (\$2,367). Other charges for services such as business licenses, development fees, permits, rental income on Town facilities, recreation fees and permits, and the sale of cemetery plots all experienced increases in revenue from 2008 to 2009. The increase was due to a higher general level of activity than in 2008.
- Governmental activity operating grants/contributions in 2009 increased by \$3,811 compared to 2008. This was due to the increase in highway use taxes received for street maintenance.
- Governmental activity capital grants/contributions increased by \$18,810 in 2009. Grants from the County Conservation Trust Fund of \$11,500 cash plus donations of supplies from local businesses valued at \$16,775 enabled the completion of the Boulder Garden, which is a new climbing park adjacent to the Whitewater Kayak Park.
- Property and specific ownership taxes increased 5.1% from 2008 to 2009 for additional revenue of \$15,756.
- Sales taxes in 2009 declined from 2008 by \$67,802, or 3.9%, due mainly to the decrease in the Town's share of the 2% county-wide sales tax. Compared to other Colorado communities where sales decreased by 10-20%, Buena Vista held steady in 2009, but did start to see Town sales taxes decline in the fall of 2009 compared to the fall of 2008. Sales taxes are an indicator of the level of general economic activity in the community which is dependent upon the influx of visitors throughout the year, but especially during the summer months.
- The combination of low interest rates and the drawdown of cash reserves in 2009 reduced investment income by \$21,822, or 57%. The sale of assets (surplus vehicles and tools) and the return of retirement contributions for former employees who had not vested helped offset the decline in investment revenue by \$10,480.
- Although total governmental expenses decreased by \$13,404, Community Services, Public Works, and Culture and Recreation increased expenses over 2008 by \$5,332, \$40,032, and \$20,428 respectively, with decreased expenses for General Government and Public Safety of \$58,410 and \$19,539 respectively.
- General Government expenses were down in 2009 due to the reduced election costs, reduced insurance for workers compensation and property & casualty liability insurance, lower legal fees, and reduced personnel costs. In 2008 both the Treasurer and Administrator were replaced which caused

Management's Discussion and Analysis

the Town to incur higher costs for interim personnel, pay out accrued leave time, and to perform a search process for replacements.

- Overall Public Safety expenses decreased by \$19,539 primarily due to decreased maintenance for fire trucks, reduced capital outlay for fire protection equipment, and reduced gasoline costs which were offset by increases in the Police Department for capital outlay for computers and radios, and higher personnel costs in the Police Department due to a higher call volume plus pay increases.
- Public Works increased expenditures in 2009 primarily due to increased personnel costs with the addition of a Town Engineer in August, 2009 plus increased computer supplies, uniforms, and memberships to support the Town Engineer position.
- Culture and Recreation expenditures increased in 2009 primarily due to the addition of seasonal personnel to assist with park maintenance, the increased cost of watering due to higher rates, and additional maintenance for tree pruning, trash collection, and erosion control.

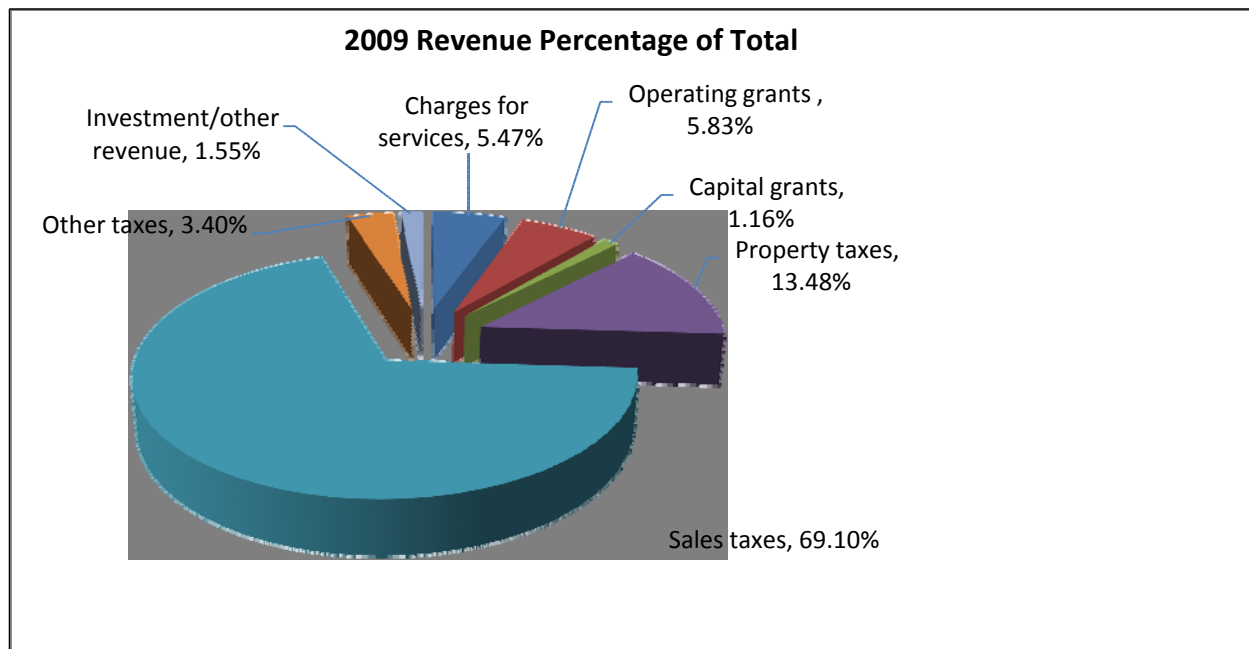
Table 2: Statement of Activities

Town of Buena Vista, Colorado

	Governmental Activities		Business-type		Total	
	2009	2008	2009	2008	2009	2008
Revenues						
Program revenues:						
Charges for services	\$ 133,007	\$ 142,738	\$ 898,381	\$ 920,693	\$ 1,031,388	\$ 1,063,431
Operating grants/ contributions	141,628	137,817	25,000	15,214	166,628	153,031
Capital grants/ contributions	28,275	9,465	299,989	178,096	328,264	187,561
General revenues:						
Property taxes	327,454	311,698			327,454	311,698
Sales taxes	1,678,726	1,746,528			1,678,726	1,746,528
Other taxes	82,604	82,174	837	4,739	83,441	86,913
Investment and other revenue	37,738	49,080	24,463	40,228	62,201	89,308
Total Revenue	2,429,432	2,479,500	1,248,670	1,158,970	3,678,102	3,638,470
Expenses						
General government	510,850	569,260			510,850	569,260
Public safety	721,603	741,142			721,603	741,142
Community services	101,104	95,772			101,104	95,772
Public works	553,617	513,583			553,617	513,583
Culture and recreation	226,059	205,631			226,059	205,631
Interest on long-term debt	1,707	2,956			1,707	2,956
Airport	-	-	576,169	688,437	576,169	688,437
Water	-	-	620,679	682,759	620,679	682,759
Total expenses	2,114,940	2,128,344	1,196,848	1,371,196	3,311,788	3,499,540
Change in net assets normal operations	314,492	351,156	51,822	(212,226)	366,314	138,930
One-Time Changes						
Transfers from General Fund	(148,000)	(1,727,624)	148,000	1,727,624	-	-
Gain on land transfer to Airport	-	306,184	-	-	-	-
Change in Net Assets	166,492	(1,070,284)	199,822	1,515,398	366,314	138,930
Net Assets - January 1	5,457,396	6,527,680	5,151,725	3,636,327	10,609,121	10,164,007
Net Assets - December 31	\$5,623,888	\$ 5,457,396	\$ 5,351,547	\$5,151,725	\$ 10,975,435	\$10,302,937

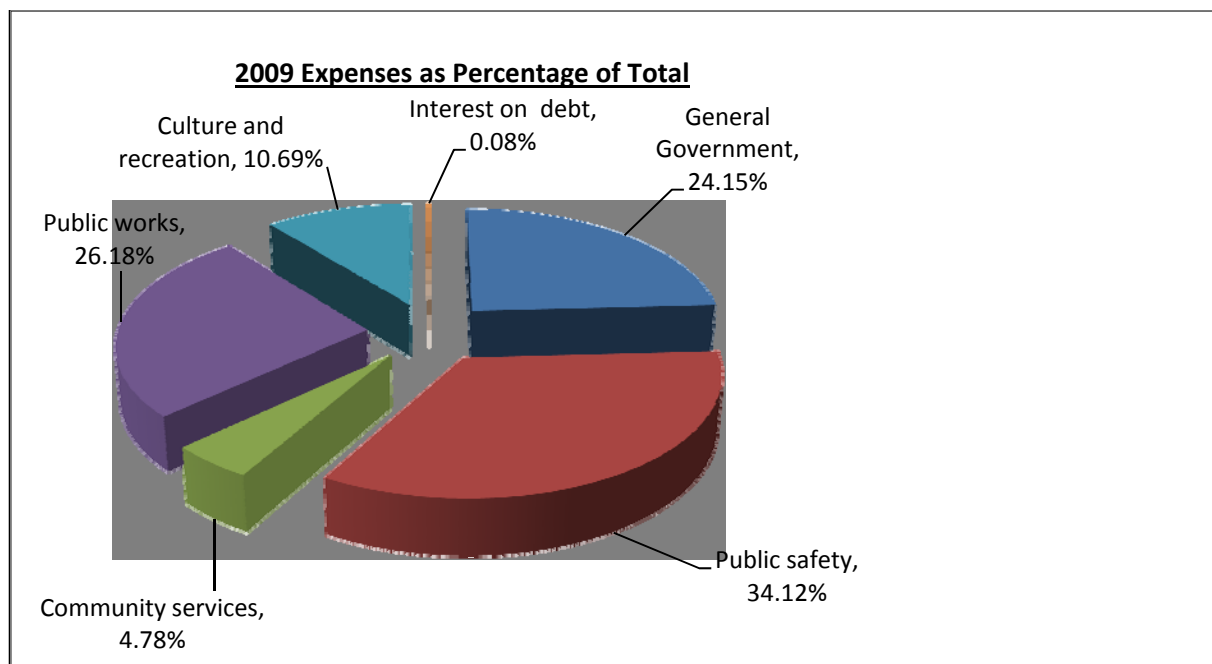
- The net increase in governmental activities net assets as a result of normal operations was \$314,492 for 2009. This was \$36,664 less than the increase from normal operations in 2008. The decrease was heavily influenced by the decrease in total sales tax revenues.

Graph 1: Source of Governmental Activities Revenue



As shown in Graph 1 most of the Town's governmental activities were financed by general revenues (i.e., taxes). In the aggregate, property, sales, specific ownership, franchise, and other taxes accounted for 86% of governmental activities' revenues while sales taxes alone account for 69% of revenue. Charges for services provided 5.47% of 2009 revenue, down from 5.76% in 2008.

Graph 2: Governmental Activities Expenses by Function



Graph 2 shows the percentage of governmental activity expenses by function. Public Safety which includes the police and volunteer fire departments, accounts for 34 % of total governmental expenses, while Public Works accounts for an additional 26%. General Government (24%) includes the Board of

Management's Discussion and Analysis

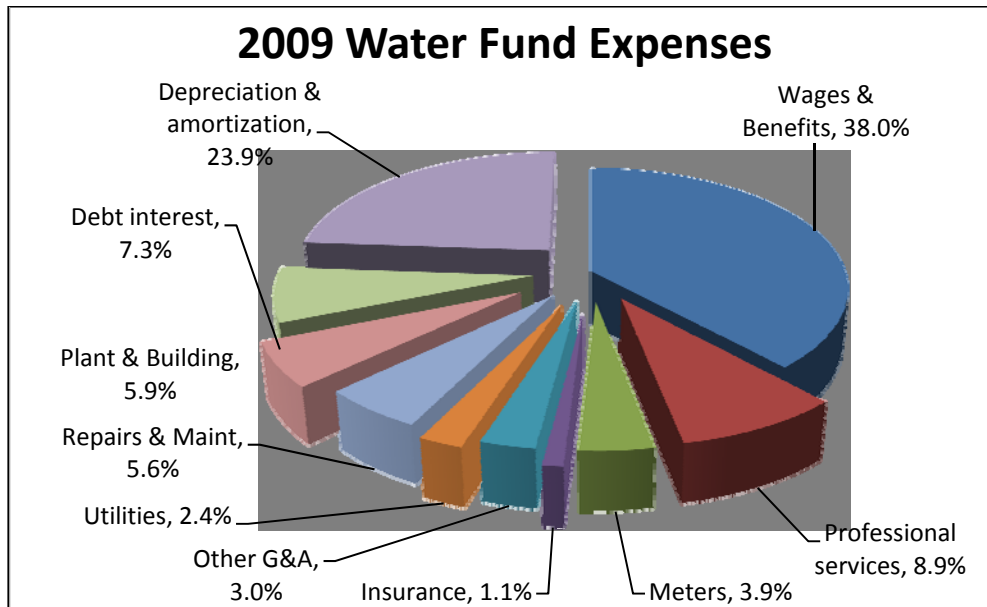
Trustees, financial administration, liability and workers compensation insurance, postage, legal services, Town Clerk, and Town Administrator costs that benefit all other governmental activities, but are not allocated to those departments within the General Fund.

