



Visit Estes Park  
The Destination  
Marketing Organization  
VisitEstesPark.com

# Board of Directors Regular Meeting Agenda

Tuesday, July 7, 2020, 6:00 p.m.

Via: Go To Meeting

## PUBLIC COMMENT

Please state your name & address. We allow 3 minutes for each public comment.

## REPORTS

1. RMNP Update – PIO Kyle Patterson
2. Town Board Updates

## CHAIRPERSON'S MESSAGE

1. Overview of Agenda
2. Approve Agenda

## MAY FINANCIAL UPDATE & ACM 2019 AUDIT PRESENTATION

## PRESIDENT & CEO

1. Highlights of written report
2. Updates

## PROGRAM REVIEW

## POLICY DEVELOPMENT

## CONSENT AGENDA

1. Approval of minutes from the June 2, 2020 meeting.

## BOARD COMMENTS

## ADJOURN

Upcoming Meetings: August 4,2020, September 1,2020, October 6,2020, November 3, 2020

### **Visit Estes Park**

NOTE: Visit Estes Park reserves the right to consider other appropriate items not available at the time the agenda was prepared.  
All board meetings are recorded per state regulation





Visit Estes Park  
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Marketing Organization  
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To: Visit Estes Park Board Of Directors

From: Kevin Benes, Finance Officer

Date: 07/07/2020

RE: Finance Officer Update

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### **Lodging Tax/Income:**

May 2020 (stays in April 2020) - \$26,528.87 \*Covid shut down for April

May 2020 Budget - \$155,000

May 2019 (stays in April 2019) - \$82,559.77

YTD lodging tax collected - \$423,258.04

YTD lodging tax budget - \$608,000.00

**YTD lodging tax shortfall - (\$184,741.96)**

YTD Budget Net Income - (\$291,003.80)

YTD Actual Net Income - (\$566,258.76)

**YTD Net Income shortfall - (\$275,254.96)**

### **May Financials:**

May 2020 financial statements are attached for your review.

May continues the discretionary spending freeze for future commitments. May did have some outstanding advertising buys we were committed to from before COVID that we fulfilled.

Copies of the May 2020 financial statements are at the end of this report for review.

### **2019 Audit:**

The 2019 audit team has completed their work and report. The ACM team will report to the board and we will all be available for any questions following and during that report.

