

CITY OF MONTE VISTA, COLORADO

FINANCIAL STATEMENTS

December 31, 2019



Logan and Associates, LLC  
CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of City Council  
City of Monte Vista  
Monte Vista, Colorado

### Report on the Financial Statements

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 City of Monte Vista (the "City") as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

## *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Monte Vista as of December 31, 2019, and the respective changes in financial position and cash flows, where applicable, for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

## *Other Matters*

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages i – xi, and the budgetary comparison schedules on pages 29 – 31 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying supplementary and other information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

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

*Logan and Associates, LLC*

Aurora, Colorado  
May 26, 2020

**CITY OF MONTE VISTA, COLORADO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**December 31, 2019**

Management of the City of Monte Vista offers readers this narrative overview and analysis of the financial activities for the City of Monte Vista as of December 31, 2019.

In compliance with Governmental Accounting Standards Board Number 34, also known as GASB 34, we present this report titled Management's Discussion and Analysis (MD&A). This discussion and analysis of the City's financial performance provides an overview of activities during the prior two years ending December 31, 2018, and December 31, 2019.

We encourage readers to consider the information presented here in conjunction with additional information furnished in the City's financial statements, which follow this section.

**FINANCIAL HIGHLIGHTS**

As of December 31, 2019, the City of Monte Vista's government-wide net position totaled \$12,846,933. Of this amount, the net position related to governmental activities totaled \$6,749,993 and the net position for business-type activities totaled \$6,096,940.

- ❖ Total net position for the City increased by \$364,062 compared to 2018. Of this amount, net position for governmental activities increased by \$348,543 and net position for business type activities increased by \$15,519. Furthermore, governmental activities saw a slight increase of \$56,750 in assets, a decrease in liabilities of \$311,577. Business-type activities saw a decrease in assets of \$59,242 and a decrease in liabilities of \$74,761 compared to 2018.
- ❖ The net position for governmental activities includes \$4,630,402 of the net investment in capital assets, \$865,490 is restricted and \$1,254,101 is unrestricted. In business-type activities, \$4,344,205 is invested in capital assets, \$42,553 is restricted and \$1,710,182 is unrestricted.
- ❖ The City of Monte Vista's general sources of governmental revenue are made up of taxes, licenses and permits, fines and forfeits totaling \$2,948,320. Program revenues, in the form of charges for services, grants and contributions accounted for \$995,648 of total revenue.
- ❖ Total governmental revenues of \$3,943,968 increased by \$465,512 compared to 2018, mostly related to an increase in Sales Tax Revenue. Governmental revenues also saw a slight increase of \$7,008 in charges for services since 2018.
- ❖ The Statement of Activities indicates that the City had \$3,963,425 in expenses related to governmental activities during 2019. This is an increase in expenditures of \$195,923 compared to the prior year. Expenses for business-type activities totaled \$1,830,023 which is an increase in expenditures of \$276,871 compared to 2018. Total government-wide revenue of \$6,157,510 was adequate to provide for the above expenses resulting in a Net Change in Position of a positive \$364,062.
- ❖ At the end of 2019, the City of Monte Vista's governmental funds reported a combined ending fund balance of \$2,199,456. This resulted in an increase in overall fund balance of \$429,648 compared to 2018. Of this total amount, \$878,595 is restricted, \$17,726 is committed, \$54,724 is assigned, and \$1,248,411 is unassigned.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. We present two years of information, as recommended by GASB, so that the reader can review trends in the City's financial position and activities. The City of Monte Vista's basic financial statements are comprised of three components: (1) Government wide financial statements, (2) Fund financial statements, and (3) Notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**CITY OF MONTE VISTA, COLORADO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**December 31, 2019**

**Government-Wide Financial Statements**

The *government-wide financial statements* are designed to provide readers a broad overview of the City of Monte Vista's financial activities in a manner similar to a private sectors business.

The *statement of net position* presents information on all of the City of Monte Vista's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The difference is reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City of Monte Vista's net position changed during the current fiscal year. Changes in net position are recorded in the statement of activities when the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future calendar periods (e.g., uncollected property taxes, sales tax, and earned but unused employees' vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Monte Vista that are principally supported by taxes and intergovernmental revenues (*governmental activities*) and from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Monte Vista include general government, public safety, Kids Connection, public works and airport, culture and recreation, urban/economic development, and interest on long-term debt. The business-type activities of the City of Monte Vista include the Water and Sewer Funds.

**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 City of Monte Vista, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

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

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

The City of Monte Vista maintains two separate major governmental funds. Individual fund information is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund and the Capital

**CITY OF MONTE VISTA, COLORADO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**December 31, 2019**

Improvements Fund. Individual fund information for the non-major funds is presented as supplemental information after the note sections of the report. Non-major funds include the Conservation Trust Fund, Urban Renewal Authority Fund, Kids Connection Fund, Capital Projects Fund, and the Grants Fund.

The City of Monte Vista adopts an annual budget for each of the individual governmental funds. A budgetary comparison schedule for the General fund is included in the required supplementary information to demonstrate compliance with the adopted budget.

***Proprietary Funds.*** When the City charges customers for services it provides, these services are generally reported in proprietary funds. Proprietary funds provide the same type of information as shown in the government-wide financial statements, only in more detail. The City of Monte Vista maintains one type of proprietary fund called enterprise funds. Enterprise funds are used to present the same functions as the business-type activities presented in the government-wide financial statements. The City of Monte Vista uses enterprise funds to account for their water and sewer operations, these funds are known as the Water Fund and the Sewer Fund. Effective January 1, 2013 the City was required to separate the prior City Services Utility Fund, which combined water and sewer operations, in order to meet loan covenants with the Colorado Water Resources & Power Development Authority.

**Notes to the Financial Statements**

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

**Other Information**

In addition to the financial statements and accompanying notes, this report also presents other supplementary information concerning the City's non-major funds. The combining statements of the non-major governmental funds are presented after the notes to the financial statements.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Analysis of Net Position**

The focus of this financial analysis is on comparisons of the activities for the current year, 2019, with those of the prior year, 2018, and comparison of balances at year-end, December 31<sup>st</sup>, for the same two years.

As noted earlier, the net position may serve over time as a useful indicator of the government's financial position. In the case of the City of Monte Vista, assets exceeded liabilities by \$12,846,933 as of December 31, 2019.

The City's net position can be separated into three primary categories: 1) Net investment in capital assets 2) Restricted net position and 3) Unrestricted net position.

The largest portion of the City's net position reflects its investment of \$8,974,607 in capital assets (e.g., land, buildings, improvements, equipment, and infrastructure); less any related outstanding debt used to acquire those assets. The City of Monte Vista uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.



**CITY OF MONTE VISTA, COLORADO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**December 31, 2019**

*Table 1 provides a summary of the City's net position at December 31 for the years 2018 and 2019. Additional information is presented in the statement of net position.*

	<b>Governmental</b>		<b>Business-Type</b>			
	<b>Activities</b>		<b>Activities</b>		<b>Total</b>	
	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>
Current and Other Assets	2,254,315	2,682,742	1,559,594	1,930,337	3,813,909	4,613,079
Noncurrent and Capital Assets	7,615,703	7,244,026	7,763,325	7,333,340	15,379,028	14,577,366
<b>Total Assets</b>	<b>9,870,018</b>	<b>9,926,768</b>	<b>9,322,919</b>	<b>9,263,677</b>	<b>19,192,937</b>	<b>19,190,445</b>
Current Liabilities	123,422	101,231	79,543	153,284	202,965	254,515
Noncurrent Liabilities	2,969,770	2,680,384	3,161,955	3,013,453	6,131,725	5,693,837
<b>Total Liabilities</b>	<b>3,093,192</b>	<b>2,781,615</b>	<b>3,241,498</b>	<b>3,166,737</b>	<b>6,334,690</b>	<b>5,948,352</b>
Deferred Inflows of Revenue	<b>375,376</b>	<b>395,160</b>	-	-	<b>375,376</b>	<b>395,160</b>
Net Position:						
Net Investment in Capital Assets	4,711,170	4,630,402	4,184,494	4,344,205	8,895,664	8,974,607
Restricted for:					-	-
Emergencies	103,500	117,000	-	-	103,500	117,000
Capital Projects	653,943	626,927	-	-	653,943	626,927
Debt Service	53,939	41,527	-	-	53,939	41,527
Conservation Trust	148,854	75,729	-	-	148,854	75,729
Public Safety	4,307	4,307	-	-	4,307	4,307
Water Acquisition	-	-	42,544	42,553	42,544	42,553
Unrestricted	725,737	1,254,101	1,854,383	1,710,182	2,580,120	2,964,283
<b>Total Net Position</b>	<b>6,401,450</b>	<b>6,749,993</b>	<b>6,081,421</b>	<b>6,096,940</b>	<b>12,482,871</b>	<b>12,846,933</b>

A portion of the City's net position in the amount of \$908,043 represents resources that are subject to external restrictions. The remaining \$2,964,283 is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors. During the fiscal year ending December 31, 2019, the City of Monte Vista's net position increased by \$364,062.

At the end of the current fiscal year, the City of Monte Vista is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior year.

### **Analysis of Changes in Net Position**

The City's combined net position for the governmental and business-type funds increased \$364,062 from 2018 to 2019. Of this total amount, governmental net position increased by \$348,543 and the business-type net position \$15,519. The City saw an increase in Sales Tax Revenue in the General Fund which was the main reason for the large increase in net position in the governmental funds.

**CITY OF MONTE VISTA, COLORADO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**December 31, 2019**

*Table 2 provides a summary of the changes in net position for the years 2018 and 2019. Additional information is presented in the Statement of Activities.*

	<b>Governmental</b>		<b>Business-Type</b>			
	<b>Activities</b>		<b>Activities</b>		<b>Total</b>	
	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>
<b><u>Revenue:</u></b>						
<b>Program Revenue:</b>						
Charges for Services	359,583	366,591	2,034,567	2,046,798	2,394,150	2,413,389
Operating Grants and Contributions	524,890	454,992	31,000	-	555,890	454,992
Capital Grants and Contributions	82,089	174,065	244,435	134,656	326,524	308,721
<b>Sub Total Program Revenue</b>	<b>966,562</b>	<b>995,648</b>	<b>2,310,002</b>	<b>2,181,454</b>	<b>3,276,564</b>	<b>3,177,102</b>
<b>General Revenue:</b>						
Taxes						
General Property Taxes-net	421,134	430,904	-	-	421,134	430,904
Sales and Use Tax	1,683,552	2,040,244	-	-	1,683,552	2,040,244
Franchise Taxes	169,933	171,393	-	-	169,933	171,393
Other Taxes	7,364	25,487	-	-	7,364	25,487
Investment Income	13,663	18,263	2,509	9,084	16,172	27,347
Miscellaneous	216,541	262,029	3,338	23,004	219,879	285,033
<b>Sub Total General Revenue:</b>	<b>2,512,187</b>	<b>2,948,320</b>	<b>5,847</b>	<b>32,088</b>	<b>2,518,034</b>	<b>2,980,408</b>
<b>Total Revenue:</b>	<b>3,478,749</b>	<b>3,943,968</b>	<b>2,315,849</b>	<b>2,213,542</b>	<b>5,794,598</b>	<b>6,157,510</b>
<b><u>Expenses:</u></b>						
General Government	899,310	851,001	-	-	899,310	851,001
Public Safety	1,283,724	1,285,688	-	-	1,283,724	1,285,688
Health and Welfare	4,528	-	-	-	4,528	-
Public Works and Airport	703,929	893,597	-	-	703,929	893,597
Culture and Recreation	326,262	407,241	-	-	326,262	407,241
Urban Development	69,858	92,840	-	-	69,858	92,840
Kids Connection	319,948	341,892	-	-	319,948	341,892
Interest on Long Term Debt	159,943	91,166	76,704	90,404	236,647	181,570
Water	-	-	692,183	746,475	692,183	746,475
Sewer	-	-	784,265	993,144	784,265	993,144
<b>Total Expenses:</b>	<b>3,767,502</b>	<b>3,963,425</b>	<b>1,553,152</b>	<b>1,830,023</b>	<b>5,320,654</b>	<b>5,793,448</b>
Increase (Decrease) in Net Position (Before Transfers)	(288,753)	(19,457)	762,697	383,519	473,944	364,062
<b><u>Transfers:</u></b>						
Operating Transfers In (Out)	368,000	368,000	(368,000)	(368,000)	-	-
<b>Change in Net Position</b>	<b>79,247</b>	<b>348,543</b>	<b>394,697</b>	<b>15,519</b>	<b>473,944</b>	<b>364,062</b>
Net Assets - Beginning of Year	6,322,203	6,401,450	5,686,724	6,081,421	12,008,927	12,482,871
Net Assets - End of Year	6,401,450	6,749,993	6,081,421	6,096,940	12,482,871	12,846,933