Business-type Activities: The Town operates 2 business type activities: the Municipal Airport and the Water Utility. The 2009 change in net assets from normal operations of \$51,822 was \$264,048 better than the 2008 decrease in net assets. Key elements of the change in activity levels from 2008 to 2009 for the Business-type Activities include:

- Total Business type activity revenue increased in 2009 by \$89,700 primarily due to increased grant revenue received by the Airport plus the increase in 2009 Water rates which was offset by decreased Airport revenue for services and decreased investment income due to lower interest rates.
- The Water Fund realized an increase in operating revenues of \$63,285 due to the higher water rates that began with the January, 2009 billing cycle, but investment income decreased by \$15,639.
- With the national recession, land development slowed significantly in the Buena Vista area resulting in a continued decline in system development fees from new construction. In 2009 the system development fees plus cash in-lieu of water rights from annexations collected were \$26,999 less than 2008.
- General Aviation nationally was reported to be down 30-40% which is reflected in the decline in fuel sales at the Airport of \$65,488, or 27.5%. In addition, rentals of space declined \$25,527 as customers delayed the planned high altitude helicopter testing.
- Overall Airport operating revenues fell \$85,597, or 31.3%, from 2008. Late in 2009 the Town Trustees initiated a special commission to review the Airport operations in order to identify options for reducing the operating costs while the General Aviation business is down.
- The Airport received additional operating grant revenues from the Chaffee County Commissioners plus capital grants from the FAA for runway improvements and renovations to the newly acquired Terminal building. The reduction in capital contributions is related to the transfer of Airport assets from the General Fund to the Airport Enterprise Fund in 2008 to re-establish the fund as a stand-alone Enterprise Fund.
- Total Business-type activity expenses decreased by \$174,348 in 2009. The Water Fund expenses decreased by \$62,080 while the Airport Fund expenses decreased by \$112,268.
- The Water Fund decreased expenditures across the board other than personnel costs and maintenance expenditures at the Water Treatment Plant which increased \$2,368 and \$11,800 respectively. Significant decreases were recognized in insurance, meter and materials, and engineering services with smaller decreases in other supplies and services.
- Interest expenses for the Water Fund continued to decline since the principal on the outstanding bonds and loans are paid down each year.
- Although the Town operated the Airport for the entire year in 2008, the terminal building was not acquired until the end of 2008. The additional costs of renting a trailer were eliminated in 2009, although additional part-time personnel were added to handle the additional volume of aircraft through the summer season and the logistics of a large terminal building.
- The addition of the building increased the insurance costs incurred by the Airport, although utility and maintenance costs declined compared to the trailer facility.
- The largest expenditure to decrease for the Airport Fund was the cost of fuel, \$71,061, because it moves with the fuel sales revenue. Also the cost to purchase aviation fuel was less than the record high experienced in 2008.
- The Water Fund generated operating income of \$135,490 compared to the 2008 operating income of \$16,832 with a net increase in assets of \$189,944 for 2009. This puts the Water Fund in the position to build reserves for replacement of aging infrastructure that is anticipated over the next ten years.
- The Airport Fund generated an operating deficit of \$388,702 which was a decrease of \$26,273 from the 2008 deficit. With a transfer of \$148,000 from the General Fund reserves plus the capital contributions the net increase in assets for the Airport Fund in 2009 was \$9,878.
- Business Activities overall increased net assets by \$199,822 in 2009.

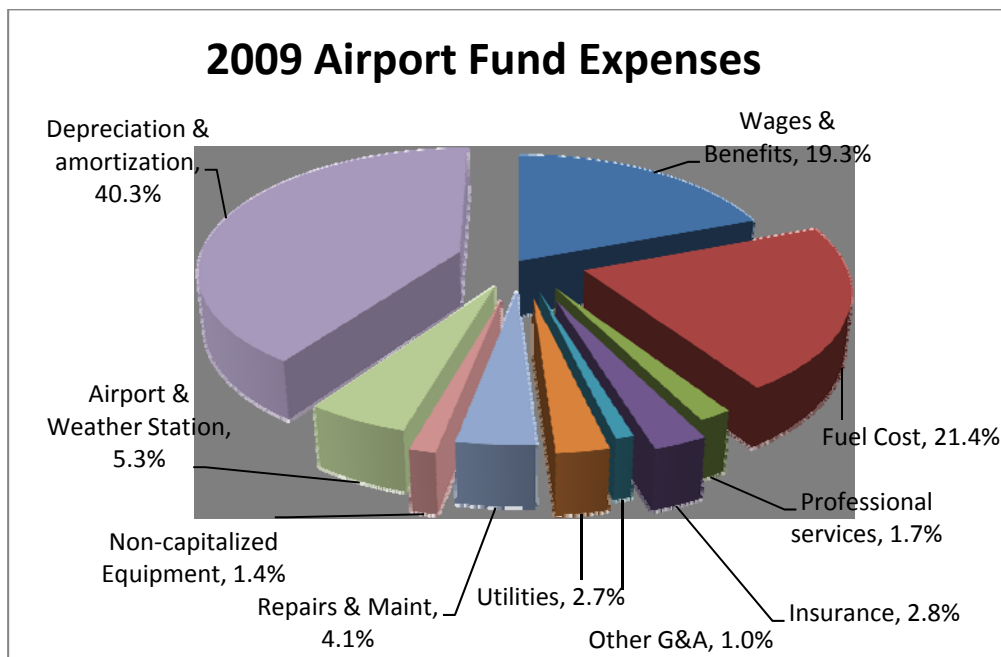
Graph 3: Water Fund Expenses by Function

Graph 3 shows the Water Fund Expense Percentage by function. Wages and Benefits are 38% of total Water Fund Expenses for 2009, with Depreciation and Amortization accounting for an additional 24%. Providing water service is both labor and capital intensive with licensed personnel required to maintain the water treatment and distribution equipment.



Graph 4: Airport Fund Expenses by Function

Graph 4 shows the Airport Fund Expenses by Function. Depreciation and amortization expenses are 40% of the total Airport Expenses and Fuel Costs are 21.4%. Due to the limited personnel employed by the Airport in 2009, wages and benefits account for only 19.3%. The operation of an Airport requires a very high level of infrastructure and land to provide runways, taxiways, and aprons for aircraft operation.



Discussion of Budget Variances and Highlights

The 2009 budget comparison to actual begins on page E1 of the Supplemental Information to the Financial Statements and also includes the 2008 actual revenues and expenditures.

General Fund:

During 2009 there was a \$20,461 increase in appropriations between the original and final amended budget for the General Fund that was funded by the use of reserves plus additional property tax revenues that were allowed under TABOR limitations. Several of the budget changes for departments involved shifting of budget for items such as health insurance, printing costs, and personnel costs.

Changes in budget appropriations:

During 2009 several requests for additional appropriations were approved by the Trustees to enable the Town to take advantage of opportunities or to fund activities deemed important to the Town's future. At such time the Trustees funded the additional General Fund appropriations from reserves which the Town had increased when sales tax revenues were rising. Those requests included:

- A request from the County Commissioners to participate in establishing an economic development authority to promote economic development apart from any governmental entity. The Town contributed \$4,500 towards the \$50,000 needed to develop the authority.
- The Town was awarded a Department of Local Affairs (DOLA) Planning grant for an assessment of the building needs for Town Hall and the Police Department. The Town's match was \$5,000 with a total budget of \$10,000.
- The cost of printing the recreation brochure in the local newspaper was increased by \$1,400, of which half was covered by doing more of the layout in-house, and \$700 was added to the recreation department budget.
- The Town was requested by the County Commissioners to participate in developing an energy plan for the County. The County had received a state Department of Energy grant and the Town's match share was \$2,500. The energy plan that was developed was later adopted by the Town, the County and the other 2 municipalities in the County.
- The Treasurer requested that the Town enter into a contract for new financial software with Tyler Technologies. In addition to the financial package the Town would also purchase new utility billing, centralized cash collection, business license, building permit, cemetery management, and mapping that would allow each module to communicate with the general ledger and cash collection software. Also included in the proposal was upgrading to a new server, re-wiring the Town Hall and making furniture changes in Town Hall to facilitate the new cash collection system. The down payment for the software was added to the 2009 budget with the balance to be in the 2010 budget. The software costs were allocated across the various departments that were affected. Most of the costs increased the Capital Improvements budget in 2009, but \$5,300 was included in the Clerk's budget.
- The 2008 budget had included \$2,787 in appropriations for replacing the furnace in the fire department area of the Public Safety building. The work was not done until 2009 so it was added to the 2009 budget from reserves.
- Cell phone service was added for the Town Administrator, who had started in October, 2008. The previous administrator had not used a Town cell phone. The cost was \$600 for the year. Additional budget for cell phone service of \$1,200 was added for the police department that relies heavily upon cell phone for text and phone communication.

At the beginning of 2009 when there was a great deal of uncertainty about the level of decline that the economy was likely to experience, the Town Trustees requested that staff delay budgeted expenditures as much as possible for the first four months of the year. As a result, positions were left vacant resulting in reduced personnel expenditures that were reallocated to pay for additional health insurance premiums that were under budgeted. The Town entered into a new medical insurance plan as of December 1, 2008 with two new plan types for employees to choose from. The actual costs were under budgeted by \$17,800 which was offset by the reduced personnel costs of about \$25,000, but required budget re-distribution.

New copiers were purchased for Town Hall and Public Works that were programmed to track costs by department. As a result the printing budget was reallocated from Financial Administration to each department.

Budget compared to actual:

Total General Fund revenues were \$11,413 less than budgeted, with a great deal of variance between categories. Taxes were under budget by \$21,868 due to the decrease in sales taxes and specific ownership taxes, both of which reflect the down economy in the County and the Town. Franchise fees were \$748 better than budget with higher collections from electric, telephone, and cable TV but lower collections from natural gas. Mineral severance taxes that reflect the level of mining in the prior year were \$13,785 higher than budgeted due to the 2008 activity related to reopening the Climax molybdenum mine in Leadville.

Total charges for services were only \$864 better than budget, but building and development fees were \$17,560 under budget. The deficit was largely offset by higher rates of business licenses, fines, other permits, and recreation fees and permits. Intergovernmental revenues were \$11,065 higher than budget due to the increases in highway users taxes that resulted from new Colorado legislation that improved the speed of delivering the taxes to local jurisdictions.

The revenue budget shortfall was mostly offset by the increase in the sales of assets which included tools and old vehicles plus insurance proceeds for repair of vehicles involved in accidents in 2008. The other financing source revenue was \$10,966 better than budget. The net revenue shortfall to budget was \$447. With the effort made by staff to carefully watch expenditures and delay anything that could be delayed, the General Fund expenditures were \$223,591 less than budgeted resulting in a net increase in Fund Balance of \$11,799 rather than the budgeted decrease of \$359,162. As a result the General Fund Balance as of December 31, 2009 was \$1,873,541. With General Fund Expenditures of \$1,795,427 the Fund Balance is a very healthy 104% of annual expenditures.

Conservation Trust Fund (CTF)

The Conservation Trust Fund is a special revenue fund for the receipt and expenditure of the Town's share of Colorado Lottery revenue. In accordance with Colorado statutes the Town is limited in how these funds can be spent. Colorado Lottery proceeds are restricted to the maintenance and construction of recreation facilities including parks, trails, recreation facilities, and open space. Lottery proceeds are allocated to local governments based on population estimates. In 2009 the Town received \$1,269 less in lottery proceeds than budgeted. In 2009 the Town's Conservation Trust Fund funded 25% of the park supervisor's wages and contributed \$17,400 towards the three climbing boulders that were funded in part with a Great Outdoors Colorado (GOCO) grant. Due to the revenue shortfall the CTF had a net change in Fund Balance of -\$7,499 which was \$1,034 worse than budgeted. The Fund Balance as of December 31, 2009 was \$13,614.

Volunteer Firefighters' Fund:

The Volunteer Firefighters Fund was set up as a Special Revenue Fund, but has no consistent dedicated funding mechanism. Under the new GASB rules for identifying separate funds the Volunteer Firefighters Fund will be included in the General Fund as of 2010. The Firefighters fund had no standby pay in 2009 with the delay of the helicopter testing at the Airport. As a result the actual revenues were \$48,551 less than budgeted.

The Fire Department employs three part-time employees, all of whom left during 2009 and were replaced at a later date. The part-time employees include an administrative assistant, an auto mechanic, and a fire inspector. As a result of the vacant positions the Fire Department actual expenditures for personnel costs were \$21,834 under budget. In addition, capital outlay expenditures for Air tanks, radios, and building equipment were canceled for a savings of \$16,332. Operating expenses for supplies were \$1,946 higher than budget, but maintenance and repairs were \$2,758 lower. The net result was a decrease in Fund Balance of \$23,061 which was \$9,573 worse than the budgeted decrease of \$13,488. The Fund Balance for the Volunteer Firefighters Fund was \$104,763 as of December 31, 2009.

Capital Improvement Fund:

The Capital Improvement Fund budget was amended to provide \$20,000 for the computer software and server for General Government and \$1,059 for Community Development approved by the Town Trustees for new financial software and the associated modules discussed above. Budget was reduced by \$10,000 for repair of the Town Hall windows because the project was bigger than originally anticipated, \$5,000 budgeted for carpet at the Public Safety complex was canceled, and the whitewater park

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improvements of \$110,000 were moved forward from 2010 when the rules for when work could be done in the Arkansas River were amended to allow work to begin in November.

Due to the open grant projects at the end of 2009, Capital Improvement Fund revenues were \$391,810 less than budgeted. This reflects a timing delay for receiving the awarded grant amounts for the Boulder Garden and Whitewater Kayak Park improvements from GOCO and the East Main Street improvement grant from the DOLA Mineral Impact grant. They are scheduled to be completed in 2010 and the grant revenues received.