## Visit Estes Park Profit & Loss Budget Performance - Entire Organization

May 2020

	May 20	Budget	Jan - May 20	YTD Budget	Annual Budget
<b>Ordinary Income/Expense</b>					
<b>Income</b>					
3000 · District Tax Fund	26,528.87	155,000.00	423,258.04	608,000.00	2,472,000.00
3300 · Visitor Guide	0.00	10,000.00	5,586.00	90,000.00	280,000.00
3400 · Advertising Fees-Stakeholder	-195.00	50,166.00	137,661.94	250,830.00	602,000.00
3510 · Larimer County PILT	0.00	0.00	0.00	0.00	5,412.66
3800 · Grants & Awards	0.00	0.00	25,000.00	25,000.00	25,000.00
3999 · Other Income	0.00	159.00	3,500.13	795.00	1,900.00
<b>Total Income</b>	<b>26,333.87</b>	<b>215,325.00</b>	<b>595,006.11</b>	<b>974,625.00</b>	<b>3,386,312.66</b>
<b>Gross Profit</b>	<b>26,333.87</b>	<b>215,325.00</b>	<b>595,006.11</b>	<b>974,625.00</b>	<b>3,386,312.66</b>
<b>Expense</b>					
4300 · Special Adv & Mktg-Contingency					
4303 · CTO	0.00	0.00	0.00	0.00	25,000.00
4300 · Special Adv & Mktg-Contingency -...	0.00		25,000.00		
<b>Total 4300 · Special Adv &amp; Mktg-Continge...</b>	<b>0.00</b>	<b>0.00</b>	<b>25,000.00</b>	<b>0.00</b>	<b>25,000.00</b>
4470 · Search Engine Optimization	0.00	2,000.00	6,000.00	10,000.00	24,000.00
4500 · Advertising					
4510 · Media Placement - Traditional					
4511 · Print - Newspaper	0.00	580.00	235.00	2,800.00	6,500.00
4512 · Print - Magazines	0.00	7,000.00	12,301.35	21,700.00	90,000.00
4513 · Broadcast - TV & Radio	3,000.00	5,000.00	8,000.00	20,500.00	55,000.00
4514 · Out of Home	0.00	6,541.67	26,100.00	32,708.31	78,500.00
4515 · Events - Traditional	0.00	15,000.00	0.00	15,000.00	30,000.00
4516 · Collateral Inspiration Brochure	0.00	0.00	0.00	0.00	0.00
4517 · Out of Home - In Market	0.00	3,333.33	0.00	16,666.69	40,000.00
<b>Total 4510 · Media Placement - Traditional</b>	<b>3,000.00</b>	<b>37,455.00</b>	<b>46,636.35</b>	<b>109,375.00</b>	<b>300,000.00</b>
4520 · Media Placement - Digital					
4521 · Digital	2,500.00	0.00	87,716.81	14,577.98	150,000.00
4522 · Social	0.00	11,409.00	39,286.13	72,081.36	230,500.00
4523 · Pay-Per-Click	0.00	5,000.00	11,400.00	40,000.00	200,000.00
4524 · Events - Digital	0.00	500.00	0.00	500.00	9,500.00
<b>Total 4520 · Media Placement - Digital</b>	<b>2,500.00</b>	<b>16,909.00</b>	<b>138,402.94</b>	<b>127,159.34</b>	<b>590,000.00</b>
4530 · Media Planning & Buying					
4532 · Media Buying	0.00	4,225.00	20,228.00	12,590.94	68,000.00
4533 · Media Expenses	0.00	74.24	0.00	1,274.24	2,000.00
4534 · Regional Sponsorships	0.00	200.00	0.00	5,600.00	10,000.00
4535 · Local Sponsorships	0.00	500.00	6,041.34	7,200.00	20,000.00
<b>Total 4530 · Media Planning &amp; Buying</b>	<b>0.00</b>	<b>4,999.24</b>	<b>26,269.34</b>	<b>26,665.18</b>	<b>100,000.00</b>
4540 · Creative Development - Trad'l					
4541 · Print - Newspaper	0.00		235.00		
<b>Total 4540 · Creative Development - Trad'l</b>	<b>0.00</b>		<b>235.00</b>		
4560 · Creative Assets - Outside Fees	0.00	500.00	0.00	2,500.00	5,000.00
4565 · Creative Assets - Agency Fees	0.00	416.67	0.00	2,083.31	5,000.00
4575 · Agency Planning & Management	22,600.00	13,445.00	81,350.00	46,135.83	140,000.00
<b>Total 4500 · Advertising</b>	<b>28,100.00</b>	<b>73,724.91</b>	<b>292,893.63</b>	<b>313,918.66</b>	<b>1,140,000.00</b>
4700 · Research	350.00	0.00	350.00	35,260.00	50,000.00
4750 · Website	27,750.00	5,416.67	30,750.30	27,083.31	65,000.00
4840 · Economic Development	0.00	0.00	17,500.00	20,000.00	20,000.00
5500 · International Promotion					
5510 · Int'l Content & Collateral	0.00	250.00	400.00	1,250.00	3,000.00