**CITY OF MONTE VISTA, COLORADO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**December 31, 2019**

**Governmental Activities**

The City's governmental activities have been accounted for in seven departmental categories which are General Government, Public Safety, Public Works and Airport, Culture and Recreation, Urban/Economic Development, Kids Connection, and Interest on Long-Term Debt. Governmental activity expenses totaled \$3,963,425 which is an increase in expenditures from 2018 of \$195,923. Major expenses included in the governmental activities were \$1,285,688 for Public Safety and \$893,597 for Public Works and Airport. Public Safety continues to be the largest source of spending in the General Fund, accounting for 43% of expenditures. Expenditures in general government totaled \$851,001, culture and recreation totaled \$407,241, and Kids Connection totaled \$341,892. Other governmental expenditures included \$92,840 for urban development, and \$91,166 for interest on long-term debt. City funding for governmental activities was derived from \$995,648 in program revenue and \$2,948,320 from general revenue which includes tax revenues. Governmental revenue increased by \$436,133 compared to 2018. General revenue increased mainly due to an increase in sales tax revenue compared to 2018.

**Governmental Activities**  
**Program Revenues Comparison**



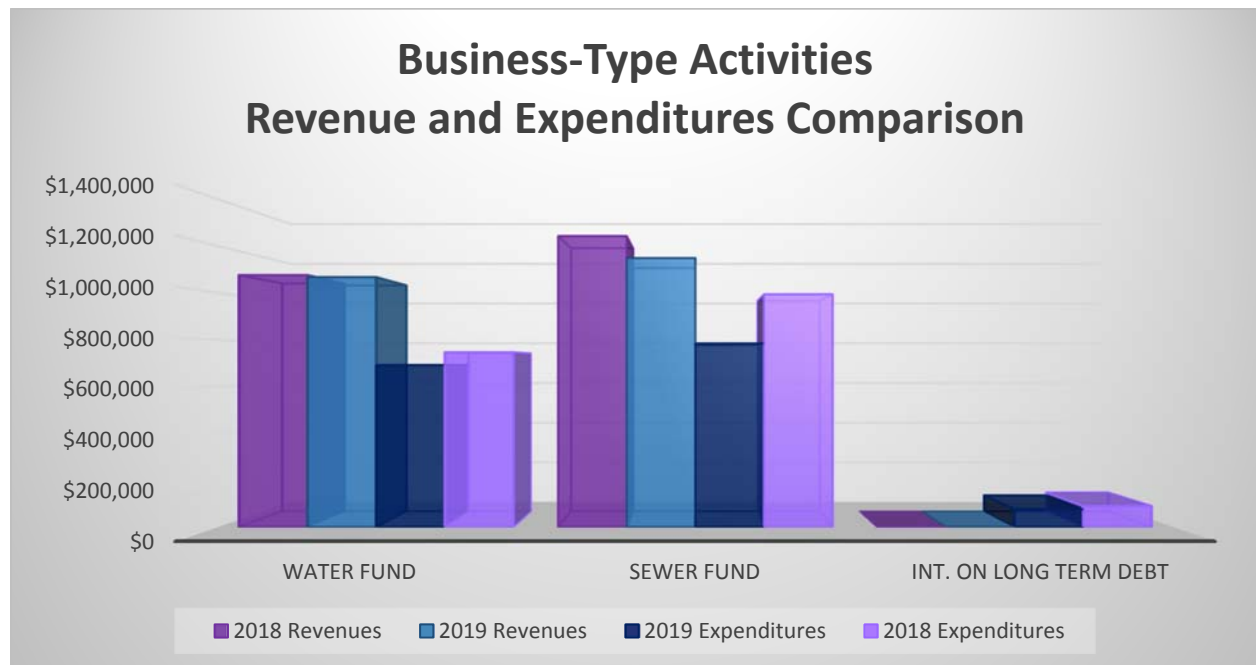
**Governmental Activities**  
**Program Expenditures Comparison**



**CITY OF MONTE VISTA, COLORADO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**December 31, 2019**

**Business-Type Activities**

As mentioned earlier, business-type activities are funded in large part through the assignment of user fees imposed on external parties in exchange for services. Business-type activities net position at the end of 2019 increased \$15,519. Business-type activity expenditures totaled \$1,830,023 in 2019 which is an increase in expenditures compared to 2018 of \$276,871. The increase in expenditures can be attributed to capital projects on infrastructure during 2019. Funding for business-type activities was derived from \$2,213,542 which is a decrease of \$102,307 compared to 2018. This is largely due to a decrease in Capital Grants and Contributions.



**FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

The City of Monte Vista uses fund accounting to ensure and demonstrate compliance with finance-related legal, federal and state requirements.

**Governmental Funds.** The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of resources that are available for spending. Such information is useful in assessing the City's financing requirements. In particular, fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Types of governmental funds reported by the City of Monte Vista include the General Fund, Capital Improvement Fund, and other non-major funds. As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$2,199,456, an increase of \$429,648 from the prior year ending fund balances. The City's fund balances are classified based on the extent to which the City is bound to honor constraints for the specific purpose on which amounts in the fund can be spent. In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* the fund balances for the City were classified in the following categories:

**CITY OF MONTE VISTA, COLORADO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**December 31, 2019**

***Restricted Fund Balance*** – are restricted when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation. As of December 31, 2019, the City's governmental funds reported a restricted fund balance of \$878,595. A majority of this fund balance is restricted for capital projects and improvements.

***Committed Fund Balance*** – are amounts that can only be used for specific purposes as a result of constraints imposed by the City Council. Committed amounts cannot be used for any other purpose unless the Council removes those constraints by taking the same type of action. Committed fund balances differ from restricted balances because the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation. The City's governmental funds reported a committed fund balance of \$17,726 as of December 31, 2019.

***Assigned Fund Balance*** – are amounts a government intend to use for a specific purpose; intent can be expressed by the City Council or by an official or body to which the governing body delegates the authority. The City's governmental funds reported an assigned fund balance of \$54,724 as of December 31, 2019, for the purpose of Kids Connection.

***Unassigned Fund Balance*** – are amounts that are available for any purpose; these amounts are reported in the General Fund or for negative fund balance. The City's General Fund reported an unassigned fund balance of \$1,248,411 as of December 31, 2019.

***Revenue*** – Revenue in all governmental funds totaled \$3,943,968 in 2019. This is an increase of \$465,218 compared to 2018. Of the total revenue received in 2019, \$2,668,028 was generated by tax revenue and \$366,591 was generated through service charges while \$629,057 was generated through grants and contributions. The City also saw an increase in investment revenue in 2019. This was a direct result of the City investing more funds in the Colorado Local Government Liquid Asset Trust (COLOTRUST).

The General Fund is the primary operating governmental fund of the City. At the end of 2019, the fund balance for the General Fund was \$1,369,718 which is an increase of \$500,848 compared to the end of 2018. As of year-end, \$1,248,411 of the fund balance constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is restricted; not available for spending because it has been committed for TABOR reserves, Debt Service, Capital Projects, and Conservation Trust.

Other Government Fund balance for 2019 is \$526,366. This includes the Conservation Trust Fund with a balance of \$75,729, the Urban Renewal Authority Fund balance of \$17,726, the Kids Connection Fund of \$54,724, Capital Projects Fund of \$378,187. The Capital Improvements Fund balance as of December 31, 2019, was \$303,372.

***Expenditures*** – The governmental funds expenditures increased by \$422,656 from 2018. Total expenditures for 2019 were \$3,882,320. A combination of factors led to the increase in expenditures from 2018 than in 2019 which included a capital project at the airport. However, management monitored expenditures closely to ensure that revenues exceeded expenditures and fund balances were increased overall in 2019.

***Proprietary Funds*** - The City's Proprietary Funds provide the same type of information found in the government-wide financial statements, but in more detail. At December 31, 2019, the net position for the Water Fund was \$1,921,418, the net position of the Sewer Fund was \$4,175,522 for a combined total of \$6,096,940. This was an increase in 2019 of \$15,519 from the prior year. There were several capital projects

**CITY OF MONTE VISTA, COLORADO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**December 31, 2019**

completed in 2019 which contributed to a smaller increase in fund balance. All financing for these projects were performed with no additional grant funding. The City of Monte Vista paid for all capital improvements from fund balance or cash flows from 2019. At the end of the fiscal year the unrestricted net position for the Water and Sewer Funds totaled \$1,710,182, net investment in capital assets totaled \$4,344,205 and the total for restricted net position was \$42,553 which is restricted to acquisition of water rights.

**General Fund Budgetary Highlights**

The City of Monte Vista generally adopted a supplemental appropriation in order to allow for previously unforeseen events. Every attempt is made to relate the budget to both the short and long term goals of the City Council.

For 2019, the original adopted General Fund Budget had revenue of \$3,102,103 with one supplemental budget amendment increasing the revenue budget by \$63,250 which brought the final revenue budget to \$3,165,353. For expenditures the original adopted General Fund Budget was \$3,093,050 after the supplemental budget amendment the expenditures budget increased by \$202,734 which brought total expenditures to \$3,295,784.

**Capital Assets**

The City's capital assets for its governmental and business-type activities as of December 31, 2019 totaled \$14,577,366 (net of accumulated depreciation). Capital assets include land, water rights, buildings, improvements, water and sewer treatment plants, transmission and distribution, equipment, and vehicles. The net decrease in the City's capital for the current fiscal year was \$293,395 due to the depreciation expense exceeding the total of additions of assets and capital improvements.

Major Capital Asset events during 2019 include the following:

- ❖ Governmental Activities
  - Vehicles & Equipment - \$63,257
  - Capital Improvements - \$7,800
  - Dunham Paving Project - \$91,658
- ❖ Proprietary Funds
  - Buildings & Building Improvements - \$84,192
  - Vehicles & Equipment - \$100,412
  - Dunham Inlet - \$80,494
  - Infrastructure Improvements - \$146,373

**CITY OF MONTE VISTA, COLORADO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**December 31, 2019**

*Table 3 provides a summary of the City's capital assets (net of accumulated depreciation). Additional information on the City of Monte Vista's capital assets can be found in Note 4 of the Basic Financial Statements.*

	<b>Governmental</b>		<b>Business-type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>		<b>Total</b>	
	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>
Land	\$ 1,104,386	\$ 1,104,386	\$ 22,000	\$ 22,000	\$ 1,126,386	\$ 1,126,386
Construction in Progress	5,644	5,644	-	-	5,644	5,644
Water Rights			948,120	948,120	948,120	948,120
Buildings	1,570,414	1,506,330	744	83,769	1,571,158	1,590,099
Infrastructure	1,016,237	1,022,226	-	-	1,016,237	1,022,226
Improvements-Bldg	834,296	793,339	-	-	834,296	793,339
Improvements-Other	2,062,145	1,882,620	-	-	2,062,145	1,882,620
W/S Treatment Plant			325,940	444,703	325,940	444,703
Transmission & Distrib.			5,826,131	5,635,589	5,826,131	5,635,589
Equipment & Vehicles	1,022,581	929,481	132,123	199,159	1,154,704	1,128,640
	<b>\$ 7,615,703</b>	<b>\$ 7,244,026</b>	<b>\$ 7,255,058</b>	<b>\$ 7,333,340</b>	<b>\$ 14,870,761</b>	<b>\$ 14,577,366</b>

### Debt Administration

At year end, the City of Monte Vista's long-term liabilities totaled \$5,693,837. Of this amount, \$2,680,384 relates to governmental activities and \$3,013,453 relates to business-type activities.