Actual expenditures for the Capital Improvement Fund were \$129,165 less than budget, primarily due to timing delays for expenditures. The computer equipment and software costs other than the initial down payment was delayed into 2010, the whitewater park improvements were delayed by cold weather in late November, and additional work on East Main Street for furniture and sidewalk replacement was delayed until 2010. These items are included in the 2010 budget.

When the Trustees requested delaying purchases, the police vehicles were ordered too late for the budgeted 2009 model year which was closed in early May. As a result, the vehicles were not ordered until fall and were 2010 models at a higher price than budgeted. The shortfall was expected to be offset by other capital items that were under budget in 2009.

Water Enterprise Fund:

The Water Fund budget was amended to reduce revenues for water sales to customers due to the wet June and the higher water rates and for system development fees due to the slow economy during the first four months of 2009. Expenditures were reduced by the delay of planned distribution system upgrades that were not needed yet with the slower rate of development, while increases were included for the additional costs of health insurance, to correct the wages which were not correctly allocated from public works to the Water Fund, to add the cost of the new software, add legal fees for water rights issues and development issues, and provide for additional meter costs to replace touch read meters with radio read meters in the more rural areas of Town.

With the slower development rate in Buena Vista and the low interest rates available for investments, the Trustees approved early retirement of the 1995 bond debt with an interest rate of 5%. It was originally schedule to be paid in full in 2014. The interest saved by the early repayment was \$12,331. The budget was amended to increase the appropriations for debt principal by \$115,000. The largest budget reduction was due to the delay of capital outlay for replacement a new upper zone connection that would be needed if the Meadows annexation was approved by the voters in the April, 2009 election. It was defeated and the project was delayed to another year, reducing the budget by \$246,534.

Although development slowed significantly, it did not stop in Buena Vista. Water Fund revenues were \$23,016 better than budget primarily due to the additional \$13,940 received in System Development Fees. Meter sales were \$2,408 better than budget, investment income was \$3,125 better than budget, late fees were \$1,010 better than budget and general water sales were \$3,085 worse than budget. The other fee category includes insurance proceeds, bad check fees, miscellaneous and the first payment of cash-in-lieu of water rights. With the extension of a main water line to serve the electric company located outside of Town limits, they paid \$3,200 into the cash-in lieu of water rights account.

Water Fund expenditures were \$217,041 less than budgeted. The largest savings, \$152,760, was a delay in developing a new well in the Arkansas River water basin while additional measures for water right acquisition were further studied. In addition, due to the slow construction market the cost of replacing fire hydrants, planned for 10 per year, were one-half the cost of the prior year saving almost \$20,000 in capital outlay.

The budget was increased to purchase additional meters, but with the early arrival of winter the project of replacing touch read meters with radio read meters was delayed to 2010 and the meters were added to inventory for later use. That reduced expenditures for meters by \$22,203 while increasing the meter inventory. Salaries and benefits were better than budget due to lower medical insurance costs and less overtime than budgeted. Both natural gas and electricity were less than budget for a total savings of \$7,047. Maintenance costs were \$4,093 higher than budgeted due to a water main break that required

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the installation of a new shut-off valve. Plant operations were \$1,010 less than budget due to lower chemical costs than budget because cost increases were less than planned.

With increased revenues and decreased expenditures, the 2009 Non-GAAP budget basis change in net assets for the Water Fund was an increase of \$50,758 compared to the budgeted decrease of \$189,299, or better than budget by \$240,057. The GAAP basis increase in net assets for the Water Fund in 2009 was \$189,944.

Airport Enterprise Fund

The original budget for the Airport Fund was developed before the level of decline in General Aviation due to the national recession was apparent. The budget was amended to reduce the level of fuel sales by \$127,700 or 40.8% which is a combination of lower prices for fuel and reduced gallons sold. With the economic recession in full swing, the rental revenues were reduced by 85%, or \$55,000. Transfers from the General Fund were increased by \$70,000, or 90%, to \$148,000 to reflect the higher subsidy level required by the Airport. With the delay in the terminal renovation the corresponding grant revenue was also reduced.

The budget was amended to reduce expenditures. Cost of fuel sold was cut 40% to correspond to the cut in budgeted fuel sales. Wages and benefits were reduced to reflect the delay in hiring a part-time receptionist for the terminal building. Professional services were increased to include \$5,000 for an Airport consultant. The insurance budget was reduced to reflect the ability to continue to get attractive Airport liability insurance which had been in doubt when the financial crisis threatened the insurance industry in late 2008. The Airport operations budget was increased for the maintenance required on the fuel tank farm and runway equipment. Capital outlay was decreased when the terminal renovation project was delayed until winter.

Actual Airport revenues were \$204,516 less than the amended budget primarily due to the delay of the terminal renovation until spring of 2010. Fuel sales were \$12,432 less than budget. All other revenues were less than budget due to the lower level of activity at the Airport. Grant revenue received was for the fog sealing and striping of the runway.

Airport expenditures were \$225,898 less than budget primarily due to the delay of the terminal renovation. Capital outlay was \$192,683 less than budget. Capital outlay expenditures included the purchase of a used Excursion to serve as a shuttle vehicle for \$12,000. The design work for the terminal building of \$35,934 was capitalized as work in progress for 2009.

With the reduced fuel sales and lower purchase costs, the cost of fuel was \$21,248 less than budget. Airport operations tried to transition in late 2009 with the addition of more part-time line technicians to reduce overtime costs, but the training costs plus overtime costs resulted in wages in excess of budget in the amount of \$5,090. Airport operations were \$6,937 less than budget due to lower maintenance and repair costs. Repairs and maintenance of the building and equipment were \$1,249 less than budget. Operating supplies, computer supplies, contract labor, and credit card processing fees were \$6,979 less than budgeted for general and administrative.

The non-GAAP budget basis net change in assets for the Airport Fund in 2009 was a decrease of \$4,714 compared to a budgeted decrease of \$26,096, or \$21,382 better than budgeted. On a GAAP basis the net change was an increase of \$9,878.

In 2010 the Airport Fund is expected to make significant operating changes to adapt to the continued slowdown in general aviation travel across the country. A special commission will report to the Trustees with recommendations.

Capital Assets and Debt Administration

Capital Assets: As can be seen from Financial Statement Note IV E on page D14, the Town's investment in governmental activities capital assets as of December 31, 2009, amounts to \$4.07 million, net of accumulated depreciation. This is a net increase of \$824,980 due to new acquisitions in 2009. New acquisitions of Governmental activity capital assets in 2009 included 2 new police vehicles, a new copier, new police server, down payment on a new financial software package with a new server, park

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improvements that include a new climbing park called the Buena Vista Boulder Garden, a new Public Works pickup truck with a sander and plow, new East Main Street pavement with stamped colored concrete on pedestrian friendly bump-outs and crosswalks, and improvements to the water structures in the Whitewater Kayak Park. Total depreciation expense for governmental activities was \$189,352 for 2009.

Financial Statement Note IV. E. on page D15 shows the Town's investment in business-type activity capital assets of \$4.85 net of accumulated depreciation. This is a decrease of \$75,425 in capital assets as depreciation was greater than new investments. Water Fund capital improvements include replacement of twenty old fire hydrants with new fire hydrants for \$35,000, completion of Highway 24 water line extension for \$1,296, and new water valves at the Treatment plant and in the distribution system for \$19,764. Total depreciation expense for business-type activities was \$378,082 for 2009.

Long-term Debt: Other than compensated absences, as of December 31, 2009 the Town had one long-term liability outstanding for governmental activities. This is a lease-purchase agreement on a new street sweeper. The final payment will be October, 2010. More information can be found in the Financial Statement notes IV. G. and J. on pages D16 and D19.

The other three long-term liabilities of the Town are in business-type activities. The debt consists of one revenue bond and a loan. No new debt was issued in 2009, but one revenue bond was retired early. Details on the Water Fund debt are in Financial Statement notes IV. H. and J. on pages D17-19.

Economic Factors and Next Year's Budget and Rates

The Town's Governmental Fund balance at the end of 2009 is \$1,663,216, a decrease of \$673,251 from 2008. The Capital Improvement Fund balance is a negative \$328,702 due to the open grant funded capital projects that are scheduled and budgeted for completion in 2010. The receipt of the \$475,000 in grant money to reimburse the fund should return the Capital Improvement Fund to a positive balance by the end of 2010. With total 2009 expenditures of \$2.9 million from the Governmental Funds, the ending fund balance of \$1.7 million equals 56.6% of operating and capital expenditures which reflects healthy reserves to enable the Town to weather a modest downturn before any services would have to be reduced. The 2010 budget for the General Fund projects an operating surplus of \$174,584 with transfers of \$401,356 for the Capital Improvement Fund and the Airport. The General Fund 2010 budget is based on flat revenues for 2010.

The economy of Buena Vista has had 3 major components over the past 7 years: housing construction, the state prison, and summer tourism. All three of these components play a role in the generation of sales taxes which are the Town's main revenue source. The 2008 credit meltdown caused the housing industry to slow in 2009 although it did not stop. New restaurants and businesses continued to open throughout 2009 with the expectation that retirees and young professionals will continue to relocate to Buena Vista to enjoy the recreational amenities and temperate weather. The construction industry in Chaffee County has declined at least 40% from the level of 2007. However, in April, 2010 Buena Vista voters approved a new subdivision annexation that plans to provide residential and commercial development including the first assisted living housing in the community with construction scheduled to begin in early 2011.

Although the state budget has required cutbacks in many areas, including prison programs, the Buena Vista prison continues to provide a source of stable, benefited jobs to the community. Rehabilitation programs at the prison have been changed to efficiently utilize existing personnel, but the prison continues to house the maximum number of prisoners that it can handle.

The summer tourism season generates a significant portion of the Town's sales taxes and business profit. The level of tourism will depend upon gasoline prices, consumer confidence, weather, and the snow runoff from the Continental Divide that provides water for the Arkansas River. Tourism levels were high for the summer of 2009 as people in the suburbs of the Colorado front-range communities continued to discover the affordable mountain vacation that is available in Chaffee County and Buena Vista. The public lands surrounding Buena Vista provide inexpensive vacation amenities for those who love the outdoors.

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The Town's Proprietary Funds unrestricted net asset balance as of December 31, 2009 is \$1.3 million. The Water Fund unrestricted net asset balance is \$1.5 million while the Airport has a negative balance of \$127,685 due to the \$380,544 owed to the General Fund. The 2010 budget projects a deficit of \$74,500 for the Water Fund and a deficit of \$175,034 in the Airport Fund before the \$190,000 transfer from the General Fund. The Airport Fund budget was adopted with the understanding that the Airport operations would be restructured and a revised budget adopted by mid-year that would reduce the subsidy from the General Fund.

In April, 2010 voters approved a dedicated sales tax of 1/2% for street, sidewalk, and street drainage capital improvements. The new tax starts July 1, 2010 and will provide a dedicated revenue source for street projects. The total Town sales tax rate will be 2.55 with the added tax. The funds received from the new tax will be revenue for the Capital Improvement Fund.

Request for Information

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS



**Town of Buena Vista
Statement of Net Assets
December 31, 2009**

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and cash equivalents - Unrestricted	1,048,100	1,233,279	2,281,379
Cash and cash equivalents - Restricted	-	193,474	193,474
Interest receivable	282	89	371
Receivables, net of allowance for uncollectible accounts:			
Accounts	88,762	57,590	146,352
Other governments	287,165	195,057	482,222
Property taxes	294,565	-	294,565
Prepaid expenses	195	-	195
Internal balances	403,939	(403,939)	-
Inventories, net of allowance for obsolescence	-	123,544	123,544
Bond issue costs, net of accumulated amortization	-	14,614	14,614
Capital assets not being depreciated	1,449,427	733,013	2,182,440
Capital assets, net of accumulated depreciation	<u>2,618,523</u>	<u>4,118,394</u>	<u>6,736,917</u>
Total Assets	<u>6,190,958</u>	<u>6,265,115</u>	<u>12,456,073</u>
Liabilities:			
Accounts payable	20,995	30,618	51,613
Accrued payroll	15,631	4,060	19,691
Interest payable	980	20,267	21,247
Deferred property taxes	294,565	-	294,565
Other deferred revenues	128,601	-	128,601
Accrued compensated absences:			
Due in more than one year	85,740	17,529	103,269
Lease purchase obligation:			
Due within one year	20,558	-	20,558
Loan payable:			
Due within one year	-	66,206	66,206
Due in more than one year	-	606,888	606,888
Bonds payable:			
Due within one year	-	31,000	31,000
Due in more than one year	-	137,000	137,000
Total Liabilities	<u>567,070</u>	<u>913,568</u>	<u>1,480,638</u>
Net Assets:			
Invested in capital assets, net of related debt	4,047,391	4,010,313	8,057,704
Restricted for emergencies	72,000	7,000	79,000
Restricted for open space and trails	76,800	-	76,800
Unrestricted	<u>1,427,697</u>	<u>1,334,234</u>	<u>2,761,931</u>
Total Net Assets	<u>5,623,888</u>	<u>5,351,547</u>	<u>10,975,435</u>