## Visit Estes Park Profit & Loss Budget Performance - Entire Organization

May 2020

	May 20	Budget	Jan - May 20	YTD Budget	Annual Budget
5530 · Int'l Tradeshows & Events	0.00		75.00		
5540 · Int'l Trade FAMs	0.00	625.00	0.00	3,125.00	7,500.00
5550 · Int'l Press FAMs	0.00	333.33	188.69	1,666.69	4,000.00
<b>Total 5500 · International Promotion</b>	<b>0.00</b>	<b>1,208.33</b>	<b>663.69</b>	<b>6,041.69</b>	<b>14,500.00</b>
6000 · Audit	5,500.00	19,000.00	5,500.00	19,000.00	19,000.00
6200 · Bookkeeping	5.91	208.33	2,197.31	1,041.69	2,500.00
6400 · Contingencies (Gen Op)	0.00	208.33	0.00	1,041.69	2,500.00
6600 · Personnel	93,110.17	101,083.33	469,784.77	505,416.69	1,215,000.00
66900 · Reconciliation Discrepancies	0.00		-0.03		
6700 · Payroll Processing & HR					
6710 · Payroll/Benefits Processing	0.00	250.00	0.00	1,250.00	3,000.00
6750 · MSEC/HR Services	0.00	125.00	87.93	625.00	1,500.00
<b>Total 6700 · Payroll Processing &amp; HR</b>	<b>0.00</b>	<b>375.00</b>	<b>87.93</b>	<b>1,875.00</b>	<b>4,500.00</b>
6800 · Legal	0.00	1,666.67	405.00	8,333.31	20,000.00
7000 · Office Sup,Postage,Printing	3,813.05	1,833.33	14,586.69	9,166.69	22,000.00
7200 · Office Equipment & Upgrades	885.44	2,083.33	7,991.43	10,416.69	25,000.00
7400 · Rent & Utilities	10,850.39	6,250.00	43,850.39	31,250.00	75,000.00
7500 · Insurance	0.00	1,250.00	0.00	6,250.00	15,000.00
8000 · Cell Phone & Mileage					
8010 · Cell Phone & Mileage-Adv	275.00	250.00	1,449.75	1,250.00	3,000.00
8020 · Cell Phone & Mileage-Groups	50.00		250.00		
8030 · Cell Phone & Mileage-Pres	55.00	83.33	310.08	416.69	1,000.00
8040 · Cell Phone & Mileage-Digital	40.00	83.33	200.00	416.69	1,000.00
8050 · Cell Phone & Mileage-SS/PGD	0.00	125.00	79.58	625.00	1,500.00
8060 · Cell Phone & Mileage-Gen Ops	0.00	166.67	206.24	833.31	2,000.00
8080 · Cell Phone & Mileage-Content Co	0.00	166.67	0.00	833.31	2,000.00
8090 · Cell Phone & Mleage-Office Mngr	0.00	41.67	0.00	208.31	500.00
<b>Total 8000 · Cell Phone &amp; Mileage</b>	<b>420.00</b>	<b>916.67</b>	<b>2,495.65</b>	<b>4,583.31</b>	<b>11,000.00</b>
8100 · Education & Conferences					
8120 · CO Governors Tourism Conference					
8122 · Colorado Gov Conf-Pres	0.00	0.00	18.00	1,000.00	1,000.00
8124 · Colorado Gov Conf-PR	0.00	0.00	0.00	1,000.00	1,000.00
<b>Total 8120 · CO Governors Tourism Conf...</b>	<b>0.00</b>	<b>0.00</b>	<b>18.00</b>	<b>2,000.00</b>	<b>2,000.00</b>
8140 · Destination Mktg Assoc Int DMAI					
8142 · DMAI-Digital	0.00	0.00	0.00	1,500.00	1,500.00
8143 · DMAI-Pres	0.00	0.00	0.00	3,000.00	3,000.00
8145 · DMAI-Advertising	0.00	4,000.00	0.00	4,000.00	4,000.00
<b>Total 8140 · Destination Mktg Assoc Int ...</b>	<b>0.00</b>	<b>4,000.00</b>	<b>0.00</b>	<b>8,500.00</b>	<b>8,500.00</b>
8190 · Training & Education					
8191 · Simpleview Summit	0.00	0.00	0.00	5,000.00	5,000.00
8192 · MSEC	0.00	0.00	434.47	750.00	750.00
8199 · Training & Education - Other					
8199-10 · ESTO	0.00	3,500.00	0.00	3,500.00	3,500.00
8199-4 · Denver Int'l Pw Wow 2018	0.00	0.00	217.96	6,750.00	6,750.00
8199-6 · Media Training	0.00	0.00	8.99	1,500.00	1,500.00
8199-8 · CADMO	0.00	0.00	0.00	1,500.00	1,500.00
8199 · Training & Education - Other - ...	0.00	1,625.00	2,289.54	8,125.00	19,500.00
<b>Total 8199 · Training &amp; Education - Other</b>	<b>0.00</b>	<b>5,125.00</b>	<b>2,516.49</b>	<b>21,375.00</b>	<b>32,750.00</b>