Bonds payable include the Series 2018 Sales Tax Revenue refunding and Improvement Bonds payable to Branch Banking and Trust Company with an outstanding debt of \$2,053,220. The purpose of the original Series 2008 bonds was to provide paving and resurfacing of streets, provide curb and gutter and surface drainage, sidewalk improvements and such other related improvements. These bonds were refunded in 2018.

The outstanding note payable to Colorado Water Resource and Power Development Authority to fund storm drainage improvements was paid off during 2019. Outstanding notes payable include an additional note with the Colorado Water Resource and Power Development Authority to fund water chlorination system improvements in the amount of \$260,412, a note with the Colorado Water Conservation Board to purchase water rights with an advanced payment of \$1,598,427 and a note for Sewage Treatment Project with Colorado Water Resource and Power Development Authority in the amount of \$1,082,374.

The City has entered into capital lease agreements with San Luis Valley Federal Bank and Kansas State Bank for repairs and maintenance of the building, to purchase equipment, a public works vehicle, and 4 police vehicles with a current balance at year-end 2019 for the governmental and proprietary funds of \$560,404 and \$47,922, respectively.

The City of Monte Vista's total long-term liabilities decreased by \$437,888 during 2019. More detailed information about the City's long-term liabilities is presented in Note 6 to the financial statements.

**CITY OF MONTE VISTA, COLORADO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**December 31, 2019**

**Economic Factors and Next Year's Budgets**

Property values remain fairly constant with marginal increases anticipated in 2020. Adjustments to property taxes as prescribed by the State continue to be mostly a wash from the revenue side. Sales and property tax are the leading revenue source for the General Fund and it is anticipated that City Sales Tax revenues will continue remain a constant with incremental growth. The San Luis Valley's agriculture industry gives us optimism that the City of Monte Vista's economy will hold trend and continue to grow even if there is an economic downturn nationwide as economists are predicting.

Labor continues to increase as we strive to remain a competitive employer. Employee health care costs continue to erode the City's operational capability and the City anticipated a 10% increase in the budget for 2020. The long-term financial and regulatory impacts resulting from the Affordable Care Act also continue to be a source of increased costs and concern while the Federal Government continues to make adjustments to the program and the final regulatory impact is uncertain. Among these concerns, we are also keeping a close eye on legislation from FPPA. The Monte Vista Police Department re-entered the FPPA pension plan in 2019. We have growing concerns regarding increased mandatory employer matching rules of participation.

Long term sustainability of the San Luis Valley's agriculture industry remains a concern; groundwater regulations continue to raise concerns and obstacles relating to production that will cause an unknown impact on municipal revenue. The City continues to keep an eye on the effects of this and what it will have on the economy. At the same time, the City is hopeful that new development and business along with tourism will continue to boost sales tax revenues within the City. In regards to sales tax revenue, the City is keeping a close watch on the COVID-19 pandemic and the financial effects from the pandemic. The City of Monte Vista hasn't experienced a decrease in sales tax revenue at the time of this analysis. Currently, first quarter revenue reports of 2020 indicate we are on budgetary track in regards to sales tax revenues. The City believes that if Monte Vista's economy will see an effect from this it will occur in May and June of 2020 going forward. Management has taken this into consideration and implemented operational budget cuts until we know further how we will be affected by the pandemic.

The City continues to take a conservative approach in their budgeting and operational fiscal cycles with careful monitoring over revenues and expenditures on a monthly basis. By exercising mid-year amendment practices to the budget, we are able to better prepare and adjust for any outside factors that could potentially affect revenues and expenditures.

**Requests for Information**

This financial report is designed to provide you with a general overview of the City of Monte Vista's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

City of Monte Vista  
Forrest H. Neuerburg, City Manager  
Jennifer Signs, Finance Director  
95 W. First Ave. Monte Vista, Colorado 81144  
719-852-2692



## **BASIC FINANCIAL STATEMENTS**

# CITY OF MONTE VISTA, COLORADO

## STATEMENT OF NET POSITION December 31, 2019

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTAL
<b>ASSETS</b>			
Cash and Investments	\$ 1,367,524	\$ 1,219,867	\$ 2,587,391
Restricted Cash and Investments	437,126	42,553	479,679
Receivables			
Property Taxes	395,160	-	395,160
Other Governments	356,933	26,177	383,110
Accounts	114,038	67,512	181,550
Grants	11,961		11,961
Inventory	-	98,996	98,996
Prepaid Water Storage, Net of Accumulated Amortization	-	441,000	441,000
Loan Receivable	-	34,232	34,232
Capital Assets, Not Depreciated	1,110,030	970,120	2,080,150
Capital Assets, Net of Accumulated Depreciation	6,133,996	6,363,220	12,497,216
<b>TOTAL ASSETS</b>	<b>9,926,768</b>	<b>9,263,677</b>	<b>19,190,445</b>
<b>LIABILITIES</b>			
Accounts Payable	38,275	94,048	132,323
Accrued Liabilities	49,851	16,614	66,465
Accrued Interest	13,105	42,622	55,727
Noncurrent Liabilities			
Due within One Year	295,158	117,861	413,019
Due in More Than One Year	2,385,226	2,895,592	5,280,818
<b>TOTAL LIABILITIES</b>	<b>2,781,615</b>	<b>3,166,737</b>	<b>5,948,352</b>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Deferred Property Tax Revenue	395,160	-	395,160
<b>NET POSITION</b>			
Net Investment in Capital Assets	4,630,402	4,344,205	8,974,607
Restricted for Emergencies	117,000	-	117,000
Restricted for Parks	75,729	-	75,729
Restricted for Debt Service	41,527	-	41,527
Restricted for Public Safety	4,307	-	4,307
Restricted for Capital Projects	626,927	-	626,927
Restricted for Water Acquisition	-	42,553	42,553
Unrestricted	1,254,101	1,710,182	2,964,283
<b>TOTAL NET POSITION</b>	<b>\$ 6,749,993</b>	<b>\$ 6,096,940</b>	<b>\$ 12,846,933</b>

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

# CITY OF MONTE VISTA, COLORADO

## STATEMENT OF ACTIVITIES Year Ended December 31, 2019

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	\$ 851,001	\$ 17,675	\$ 3,471	\$ -
Public Safety	1,285,688	130,922	-	-
Public Works and Airport	893,597	186,894	220,142	126,190
Culture and Recreation	407,241	31,100	231,379	47,875
Urban/Economic Development	92,840	-	-	-
Kids Connection	341,892	-	-	-
Interest on Long-Term Debt	91,166	-	-	-
Total Governmental Activities	3,963,425	366,591	454,992	174,065
Business-Type Activities				
Water	746,475	1,029,741	-	4,300
Sewer	993,144	1,017,057	-	130,356
Interest on Long-Term Debt	90,404	-	-	-
Total Business-Type Activities	1,830,023	2,046,798	-	134,656
TOTAL PRIMARY GOVERNMENT	\$ 5,793,448	\$ 2,413,389	\$ 454,992	\$ 308,721

GENERAL REVENUES  
Sales and Use Taxes  
Property Taxes  
Franchise Taxes  
Other Taxes  
Investment Income  
Miscellaneous

TRANSFERS

TOTAL GENERAL REVENUES  
AND TRANSFERS

CHANGE IN NET POSITION

NET POSITION, Beginning

NET POSITION, Ending

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

NET (EXPENSE) REVENUE AND  
CHANGE IN NET POSITION

**PRIMARY GOVERNMENT**

GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS
\$ (829,855)	\$ -	\$ (829,855)
(1,154,766)	-	(1,154,766)
(360,371)	-	(360,371)
(96,887)	-	(96,887)
(92,840)	-	(92,840)
(341,892)	-	(341,892)
(91,166)	-	(91,166)
(2,967,777)	-	(2,967,777)
-	287,566	287,566
-	154,269	154,269
-	(90,404)	(90,404)
-	351,431	351,431
(2,967,777)	351,431	(2,616,346)
2,040,244	-	2,040,244
430,904	-	430,904
171,393	-	171,393
25,487	-	25,487
18,263	9,084	27,347
262,029	23,004	285,033
368,000	(368,000)	-
3,316,320	(335,912)	2,980,408
348,543	15,519	364,062
6,401,450	6,081,421	12,482,871
\$ 6,749,993	\$ 6,096,940	\$ 12,846,933

# CITY OF MONTE VISTA, COLORADO

## BALANCE SHEET GOVERNMENTAL FUNDS December 31, 2019

	GENERAL FUND	CAPITAL IMPROVEMENTS FUND	OTHER GOVERNMENTAL FUNDS	TOTALS
<b>ASSETS</b>				
Cash and Investments	\$ 1,049,905	\$ 170,163	\$ 147,456	\$ 1,367,524
Restricted Cash and Investments	4,307	54,632	378,187	437,126
Property Taxes Receivable	395,160	-	-	395,160
Due From Other Governments	278,356	78,577	-	356,933
Accounts Receivable	103,771	-	10,267	114,038
Grants Receivable	11,961	-	-	11,961
<b>TOTAL ASSETS</b>	<b>\$ 1,843,460</b>	<b>\$ 303,372</b>	<b>\$ 535,910</b>	<b>\$ 2,682,742</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND EQUITY</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 32,114	\$ -	\$ 6,161	\$ 38,275
Accrued Liabilities	46,468	-	3,383	49,851
<b>TOTAL LIABILITIES</b>	<b>78,582</b>	<b>-</b>	<b>9,544</b>	<b>88,126</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Property Tax Revenue	395,160	-	-	395,160
<b>FUND EQUITY</b>				
Fund Balance				
Restricted for Emergencies	117,000	-	-	117,000
Restricted for Parks	-	-	75,729	75,729
Restricted for Debt Service	-	54,632	-	54,632
Restricted for Public Safety	4,307	-	-	4,307
Restricted for Capital Projects	-	248,740	378,187	626,927
Committed to Economic Development	-	-	17,726	17,726
Assigned to Kids Connection	-	-	54,724	54,724
Unassigned	1,248,411	-	-	1,248,411
<b>TOTAL FUND EQUITY</b>	<b>1,369,718</b>	<b>303,372</b>	<b>526,366</b>	<b>2,199,456</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND EQUITY</b>	<b>\$ 1,843,460</b>	<b>\$ 303,372</b>	<b>\$ 535,910</b>	<b>\$ 2,682,742</b>

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

# CITY OF MONTE VISTA, COLORADO

## RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION December 31, 2019

Amounts reported for governmental activities in the statement of net position are different because:

Total Fund Balances of Governmental Funds	\$ 2,199,456
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	7,244,026
Long-term liabilities and related items are not due and payable in the current period and are not reported in the funds. These include loans payable of (\$2,053,220), capital leases (\$560,404), accrued compensated absences (\$66,760) and accrued interest payable (\$13,105)	<u>(2,693,489)</u>
Net position of governmental activities	<u>\$ 6,749,993</u>

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

# CITY OF MONTE VISTA, COLORADO

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS Year Ended December 31, 2019