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

**Town of Buena Vista
Statement of Activities
For the Year Ended December 31, 2009**

	<u>Program Revenues</u>				<u>Net (Expense) Revenue and Change in Net Assets</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Functions/Programs:							
Governmental activities:							
General government	510,850	31,568	1,843	-	(477,439)		(477,439)
Public safety	721,603	27,908	1,289	-	(692,406)		(692,406)
Community services	101,104	18,345	-	-	(82,759)		(82,759)
Public works	553,617	8,612	116,965	-	(428,040)		(428,040)
Culture and recreation	226,059	46,574	21,531	28,275	(129,679)		(129,679)
Interest on long-term debt	1,707	-	-	-	(1,707)		(1,707)
Total Governmental Activities	<u>2,114,940</u>	<u>133,007</u>	<u>141,628</u>	<u>28,275</u>	<u>(1,812,030)</u>		<u>(1,812,030)</u>
Business-type activities:							
Water	620,679	710,915	-	75,349		165,585	165,585
Airport	576,169	187,466	25,000	224,640		(139,063)	(139,063)
Total Business-type Activities	<u>1,196,848</u>	<u>898,381</u>	<u>25,000</u>	<u>299,989</u>		<u>26,522</u>	<u>26,522</u>
Total	<u>3,311,788</u>	<u>1,031,388</u>	<u>166,628</u>	<u>328,264</u>	<u>(1,812,030)</u>	<u>26,522</u>	<u>(1,785,508)</u>
General Revenues:							
Taxes:							
General property					289,203	-	289,203
Specific ownership					38,251	-	38,251
General sales					1,678,726	-	1,678,726
Franchise					57,346	-	57,346
Other					25,258	837	26,095
Investment income					16,349	24,463	40,812
Miscellaneous					15,785	-	15,785
Gain on sale of capital assets					5,604	-	5,604
Transfers					(148,000)	148,000	-
Total General Revenues, Transfers and Special Items					<u>1,978,522</u>	<u>173,300</u>	<u>2,151,822</u>
Change in Net Assets					166,492	199,822	366,314
Net Assets - January 1					<u>5,457,396</u>	<u>5,151,725</u>	<u>10,609,121</u>
Net Assets - December 31					<u>5,623,888</u>	<u>5,351,547</u>	<u>10,975,435</u>

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

FUND FINANCIAL STATEMENTS



**Town of Buena Vista
Governmental Funds
Balance Sheet
December 31, 2009**

	<u>General</u>	<u>Conservation Trust</u>	<u>Volunteer Firefighters</u>	<u>Capital Improvement</u>	<u>Total Governmental Funds</u>
Assets:					
Cash and cash equivalents - Unrestricted	817,412	13,881	124,583	92,224	1,048,100
Interest receivable	-	-	282	-	282
Accounts receivable, net of allowance for uncollectibles:					
Accounts	88,762	-	-	-	88,762
Other governments	275,665	-	-	11,500	287,165
Property taxes	294,565	-	-	-	294,565
Due from other funds	854,082	-	-	-	854,082
Prepaid expenses	-	-	195	-	195
Total Assets	<u>2,330,486</u>	<u>13,881</u>	<u>125,060</u>	<u>103,724</u>	<u>2,573,151</u>
Liabilities and Fund Equity:					
Liabilities:					
Accounts payable	18,256	12	1,849	878	20,995
Accrued payroll	15,523	-	108	-	15,631
Due to other funds	-	255	18,340	431,548	450,143
Deferred property taxes not collectible until subsequent year	294,565	-	-	-	294,565
Other deferred revenues	128,601	-	-	-	128,601
Total Liabilities	<u>456,945</u>	<u>267</u>	<u>20,297</u>	<u>432,426</u>	<u>909,935</u>
Fund Balances:					
Reserved for emergencies	72,000	-	-	-	72,000
Reserved for open space and trails	-	-	-	76,800	76,800
Reserved for prepaid expenses	-	-	195	-	195
Unreserved	1,801,541	13,614	104,568	(405,502)	1,514,221
Total Fund Balances (Deficit)	<u>1,873,541</u>	<u>13,614</u>	<u>104,763</u>	<u>(328,702)</u>	<u>1,663,216</u>
Total Liabilities and Fund Balances (Deficit)	<u>2,330,486</u>	<u>13,881</u>	<u>125,060</u>	<u>103,724</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	4,067,950
Accrued interest payable on long-term liabilities is recognized when due and, therefore, is not reported in the funds.	(980)
Long-term liabilities, including lease purchase obligations and compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(106,298)</u>
Net Assets of Governmental Activities	<u>5,623,888</u>

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

Town of Buena Vista
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2009

	<u>General</u>	<u>Conservation Trust</u>	<u>Volunteer Firefighters</u>	<u>Capital Improvement</u>	<u>Total Governmental Funds</u>
Revenues:					
Taxes:					
General property	289,203	-	-	-	289,203
Specific ownership	38,251	-	-	-	38,251
Franchise fees	57,346	-	-	-	57,346
General sales	1,678,726	-	-	-	1,678,726
Other	25,258	-	-	-	25,258
Charges for services:					
Licenses and permits	87,252	-	-	-	87,252
Fines	31,201	-	-	-	31,201
Rental income	14,530	-	-	-	14,530
Intergovernmental	117,465	21,531	-	11,500	150,496
Contributions	1,843	-	789	2,835	5,467
Interest income	12,920	104	1,318	2,007	16,349
Other revenues	9,948	-	-	-	9,948
Total Revenues	<u>2,363,943</u>	<u>21,635</u>	<u>2,107</u>	<u>16,342</u>	<u>2,404,027</u>
Expenditures:					
General government	501,767	-	-	7,195	508,962
Public safety	637,515	-	68,168	57,211	762,894
Community services	101,320	-	-	1,059	102,379
Public works	382,099	-	-	824,716	1,206,815
Culture and recreation	172,726	29,134	-	157,834	359,694
Total Expenditures	<u>1,795,427</u>	<u>29,134</u>	<u>68,168</u>	<u>1,048,015</u>	<u>2,940,744</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>568,516</u>	<u>(7,499)</u>	<u>(66,061)</u>	<u>(1,031,673)</u>	<u>(536,717)</u>
Other Financing Sources (Uses):					
Sale of assets	5,604	-	-	-	5,604
Insurance proceeds	5,862	-	-	-	5,862
Transfers in	-	-	43,000	377,183	420,183
Transfers (out)	(568,183)	-	-	-	(568,183)
Total Other Financing Sources (Uses)	<u>(556,717)</u>	<u>-</u>	<u>43,000</u>	<u>377,183</u>	<u>(136,534)</u>
Net Change in Fund Balances	11,799	(7,499)	(23,061)	(654,490)	(673,251)
Fund Balances - January 1	<u>1,861,742</u>	<u>21,113</u>	<u>127,824</u>	<u>325,788</u>	<u>2,336,467</u>
Fund Balances (Deficit) - December 31	<u>1,873,541</u>	<u>13,614</u>	<u>104,763</u>	<u>(328,702)</u>	<u>1,663,216</u>

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

Town of Buena Vista
Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2009

Net Change in Fund Balances of Governmental Funds (673,251)

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. Capital outlay and depreciation were as follows during the past year:

Capital outlay	1,014,332
Depreciation	(189,352)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(4,523)
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The repayment of the principal of long-term debt consumes the current financial resources of governmental funds. This transaction, however, has no effect on net assets. This is the amount of principal repayments during the year.	19,286
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Change in Net Assets of Governmental Activities	166,492
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**Town of Buena Vista
Proprietary Funds
Statement of Net Assets
December 31, 2009**

	<u>Water</u>	<u>Airport</u>	<u>Total Proprietary Funds</u>
Assets:			
Current Assets:			
Cash and cash equivalents - Unrestricted	1,191,101	42,178	1,233,279
Cash and cash equivalents - Restricted	193,474	-	193,474
Interest receivable	89	-	89
Accounts receivable, net of allowance for uncollectibles	53,232	4,358	57,590
Due from other governments		195,057	195,057
Inventories, net of allowance for obsolescence	74,761	48,783	123,544
Total Current Assets	<u>1,512,657</u>	<u>290,376</u>	<u>1,803,033</u>
Non-current Assets:			
Bond issue costs, net of accumulated amortization	14,614	-	14,614
Capital assets:			
Non-depreciable capital assets	363,040	369,973	733,013
Other capital assets, net of accumulated depreciation	2,949,624	1,168,770	4,118,394
Total Non-current Assets	<u>3,327,278</u>	<u>1,538,743</u>	<u>4,866,021</u>
Total Assets	<u>4,839,935</u>	<u>1,829,119</u>	<u>6,669,054</u>
Liabilities:			
Current Liabilities:			
Accounts payable	5,828	24,790	30,618
Due to other funds	23,395	380,544	403,939
Accrued payroll	3,056	1,004	4,060
Accrued interest payable	20,267	-	20,267
Total Current Liabilities	<u>52,546</u>	<u>406,338</u>	<u>458,884</u>
Non-current Liabilities:			
Compensated absences - Due in more than one year	12,806	4,723	17,529
Loan payable:			
Due within one year	66,206	-	66,206
Due in more than one year	606,888	-	606,888
Bonds payable:			
Due within one year	31,000	-	31,000
Due in more than one year	137,000	-	137,000
Total Non-current Liabilities	<u>853,900</u>	<u>4,723</u>	<u>858,623</u>
Total Liabilities	<u>906,446</u>	<u>411,061</u>	<u>1,317,507</u>
Net Assets:			
Invested in capital assets, net of related debt	2,471,570	1,538,743	4,010,313
Restricted for emergencies	-	7,000	7,000
Unrestricted	1,461,919	(127,685)	1,334,234
Total Net Assets	<u>3,933,489</u>	<u>1,418,058</u>	<u>5,351,547</u>

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

Town of Buena Vista
Proprietary Funds
Statement of Revenues, Expenses and Changes in Fund Net Assets
For the Year Ended December 31, 2009

	<u>Water</u>	<u>Airport</u>	<u>Total Proprietary Funds</u>
Operating Revenues:			
Water sales	683,829	-	683,829
Water meter sales	9,408	-	9,408
Finance charges	11,510	-	11,510
Fuel sales	-	172,568	172,568
Rental revenue	-	7,735	7,735
Other fees	6,168	7,163	13,331
Total Operating Revenues	<u>710,915</u>	<u>187,466</u>	<u>898,381</u>
Operating Expenses:			
Salaries and benefits	236,257	111,345	347,602
Fuel cost	-	123,472	123,472
Professional services	55,383	10,021	65,404
Meters, materials, and freight	24,302	-	24,302
Insurance	6,856	16,095	22,951
Other general and administrative	18,365	5,545	23,910
Utilities	14,731	15,764	30,495
Repairs and maintenance	34,693	23,551	58,244
Plant and building operations	29,918	30,469	60,387
Capital outlay	6,840	7,901	14,741
Depreciation and amortization	148,080	232,005	380,085
Total Operating Expenses	<u>575,425</u>	<u>576,168</u>	<u>1,151,593</u>
Operating Income (Loss)	<u>135,490</u>	<u>(388,702)</u>	<u>(253,212)</u>
Non-operating Revenues (Expenses):			
Investment income	24,360	103	24,463
Operating grants and contributions	-	25,000	25,000
Other taxes	-	837	837
Interest and fiscal charges	(45,255)	-	(45,255)
Total Non-operating Revenues (Expenses)	<u>(20,895)</u>	<u>25,940</u>	<u>5,045</u>
Income (Loss) Before Capital Contributions and Transfers	114,595	(362,762)	(248,167)
Capital Contributions	75,349	224,640	299,989
Transfers In	-	148,000	148,000
Change in Net Assets	189,944	9,878	199,822
Total Net Assets - January 1	<u>3,743,545</u>	<u>1,408,180</u>	<u>5,151,725</u>
Total Net Assets - December 31	<u>3,933,489</u>	<u>1,418,058</u>	<u>5,351,547</u>

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

**Town of Buena Vista
Proprietary Funds
Statement of Cash Flows
For the Year Ended December 31, 2009**

	<u>Water</u>	<u>Airport</u>	<u>Total Proprietary Funds</u>
Cash Flows From Operating Activities:			
Cash received from customers	720,481	190,181	910,662
Cash paid for goods and services	(247,270)	(226,561)	(473,831)
Cash paid for employees	(231,538)	(108,295)	(339,833)
Net Cash Provided (Used) by Operating Activities	<u>241,673</u>	<u>(144,675)</u>	<u>96,998</u>
Cash Flows From Non-Capital Financing Activities:			
Transfers from other funds	17,726	317,634	335,360
Operating grants received	-	25,000	25,000
Other taxes and contributions	-	837	837
Net Cash Provided by Non-Capital Financing Activities	<u>17,726</u>	<u>343,471</u>	<u>361,197</u>
Cash Flows From Capital Financing Activities:			
System development fees collected	75,349	-	75,349
Capital grant proceeds	-	65,890	65,890
Purchases of property and equipment	(85,306)	(225,776)	(311,082)
Loan principal payments	(66,206)	-	(66,206)
Bond principal payments	(165,000)	-	(165,000)
Loan and bond interest payments and fiscal charges	(50,127)	-	(50,127)
Net Cash (Used) by Capital Financing Activities	<u>(291,290)</u>	<u>(159,886)</u>	<u>(451,176)</u>
Cash Flows From Investing Activities:			
Interest received	24,313	103	24,416
Net Cash Provided by Investing Activities	<u>24,313</u>	<u>103</u>	<u>24,416</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(7,578)	39,013	31,435
Cash and Cash Equivalents - January 1	<u>1,392,153</u>	<u>3,165</u>	<u>1,395,318</u>
Cash and Cash Equivalents - December 31	<u>1,384,575</u>	<u>42,178</u>	<u>1,426,753</u>
Represented by balance sheet captions:			
Cash and cash equivalents - Unrestricted	1,191,101	42,178	1,233,279
Cash and cash equivalents - Restricted	193,474	-	193,474
	<u>1,384,575</u>	<u>42,178</u>	<u>1,426,753</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	135,490	(388,702)	(253,212)
Adjustments to reconcile:			
Depreciation	146,077	232,005	378,082
Amortization	2,003	-	2,003
(Increase) decrease in accounts receivable	9,566	2,714	12,280
(Increase) decrease in inventory	(21,812)	25,039	3,227
(Increase) decrease in prepaid expenses	1,238	771	2,009
Increase (decrease) in accounts payable	(34,370)	(19,552)	(53,922)
Increase (decrease) in compensated absences	3,481	3,050	6,531
Total Adjustments	<u>106,183</u>	<u>244,027</u>	<u>350,210</u>
Net Cash Provided (Used) by Operating Activities	<u>241,673</u>	<u>(144,675)</u>	<u>96,998</u>

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

Town of Buena Vista
Fiduciary Fund - Volunteer Firefighters Pension Fund
Statement of Fiduciary Net Assets
December 31, 2009

Assets:

Investments	<u>293,832</u>
Total Assets	<u><u>293,832</u></u>

Net Assets:

Held in trust for pension benefits	<u><u>293,832</u></u>
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The accompanying notes are an integral part of these financial statements.