**Visit Estes Park  
Profit & Loss Budget Performance - Entire Organization**

May 2020

	May 20	Budget	Jan - May 20	YTD Budget	Annual Budget
8190 · Training & Education - Other	0.00	0.00	0.00	0.00	0.00
<b>Total 8190 · Training &amp; Education</b>	<b>0.00</b>	<b>5,125.00</b>	<b>2,950.96</b>	<b>27,125.00</b>	<b>38,500.00</b>
<b>Total 8100 · Education &amp; Conferences</b>	<b>0.00</b>	<b>9,125.00</b>	<b>2,968.96</b>	<b>37,625.00</b>	<b>49,000.00</b>
<b>8300 · Meals &amp; Incidentals</b>					
8310 · Meals & Incidentals-Adv	0.00	41.67	17.00	208.31	500.00
8330 · Meals & Incidentals-Groups	0.00	83.33	0.00	416.69	1,000.00
8340 · Meals & Incidentals-Pres	0.00	250.00	567.34	1,250.00	3,000.00
8350 · Meals & Incidentals-Digital	0.00	83.33	0.00	416.69	1,000.00
8360 · Meals & Incidentals-SS/PGD	0.00	125.00	553.86	625.00	1,500.00
8370 · Meals & Incidentals-Other/Brd	0.00	83.33	0.00	416.69	1,000.00
8390 · Meals & Incidentals - Gen Ops	0.00	83.33	434.52	416.69	1,000.00
<b>Total 8300 · Meals &amp; Incidentals</b>	<b>0.00</b>	<b>749.99</b>	<b>1,572.72</b>	<b>3,750.07</b>	<b>9,000.00</b>
<b>8400 · Membership</b>					
8451 · Colorado Assoc. of DMOs	0.00	0.00	0.00	1,200.00	1,200.00
8452 · DMAI	0.00	0.00	0.00	3,000.00	3,000.00
8453 · Travel Industry Assoc of CO	0.00	0.00	595.00	3,500.00	3,500.00
8454 · VISIT DENVER - Denver CVB	0.00	0.00	0.00	500.00	500.00
8455 · Local Memberships	0.00	50.00	100.00	250.00	500.00
8456 · Non-Local Memberships	0.00	500.00	160.00	2,500.00	6,000.00
8457 · GFOA	0.00	0.00	0.00	0.00	800.00
8459 · Mtgs, Conf's, Groups, Assoc's	0.00	0.00	0.00	2,500.00	2,500.00
<b>Total 8400 · Membership</b>	<b>0.00</b>	<b>550.00</b>	<b>855.00</b>	<b>13,450.00</b>	<b>18,000.00</b>
<b>8600 · Media Fam Tours</b>					
8610 · Media Fam Tours	0.00	3,250.00	1,668.53	16,250.00	39,000.00
8620 · Influencer Expenses	0.00	666.67	0.00	3,333.31	8,000.00
8630 · Influencer Contracts	0.00	1,333.33	0.00	6,666.69	16,000.00
8600 · Media Fam Tours - Other	0.00	83.33	0.00	416.69	1,000.00
<b>Total 8600 · Media Fam Tours</b>	<b>0.00</b>	<b>5,333.33</b>	<b>1,668.53</b>	<b>26,666.69</b>	<b>64,000.00</b>
8650 · PR Firm	6,667.00	6,666.67	33,335.00	33,333.31	80,000.00
<b>8700 · PR Promotions</b>					
8720 · Promotions					
8722 · Qtrly CO Tourism Press Briefing	0.00	45.83	106.65	229.19	550.00
8723 · Deskside Tours	743.77	625.00	4,422.06	3,125.00	7,500.00
8724 · Promotional Items	0.00	829.17	745.25	4,145.81	9,950.00
<b>Total 8720 · Promotions</b>	<b>743.77</b>	<b>1,500.00</b>	<b>5,273.96</b>	<b>7,500.00</b>	<b>18,000.00</b>
<b>Total 8700 · PR Promotions</b>	<b>743.77</b>	<b>1,500.00</b>	<b>5,273.96</b>	<b>7,500.00</b>	<b>18,000.00</b>
<b>8800 · eMail Marketing</b>					
8810 · eNewsletter Annual Fee	0.00	750.00	798.00	3,750.00	9,000.00
<b>Total 8800 · eMail Marketing</b>	<b>0.00</b>	<b>750.00</b>	<b>798.00</b>	<b>3,750.00</b>	<b>9,000.00</b>
<b>8900 · Group Marketing</b>	<b>272.00</b>	<b>9,166.67</b>	<b>39,392.78</b>	<b>45,833.31</b>	<b>110,000.00</b>
<b>9000 · Social Media</b>					
9020 · Social Media Promotional Prizes	0.00	125.00	0.00	625.00	1,500.00
9030 · Social Media Apps	0.00	500.00	0.00	2,500.00	6,000.00
<b>Total 9000 · Social Media</b>	<b>0.00</b>	<b>625.00</b>	<b>0.00</b>	<b>3,125.00</b>	<b>7,500.00</b>
<b>9100 · Stakeholder Communications</b>					
9110 · Stakeholder Educational Mtgs	0.00	583.33	0.00	2,916.69	7,000.00
9140 · Stakeholder Survey	0.00	250.00	0.00	1,250.00	3,000.00
<b>Total 9100 · Stakeholder Communications</b>	<b>0.00</b>	<b>833.33</b>	<b>0.00</b>	<b>4,166.69</b>	<b>10,000.00</b>
<b>9600 · Official Visitor Guide (OVG)</b>					
9620 · Postage & Fulfillment	1,228.53	5,250.00	24,201.26	26,250.00	63,000.00