	GENERAL FUND	CAPITAL IMPROVEMENTS FUND	OTHER GOVERNMENTAL FUNDS	TOTALS
REVENUES				
Taxes	\$ 2,194,563	\$ 473,465	\$ -	\$ 2,668,028
Licenses and Permits	16,110	-	-	16,110
Charges for Services	198,765	-	31,100	229,865
Intergovernmental	262,974	-	218,377	481,351
Fines and Forfeitures	120,616	-	-	120,616
Investment Income	13,570	3,294	1,399	18,263
Miscellaneous	190,839	-	218,896	409,735
<b>TOTAL REVENUES</b>	<b>2,997,437</b>	<b>476,759</b>	<b>469,772</b>	<b>3,943,968</b>
EXPENDITURES				
General Government	728,622	-	-	728,622
Public Safety	1,246,690	-	-	1,246,690
Public Works and Airport	656,458	-	232,106	888,564
Culture and Recreation	406,539	-	702	407,241
Urban/Economic Development	-	-	38,996	38,996
Kids Connection	-	-	188,946	188,946
Debt Service				
Principal	56,503	234,406	-	290,909
Interest	10,286	82,066	-	92,352
<b>TOTAL EXPENDITURES</b>	<b>3,105,098</b>	<b>316,472</b>	<b>460,750</b>	<b>3,882,320</b>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(107,661)	160,287	9,022	61,648
OTHER FINANCING SOURCES (USES)				
Transfers In	650,142	-	134,388	784,530
Transfers Out	(41,633)	(218,050)	(156,847)	(416,530)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>608,509</b>	<b>(218,050)</b>	<b>(22,459)</b>	<b>368,000</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>500,848</b>	<b>(57,763)</b>	<b>(13,437)</b>	<b>429,648</b>
FUND BALANCE, Beginning	868,870	361,135	539,803	1,769,808
FUND BALANCE, Ending	\$ 1,369,718	\$ 303,372	\$ 526,366	\$ 2,199,456

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

# CITY OF MONTE VISTA, COLORADO

## RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES Year Ended December 31, 2019

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

Net Changes in Fund Balances - Total Governmental Funds	\$ 429,648
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 and reported as depreciation expense. This is the amount by which capital outlay \$162,715 exceeded depreciation expense (\$534,392).	(371,677)
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. These include bond payments of \$195,890 and payments of capital leases of \$95,019.	290,909
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 the governmental funds. This includes the change in accrued compensated absences (\$1,523) and the change in accrued interest payable \$1,186.	<u>(337)</u>
Change in Net Position of Governmental Activities	<u>\$ 348,543</u>

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



# CITY OF MONTE VISTA, COLORADO

## STATEMENT OF NET POSITION PROPRIETARY FUNDS December 31, 2019

	WATER FUND	SEWER FUND	TOTALS
<b>ASSETS</b>			
Current Assets			
Cash and Investments	\$ 854,695	365,172	\$ 1,219,867
Restricted Cash and Investments	42,553	-	42,553
Accounts Receivable	32,785	34,727	67,512
Due from County Treasurer	17,584	8,593	26,177
Inventory	90,357	8,639	98,996
Total Current Assets	1,037,974	417,131	1,455,105
Noncurrent Assets			
Prepaid Water Storage, Net of Accumulated Amortization	441,000	-	441,000
Loan Receivable	-	34,232	34,232
Capital Assets, Not Depreciated	959,120	11,000	970,120
Capital Assets, Net of Accumulated Depreciation	1,426,098	4,937,122	6,363,220
Total Noncurrent Assets	2,826,218	4,982,354	7,808,572
TOTAL ASSETS	3,864,192	5,399,485	9,263,677
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable	5,111	88,937	94,048
Accrued Liabilities	8,368	8,246	16,614
Accrued Interest Payable	42,622	-	42,622
Lease Payable, Current Portion	3,138	3,138	6,276
Loans Payable, Current Portion	41,754	69,831	111,585
Total Current Liabilities	100,993	170,152	271,145
Noncurrent Liabilities			
Accrued Compensated Absences	3,873	20,445	24,318
Lease Payable	20,823	20,823	41,646
Loans Payable	1,817,085	1,012,543	2,829,628
Total Noncurrent Liabilities	1,841,781	1,053,811	2,895,592
TOTAL LIABILITIES	1,942,774	1,223,963	3,166,737
<b>NET POSITION</b>			
Net Investment in Capital Assets	502,418	3,841,787	4,344,205
Restricted for Water Acquisition	42,553	-	42,553
Unrestricted	1,376,447	333,735	1,710,182
TOTAL NET POSITION	\$ 1,921,418	\$ 4,175,522	\$ 6,096,940

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

# CITY OF MONTE VISTA, COLORADO

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION PROPRIETARY FUNDS Year Ended December 31, 2019

	WATER FUND	SEWER FUND	TOTALS
OPERATING REVENUES			
Charges for Services	\$ 1,029,741	\$ 1,017,057	\$ 2,046,798
Miscellaneous	22,704	300	23,004
	<u>1,052,445</u>	<u>1,017,357</u>	<u>2,069,802</u>
TOTAL OPERATING REVENUES			
OPERATING EXPENSES			
Operations and Maintenance	668,165	717,265	1,385,430
Depreciation and Amortization	78,310	275,879	354,189
	<u>746,475</u>	<u>993,144</u>	<u>1,739,619</u>
TOTAL OPERATING EXPENSES			
OPERATING INCOME	<u>305,970</u>	<u>24,213</u>	<u>330,183</u>
NON-OPERATING REVENUES (EXPENSES)			
Grant Revenue	-	127,106	127,106
Investment Income	6,939	2,145	9,084
Interest Expenses	(87,029)	(3,375)	(90,404)
	<u>(80,090)</u>	<u>125,876</u>	<u>45,786</u>
TOTAL NON-OPERATING REVENUES (EXPENSES)			
INCOME BEFORE CAPITAL CONTRIBUTION AND TRANSFERS	<u>225,880</u>	<u>150,089</u>	<u>375,969</u>
CAPITAL CONTRIBUTIONS AND TRANSFERS			
Capital Contributions			
Tap Fees	4,300	3,250	7,550
Transfers (Out)	(184,000)	(184,000)	(368,000)
	<u>(179,700)</u>	<u>(180,750)</u>	<u>(360,450)</u>
TOTAL CAPITAL CONTRIBUTIONS AND TRANSFERS			
CHANGE IN NET POSITION	46,180	(30,661)	15,519
NET POSITION, Beginning	<u>1,875,238</u>	<u>4,206,183</u>	<u>6,081,421</u>
NET POSITION, Ending	<u><u>\$ 1,921,418</u></u>	<u><u>\$ 4,175,522</u></u>	<u><u>\$ 6,096,940</u></u>

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

# CITY OF MONTE VISTA, COLORADO

## STATEMENT OF CASH FLOWS PROPRIETARY FUNDS Year Ended December 31, 2019 Increase (Decrease) in Cash and Cash Equivalents

	WATER FUND	SEWER FUND	TOTALS
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers	\$ 1,018,855	\$ 1,015,380	\$ 2,034,235
Cash Received from Others	22,704	300	23,004
Cash Paid to Suppliers	(331,300)	(305,221)	(636,521)
Cash Paid to Employees	(338,738)	(361,523)	(700,261)
Net Cash Provided by Operating Activities	371,521	348,936	720,457
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Payments to Other Funds	(184,000)	(184,000)	(368,000)
Net Cash Provided (Used) by Noncapital Financing Activities	(184,000)	(184,000)	(368,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase and Construction of Capital Assets	(303,415)	(108,056)	(411,471)
Capital Grant Proceeds	-	182,162	182,162
Loan Receipts - Proximity Malt	-	12,035	12,035
Long-term Debt Principal Paid	(43,559)	(106,999)	(150,558)
Interest Paid	(66,105)	(4,252)	(70,357)
Tap Fees Received	4,300	3,250	7,550
Net Cash Used by Capital and Related Financing Activities	(408,779)	(21,860)	(430,639)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received	6,939	2,145	9,084
Net Increase (Decrease) in Cash and Cash Equivalents	(214,319)	145,221	(69,098)
CASH AND CASH EQUIVALENTS, Beginning	1,111,567	219,951	1,331,518
CASH AND CASH EQUIVALENTS, Ending	<u>\$ 897,248</u>	<u>\$ 365,172</u>	<u>\$ 1,262,420</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating Income	\$ 305,970	\$ 24,213	\$ 330,183
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities			
Depreciation and Amortization	78,310	275,879	354,189
Changes in Assets and Liabilities			
Accounts Receivable	(16,212)	(5,656)	(21,868)
Due from County Treasurer	5,326	3,979	9,305
Inventory	(5,330)	(1,772)	(7,102)
Accounts Payable	(5,607)	42,687	37,080
Accrued Liabilities	8,368	8,246	16,614
Accrued Compensated Absences	696	1,360	2,056
Total Adjustments	65,551	324,723	390,274
Net Cash Provided by Operating Activities	<u>\$ 371,521</u>	<u>\$ 348,936</u>	<u>\$ 720,457</u>

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

CITY OF MONTE VISTA, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Operations**

The City of Monte Vista (the "City") was incorporated July 19, 1886 and was re-organized as a home-rule municipality under Article 20 the of Colorado Constitution on March 22, 1922. The City is governed by a council-manager form of government through a Mayor and four-member City Council elected by the residents. The City, authorized through its charter, provides the following services: public safety, public works, water, sanitation, culture & recreation, public improvements, planning and zoning, airport operations, economic development and general administrative services

The accounting policies of the City conform to generally accepted accounting principles as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. A summary of the City's more significant accounting policies follows.

**Reporting Entity**

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

**Monte Vista Urban Renewal Authority**

The Monte Vista Urban Renewal Authority (the "URA") was created to redevelop or rehabilitate certain blighted areas within City limits. The URA has a separate governing board with members appointed by the City Council. Although the URA is legally separate from the City, the URA's primary revenue source comes from the City and the City has operational and management responsibilities. The URA does not issue separate financial statements and is blended in the City's financial statements as a special revenue fund.

**Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all nonfiduciary activities of the City and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are

CITY OF MONTE VISTA, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Government-Wide and Fund Financial Statements** (Continued)

charges for interfund services that are reasonably equivalent to the services provided. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of net position reports all financial, capital and debt resources of the City. The difference between assets plus deferred outflows of resources, and liabilities plus deferred inflows of resources of the City is reported as net position.

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

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

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

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

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

CITY OF MONTE VISTA, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**  
(Continued)

Taxes, intergovernmental revenue and interest associated with the current fiscal year are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. Grants and similar items are recorded as revenues when all eligibility requirements are met, including any time requirements. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met. All other revenues are considered to be measurable and available only when cash is received by the City.

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

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

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

The City reports the following major governmental funds in the fund financial statements:

General Fund – The General Fund is used to account for the general operations and specific programs of the City.

Capital Improvements Fund – The Capital Improvements Fund accounts for the ½ of the City's 2% sales tax collected for the purposes of capital maintenance, capital outlay and repayment of the 2008 sales tax revenue bonds.

The City reports the following major proprietary funds:

Water Fund – The Water Fund accounts for the financial activities associated with the provision of water services.

CITY OF MONTE VISTA, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**  
(Continued)

Sewer Fund – The Sewer Fund accounts for the financial activities associated with the provision of sewer services.

**Assets, Liabilities, Net Position/Fund Balances**

*Cash and Investments* – Cash equivalents include investments with original maturities of three months or less. Pooled cash and investments are considered cash equivalents. Negative balances in pooled cash and investments at year end are reported as Due to/from Other Funds. Investments are reported at fair value.

*Due to/from Other Funds* – During the course of operations, certain transactions occur between individual funds. The resulting receivables and payables are classified in the fund financial statements as due to/from other funds.

*Grants, Other Governments and Accounts Receivable* – Grants, other governments and accounts receivable are reported at their gross value, and where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

*Inventory* – Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of expendable supplies for the Water and Sewer Funds. The cost of such inventories is recorded as expenses when consumed rather than when purchased.