Town of Buena Vista
Fiduciary Fund - Volunteer Firefighters Pension Fund
Statement of Changes in Fiduciary Net Assets
For the Year Ended December 31, 2009

Additions:	
State matching grant	10,800
Investment income	40,339
Contributions	12,023
Total Additions	<u>63,162</u>
Deductions:	
Pension payments	20,944
Total Deductions	<u>20,944</u>
Change in Net Assets	<u>42,218</u>
Total Net Assets - January 1	<u>251,614</u>
Total Net Assets - December 31	<u><u>293,832</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS



Town of Buena Vista
Notes to the Financial Statements
December 31, 2009

I. Summary of Significant Accounting Policies

The Town of Buena Vista 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 accordance with generally accepted accounting principles ("GAAP"). The Governmental Accounting Standards Board ("GASB") is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board ("FASB") issued through November 30, 1989, when applicable, that do not conflict with or contradict GASB pronouncements. The more significant accounting policies established by GAAP used by the Town are discussed below.

A. Reporting Entity

The financial statements of the reporting entity include those of the Town (the primary government) and any component units for which the Town is financially accountable. The Town is considered financially accountable for legally separate organizations if it is able to appoint a voting majority of that organization's governing body, if it is able to impose its will on that organization, or if there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the Town. Consideration is also given to other organizations that are fiscally dependent upon the Town; that is, organizations that are unable to adopt a budget, levy taxes, or issue debt without approval by the Town. Finally, organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete are also included in the reporting entity.

Based on these criteria, the Town is not financially accountable for any other entity, nor is the Town a component unit of any other government.

B. Government-wide and Fund Financial Statements

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds). The government-wide financial statements report information on all non-fiduciary activities of the Town and categorize primary activities as either governmental or business-type. The Town's governmental activities include public safety (police and volunteer firefighting), community services (planning and zoning and community center), public works, culture and recreation, and administration functions. The Town's water utility and airport are classified as business-type activities.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Town of Buena Vista
Notes to the Financial Statements
December 31, 2009
(Continued)

I. Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements (continued)

1. Government-wide Financial Statements

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functions and business-type activities. The governmental functions are mostly supported by general revenues (property and sales taxes, intergovernmental revenue, investment earnings, etc.). The Town's business-type activities rely to a significant extent on fees and charges for support.

The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, and operating and capital grants. Program revenues must be directly associated with the function (public safety, public works, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The government-wide focus is on the sustainability of the Town as an entity and the change in the Town's net assets resulting from the current year's activities.

2. Fund Financial Statements

The financial transactions of the Town are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses.

The fund focus is on current available resources and budget compliance.

The Town reports the following major governmental funds:

The *General Fund* is used to account for resources traditionally associated with governmental activities of the Town that are not legally required or by sound financial management to be accounted for in another fund.

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

The *Volunteer Firefighters Fund* accounts for receipts and expenditures with respect to the Town's volunteer firefighter program.

The *Capital Improvement Fund* accounts for receipts and expenditures with respect to capital projects.

The Town reports the following major proprietary or business-type funds:

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

The *Airport Fund* accounts for receipts and expenses related to the Town's airport.

Town of Buena Vista
Notes to the Financial Statements
December 31, 2009
(Continued)

I. Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements (continued)

2. Fund Financial Statements (continued)

The Town reports the following fiduciary fund:

The *Volunteer Firefighters Pension Fund* accounts for volunteer firefighters' pension investments.

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

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

1. Long-term Economic Focus and Accrual Basis

Governmental and business-type activities in the government-wide financial statements, the proprietary fund financial statements, and the fiduciary fund financial statements use the long-term economic focus and are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flows.

2. Current Financial Focus and Modified Accrual Basis

The governmental fund financial statements use the current financial focus and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter (60 days) to be used to pay liabilities of the current period. Expenditures are generally recognized when the related liability is incurred. The exception to this general rule is that principal and interest on general long-term debt, if any, is recognized when due.

3. Financial Statement Presentation

Amounts reported as program revenues include 1) charges to customers and applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Town of Buena Vista
Notes to the Financial Statements
December 31, 2009
(Continued)

I. Summary of Significant Accounting Policies (continued)

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

3. Financial Statement Presentation (continued)

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's enterprise funds is charges to customers for sales and services. Operating expenses for the enterprise fund 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 non-operating revenues and expenses.

D. Financial Statement Accounts

1. Cash and Cash Equivalents

Cash and cash equivalents are defined as cash on hand, demand deposits, and short-term investments that can be withdrawn at any time without notice or penalty (i.e., loss of principal).

2. Receivables

The Town uses the allowance method for recognizing the potential uncollectibility of delinquent accounts receivable. At December 31, 2009, no allowance has been established, as all amounts are considered collectible.

3. 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 have been recorded as a receivable and as deferred revenue.

4. Inventories

Water parts and airport fuel inventories are valued at average cost, which approximates market, using the first-in/first-out ("FIFO") method. The allowance for obsolete inventory at December 31, 2009 was \$3,935 for the Water Fund. The allowance for fuel loss was \$4,789 at year-end for the Airport Fund.

5. Interfund Receivables and Payables

Balances at year-end between funds are reported as "due to / from other funds" in the fund financial statements. Any residual balances not eliminated between the governmental and business-type activities are reported as "internal balances" in the government-wide financial statements.

6. Bond Issue Costs

Issue costs for bonds payable are deferred and amortized over the term of the bonds using the straight-line method.

Town of Buena Vista
Notes to the Financial Statements
December 31, 2009
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

7. Capital Assets

Capital assets, which include land, water rights, construction in progress, capital assets held for other government, land improvements, buildings and improvements, distribution systems, storage tanks, equipment and furniture, vehicles and heavy equipment, and infrastructure assets (airport paving and street improvements), are reported in the applicable governmental or business-type activity columns in the government-wide financial statements as well as the proprietary fund financial statements. Capital assets are defined by the Town as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at cost where historical records are available and at an estimated historical cost where no historical record exists. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Capital outlay for projects is capitalized as projects are constructed. Interest incurred during the construction phase is capitalized for the proprietary funds, when applicable, as part of the value of the assets.

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	15 years
Buildings and improvements, distribution systems, and storage tanks	10 - 50 years
Equipment and vehicles	5 - 15 years
Furniture	5 years
Infrastructure	7 - 40 years

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

Town of Buena Vista
Notes to the Financial Statements
December 31, 2009
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

8. Deferred Revenue

For governmental funds, deferred revenues arise when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. For proprietary funds, deferred revenues arise when potential revenue is unearned. In subsequent periods, when revenue recognition criteria are met, or when the Town has legal claim to the resources, the liability for deferred revenue is removed and revenue is recognized.

9. Compensated Absences

For governmental funds, vested and accumulated vacation, compensatory, and sick leave that are expected to be liquidated with expendable available financial resources, is reported as expenditures and a fund liability of the governmental fund that will pay it. Vested and accumulated vacation, compensatory, and sick leave not expected to be liquidated with expendable available financial resources are not reported in the governmental fund financial statements. However, these amounts are reported in the governmental activities column of the government-wide financial statements. Vested or accumulated vacation, compensatory, and sick leave of proprietary funds are recorded as an expense and liability of that fund and in the business-type activities column of the government-wide financial statements as the benefits accrue to employees. In accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*, no liability is recorded for non-vesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that it is estimated to be paid upon termination.

10. Long-term Debt

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt is reported as a liability in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets.

11. Fund Equity

Governments report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. At December 31, 2009, the Town reported \$72,000 of restricted net assets for emergencies, which is subsequently explained in the notes. In addition, the Town has restricted \$76,800 for open space acquisition and trails, as stipulated by agreements entered into with developers. Finally, the Town has restricted \$293,832 for volunteer firefighter pension benefits.

Designations of fund balance represent tentative management plans that are subject to change. Designations of fund balance are reported only on governmental fund financials and not on the government-wide financial statements.

Town of Buena Vista
Notes to the Financial Statements
December 31, 2009
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

12. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures or expenses initially made from it that are properly applicable to another fund, are recorded as expenditures or expenses in the reimbursing fund and as reductions of expenditures or expenses in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

13. Restricted Assets

Certain proceeds of the Town's water bonds and loan, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond and loan covenants.

E. Significant Accounting Policies

1. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the Town's management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

2. Proprietary Funds

As required by GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the Town has elected to follow for its proprietary funds, all (1) GASB pronouncements and (2) FASB Statements and Interpretations, APB Opinions, and Accounting Research Bulletins (ARBs) issued on or before November 30, 1989, except those that conflict with a GASB pronouncement.

3. Restricted and Unrestricted Resources

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

4. Subsequent Events

Management has evaluated subsequent events through July 23, 2010, the date these financial statements were available to be issued.

Town of Buena Vista
Notes to the Financial Statements
December 31, 2009
(Continued)

II. Reconciliation of Government-wide and Fund Financial Statements

A. Explanation of Certain Differences between the Governmental Funds Balance Sheet and the Government-wide Statement of Net Assets

The governmental funds Balance Sheet includes a reconciliation between the *fund balances of governmental funds* and *net assets of governmental activities* as reported in the government-wide Statement of Net Assets. One element of that reconciliation explains "Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds". This \$4,067,950 difference is related to capital assets of \$6,307,147 less accumulated depreciation of \$2,239,197.

Another element of that reconciliation states "Long-term liabilities, including lease purchase obligations and compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds". The \$106,298 difference is comprised of lease purchase obligations of \$20,558 and accrued compensated absences of \$85,740.

B. Explanation of Certain Differences between the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances includes a reconciliation between the *net change in fund balances of governmental funds* and the *change in net assets of governmental activities* as reported in the government-wide Statement of Activities. One element of that reconciliation explains "Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds". The details of this negative \$4,523 difference is the change in compensated absences of \$5,443 less the change in interest payable of \$920.

III. Stewardship, Compliance, and Accountability

A. Budgetary Information

Budgets are adopted on a basis consistent with GAAP, except for the proprietary funds. Annual appropriations are adopted for all funds. Expenditures may not legally exceed appropriations at the fund level. All appropriations lapse at year-end.

As required by Colorado Local Budget law, the Town followed the required timetable noted below in preparing, approving, and enacting its budget for 2009.

1. For the 2009 budget year, prior to August 25, 2008, the County Assessor sent to the Town an assessed valuation of all taxable property within the Town's boundaries. The County Assessor may change the assessed valuation on or before December 15, 2008, only once by a single notification to the Town.
2. On or before October 15, 2008, the Town's Treasurer and Administrator submitted to the Town Board a recommended budget which detailed the necessary property taxes needed along with other available revenues to meet the Town's operating requirements.

Town of Buena Vista
Notes to the Financial Statements
December 31, 2009
(Continued)

III. Stewardship, Compliance, and Accountability (continued)

A. Budgetary Information (continued)

3. Prior to December 15, 2008, the Town computed and certified to the Chaffee County Board of Commissioners a levy rate that derived the necessary property taxes as computed in the proposed budget.
4. After a required publication of "Notice of Proposed Budget", the Town adopted the proposed budget and a resolution that legally appropriated expenditures for the upcoming year.
5. After adoption of the budget resolution, the Town may make the following changes: a) it may transfer appropriated money between funds; b) it may approve supplemental appropriations to the extent of revenues in excess of estimated revenues in the budget; c) it may approve emergency appropriations; and d) it may reduce appropriations for which originally estimated revenues are insufficient.

During the year, supplemental appropriations were necessary. The budgetary comparison schedules reflect the original budget and the final budget after legally authorized revisions were made.

Taxes levied in one year are collected in the succeeding year. Thus, taxes certified in 2008 were collected in 2009 and taxes certified in 2009 will be collected in 2010. Taxes are due on January 1 in the year of collection; however, they may be paid in either one installment (no later than April 30) or two equal installments (not later than February 28 and June 15) without interest or penalty. Taxes that are not paid within the prescribed time bear interest at the rate of one percent (1%) per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 16.

The budgets of the proprietary funds were adopted on a non-GAAP budgetary basis and are reconciled below:

	Water Fund	Airport Fund
Change in Net Assets - Budget Basis	\$ 50,758	(4,714)
Depreciation	(146,077)	(232,005)
Amortization	(2,003)	-
Capitalized assets	56,060	246,597
Debt principal payments	231,206	-
Change in Net Assets - GAAP Basis	\$189,944	9,878

Town of Buena Vista
Notes to the Financial Statements
December 31, 2009
(Continued)

III. Stewardship, Compliance, and Accountability (continued)

B. 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 for declared 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 \$79,000, which is the approximate required reserve at December 31, 2009.