**Visit Estes Park  
Profit & Loss Budget Performance - Entire Organization**

May 2020

	May 20	Budget	Jan - May 20	YTD Budget	Annual Budget
9625 · Production	50,000.00	0.00	100,000.00	49,500.00	198,000.00
<b>Total 9600 · Official Visitor Guide (OVG)</b>	<b>51,228.53</b>	<b>5,250.00</b>	<b>124,201.26</b>	<b>75,750.00</b>	<b>261,000.00</b>
9990000 · Payroll Expenses	0.00		0.00		
9999 · Covid-19 Stakeholder Credits	0.00		31,159.08		
<b>Total Expense</b>	<b>229,696.26</b>	<b>257,774.89</b>	<b>1,161,282.05</b>	<b>1,265,628.80</b>	<b>3,385,500.00</b>
<b>Net Ordinary Income</b>	<b>-203,362.39</b>	<b>-42,449.89</b>	<b>-566,275.94</b>	<b>-291,003.80</b>	<b>812.66</b>
<b>Other Income/Expense</b>					
Other Income					
3700 · Interest Income	2.21		17.18		
<b>Total Other Income</b>	<b>2.21</b>		<b>17.18</b>		
<b>Net Other Income</b>	<b>2.21</b>		<b>17.18</b>		
<b>Net Income</b>	<b>-203,360.18</b>	<b>-42,449.89</b>	<b>-566,258.76</b>	<b>-291,003.80</b>	<b>812.66</b>