*Prepaid Expenses* – Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses.

*Capital Assets* – Capital assets, which include property, plant, buildings and related improvements, equipment, vehicles, and all infrastructure (streets, bridges, underground drainage pipe, traffic signals, etc.) owned by the City, are reported in the applicable government-wide or business-type activities columns of the government-wide financial statements and the proprietary funds in the fund financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed.

Donated capital assets are recorded at 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.

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

CITY OF MONTE VISTA, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Assets, Liabilities, Net Position/Fund Balances** (Continued)

Buildings	15 – 50 years
Improvements - Building	15 – 40 years
Improvements - Other	10 – 40 years
Infrastructure	15 – 50 years
Water and Sewer Treatment Plants	15 – 40 years
Transmission and Distribution Systems	5 – 40 years
Equipment and Vehicles	5 – 15 years

*Deferred Inflows of Resources* – In addition to assets, the balance sheet – governmental funds and statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement classification represents an acquisition of fund balance or net position that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until then. The City has an item related to property taxes levied in the current year to be collected in the following year at December 31, 2019.

*Compensated Absences* - Employees of the City are eligible for vacation beginning with their first pay period. They earn between 40 and 168 hours of vacation time each year, based on years of service. Employees may request to carry over a maximum of 80 hours to the next year. Unused hours in excess of 80 hours will be forfeited. Employees will be paid for all accrued vacation time at their current pay rate upon separation of employment.

Employees are allowed to accumulate sick leave up to a maximum of 240 hours. However, unused sick leave will not be paid upon separation of employment. Therefore, no liability for accumulated sick time is reported in the financial statements. Accrued vacation time is recognized as current salary costs when earned in the proprietary funds and when due in the governmental funds. A long-term liability is reported in the government-wide financial statements for the accrued vacation time.

*Long-Term Debt* - In the government-wide financial statements, and the proprietary funds financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary funds statement of net position. In the governmental fund financial statements the face amount of debt issued is reported as other financing sources. Debt premiums and discounts are reported as other financing sources and uses, respectively. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures in the year of the debt issuance. In the government-wide and proprietary funds, debt premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.



CITY OF MONTE VISTA, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Assets, Liabilities and Net Position/Fund Balances (Continued)**

*Net Position* – In the government-wide and proprietary fund financial statements, net position is restricted when constraints placed on the net position are externally imposed.

- Net Investment in Capital Assets – this classification is intended to report the portion of net position which is associated with non-liquid, capital assets less outstanding debt related to those capital assets.
- Restricted Net Position – this classification includes liquid assets which have third party limitations on their use.
- Unrestricted Net Position – this classification includes the residual net position that does not meet the classification of “net investment in capital assets” or “restricted.”

*Fund Balance Classification* – The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable – This classification includes amounts that cannot be spent because they are either (a) not in spendable form (such as prepaid items) or (b) are legally or contractually required to be maintained intact. The City reported one item related to prepaid expenses as nonspendable resources at December 31, 2019.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The City had classified emergency reserves as being restricted because State statute requires this restriction. In addition, the City had restricted amounts for parks, debt service, public safety and capital projects because of certain State statutes, bond and loan documents and third party restrictions.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the City’s highest level of decision-making authority, the City Council. The constraint may be removed or changed only through formal action of the City Council. The City had committed resources at December 31, 2019 for future economic development.

CITY OF MONTE VISTA, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Assets, Liabilities and Net Position/Fund Balances (Continued)**

- Assigned – This classification includes amounts that are constrained by the City's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the City Council to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or changed than those imposed on committed amounts. The City had assigned resources at December 31, 2019 for future park projects and Kids Connection activities.
- Unassigned – This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

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

**Use of Estimates**

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Property Taxes**

Property taxes attach as an enforceable lien on property on January 1, are levied the following December, and are collected in the subsequent calendar year. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer's Office collects property taxes and remits to the City on a monthly basis. Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred inflow of resources are reported at December 31.

**Subsequent Events**

The City has evaluated events subsequent to the year ended December 31, 2019 through May 26, 2020 the date these financial statements were issued, and has incorporated any required recognition into these financial statements.

CITY OF MONTE VISTA, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

**NOTE 2: CASH AND INVESTMENTS**

A summary of cash and investments at December 31, 2019, follows:

Petty Cash	\$ 600
Cash Deposits	2,154,352
Investments	<u>912,118</u>
Total	<b><u>\$ 3,067,070</u></b>

Cash is reported in the financial statements as follows:

Cash and Investments	\$ 2,587,391
Restricted Cash and Investments	<u>479,679</u>
Total	<b><u>\$ 3,067,070</u></b>

**Cash Deposits**

The Colorado Public Deposit Protection Act (PDPA) requires that all local government entities deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of Federal Deposit Insurance Corporation (FDIC) levels must be collateralized by eligible collateral as determined by the PDPA. The FDIC insures depositors up to \$250,000 for each financial institution. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2019, the City had bank deposits totaling \$2,212,739 of which \$1,374,608 were collateralized with securities held by the financial institutions' agents but not in the City's name.

The City has not adopted a formal investment policy; however, the City follows State statutes regarding investments. The City generally limits its concentration risk of investments to Local Government Investment Pools, obligation of the United States and certain U.S. government agency securities, which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk. Additionally, the Town is not subject to concentration of risk for investments that are in the possession of another party.

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

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

CITY OF MONTE VISTA, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

**NOTE 2: CASH AND INVESTMENTS (Continued)**

**Investments**

- Obligations of the United States and certain U.S. agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Banker's 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

At December 31, 2019, the City had the following investments:

	<u>Maturity</u>	<u>2019</u>
Colorado Liquid Government Asset Trust (COLOTRUST)	Weighted Average under 60 days	\$ <u>912,118</u>

The City invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rates commercial paper and any security allowed under CRS 24-75-601. A designated custodial bank serves as custodian for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST is rated AAAM by Standard & Poor's. COLOTRUST records its investments at fair value and the Town records its investment in COLOTRUST using the net asset value method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

*Interest Rate Risk* - State statutes generally limit investments to an original maturity of five years unless the governing board authorizes the investment for a period in excess of five years. The City does not have a policy for managing credit risk or interest rate risk.

CITY OF MONTE VISTA, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

**NOTE 2: CASH AND INVESTMENTS (Continued)**

**Investments (Continued)**

**Restricted Cash and Investments**

Restricted cash and investments for the Governmental Funds consist of unspent police seizure funds and surcharges of \$4,307 in the General Fund; \$378,187 of unspent capital projects funds in the Capital Projects Fund, and \$54,631 for future debt service requirements in the Capital Improvements Fund. The Water Funds restricted cash and investments consist of \$42,553 restricted by ordinance for water acquisition in the Fund.

**NOTE 3: INTERFUND TRANSFERS**

Interfund transfers for the year ended December 31, 2019, consisted of the following:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General	Capital Improvements	\$ 161,142
General	Water	184,000
General	Sewer	184,000
General	Conservation Trust	121,000
Urban Renewal Authority	General	27,375
Capital Projects	Capital Improvements	92,755
Grants	General	<u>14,258</u>
Total		<u><b>\$ 784,530</b></u>

During the year ended December 31, 2019, transfers to the General Fund were reimbursements for administrative costs and rent charges, including payments in lieu of taxes from the Water and Sewer Funds as well reimbursement by the Conservation Trust Fund for park expenditures. The General Fund transferred funds to the Urban Renewal Authority, Kids Connection and Grants Funds to subsidize projects in these funds. The Capital Improvements Fund transferred funds to the Capital Projects Fund to assist with street related projects.

CITY OF MONTE VISTA, COLORADO

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2019

**NOTE 4: CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2019, is summarized below:

	Balances 12/31/2018	Additions/ Transfers	Deletions	Balances 12/31/2019
<b>Governmental Activities:</b>				
Capital Assets, not being depreciated				
Land	\$ 1,104,386	\$ -	\$ -	\$ 1,104,386
Construction in Progress	5,644	-	-	5,644
Total Capital Assets, not being depreciated	<u>1,110,030</u>	<u>-</u>	<u>-</u>	<u>1,110,030</u>
Capital Assets, being depreciated				
Buildings	3,938,896	-	-	3,938,896
Infrastructure	3,490,517	91,658	-	3,582,175
Improvements - Buildings	1,426,565	-	-	1,426,565
Improvements - Other	3,834,104	7,800	-	3,841,904
Equipment and Vehicles	4,070,872	63,257	-	4,134,129
Total Capital Assets, being depreciated	<u>16,760,954</u>	<u>162,715</u>	<u>-</u>	<u>16,923,669</u>
Less accumulated depreciation				
Buildings	(2,368,482)	(64,084)	-	(2,432,566)
Infrastructure	(2,474,280)	(85,669)	-	(2,559,949)
Improvements - Buildings	(592,269)	(40,957)	-	(633,226)
Improvements - Other	(1,771,959)	(187,325)	-	(1,959,284)
Equipment and Vehicles	(3,048,291)	(156,357)	-	(3,204,648)
Total accumulated depreciation	<u>(10,255,281)</u>	<u>(534,392)</u>	<u>-</u>	<u>(10,789,673)</u>
Total Capital Assets, being depreciated, net	<u>6,505,673</u>	<u>(371,677)</u>	<u>-</u>	<u>6,133,996</u>
Governmental Activities Capital Assets, net	<u><u>\$ 7,615,703</u></u>	<u><u>\$ (371,677)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 7,244,026</u></u>

Depreciation expense was charged to the City's Governmental Activities functions/programs as follows:

General Government	\$ 128,656
Public Safety	38,998
Public Works and Airport	139,208
Culture and Recreation	173,686
Urban/Economic Development	<u>53,844</u>
Total	<u><u>\$ 534,392</u></u>

CITY OF MONTE VISTA, COLORADO

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2019

**NOTE 4: CAPITAL ASSETS (Continued)**

	Balances 12/31/2018	Additions	Deletions/ Transfers	Balances 12/31/2019
<b>Business-type Activities:</b>				
Capital Assets, not being depreciated				
Land	\$ 22,000	\$ -	\$ -	\$ 22,000
Water Rights	948,120	-	-	948,120
Construction in Progress	-	-	-	-
Total Capital Assets, not being depreciated	970,120	-	-	970,120
Capital Assets, being depreciated				
Buildings	47,650	84,192	-	131,842
Water and Sewer Treatment Plants	4,675,543	139,898	-	4,815,441
Transmission and Distribution Systems	9,260,840	86,969	-	9,347,809
Equipment and Vehicles	894,209	100,412	-	994,621
Total Capital Assets, being depreciated	14,878,242	411,471	-	15,289,713
Less accumulated depreciation				
Buildings	(46,906)	(1,167)	-	(48,073)
Water and Sewer Treatment Plants	(4,349,603)	(21,135)	-	(4,370,738)
Transmission and Distribution Systems	(3,434,709)	(277,511)	-	(3,712,220)
Equipment and Vehicles	(762,086)	(33,376)	-	(795,462)
Total accumulated depreciation	(8,593,304)	(333,189)	-	(8,926,493)
Total Capital Assets, being depreciated, net	6,284,938	78,282	-	6,363,220
Business-type Activities Capital Assets, net	<u>\$ 7,255,058</u>	<u>\$ 78,282</u>	<u>\$ -</u>	<u>\$ 7,333,340</u>

Depreciation expense was charged to the City's Business-type Activities as follows:

Water	\$ 57,310
Sewer	275,879
Total	<u>\$ 333,189</u>

**NOTE 5: PREPAID WATER STORAGE**

The City entered into a contract with San Luis Valley Irrigation District in September 2010 for a 30 year lease of water storage in the amount of \$630,000. The City made two installment payments of \$100,000 and \$530,000 in 2010 and 2014, respectively. The prepaid water storage will be amortized over the 30 year life of the agreement, at \$21,000 per year. As of December 31, 2019, the balance of the prepaid water storage, net of accumulated amortization was \$441,000.