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

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

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

C. Deficit Fund Equity

The Capital Improvement Fund had a deficit fund balance of \$328,702 at December 31, 2009.

D. Potential TABOR Violation

During the preparation of the 2010 budget, the Town assessed \$729 of property taxes over the amount allowable under TABOR. As is customary, the Town used the State of Colorado's projected consumer price index in determining the amount of property taxes that it may assess for the subsequent year. This potential TABOR violation was the result of the State of Colorado's forecasted consumer price index exceeding the actual price index for 2009.

Town of Buena Vista
Notes to the Financial Statements
December 31, 2009
(Continued)

IV. Detailed Notes on All Funds

A. Deposits and Investments

The Town's deposits are entirely covered by federal depository insurance ("FDIC") or by collateral held under Colorado's Public Deposit Protection Act ("PDPA"). The FDIC insures the first \$250,000 of the Town's deposits at each financial institution for interest-bearing accounts. Non-interest bearing accounts are fully insured. Deposit balances for interest-bearing accounts over \$250,000 are collateralized as required by PDPA. The carrying amount of the Town's demand deposits was \$2,178,840 at year end. Petty cash totaled \$825.

At year end, the Town had the following deposits and investments with the following maturities:

	Standard & Poors Rating	Carrying Amounts	Maturities	
			Less than one year	Less than five years
<i>Deposits:</i>				
Petty cash	Not rated	825	825	-
Checking	Not rated	1,024,374	1,024,374	-
Certificates of deposit	Not rated	1,154,466	1,154,466	-
<i>Investments:</i>				
Investment pool	AAAm	295,188	295,188	-
		<u>\$2,474,853</u>	<u>2,474,853</u>	<u>-</u>

The investment pool represents investments in the Colorado Government Liquid Asset Trust ("COLOTRUST") which is a 2a7-like pool. The fair value of the pool is determined by the pool's share price. The Town has no regulatory oversight for the pool. The Town also has \$293,832 invested with the Fire and Police Pension Association of Colorado ("FPPA") on behalf of its volunteer firefighters. The Town has no regulatory oversight for the unrated FPPA pool.

Interest Rate Risk. As a means of limiting its exposure to interest rate risk, the Town structures its investment portfolio to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity. In addition, the Town attempts to minimize interest rate risk by investing primarily in shorter-term securities, money market mutual funds, and similar investment pools. The Town does not invest in securities maturing more than five years from the date of purchase.

Town of Buena Vista
Notes to the Financial Statements
December 31, 2009
(Continued)

IV. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

Credit Risk. Colorado statutes specify instruments in which local governments may invest, including:

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

The Town also attempts to minimize credit risk by limiting investments to the safest types of securities, pre-qualifying the financial institutions, brokers/dealers, intermediaries, and advisors with which it will do business, and diversifying its investment portfolio so that potential losses on individual securities will be minimized.

Concentration of Credit Risk. The Town attempts to minimize concentration of credit risk by limiting investments to avoid over concentration in securities from a specific issuer or business sector.

B. Restricted Cash and Cash Equivalents

At December 31, 2009, cash in the Water Fund has been restricted for the following purposes:

1974 bond reserves	\$ 39,100
Operations and maintenance reserve - CWRPDA loan	114,974
Bond account - 1974 bonds	39,400
	<u>\$ 193,474</u>

C. Summary of Cash and Cash Equivalents

The Town's cash and cash equivalents are disclosed in the following financial statement captions:

Cash and cash equivalents - Unrestricted	\$ 2,281,379
Cash and cash equivalents - Restricted	193,474
Total	<u>\$ 2,474,853</u>

Town of Buena Vista
Notes to the Financial Statements
December 31, 2009
(Continued)

IV. Detailed Notes on All Funds (continued)

D. Receivables and Deferred Revenue

Receivables as of year-end for the Town's funds, including applicable allowances for uncollectible accounts, are as follows:

	General Fund	Conservation Trust Fund	Volunteer Firefighters Fund	Capital Improvement Fund
Receivables:				
Property taxes	\$ 294,565	-	-	-
Other taxes	275,665	-	-	-
Capital grants	-	-	-	11,500
Other	88,762	-	-	-
Gross receivables	<u>658,992</u>	<u>-</u>	<u>-</u>	<u>11,500</u>
Less: Allowance for uncollectibles	-	-	-	-
Net Receivables	<u>\$ 658,992</u>	<u>-</u>	<u>-</u>	<u>11,500</u>

	Total Governmental Activities	Water Fund	Airport Fund	Total Business-type Activities
Receivables:				
Property taxes	\$ 294,565	-	-	-
Other taxes	275,665	-	-	-
Capital grants	11,500	-	195,057	195,057
Other	88,762	53,232	4,358	57,590
Gross receivables	<u>670,492</u>	<u>53,232</u>	<u>199,415</u>	<u>252,647</u>
Less: Allowance for uncollectibles	-	-	-	-
Net Receivables	<u>\$ 670,492</u>	<u>53,232</u>	<u>199,415</u>	<u>252,647</u>

At the end of 2009, deferred revenue is comprised of the following:

Property taxes assessed but not collectible until 2009	\$ 294,565
Prepaid development fees	78,601
Unearned drainage retention pond maintenance fees	50,000
Total Deferred Revenue	<u>\$ 423,166</u>

Town of Buena Vista
Notes to the Financial Statements
December 31, 2009
(Continued)

IV. Detailed Notes on All Funds (continued)

E. Capital Assets

Capital asset activity for the year ended December 31, 2009, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 913,709	-	-	913,709
Assets held for other government	535,718	-	-	535,718
Total capital assets, not being depreciated	<u>1,449,427</u>	<u>-</u>	<u>-</u>	<u>1,449,427</u>
Capital assets, being depreciated:				
Land improvements	430,815	93,713	-	524,528
Buildings and improvements	1,457,538	-	-	1,457,538
Vehicles and heavy equipment	760,632	77,661	-	838,293
Equipment and furniture	732,943	121,031	-	853,974
Infrastructure	461,460	721,927	-	1,183,387
Total capital assets being depreciated	<u>3,843,388</u>	<u>1,014,332</u>	<u>-</u>	<u>4,857,720</u>
Less accumulated depreciation for:				
Land improvements	(26,913)	(7,582)	-	(34,495)
Buildings and improvements	(641,778)	(36,041)	-	(677,819)
Vehicles and heavy equipment	(646,529)	(40,963)	-	(687,492)
Equipment and furniture	(673,773)	(27,174)	-	(700,947)
Infrastructure	(60,852)	(77,592)	-	(138,444)
Total accumulated depreciation	<u>(2,049,845)</u>	<u>(189,352)</u>	<u>-</u>	<u>(2,239,197)</u>
Total capital assets, being depreciated, net	<u>1,793,543</u>	<u>824,980</u>	<u>-</u>	<u>2,618,523</u>
Governmental activities capital assets, net	<u>\$ 3,242,970</u>	<u>824,980</u>	<u>-</u>	<u>4,067,950</u>

Town of Buena Vista
Notes to the Financial Statements
December 31, 2009
(Continued)

IV. Detailed Notes on All Funds (continued)

E. Capital Assets (continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land and water rights	\$ 697,079	-	-	697,079
Construction in progress	-	35,934	-	35,934
Total capital assets, not being depreciated	<u>697,079</u>	<u>35,934</u>	<u>-</u>	<u>733,013</u>
Capital assets, being depreciated:				
Buildings and treatment plant	1,348,836	13,944	-	1,362,780
Distribution systems	2,866,866	42,116	-	2,908,982
Storage tanks	1,579,146	-	-	1,579,146
Vehicles and equipment	993,664	12,000	-	1,005,664
Airport infrastructure	1,395,661	198,663	-	1,594,324
Land improvements	3,733,767	-	-	3,733,767
Office furniture and fixtures	14,842	-	-	14,842
Total capital assets being depreciated	<u>11,932,782</u>	<u>266,723</u>	<u>-</u>	<u>12,199,505</u>
Less accumulated depreciation for:				
Buildings and treatment plant	(638,865)	(37,974)	-	(676,839)
Distribution systems	(1,321,826)	(67,381)	-	(1,389,207)
Storage tanks	(456,426)	(34,002)	-	(490,428)
Vehicles and equipment	(712,072)	(42,686)	-	(754,758)
Airport infrastructure	(1,314,966)	(107,748)	-	(1,422,714)
Land improvements	(3,245,113)	(87,667)	-	(3,332,780)
Office furniture and fixtures	(13,761)	(624)	-	(14,385)
Total accumulated depreciation	<u>(7,703,029)</u>	<u>(378,082)</u>	<u>-</u>	<u>(8,081,111)</u>
Total capital assets, being depreciated, net	<u>4,229,753</u>	<u>(111,359)</u>	<u>-</u>	<u>4,118,394</u>
Business-type activities capital assets, net	<u>\$ 4,926,832</u>	<u>(75,425)</u>	<u>-</u>	<u>4,851,407</u>

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

Governmental activities:

General government	\$ 11,572
Public safety	24,469
Public works	119,051
Culture and recreation	34,260
Total depreciation expense - governmental activities	<u>\$ 189,352</u>

Business-type activities:

Water	\$ 146,077
Airport	232,005
Total depreciation- business-type activities	<u>\$ 378,082</u>

Town of Buena Vista
Notes to the Financial Statements
December 31, 2009
(Continued)

IV. Detailed Notes on All Funds (continued)

F. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of December 31, 2009, was as follows:

	Receivable Fund	Payable Fund
General	\$ 854,082	-
Conservation Trust	-	255
Airport	-	380,544
Volunteer Firefighters	-	18,340
Capital Improvement	-	431,548
Water	-	23,395
	\$ 854,082	854,082

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Transfers for 2009 were as follows:

	Transfers In	Transfers Out
General	\$ -	568,183
Airport	148,000	-
Volunteer Firefighters	43,000	-
Capital Improvement	377,183	-
	\$ 568,183	568,183

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.

G. Long-term Liabilities – Governmental Activities

The Town has one lease purchase obligation outstanding for governmental activities. In April 2005, the Town entered into a lease purchase agreement in the amount of \$112,750, bearing interest at 1.94% annually. Principal and interest payments totaling \$21,913 are due annually April 1, through October 1, 2010. The proceeds of the lease purchase agreement were used to purchase a street sweeper.

The net book value of the asset acquired through the capital lease is computed as follows:

Equipment and furniture	\$ 112,750
Less: accumulated depreciation	(80,536)
Net	\$ 32,214

Town of Buena Vista
Notes to the Financial Statements
December 31, 2009
(Continued)

IV. Detailed Notes on All Funds (continued)

H. Long-term Liabilities – Business-type Activities

The Town has the following long-term debt outstanding for business-type activities:

1. 1974 Water Revenue Bonds

The Town issued \$665,000 of water revenue bonds on May 14, 1974, the proceeds of which were used to improve and extend the water system within the Town boundaries through the construction of a water filtration treatment plant and related transmission lines. These bonds bear interest at 5.00% annually. Principal payments ranging from \$6,000 to \$36,000 along with interest are due annually on January 1, through 2014.

This bond issue requires the Town to maintain a reserve account of at least \$39,100 as additional security. In addition, the Town is required to reserve the next fiscal year's principal and interest payments.

Bonds maturing after 1985 may be called by the Town at par value along with any accrued interest on or after January 1, 1985. The Town has not exercised this option.

2. Colorado Water Resources and Power Development Authority ("CWRPDA") Loan

On June 1, 1998, the Town entered a \$1,324,120 loan agreement with CWRPDA, the proceeds of which were utilized to construct a 600,000 gallon water storage tank, a transmission pipeline, and an extension of the infiltration system, a new well, and related equipment.

Starting in 1999, principal, variable-interest, and administrative fee payments (which are reported as interest expense on the financial statements) on the loan ranging from \$46,599 to \$51,067 are due February 1 and August 1, through 2018.

The loan agreement contains various restrictive covenants and requirements, including maintenance of a three month operating and maintenance reserve. If the operations and maintenance reserve falls below this requirement, the shortfall must be made up in 24 substantially equal monthly installments beginning the second month after such shortfall or the date of delivery. In addition, the loan agreement requires the Town to establish water rates at a level sufficient to cover operating expenses, as defined in the agreement, 110% of the current year debt service costs on this loan, any amount required to be paid into a debt service reserve account for that year, debt service for the current year on any subordinated debt, and any other amounts to be paid out of current year operations.

Prepayment of the loan is permitted subject to CWRPDA's approval and upon payment of administrative charges. The loan may be repaid in whole or if in part, in \$100,000 increments.

Town of Buena Vista
Notes to the Financial Statements
December 31, 2009
(Continued)

IV. Detailed Notes on All Funds (continued)

I. Long-term Liabilities – Compensated Absences

The Town has a policy for the accumulation of paid vacation, compensatory, and sick leave, subject to certain limits. Only full-time regular employees and Town officers with full-time positions are eligible for these benefits. Earned vacation leave accrues on a graduated scale and may be accumulated up to two years vacation time earned. With the exception of employees who are engaged in snowplowing (who get paid overtime), authorized overtime is compensated at the rate of one and one-half times the number of overtime hours worked in the form of compensatory time off. All compensatory time must be taken within 180 days of the time it was earned. Sick pay accrues at the rate of 8 hours per month and may be accumulated up to a maximum of 480 hours; after 480 hours of sick leave has been accrued, employees are paid at 50% of their current hourly rate for all hours in excess of 480. Upon termination after 5 years of continuous service, sick leave is converted to monetary payment at the rate of 50% of their current hourly rate for all accumulated hours.