**Visit Estes Park  
Balance Sheet  
As of May 31, 2020**

	May 31, 20
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
1200 · Checking/Savings	
1210 · FNB Estes Park	113,851.27
1220 · Bank of Colorado	
1220-1 · Bank of CO Stakeholder Chec...	205,269.15
1220-2 · Bank of CO MMA	800,000.00
<b>Total 1220 · Bank of Colorado</b>	1,005,269.15
1290 · Petty Cash	100.00
<b>Total 1200 · Checking/Savings</b>	1,119,220.42
<b>Total Checking/Savings</b>	1,119,220.42
<b>Accounts Receivable</b>	
1100 · Accounts Receivable	126,995.12
<b>Total Accounts Receivable</b>	126,995.12
<b>Other Current Assets</b>	
1300 · LMD Taxes Rec-CO Dept Revenue	168,064.00
1390 · Prepaid Expenses	5,361.00
<b>Total Other Current Assets</b>	173,425.00
<b>Total Current Assets</b>	1,419,640.54
<b>Fixed Assets</b>	
1400 · Fixed Assets	
1415 · Office Equipment	31,566.88
<b>Total 1400 · Fixed Assets</b>	31,566.88
<b>Total Fixed Assets</b>	31,566.88
<b>Other Assets</b>	
2702 · Deferred Inflows of Resources	-6,787.00
<b>Total Other Assets</b>	-6,787.00
<b>TOTAL ASSETS</b>	<b>1,444,420.42</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
2000 · Accounts Payable	23,654.49
<b>Total Accounts Payable</b>	23,654.49
<b>Other Current Liabilities</b>	
2400 · Accrued Payroll	53,276.71
<b>Total Other Current Liabilities</b>	53,276.71
<b>Total Current Liabilities</b>	76,931.20
<b>Long Term Liabilities</b>	
1501 · Deferred Outflows of Reso PERA	-234,560.00
1502 · Deferred Outflows of Resources	-8,765.00
2801 · Net Pension Liability	732,265.00
2802 · Net OPEB Liability	61,453.00
<b>Total Long Term Liabilities</b>	550,393.00
<b>Total Liabilities</b>	627,324.20
<b>Equity</b>	
2600 · Equity	



9:45 AM

07/02/20

Accrual Basis

**Visit Estes Park  
Balance Sheet  
As of May 31, 2020**

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	<u>May 31, 20</u>
2620 · 2009 (Net) District Tax Revenue	1,175,436.06
Total 2600 · Equity	1,175,436.06
2900 · Retained Earnings	207,918.92
Net Income	-566,258.76
Total Equity	817,096.22
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b><u>1,444,420.42</u></b>

# Estes Park Local Marketing District

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Audit Wrap Up  
**July 7, 2020**



This presentation was prepared as part of our audit, has consequential limitations, is restricted to those charged with governance and, if appropriate, management, and is not intended and should not be used by anyone other than those specified parties.



July 7, 2020

Board of Directors  
Estes Park Local Marketing District  
1230 Big Thompson Avenue  
Estes Park, Colorado 80517

Professional standards require us to communicate with you regarding matters related to the audit, that are, in our professional judgment, significant and relevant to your responsibilities in overseeing the financial reporting process. We presented an overview of our plan for the audit of the financial statements of Estes Park Local Marketing District (the District) as of and for the year ended December 31, 2019, including a summary of our overall objectives for the audit, and the nature, scope, and timing of the planned audit work.

This communication is intended to elaborate on the significant findings from our audit, including our views on the qualitative aspects of the District's accounting practices and policies, management's judgments and estimates, financial statement disclosures, and other required matters.

We are pleased to be of service to the Visit Estes Park and look forward to meeting with you to discuss our audit findings, as well as other matters that may be of interest to you, and to answer any questions you might have.