CITY OF MONTE VISTA, COLORADO

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2019

**NOTE 6: LONG-TERM DEBT**

**Governmental Activities**

Following is a summary of long-term debt transactions for the governmental activities for the year ended December 31, 2019.

	Balance 12/31/2018	Additions	Deletions	Balance 12/31/2019	Due Within One Year
<b>Governmental Activities</b>					
2018 Bond Refunding	\$ 2,249,110	\$ -	\$ 195,890	\$ 2,053,220	\$ 198,859
Capital Leases	655,423	-	95,019	560,404	90,484
Accrued Compensated Absences	65,237	36,003	34,480	66,760	5,815
	<u><b>\$ 2,969,770</b></u>	<u><b>\$ 36,003</b></u>	<u><b>\$ 325,389</b></u>	<u><b>\$ 2,680,384</b></u>	<u><b>\$ 295,158</b></u>

Compensated absences are expected to be liquidated primarily with revenues of the General Fund.

**Sales Tax Revenue Refunding Note, Series 2018**

During the year ended December 31, 2018, the City refunded Sales Tax Revenue Refunding and Improvements Bonds, Series 2008 with the issuance of Sales Tax Revenue Refunding Note, Series 2018 in the amount of \$2,458,365 with interest at 3.19% per annum. The maturity date did not change from December 1, 2028. The refunding created a net present value savings of \$126,836. The old debt was called and paid in full (current refunding), the day following the refunding.

The note is secured by a first lien on ½ of the City's 2% sales tax. Principal and Interest are due semi-annually on June 1 and December 1 through December 1, 2028. Interest accrues at a rate of 3.19% per annum. During the year ended December 31, 2019, pledged revenues derived from the dedicated 1% sales taxes totaling \$473,466 were available to pay debt service of \$267,367.

Future Debt Service Requirements

Year Ended December 31	Principal	Interest	Total
2020	\$ 198,859	\$ 65,498	\$ 264,357
2021	206,693	59,154	265,847
2022	214,316	52,560	266,876
2023	221,723	45,724	267,447
2024	228,906	38,650	267,556
2025 - 2028	982,723	79,404	1,062,127
	<u><b>\$ 2,053,220</b></u>	<u><b>\$ 340,990</b></u>	<u><b>\$ 2,394,210</b></u>



CITY OF MONTE VISTA, COLORADO

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2019

**NOTE 6: LONG-TERM DEBT (Continued)**

**Governmental Activities (Continued)**

**Capital Leases**

The City has entered into capital lease agreements to finance energy performance contract repairs and maintenance, and purchase of vehicles. These leases bear interest at rates ranging from 3.00% to 3.38% per annum, maturing between June 2020 and January 2028. Capital assets totaling \$796,204 with a net book value of \$572,768 are reported in the financial statements under these lease agreements.

Following is a schedule of future minimum lease payments required under the outstanding capital leases at December 31, 2019.

Year Ended December 31

2020	\$ 107,214
2021	80,724
2022	78,332
2023	79,126
2024	79,968
2025 - 2028	220,065
Total Minimum Lease Payments	645,429
Less: Interest	(85,025)
Present Value of Future Minimum Lease Payments	<u><u>\$ 560,404</u></u>

**Business-type Activities**

Following is a summary of long-term debt transactions for the business-type activities for the year ended December 31, 2019.

	Balance 12/31/2018	Additions	Deletions	Balance 12/31/2019	Due Within One Year
<b>Business-type Activities</b>					
2010 Water Loan	\$ 1,627,360	\$ -	\$ 28,933	\$ 1,598,427	\$ 30,177
2011 Water Loan	271,990	-	11,578	260,412	11,577
1999 Sewer Loan	36,622	-	36,622	-	-
2015 Sewer Loan	1,149,703	-	67,329	1,082,374	69,831
Capital Leases-Water	27,009	-	3,048	23,961	3,138
Capital Leases-Sewer	27,009	-	3,048	23,961	3,138
Accrued Compensated Absences	22,262	14,663	12,607	24,318	-
	<u><u>\$ 3,161,955</u></u>	<u><u>\$ 14,663</u></u>	<u><u>\$ 163,165</u></u>	<u><u>\$ 3,013,453</u></u>	<u><u>\$ 117,861</u></u>

CITY OF MONTE VISTA, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

**NOTE 6: LONG-TERM DEBT (Continued)**

**Business-type Activities (Continued)**

**Water Loans**

During 2010, the City entered into a \$1,693,770 loan agreement with the Colorado Water Conservation Board (CWCB) for acquisition of water rights and water storage. Principal and interest payments are due annually over a 30-year period starting from September 1, 2019. Principal and interest payments are annually on September 1, through September 1, 2048. Interest accrues at 4% per annum.

During 2011, the City entered into a loan agreement with the Colorado Water Resources and Power Development Authority (CWRPDA), in the principal amount of \$400,000, for construction and improvements to the water distribution system. Principal payments are due semi-annually on May 1 and November 1, through May 1, 2042. The loan is non-interest bearing.

The CWCB and CWRPDA water loans are payable solely from revenues of the City's water utility system, after deducting operation and maintenance costs. During the year ended December 31, 2019, net revenues of \$388,580 were available to pay annual debt service of \$105,688. Remaining debt service at December 31, 2019 was \$2,989,697.

**Sewer Loans**

During 1999, the City entered into a loan agreement with the CWRPDA in the principal amount of \$968,000 to finance repairs to the City's sewer treatment systems. Principal and interest payments were due semi-annually on May 1 and November 1, through May 1, 2019. Interest accrued at 4.5% per annum. The loan was paid in full during 2019.

During 2015, the City entered into a loan agreement with the Colorado Water Resources and Power Development Authority (CWRPDA), in the principal amount of \$1,396,612, for construction of the City's sewer system expansion project. Principal payments are due semi-annually on May 1 and November 1, through May 1, 2035. The loan is non-interest bearing.

These loans are payable solely from revenues of the City's sewer utility system, after deducting operation and maintenance costs. During the year ended December 31, 2019, net revenues of \$303,342 were available to pay annual debt service of \$69,831. Remaining debt service at December 31, 2019 was \$1,082,374.

CITY OF MONTE VISTA, COLORADO

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2019

**NOTE 6: LONG-TERM DEBT** (Continued)

**Business-type Activities** (Continued)

Future Debt Service Requirements

<u>Year Ended December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 111,585	\$ 63,934	\$ 175,519
2021	112,793	62,726	175,519
2022	114,047	61,471	175,518
2023	115,352	60,166	175,518
2024	116,711	58,808	175,519
2025 - 2029	605,898	276,694	882,592
2030 - 2034	648,983	228,612	877,595
2035 - 2039	387,160	176,194	563,354
2040 - 2044	387,075	112,421	499,496
2045 - 2048	341,609	34,831	376,440
	<u>\$ 2,941,213</u>	<u>\$ 1,135,857</u>	<u>\$ 4,077,070</u>

**Capital Leases**

The City has entered into capital lease agreements to purchase vehicles. These leases bear interest at rates ranging from 3.35% to 3.38% per annum, and mature between June 2020 and January 2028. Capital assets totaling \$65,580, with a net book value of \$52,679, are reported in the financial statements under these lease agreements.

Following is a schedule of future minimum lease payments required under the outstanding capital leases at December 31, 2019.

<u>Year Ended December 31</u>	
2020	\$ 7,739
2021	7,742
2022	7,743
2023	7,743
2024	7,742
2025 - 2026	15,222
Total Minimum Lease Payments	53,931
Less: Interest	(6,009)
Present Value of Future Minimum Lease Payments	<u>\$ 47,922</u>

CITY OF MONTE VISTA, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

**NOTE 7: PUBLIC ENTITY RISK POOL**

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

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

It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability of loss, to the limit of the financial resources of CIRSA. It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverages at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members. CIRSA is a separate legal entity and the City does not approve budgets nor does it have the ability to significantly affect the operations of the entity.

**NOTE 8: PENSION PLANS**

**Defined Contribution Pension Plans**

*City Employees* - The City contributes to a single employer defined contribution money purchase pension plan on behalf of its full-time employees, except for sworn police officers. The contribution requirements of Plan participants and the City are established and may be amended by the City Council. The Plan is administered by ICMA Retirement Corporation. The City is required to contribute 0.5% of each participant's covered payroll. Employees are not required to contribute to the plan. For the year ended December 31, 2019, the City recognized pension expense of \$0, net of forfeitures used as contributions of \$4,146.

Employees become 100% vested in the City's contributions and earnings after three years of service. Nonvested City contributions are forfeited upon termination of employment. Such forfeitures are either used to cover a portion of the pension plan's administrative expenses or are returned to the City. For the year ended December 31, 2019, the City reported returned forfeitures in the amount of \$1,568, and \$4,146 from prior and current year forfeitures were used as City contributions.

CITY OF MONTE VISTA, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

**NOTE 8: PENSION PLANS (Continued)**

**457 Deferred Compensation Plan**

The City has a deferred compensation plan in accordance with Internal Revenue Code Section 457. The plan is administered by ICMA Retirement Corporation. Participation in the plan is optional for all employees. The plan allows employees to defer a portion of their salary until future years. Effective January 1, 2015, the City will match up to 3% of the participating employee's contributions to the plan. For the year ended December 31, 2019, the City contributed \$32,943 to the plan.

**Defined Benefit Pension Plans**

*City Sworn Police Officers* – Beginning January 1, 2019, the City ended its participation in the single employer defined contribution money purchase pension plan administered by ICMA Retirement Corporation. The City transferred the pension assets into the Colorado Fire & Police Pension Authority's (FPPA) Statewide Hybrid Plan for the existing police officers. New hires, after January 1, 2019, are required to participate in the FPPA Statewide Defined Benefit Plan. Since there is no actuarial history in the FPPA system for the City, no pension disclosures were made to the City's financial statements for the year ended December 31, 2019. The GASB No. 68 *Accounting and Financial Reporting for Pensions* will be implemented in fiscal year ending December 31, 2020.

**NOTE 9: COMMITMENTS AND CONTINGENCIES**

**Tabor Amendment**

Colorado voters passed an amendment to the State Constitution, Article X, Section 20 (the "Amendment"), which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government. The Amendment requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of an expiring tax, or tax policy change directly causing a net tax revenue gain to the City.

Revenue in excess of the fiscal spending limit must be refunded in the next fiscal year unless voters approve retention of such revenue.

The City's management believes it is in compliance with the provisions of the Amendment. However, the Amendment is complex and subject to interpretation. Many of its provisions may require judicial interpretation. In November 1997, voters within the City authorized the City to collect, retain and expend all revenues and other funds in excess of the revenue limitations of the Amendment.

CITY OF MONTE VISTA, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

**NOTE 9: COMMITMENTS AND CONTINGENCIES** (Continued)

**Tabor Amendment** (Continued)

The City has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2019, the emergency reserve of \$117,000 was reported as restricted fund balance in the General Fund.

The URA is not subject to the Amendment. See: Marian L. Olson v. City of Golden, et. al. 53 P.3d 747 (Co. App.), certiorari denied.

**Claims and Judgments**

The City participates in a number of federal, state, and local programs that are fully or partially funded by grants received from other governmental entities. Expenses financed by grants are subject to audit by the appropriate grantor government. If expenses are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government. At December 31, 2019, significant amounts of grant expenses have not been audited, but management believes that subsequent audits will not have a material effect on the overall financial position of the City.