The estimated liability for accrued leave for Water Fund and Airport Fund employees is recorded in the proprietary fund statements and the business-type activities column of the government-wide financial statements, while the estimated liability for other employees is reflected in the governmental activities column of the government-wide financial statements.

J. Long-term Liabilities - Activity and Debt Service Schedules

Long-term liability activity for the year ended December 31, 2009, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Lease purchase obligation	\$ 39,844	-	(19,286)	20,558	20,558
Compensated absences	80,297	5,443	-	85,740	-
Total governmental activities long-term liabilities	<u>120,141</u>	<u>5,443</u>	<u>(19,286)</u>	<u>106,298</u>	<u>20,558</u>
Business-Type Activities:					
1974 water revenue bonds	198,000	-	(30,000)	168,000	31,000
1995 water revenue bonds	135,000	-	(135,000)	-	-
CWRPDA loan	739,300	-	(66,206)	673,094	66,206
Compensated absences	15,057	2,472	-	17,529	-
Total business-type activities long-term liabilities	<u>\$ 1,087,357</u>	<u>2,472</u>	<u>(231,206)</u>	<u>858,623</u>	<u>97,206</u>

The lease purchase obligation and compensated absences of governmental activities are generally liquidated by the Capital Improvement Fund and the General Fund, respectively.

**Town of Buena Vista
Notes to the Financial Statements
December 31, 2009
(Continued)**

IV. Detailed Notes on All Funds (continued)

J. Long-term Liabilities - Activity and Debt Service Schedules (continued)

Aggregate annual debt service requirements at December 31, 2009, are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Administrative Fees</u>	<u>Total</u>
Governmental Activities:				
2010	\$ 20,558	1,355	-	21,913
	<u>20,558</u>	<u>1,355</u>	<u>-</u>	<u>21,913</u>
Business-type Activities:				
2010	97,206	26,609	10,593	134,408
2011	98,206	23,426	10,593	132,225
2012	105,723	20,012	10,593	136,328
2013	106,723	16,347	10,593	133,663
2014	107,723	12,682	10,593	130,998
2015 - 2018	325,513	22,823	30,455	378,791
	<u>\$ 841,094</u>	<u>121,899</u>	<u>83,420</u>	<u>1,046,413</u>

V. Other Information

A. Police Department Money Purchase Pension Plan

The Town contributes to a single-employer defined contribution money purchase pension plan (the "Pension Plan") on behalf of all full-time police officers. The contribution requirements of Pension Plan participants and the Town are established, and may be amended, by the Board of Trustees.

All full-time sworn police employees of the Town are eligible to participate in the Plan. The Town is required to contribute 8% of each participating employee's compensation, and each employee must contribute an equal matching amount. Employees may also make voluntary contributions to the Pension Plan but may not contribute in excess of 10% of their compensation. Employee contributions to the Pension Plan become immediately vested while Town contributions are fully vested after six years.

For the year ended December 31, 2009, the Town contributed \$26,593 to the Pension Plan on behalf of participating employees. Pension Plan participants made equal matching contributions in 2009.

All Pension Plan investments are managed by Oppenheimer Funds. As the Town is neither the administrator nor the trustee of the Pension Plan, it has no liability for losses under the plan. Consequently, the Pension Plan is not part of the Town's financial statements.

Town of Buena Vista
Notes to the Financial Statements
December 31, 2009
(Continued)

V. Other Information

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

For all permanent 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.

For the year ended December 31, 2009, the Town contributed \$19,484 to the Retirement Plan on behalf of participating employees. Participants of the Retirement Plan made equal matching contributions in 2009.

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.

C. Deferred Compensation Plan

All compensated employees are eligible to participate in a deferred compensation plan that was created in accordance with 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.

D. 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 Fire and Police Pension Association of Colorado ("FPPA"). During the past year the Town's required contribution rate was 2.6% of base salary for members. Total Town contributions to this plan totaled \$6,917 during 2009. Employees are not required to contribute to this plan.

Town of Buena Vista
Notes to the Financial Statements
December 31, 2009
(Continued)

V. Other Information (continued)

E. Volunteer Firefighters' Pension Plan

1. Plan Description

The Town provides a defined benefit pension plan for volunteer fire fighters (the "Plan"), affiliated with FPPA. Assets of the Plan are commingled for investment purposes in the Fire and Police Member's Benefit Fund, an agent multiple-employer defined benefit pension Plan administered through FPPA.

FPPA issues a publicly available annual financial report that includes the assets of the Plan. That report may be obtained by writing to FPPA of Colorado, 5290 DTC Parkway, Suite 100, Englewood, Colorado 80111 or by calling the FPPA at (303) 770-3772 in the Denver Metro area, or 1-800-332-FPPA (3772) from outside the metro area.

The Plan, as established and amended by the Plan's Board of Trustees through the Bylaws, provides for a monthly pension of \$220 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.

2. Basis of Accounting

The financial statements of the Plan are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. The investments are presented at fair value except for short-term investments recorded at cost, which approximates fair value.

3. Funding Policy

Participating volunteer firefighters do not contribute to the pension plan. Contributions to the Plan are made by the Town and through a 90% matching grant from the State of Colorado. The contribution requirements of the Plan are established under Title 31, Article 30 of the Colorado Revised Statutes, as amended. The Town contributed \$12,000 to the Plan for the year ended December 31, 2009.

Town of Buena Vista
Notes to the Financial Statements
December 31, 2009
(Continued)

V. Other Information (continued)

E. Volunteer Firefighters' Pension Plan (continued)

4. Actuarial Information

An actuarial firm determined the Annual Required Contribution as of the January 1, 2007 study (the most recent prepared) using the "entry age" actuarial cost method. The significant actuarial assumptions used in the valuation as of January 1, 2007 were:

- a. Interest rate – 8% per annum
- b. Retirement – Age 50 and 20 years of service
- c. Inflation – 3.5%
- d. Amortization method – Level dollar - open
- e. Asset valuation method – Actuarial value
- f. Changes in actuarial assumptions from 2005 – Based on experience studied from 1999-2003, retirement rates were added from age 50 to age 65.
- g. Changes in actuarial methods from 2005 – Reflection of the one-year lag between the valuation date and the effective date for the contribution requirements.

The following information is based on the most recent actuarial studies available:

	<u>1/1/2007</u>	<u>1/1/2005</u>	<u>1/1/2003</u>
Actuarial value of assets	\$ 303,205	233,858	223,825
Less: Actuarial accrued liability	<u>(353,867)</u>	<u>(335,262)</u>	<u>(304,403)</u>
Surplus or (unfunded actuarial liability)	<u>(50,662)</u>	<u>(101,404)</u>	<u>(80,578)</u>
Annual required contribution (including State matching funds)	22,800	22,800	19,000
Annual covered payroll	-	-	-
Unfunded actuarial liability as a percentage of covered payroll	-	-	-
Funded ratio	86%	70%	74%
Percentage contributed (including State matching funds)	100%	100%	100%
Net pension obligation	-	-	-

F. Risk Management

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

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

Town of Buena Vista
Notes to the Financial Statements
December 31, 2009
(Continued)

V. Other Information (continued)

F. Risk Management (continued)

CIRSA's operations are funded by contributions from member governments. Coverage is provided in the amount of \$250,000 per claim or occurrence for property, \$1,000,000 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 such losses at December 31, 2009.

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.

The Town's share of CIRSA's assets, liabilities and fund equity as of December 31, 2009, is as follows:

Property and Casualty Pool:	Equity Ratio
Operating Fund	-0.053%
Loss Fund	0.312%
Excess Fund	-0.059%
Reserve Fund	0.336%
Workers' Compensation Pool:	
Operating Fund	-1.470%
Loss Fund	0.914%
Excess Fund	-0.640%
Reserve Fund	0.404%

CIRSA's combined financial information for the year ended December 31, 2009, is summarized as follows:

Assets:	
Cash and investments	\$ 68,583,308
Other assets	8,455,662
Total Assets	<u><u>\$ 77,038,970</u></u>
Liabilities and Net Assets:	
Total liabilities	\$ 37,353,198
Net assets	39,685,772
Total Liabilities and Net Assets	<u><u>\$ 77,038,970</u></u>
Total Revenues	\$ 21,683,444
Total Expenses	(18,215,999)
Total Distributions	(2,340,265)
Change in Net Assets	<u><u>\$ 1,127,180</u></u>

Town of Buena Vista
Notes to the Financial Statements
December 31, 2009
(Continued)

V. Other Information (continued)

G. Commitments and Contingencies

1. Legal Claims

During the normal course of business, the Town may incur claims and other assertions against it from various agencies and individuals. Management of the Town and their legal representatives feel none of these claims or assertions are significant enough that they would materially affect the fairness of the presentation of the financial statements at December 31, 2009.

2. 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. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Town expects such amounts, if any, to be immaterial.

REQUIRED SUPPLEMENTARY INFORMATION



Town of Buena Vista
Governmental Funds - General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended December 31, 2009
(With Comparative Actual Amounts for 2008)

	2009			Final Budget Variance Positive (Negative)	2008
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Taxes:					
General property	283,199	289,831	289,203	(628)	271,162
Specific ownership	42,200	42,200	38,251	(3,949)	40,536
Franchise fees	56,598	56,598	57,346	748	55,477
General sales	1,711,360	1,711,023	1,678,726	(32,297)	1,746,528
Mineral severance	-	-	13,785	13,785	16,558
Cigarette	11,000	11,000	11,473	473	10,139
Total Taxes	<u>2,104,357</u>	<u>2,110,652</u>	<u>2,088,784</u>	<u>(21,868)</u>	<u>2,140,400</u>
Charges for Services:					
Business licenses	13,000	13,000	14,588	1,588	13,813
Building and development fees	30,075	30,075	12,515	(17,560)	9,512
Other permits and fees	8,275	8,275	14,425	6,150	9,433
Recreation fees and permits	43,020	43,020	45,724	2,704	45,448
Fines	23,830	23,830	31,201	7,371	33,441
Lease income	13,919	13,919	14,530	611	7,465
Total Charges for Services	<u>132,119</u>	<u>132,119</u>	<u>132,983</u>	<u>864</u>	<u>119,112</u>
Intergovernmental:					
Highway users	89,000	89,000	99,745	10,745	93,381
County road and bridge	2,500	2,500	2,950	450	2,803
Grants	1,000	1,000	500	(500)	2,900
Motor vehicle registration	13,900	13,900	14,270	370	13,772
Total Intergovernmental	<u>106,400</u>	<u>106,400</u>	<u>117,465</u>	<u>11,065</u>	<u>112,856</u>
Other Revenues:					
Contributions	6,000	6,000	1,843	(4,157)	1,293
Earnings on investments	17,020	17,020	12,920	(4,100)	24,743
Other	3,165	3,165	9,948	6,783	7,641
Total Other Revenues	<u>26,185</u>	<u>26,185</u>	<u>24,711</u>	<u>(1,474)</u>	<u>33,677</u>
Total Revenues	<u>2,369,061</u>	<u>2,375,356</u>	<u>2,363,943</u>	<u>(11,413)</u>	<u>2,406,045</u>
Expenditures:					
General Government:					
Financial administration	133,467	124,892	115,429	9,463	255,125
Mayor and Board of Trustees	18,147	18,147	15,750	2,397	15,511
Clerk of Council	72,312	82,281	72,613	9,668	75,962
Municipal Court	50,511	46,491	52,944	(6,453)	49,528
Administrative	232,808	233,418	219,929	13,489	150,535
Public support	38,602	39,202	23,845	15,357	12,577
Election	600	1,230	1,257	(27)	13,804
Total - General Government	<u>546,447</u>	<u>545,661</u>	<u>501,767</u>	<u>43,894</u>	<u>573,042</u>

(continued)

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

Town of Buena Vista
Governmental Funds - General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended December 31, 2009
(With Comparative Actual Amounts for 2008)
(Continued)

	<u>2009</u>			<u>2008</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance Positive (Negative) Actual</u>
Expenditures (continued):				
Public Safety:				
Police and public safety complex	669,345	684,260	637,515	46,745
Total - Public Safety	<u>669,345</u>	<u>684,260</u>	<u>637,515</u>	<u>46,745</u>
Community Services:				
Development	120,535	121,383	81,232	40,151
Community center	27,372	27,372	20,088	7,284
Total - Community Services	<u>147,907</u>	<u>148,755</u>	<u>101,320</u>	<u>47,435</u>
Public Works:				
Streets and properties - Maintenance and improvements	443,328	444,266	382,099	62,167
Total - Public Works	<u>443,328</u>	<u>444,266</u>	<u>382,099</u>	<u>62,167</u>
Culture and Recreation:				
Parks and recreation	191,530	196,076	172,726	23,350
Total - Culture and Recreation	<u>191,530</u>	<u>196,076</u>	<u>172,726</u>	<u>23,350</u>
Total Expenditures	<u>1,998,557</u>	<u>2,019,018</u>	<u>1,795,427</u>	<u>223,591</u>
Excess of Revenues Over Expenditures	<u>370,504</u>	<u>356,338</u>	<u>568,516</u>	<u>212,178</u>
Other Financing Sources (Uses):				
Sale of assets	500	500	5,604	5,104
Insurance proceeds	-	-	5,862	5,862
Transfers out	(491,000)	(716,000)	(568,183)	147,817
Total Other Financing (Uses)	<u>(490,500)</u>	<u>(715,500)</u>	<u>(556,717)</u>	<u>158,783</u>
Net Change in Fund Balances	(119,996)	(359,162)	11,799	370,961
Fund Balances - January 1	<u>1,577,824</u>	<u>1,861,742</u>	<u>1,861,742</u>	<u>-</u>
Fund Balances - December 31	<u>1,457,828</u>	<u>1,502,580</u>	<u>1,873,541</u>	<u>370,961</u>