## REQUIRED SUPPLEMENTARY INFORMATION

# CITY OF MONTE VISTA, COLORADO

## BUDGETARY COMPARISON SCHEDULE

### GENERAL FUND

Year Ended December 31, 2019

(With Comparative Actual Totals for the Year Ended December 31, 2018)

	2019				2018
	BUDGET	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	ACTUAL
REVENUES					
Taxes					
Sales	\$ 370,000	\$ 370,000	\$ 473,466	\$ 103,466	\$ 404,860
Sales - Rio Grande County	775,000	775,000	1,093,313	318,313	873,831
Property and Specific Ownership	417,000	417,000	430,904	13,904	421,134
Franchise	163,000	163,000	171,393	8,393	169,933
Other	5,500	11,500	25,487	13,987	7,364
Licenses and Permits	13,650	14,400	16,110	1,710	12,354
Charges for Services	191,800	191,800	198,765	6,965	200,328
Intergovernmental	266,828	266,828	262,974	(3,854)	287,263
Fines and Forfeitures	132,200	137,200	120,616	(16,584)	142,179
Interest	5,500	9,000	13,570	4,570	8,884
Miscellaneous	131,500	159,500	190,839	31,339	216,251
TOTAL REVENUES	2,471,978	2,515,228	2,997,437	482,209	2,744,381
EXPENDITURES					
General Government					
City Council	48,918	51,968	48,138	3,830	46,164
City Clerk	52,350	54,200	54,986	(786)	40,375
Municipal Court	78,113	80,813	76,991	3,822	76,291
City Manager	122,160	124,010	103,270	20,740	152,878
Elections	13,500	13,500	9,258	4,242	5,759
Finance	86,998	86,998	90,254	(3,256)	92,452
City Attorney	40,000	40,000	39,998	2	42,778
Purchasing and General Services	116,450	148,050	171,482	(23,432)	155,830
Purchasing and General Services	128,950	128,950	117,675	11,275	58,495
Community Development	28,250	28,250	16,570	11,680	51,565
Total General Government	715,689	756,739	728,622	28,117	722,587
Public Safety					
Police	1,206,542	1,234,542	1,232,228	2,314	1,192,507
Total Public Safety	1,206,542	1,234,542	1,232,228	2,314	1,192,507
Public Works and Airport					
Streets and Lighting	368,550	376,950	391,904	(14,954)	327,272
City Shop and Buildings	172,038	236,016	241,445	(5,429)	155,567
Airport	17,590	17,590	13,999	3,591	13,481
Total Public Works and Airport	558,178	630,556	647,348	(16,792)	496,320

(Continued)

See the accompanying Independent Auditor's Report.



# CITY OF MONTE VISTA, COLORADO

## BUDGETARY COMPARISON SCHEDULE GENERAL FUND

Year Ended December 31, 2019  
(With Comparative Actual Totals for the Year Ended December 31, 2018)

	2019				2018
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	ACTUAL
Culture and Recreation					
Parks and Recreation	\$ 259,143	\$ 293,643	\$ 277,615	\$ 16,028	\$ 227,595
Vali3 Theatre	7,000	23,806	24,366	(560)	31,822
Total Culture and Recreation	<u>266,143</u>	<u>317,449</u>	<u>301,981</u>	<u>15,468</u>	<u>259,417</u>
Capital Outlay	<u>130,000</u>	<u>140,000</u>	<u>128,130</u>	<u>11,870</u>	<u>90,686</u>
Debt Service					
Principal	56,208	56,208	56,503	(295)	53,719
Interest	10,623	10,623	10,286	337	12,610
Total Debt Service	<u>66,831</u>	<u>66,831</u>	<u>66,789</u>	<u>42</u>	<u>66,329</u>
TOTAL EXPENDITURES	<u>2,943,383</u>	<u>3,146,117</u>	<u>3,105,098</u>	<u>41,019</u>	<u>2,827,846</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(471,405)</u>	<u>(630,889)</u>	<u>(107,661)</u>	<u>523,228</u>	<u>(83,465)</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	630,125	650,125	650,142	17	434,125
Transfers Out	<u>(149,667)</u>	<u>(149,667)</u>	<u>(41,633)</u>	<u>108,034</u>	<u>(36,933)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>480,458</u>	<u>500,458</u>	<u>608,509</u>	<u>108,051</u>	<u>397,192</u>
NET CHANGE IN FUND BALANCE	9,053	(130,431)	500,848	631,279	313,727
FUND BALANCE, Beginning	<u>584,197</u>	<u>584,197</u>	<u>868,870</u>	<u>284,673</u>	<u>555,143</u>
FUND BALANCE, Ending	<u>\$ 593,250</u>	<u>\$ 453,766</u>	<u>\$ 1,369,718</u>	<u>\$ 915,952</u>	<u>\$ 868,870</u>

See the accompanying Independent Auditor's Report.

CITY OF MONTE VISTA, COLORADO

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
December 31, 2019

**NOTE 1: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budgets**

Budgets are legally adopted for all funds of the City. A budget is not presented for the Monte Vista Park Authority, a component unit. Budgets for governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons for the enterprise funds are presented on a non-GAAP budgetary basis. Capital outlay and long-term debt principal are budgeted as expenditures and depreciation is not budgeted.

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

- In September, Management submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer and public comments.
- Prior to December 31, the budget is legally enacted through passage of an ordinance.
- Budgets amended by the City Council during the year have been presented in the budgetary comparison schedules for each fund amended.
- Management is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures must be approved by the City Council.
- All budget appropriations lapse at year end.

## **SUPPLEMENTARY INFORMATION**

### **COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES**

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# CITY OF MONTE VISTA, COLORADO

## COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS December 31, 2019

	SPECIAL REVENUE FUNDS			
	CONSERVATION TRUST FUND	URBAN RENEWAL AUTHORITY FUND	KIDS CONNECTION FUND	GRANTS FUND
ASSETS				
Cash and Investments	\$ 75,729	\$ 23,268	\$ 48,459	\$ -
Restricted Cash and Investments	-	-	-	-
Accounts Receivable	-	-	10,267	-
<b>TOTAL ASSETS</b>	<b>\$ 75,729</b>	<b>\$ 23,268</b>	<b>\$ 58,726</b>	<b>\$ -</b>
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts Payable	\$ -	\$ 5,542	\$ 619	\$ -
Accrued Liabilities	-	-	3,383	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>5,542</b>	<b>4,002</b>	<b>-</b>
FUND EQUITY				
Fund Balance				
Restricted for Parks	75,729	-	-	-
Restricted for Capital Projects	-	-	-	-
Committed to Economic Development	-	17,726	-	-
Assigned to Kids Connection	-	-	54,724	-
<b>TOTAL FUND EQUITY</b>	<b>75,729</b>	<b>17,726</b>	<b>54,724</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 75,729</b>	<b>\$ 23,268</b>	<b>\$ 58,726</b>	<b>\$ -</b>

See the accompanying Independent Auditor's Report.

CAPITAL PROJECTS FUND	TOTALS
\$ -	\$ 147,456
378,187	378,187
-	10,267
<u>\$ 378,187</u>	<u>\$ 535,910</u>

\$ -	\$ 6,161
-	3,383
-	9,544

-	75,729
378,187	378,187
-	17,726
-	54,724
<u>378,187</u>	<u>526,366</u>
<u>\$ 378,187</u>	<u>\$ 535,910</u>

# CITY OF MONTE VISTA, COLORADO

## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS Year Ended December 31, 2019

	SPECIAL REVENUE FUNDS			
	CONSERVATION TRUST FUND	URBAN RENEWAL AUTHORITY FUND	KIDS CONNECTION FUND	GRANTS FUND
REVENUES				
Charges of Services	\$ -	\$ -	\$ 31,100	\$ -
Intergovernmental	47,875	-	44,312	126,190
Investment Income	-	-	-	-
Miscellaneous	-	19,221	149,175	-
<b>TOTAL REVENUES</b>	<b>47,875</b>	<b>19,221</b>	<b>224,587</b>	<b>126,190</b>
EXPENDITURES				
Public Works and Airport	-	-	-	140,448
Culture and Recreation	-	702	-	-
Urban/Economic Development	-	38,996	-	-
Kids Connection	-	-	188,946	-
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>39,698</b>	<b>188,946</b>	<b>140,448</b>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	47,875	(20,477)	35,641	(14,258)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	27,375	-	14,258
Transfers Out	(121,000)	-	-	(35,847)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(121,000)</b>	<b>27,375</b>	<b>-</b>	<b>(21,589)</b>
<b>CHANGE IN FUND BALANCES</b>	<b>(73,125)</b>	<b>6,898</b>	<b>35,641</b>	<b>(35,847)</b>
FUND BALANCES, Beginning	148,854	10,828	19,083	35,847
FUND BALANCES, Ending	<u>\$ 75,729</u>	<u>\$ 17,726</u>	<u>\$ 54,724</u>	<u>\$ -</u>

See the accompanying Independent Auditor's Report.

CAPITAL PROJECTS FUND	TOTALS
\$ -	\$ 31,100
-	218,377
1,399	1,399
50,500	218,896
51,899	469,772
91,658	232,106
-	702
-	38,996
	188,946
91,658	460,750
(39,759)	9,022
92,755	134,388
-	(156,847)
92,755	(22,459)
52,996	(13,437)
325,191	539,803
\$ 378,187	\$ 526,366



# CITY OF MONTE VISTA, COLORADO

## BUDGETARY COMPARISON SCHEDULE CONSERVATION TRUST FUND

Year Ended December 31, 2019

(With Comparative Actual Totals for the Year Ended December 31, 2018)

	2019			2018
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	ACTUAL
REVENUES				
Lottery Revenues	\$ 45,000	\$ 47,875	\$ 2,875	\$ 42,952
Interest	350	-	(350)	-
TOTAL REVENUES	45,350	47,875	2,525	42,952
EXPENDITURES				
Parks and Recreation	-	-	-	10,922
TOTAL EXPENDITURES	-	-	-	10,922
EXCESS OF REVENUES OVER EXPENDITURES	45,350	47,875	2,525	32,030
OTHER FINANCING USES				
Transfers Out	(121,000)	(121,000)	-	-
NET CHANGE IN FUND BALANCE	(75,650)	(73,125)	2,525	32,030
FUND BALANCE, Beginning	127,699	148,854	21,155	116,824
FUND BALANCE, Ending	\$ 52,049	\$ 75,729	\$ 23,680	\$ 148,854

See the accompanying Independent Auditor's Report.

# CITY OF MONTE VISTA, COLORADO

## BUDGETARY COMPARISON SCHEDULE

### URBAN RENEWAL AUTHORITY FUND

Year Ended December 31, 2019

(With Comparative Actual Totals for the Year Ended December 31, 2018)

	2019			2018
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	ACTUAL
REVENUES				
Miscellaneous	\$ -	\$ 19,221	\$ 19,221	\$ -
TOTAL REVENUES	-	19,221	19,221	-
EXPENDITURES				
Culture and Recreation	750	702	48	-
Urban/Economic Development	97,950	38,996	58,954	16,014
TOTAL EXPENDITURES	98,700	39,698	59,002	16,014
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(98,700)	(20,477)	78,223	(16,014)
OTHER FINANCING SOURCES (USES)				
Transfers In	81,000	27,375	(53,625)	22,250
NET CHANGE IN FUND BALANCE	(17,700)	6,898	24,598	6,236
FUND BALANCE, Beginning	18,217	10,828	(7,389)	4,592
FUND BALANCE, Ending	\$ 517	\$ 17,726	\$ 17,209	\$ 10,828

See the accompanying Independent Auditor's Report.

# CITY OF MONTE VISTA, COLORADO

## BUDGETARY COMPARISON SCHEDULE KIDS CONNECTION FUND

Year Ended December 31, 2019

(With Comparative Actual Totals for the Year Ended December 31, 2018)

	2019				2018
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	ACTUAL
REVENUES					
Charges for Services	\$ 6,000	\$ 10,500	\$ 31,100	\$ 20,600	\$ 4,722
Intergovernmental	58,000	58,000	44,312	(13,688)	67,644
Miscellaneous	88,500	104,500	149,175	44,675	109,198
TOTAL REVENUES	152,500	173,000	224,587	51,587	181,564
EXPENDITURES					
Kids Connection	180,350	185,350	188,946	(3,596)	191,629
TOTAL EXPENDITURES	180,350	185,350	188,946	(3,596)	191,629
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(27,850)	(12,350)	35,641	47,991	(10,065)
OTHER FINANCING SOURCES					
Transfers In	52,000	52,000	-	(52,000)	11,000
TOTAL OTHER FINANCING SOURCES	52,000	52,000	-	(52,000)	11,000
NET CHANGE IN FUND BALANCE	24,150	39,650	35,641	(4,009)	935
FUND BALANCE, Beginning	41,141	41,141	19,083	(22,058)	18,148
FUND BALANCE, Ending	\$ 65,291	\$ 80,791	\$ 54,724	\$ (26,067)	\$ 19,083

See the accompanying Independent Auditor's Report.

# CITY OF MONTE VISTA, COLORADO

## BUDGETARY COMPARISON SCHEDULE GRANTS FUND

Year Ended December 31, 2019

(With Comparative Actual Totals for the Year Ended December 31, 2018)

	2019			2018
	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	ACTUAL
REVENUES				
Intergovernmental	\$ 332,500	\$ 126,190	\$ (206,310)	\$ 68,437
TOTAL REVENUES	332,500	126,190	(206,310)	68,437
EXPENDITURES				
General Government	355,644	140,448	215,196	43,718
Capital Outlay	-	-	-	39,278
TOTAL EXPENDITURES	355,644	140,448	215,196	82,996
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(23,144)	(14,258)	8,886	(14,559)
OTHER FINANCING SOURCES (USES)				
Transfers In	16,667	14,258	(2,409)	3,683
Transfers Out	-	(35,847)	(35,847)	-
TOTAL OTHER FINANCING SOURCES (USES)	16,667	(21,589)	(38,256)	3,683
NET CHANGE IN FUND BALANCE	(6,477)	(35,847)	(29,370)	(10,876)
FUND BALANCE, Beginning	6,576	35,847	29,271	46,723
FUND BALANCE, Ending	\$ 99	\$ -	\$ (99)	\$ 35,847

See the accompanying Independent Auditor's Report.

# CITY OF MONTE VISTA, COLORADO

## BUDGETARY COMPARISON SCHEDULE CAPITAL IMPROVEMENT FUND

Year Ended December 31, 2019

(With Comparative Actual Totals for the Year Ended December 31, 2018)

	2019			2018
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	ACTUAL
REVENUES				
Taxes				
Sales Taxes	\$ 370,000	\$ 473,465	\$ 103,465	\$ 404,861
Grants	-	-	-	31,775
Interest	2,000	3,294	1,294	3,945
TOTAL REVENUES	372,000	476,759	104,759	440,581
EXPENDITURES				
Capital Outlay	31,775	-	31,775	-
Bond Issue Costs	-	-	-	46,500
Debt Service				
Principal	234,393	234,406	(13)	246,603
Interest and Fiscal Charges	82,079	82,066	13	67,688
TOTAL EXPENDITURES	348,247	316,472	31,775	360,791
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	23,753	160,287	136,534	79,790
OTHER FINANCING SOURCES (USES)				
Refunding Bond Proceeds	-	-	-	2,458,365
Payment to Refunding Escrow	-	-	-	(2,411,865)
Transfers Out	(261,125)	(218,050)	43,075	(82,091)
TOTAL OTHER FINANCING SOURCES (USES)	(261,125)	(218,050)	43,075	(35,591)
NET CHANGE IN FUND BALANCE	(237,372)	(57,763)	179,609	44,199
FUND BALANCE, Beginning	252,301	361,135	108,834	316,936
FUND BALANCE, Ending	\$ 14,929	\$ 303,372	\$ 288,443	\$ 361,135

See the accompanying Independent Auditor's Report.

# CITY OF MONTE VISTA, COLORADO

## BUDGETARY COMPARISON SCHEDULE CAPITAL PROJECTS FUND

Year Ended December 31, 2019

(With Comparative Actual Totals for the Year Ended December 31, 2018)

	2019			2018
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	ACTUAL
REVENUES				
Interest	\$ 750	\$ 1,399	\$ 649	\$ 834
Contributions	-	50,500	50,500	-
TOTAL REVENUES	750	51,899	51,149	834
EXPENDITURES				
Public Works	100,000	91,658	8,342	15,966
TOTAL EXPENDITURES	100,000	91,658	8,342	15,966
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(99,250)	(39,759)	59,491	(15,132)
OTHER FINANCING SOURCES (USES)				
Transfers In	100,000	92,755	(7,245)	15,966
NET CHANGE IN FUND BALANCE	750	52,996	52,246	834
FUND BALANCE, Beginning	325,245	325,191	(54)	324,357
FUND BALANCE, Ending	\$ 325,995	\$ 378,187	\$ 52,192	\$ 325,191

See the accompanying Independent Auditor's Report.

# CITY OF MONTE VISTA, COLORADO

## BUDGETARY COMPARISON SCHEDULE

(Non-GAAP Budgetary Basis)

WATER FUND

Year Ended December 31, 2019

(With Comparative Actual Totals for the Year Ended December 31, 2018)

	2019				2018
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	ACTUAL
REVENUES					
Charges for Services	\$ 904,400	\$ 904,400	\$ 1,029,741	\$ 125,341	\$ 1,038,487
Tap Fees	1,000	1,000	4,300	3,300	2,350
Grant Proceeds	-	-	-	-	31,000
Investment Income	200	4,200	6,939	2,739	275
Miscellaneous	4,500	5,500	22,704	17,204	2,866
TOTAL REVENUES	910,100	915,100	1,063,684	148,584	1,074,978
EXPENDITURES					
Operations and Maintenance	995,129	1,009,929	668,165	341,764	626,278
Capital Outlay	296,250	396,250	303,415	92,835	118,133
Debt Service					
Principal	-	-	43,559	(43,559)	14,619
Interest	65,935	65,935	87,029	(21,094)	74,141
Transfers Out	184,000	184,000	184,000	-	184,000
TOTAL EXPENDITURES	1,541,314	1,656,114	1,286,168	369,946	1,017,171
NET INCOME, Budget Basis	\$ (631,214)	\$ (741,014)	(222,484)	\$ 518,530	57,807
GAAP BASIS ADJUSTMENTS					
Capital Outlay			303,415		118,133
Amortization			(21,000)		(21,000)
Depreciation			(57,310)		(44,905)
Principal Paid on Long-Term Debt			43,559		14,619
NET INCOME, GAAP Basis			46,180		124,654
NET POSITION, Beginning			1,875,238		1,750,584
NET POSITION, Ending			\$ 1,921,418		\$ 1,875,238

See the accompanying Independent Auditor's Report.

# CITY OF MONTE VISTA, COLORADO

## BUDGETARY COMPARISON SCHEDULE

(Non-GAAP Budgetary Basis)

### SEWER FUND

Year Ended December 31, 2019

(With Comparative Actual Totals for the Year Ended December 31, 2018)

	2019				2018
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	ACTUAL
REVENUES					
Charges for Services	\$ 918,000	\$ 918,000	\$ 1,017,057	\$ 99,057	\$ 996,080
Tap Fees	1,500	1,500	3,250	1,750	50
Grant Proceeds	-	-	127,106	127,106	242,035
Investment Income	2,000	2,000	2,145	145	2,234
Miscellaneous	1,200	1,200	300	(900)	472
TOTAL REVENUES	922,700	922,700	1,149,858	227,158	1,240,871
EXPENDITURES					
Operations and Maintenance	1,011,717	1,062,917	717,265	345,652	551,836
Capital Outlay	466,250	466,250	108,056	358,194	753,028
Debt Service					
Principal	-	-	106,999	(106,999)	146,136
Interest	1,665	1,665	3,375	(1,710)	2,563
Transfers Out	184,000	184,000	184,000	-	184,000
TOTAL EXPENDITURES	1,663,632	1,714,832	1,119,695	595,137	1,637,563
NET INCOME (LOSS), Budget Basis	<u>\$ (740,932)</u>	<u>\$ (792,132)</u>	30,163	<u>\$ 822,295</u>	(396,692)
GAAP BASIS ADJUSTMENTS					
Capital Outlay			108,056		753,028
Depreciation			(275,879)		(232,429)
Principal Paid on Long-Term Debt			106,999		146,136
NET INCOME, GAAP Basis			(30,661)		270,043
NET POSITION, Beginning			4,206,183		3,936,140
NET POSITION, Ending			<u>\$ 4,175,522</u>		<u>\$ 4,206,183</u>

See the accompanying Independent Auditor's Report.



## OTHER INFORMATION

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

<b>LOCAL HIGHWAY FINANCE REPORT</b>		City or County: Monte Vista	
		YEAR ENDING : December 2019	
This Information From The Records Of (example - City of _ or County of The City of Monte Vista)		Prepared By: Jennifer Signs	Phone: 719-852-2692

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
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	0
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	349,045
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	409
2. General fund appropriations		b. Snow and ice removal	4,833
3. Other local imposts (from page 2)	790,588	c. Other	
4. Miscellaneous local receipts (from page 2)	33,618	d. Total (a. through c.)	5,241
5. Transfers from toll facilities		4. General administration & miscellaneous	98,619
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	350,556
a. Bonds - Original Issues		6. Total (1 through 5)	803,462
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	67,480
7. Total (1 through 6)	824,206	b. Redemption	138,600
<b>B. Private Contributions</b>		c. Total (a. + b.)	206,080
<b>C. Receipts from State government (from page 2)</b>	194,725	2. Notes:	
<b>D. Receipts from Federal Government (from page 2)</b>	0	a. Interest	1,151
<b>E. Total receipts (A.7 + B + C + D)</b>	1,018,931	b. Redemption	8,238
		c. Total (a. + b.)	9,389
		3. Total (1.c + 2.c)	215,469
		<b>C. Payments to State for highways</b>	
		<b>D. Payments to toll facilities</b>	
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	1,018,931

IV. LOCAL HIGHWAY DEBT STATUS (Show all entries at par)				
	Opening Debt	Amount Issued	Redemptions	Closing Debt
<b>A. Bonds (Total)</b>	1,731,815		150,835	1,580,980
1. Bonds (Refunding Portion)				
<b>B. Notes (Total)</b>	20,782		8,631	12,151

V. LOCAL ROAD AND STREET FUND BALANCE					
	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	334,250	1,018,931	1,018,931	334,250	(0)
<b>Notes and Comments:</b>					

<b>LOCAL HIGHWAY FINANCE REPORT</b>		STATE: Colorado YEAR ENDING (mm/yy): December 2019	
<b>II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL</b>			
<b>ITEM</b>	<b>AMOUNT</b>	<b>ITEM</b>	<b>AMOUNT</b>
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments	95,905	a. Interest on investments	4,693
b. Other local imposts:		b. Traffic Fines & Penalties	28,925
1. Sales Taxes	614,541	c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	80,142	g. Other Misc. Receipts	
6. Total (1. through 5.)	694,683	h. Other	
c. Total (a. + b.)	790,588	i. Total (a. through h.)	33,618
	(Carry forward to page 1)		(Carry forward to page 1)
<b>III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL</b>			
<b>ITEM</b>	<b>AMOUNT</b>	<b>ITEM</b>	<b>AMOUNT</b>
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	174,918	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	19,807	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	19,807	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	194,725	3. Total (1. + 2.g)	
			(Carry forward to page 1)
<b>III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL</b>			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation			0
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	0	0
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	0	0
			(Carry forward to page 1)
<b>Notes and Comments:</b>			