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

Town of Buena Vista
Governmental Funds - Conservation Trust Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended December 31, 2009
(With Comparative Actual Amounts for 2008)

	<u>2009</u>		<u>Variance Positive (Negative)</u>	<u>2008</u>
	<u>Original and Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Lottery proceeds	22,800	21,531	(1,269)	23,138
Interest income	100	104	4	90
Total Revenues	<u>22,900</u>	<u>21,635</u>	<u>(1,265)</u>	<u>23,228</u>
Expenditures:				
Parks and recreation	29,365	29,134	231	42,657
Total Expenditures	<u>29,365</u>	<u>29,134</u>	<u>231</u>	<u>42,657</u>
Net Change in Fund Balances	(6,465)	(7,499)	(1,034)	(19,429)
Fund Balances - January 1	<u>22,687</u>	<u>21,113</u>	<u>(1,574)</u>	<u>40,542</u>
Fund Balances - December 31	<u>16,222</u>	<u>13,614</u>	<u>(2,608)</u>	<u>21,113</u>

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

Town of Buena Vista
Governmental Funds - Volunteer Firefighters Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended December 31, 2009
(With Comparative Actual Amounts for 2008)

	<u>2009</u>			<u>2008</u>
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
Revenues:				
Standby payments	47,858	-	(47,858)	23,601
Interest income	2,200	1,318	(882)	4,292
Contributions	600	789	189	530
Other	-	-	-	665
Total Revenues	<u>50,658</u>	<u>2,107</u>	<u>(48,551)</u>	<u>29,088</u>
Expenditures:				
Salaries and benefits	48,457	26,623	21,834	34,363
Operating expenses	18,639	20,585	(1,946)	12,252
Repairs and maintenance	9,550	6,792	2,758	24,943
Volunteer firefighters' pension	12,000	12,000	-	12,000
Capital outlay	18,500	2,168	16,332	15,215
Total Expenditures	<u>107,146</u>	<u>68,168</u>	<u>38,978</u>	<u>98,773</u>
(Deficiency) of Revenues Over Expenditures	<u>(56,488)</u>	<u>(66,061)</u>	<u>(9,573)</u>	<u>(69,685)</u>
Other Financing Sources:				
Transfers in	43,000	43,000	-	18,582
Total Other Financing Sources	<u>43,000</u>	<u>43,000</u>	<u>-</u>	<u>18,582</u>
Net Change in Fund Balances	(13,488)	(23,061)	(9,573)	(51,103)
Fund Balances - January 1	<u>184,528</u>	<u>127,824</u>	<u>(56,704)</u>	<u>178,927</u>
Fund Balances - December 31	<u>171,040</u>	<u>104,763</u>	<u>(66,277)</u>	<u>127,824</u>

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

SUPPLEMENTARY INFORMATION



Town of Buena Vista
Governmental Funds - Capital Improvement Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended December 31, 2009
(With Comparative Actual Amounts for 2008)

	<u>2009</u>			Final Budget Variance Positive (Negative)	<u>2008</u>
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Contributions	33,390	4,034	2,835	(1,199)	-
Grants	405,768	402,018	11,500	(390,518)	7,500
Interest income	-	2,100	2,007	(93)	9,046
Other	-	-	-	-	1,965
Total Revenues	<u>439,158</u>	<u>408,152</u>	<u>16,342</u>	<u>(391,810)</u>	<u>18,511</u>
Expenditures:					
General Government:					
Computer equipment and software	-	20,000	5,325	14,675	-
Town Hall repairs	15,000	5,000	1,870	3,130	-
Total - General Government	<u>15,000</u>	<u>25,000</u>	<u>7,195</u>	<u>17,805</u>	<u>-</u>
Public Safety:					
Public safety complex improvement	5,000	-	-	-	-
Equipment and vehicles	46,000	46,000	57,211	(11,211)	-
Total - Public Safety	<u>51,000</u>	<u>46,000</u>	<u>57,211</u>	<u>(11,211)</u>	<u>-</u>
Community Services:					
Computer equipment and software	-	1,059	1,059	-	-
Total - Community Services	<u>-</u>	<u>1,059</u>	<u>1,059</u>	<u>-</u>	<u>-</u>
Public Works:					
Equipment and vehicles	30,000	30,000	29,867	133	-
Lease payments	21,913	21,913	21,913	-	21,913
Street repairs and capital outlay	782,058	782,058	772,936	9,122	126,358
Total - Public Works	<u>833,971</u>	<u>833,971</u>	<u>824,716</u>	<u>9,255</u>	<u>148,271</u>
Culture and Recreation:					
Park improvements	161,150	271,150	157,834	113,316	7,500
Total - Culture and Recreation	<u>161,150</u>	<u>271,150</u>	<u>157,834</u>	<u>113,316</u>	<u>7,500</u>
Total Expenditures	<u>1,061,121</u>	<u>1,177,180</u>	<u>1,048,015</u>	<u>129,165</u>	<u>155,771</u>
(Deficiency) of Revenues Over Expenditures	<u>(621,963)</u>	<u>(769,028)</u>	<u>(1,031,673)</u>	<u>(262,645)</u>	<u>(137,260)</u>
Other Financing Sources:					
Transfers in	370,000	525,000	377,183	(147,817)	66,647
Total Other Financing Sources	<u>370,000</u>	<u>525,000</u>	<u>377,183</u>	<u>(147,817)</u>	<u>66,647</u>
Net Change in Fund Balances	(251,963)	(244,028)	(654,490)	(410,462)	(70,613)
Fund Balances - January 1	<u>362,779</u>	<u>325,788</u>	<u>325,788</u>	<u>-</u>	<u>396,401</u>
Fund Balances (Deficit) - December 31	<u>110,816</u>	<u>81,760</u>	<u>(328,702)</u>	<u>(410,462)</u>	<u>325,788</u>

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

Town of Buena Vista
Proprietary Fund - Water Fund
Schedule of Revenues, Expenditures and Changes in Fund Net Assets
Budget (Non-GAAP Basis) and Actual With Reconciliation to GAAP Basis
For the Year Ended December 31, 2009
(With Comparative Actual Amounts for 2008)

	<u>2009</u>			Final Budget Variance Positive (Negative)	<u>2008</u>
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Water sales	689,593	686,914	683,829	(3,085)	623,221
Water meter sales	7,000	7,000	9,408	2,408	8,787
Finance charges	10,500	10,500	11,510	1,010	11,940
Investment income	21,800	21,235	24,360	3,125	39,999
System development fees	80,309	61,409	75,349	13,940	102,348
Other fees	550	550	6,168	5,618	3,682
Total Revenues	<u>809,752</u>	<u>787,608</u>	<u>810,624</u>	<u>23,016</u>	<u>789,977</u>
Expenditures:					
Salaries and benefits	221,608	241,029	236,257	4,772	233,889
Professional services	55,150	63,150	55,383	7,767	80,732
Meters, materials, and freight	27,750	46,505	24,302	22,203	32,858
Insurance	6,868	6,868	6,856	12	25,451
Other general and administrative	19,036	19,036	18,365	671	21,640
Utilities	21,778	21,778	14,731	7,047	16,978
Repairs and maintenance	30,600	30,600	34,693	(4,093)	38,606
Plant and building operations	30,287	30,928	29,918	1,010	18,118
Capital outlay	482,194	235,660	62,900	172,760	459,092
Debt principal payments	116,206	231,206	231,206	-	114,206
Debt interest and fiscal charges	50,147	50,147	45,255	4,892	51,961
Total Expenditures	<u>1,061,624</u>	<u>976,907</u>	<u>759,866</u>	<u>217,041</u>	<u>1,093,531</u>
Change in Net Assets - Non-GAAP Basis	<u>(251,872)</u>	<u>(189,299)</u>	<u>50,758</u>	<u>240,057</u>	<u>(303,554)</u>
Reconciliation to GAAP Basis:					
Depreciation			(146,077)		(146,462)
Amortization			(2,003)		(2,003)
Capitalized assets			56,060		445,031
Debt principal payments			231,206		114,206
Total GAAP Basis Adjustments			<u>139,186</u>		<u>410,772</u>
Change in Net Assets - GAAP Basis			<u>189,944</u>		<u>107,218</u>

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

Town of Buena Vista
Governmental Funds - Airport Fund
Schedule of Revenues, Expenditures and Changes in Fund Net Assets
Budget (Non-GAAP Basis) and Actual With Reconciliation to GAAP Basis
For the Year Ended December 31, 2009
(With Comparative Actual Amounts for 2008)

	<u>2009</u>			Final Budget Variance Positive (Negative)	<u>2008</u>
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Charges for services:					
Fuel sales	312,700	185,000	172,568	(12,432)	238,056
Rental revenue	64,550	9,550	7,735	(1,815)	33,262
Other	8,950	8,950	7,163	(1,787)	1,745
Grant revenue	464,002	435,502	249,640	(185,862)	90,748
Transfers	78,000	148,000	148,000	-	7,283
Other taxes	2,360	2,360	837	(1,523)	4,739
Interest income	200	200	103	(97)	230
Contributions	1,000	1,000	-	(1,000)	214
Total Revenues	<u>931,762</u>	<u>790,562</u>	<u>586,046</u>	<u>(204,516)</u>	<u>376,277</u>
Expenditures:					
Fuel cost	240,720	144,720	123,472	21,248	194,533
Salaries and benefits	107,373	106,255	111,345	(5,090)	83,825
Professional services	7,500	12,500	10,021	2,479	14,250
Insurance	21,236	16,236	16,095	141	7,744
General and administrative	12,524	12,524	5,545	6,979	4,310
Utilities	15,036	15,036	15,764	(728)	19,060
Repairs and maintenance	29,800	24,800	23,551	1,249	55,710
Airport and weather station operations	28,406	37,406	30,469	6,937	40,405
Capital outlay	475,181	447,181	254,498	192,683	94,989
Total Expenditures	<u>937,776</u>	<u>816,658</u>	<u>590,760</u>	<u>225,898</u>	<u>514,826</u>
Change in Net Assets - Non-GAAP Basis	<u>(6,014)</u>	<u>(26,096)</u>	<u>(4,714)</u>	<u>21,382</u>	<u>(138,549)</u>
Reconciliation to GAAP Basis:					
Depreciation			(232,005)		(254,212)
Transfer in of equity - Conversion from governmental fund to proprietary fund			-		22,578
Capital contributions			-		1,697,763
Capitalized assets			246,597		80,600
Total GAAP Basis Adjustments			<u>14,592</u>		<u>1,546,729</u>
Change in Net Assets - GAAP Basis			<u>9,878</u>		<u>1,408,180</u>

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

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

LOCAL HIGHWAY FINANCE REPORT		City or County: Town of Buena Vista
		YEAR ENDING : December 2009
This Information From The Records Of (example - City of _ or County of _): Town of Buena Vista	Prepared By: Phone:	Christine DeChristopher 719-395-8643 Ext 17

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	749,091
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	129,000
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	4,730
2. General fund appropriations	879,867	b. Snow and ice removal	14,716
3. Other local imposts (from page 2)	38,074	c. Other - Street lighting	41,473
4. Miscellaneous local receipts (from page 2)	18,442	d. Total (a. through c.)	60,919
5. Transfers from toll facilities	-	4. General administration & miscellaneous	43,755
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	60,887
a. Bonds - Original Issues	-	6. Total (1 through 5)	1,043,652
b. Bonds - Refunding Issues	-	B. Debt service on local obligations:	
c. Notes	-	1. Bonds:	
d. Total (a. + b. + c.)	-	a. Interest	-
7. Total (1 through 6)	936,383	b. Redemption	-
B. Private Contributions	-	c. Total (a. + b.)	-
C. Receipts from State government (from page 2)	107,270	2. Notes:	
D. Receipts from Federal Government (from page 2)	-	a. Interest	-
E. Total receipts (A.7 + B + C + D)	1,043,652	b. Redemption	-
		c. Total (a. + b.)	-
		3. Total (1.c + 2.c)	-
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	1,043,652

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

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	-	1,043,652	1,043,652	-	(0)

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2009

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	18,442
1. Sales Taxes	-	c. Parking Garage Fees	-
2. Infrastructure & Impact Fees	-	d. Parking Meter Fees	-
3. Liens	-	e. Sale of Surplus Property	-
4. Licenses	2,821	f. Charges for Services	-
5. Specific Ownership &/or Other	35,253	g. Other Misc. Receipts	-
6. Total (1. through 5.)	38,074	h. Other	-
c. Total (a. + b.)	38,074	i. Total (a. through h.)	18,442
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	91,020	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	13,299	d. Federal Transit Admin	-
d. Other (Specify)	-	e. U.S. Corps of Engineers	-
e. Other County Road & Bridge	2,950	f. Other Federal	-
f. Total (a. through e.)	16,249	g. Total (a. through f.)	-
4. Total (1. + 2. + 3.f)	107,270	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs	-	-	-
b. Engineering Costs	-	39,643	39,643
c. Construction:			
(1). New Facilities	-	-	-
(2). Capacity Improvements	-	-	-
(3). System Preservation	-	709,448	709,448
(4). System Enhancement & Operation	-	-	-
(5). Total Construction (1) + (2) + (3) + (4)	-	709,448	709,448
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	-	749,091	749,091
			(Carry forward to page 1)

Notes and Comments:

Rebuild East Main Street - 5 blocks and added stamped concrete pedestrian crosswalks with extended sidewalks to improve visibility and pedestrian safety.