Respectfully,

*ACM LLP*

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# Discussion Outline

	<b>Page</b>
Status of Our Audit .....	3
Results of Our Audit .....	4
Internal Control Over Financial Reporting .....	6
Other Required Communications .....	7
Independence Communication.....	8
GASB Standards .....	9
Cybersecurity .....	11

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# Status of Our Audit

We have substantially completed our audit of the financial statements as of and for the year ended December 31, 2019. Our audit was conducted in accordance with auditing standards generally accepted in the United States of America. This audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

- ▶ The objective of our audit was to obtain reasonable - not absolute - assurance about whether the financial statements are free from material misstatements whether due to error or fraud.
- ▶ The scope of the work performed was substantially the same as that described to you in our earlier Audit Planning communications, except that in light of the COVID-19 pandemic, we have performed additional procedures over going concern assumptions used in determining the District's ability to continue as a going concern entity.
- ▶ We expect to issue an unmodified opinion on the financial statements
- ▶ Our responsibility for other information in documents containing the District's audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform procedures to corroborate such other information. However, in accordance with professional standards, we have read the information included by the District and considered whether such information, or the manner of its presentation, was materially inconsistent with its presentation in the financial statements. Our responsibility also includes calling to management's attention any information that we believe is a material misstatement of fact. We have not identified any material inconsistencies or concluded there are any material misstatements of facts in the other information that management has chosen not to correct.
- ▶ All records and information requested by ACM were freely available for our inspection.
- ▶ Management's cooperation was excellent. We received full access to all information that we requested while performing our audit, and we acknowledge the full cooperation extended to us by all levels of District personnel throughout the course of our work.

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# Results of Our Audit

## ACCOUNTING PRACTICES, POLICIES, ESTIMATES

The following summarizes the more significant required communications related to our audit concerning the District's accounting practices, policies, and estimates.

The District's significant accounting practices and policies are those included in Note 1 to the financial statements. These accounting practices and policies are appropriate, comply with generally accepted accounting principles and industry practice, were consistently applied, and are adequately described within Note 1 to the financial statements.

- There were no changes in significant accounting policies and practices during 2019.

Significant estimates are those that require management's most difficult, subjective, or complex judgments, often as a result of the need to make estimates about the effects of matters that are inherently uncertain. The District's significant accounting estimates, including a description of management's processes and significant assumptions used in development of the estimates, are disclosed in Note 1 of the financial statements.

- Management did not make any significant changes to the processes or significant assumptions used to develop the significant accounting estimates in 2019.

## Primary Areas of Focus and Considerations and Findings

**Revenue Recognition:** The District's major source of revenue consists of lodging taxes. Lodging taxes are recognized as revenues in the month for which they are collected by the Colorado Department of Revenue. Grants and similar items are recognized as soon as all eligibility requirements imposed by the provider have been met.

**Accounts Receivable and Allowances:** Accounts receivable represents amounts due from the Colorado Department of Revenue for lodging taxes and amounts due for advertising from participating businesses. No allowance is made for bad debts as collection is considered assured.

**Pension Reporting:** The District has a defined benefit plan administered by the Public Employees' Retirement Association of Colorado ("PERA"). The PERA plan is a cost-sharing, multiple-employer defined benefit plan. Due to the inherent complexities, and significant estimates required to properly account for the net pension liability, and related deferred inflows and deferred outflows of resources, we devoted substantial time in our audit to this area.

**Evaluation of Going Concern:** No going concern issues were noted during our audit.

**Evaluation of Estimates:** Estimates were determined to be reasonable and free of bias.

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# Results of Our Audit

## CORRECTED AND UNCORRECTED MISSTATEMENTS

Please refer to the schedule of corrected misstatements or Adjusting Journal Entries (“AJEs”). There were no uncorrected misstatements or Passed Adjusting Journal Entries (“PAJEs”).

## QUALITY OF THE DISTRICT’S FINANCIAL REPORTING

A discussion was held regarding the quality of the District’s financial reporting, which included the following:

- ▶ Qualitative aspects of significant accounting policies and practices
- ▶ Our conclusions regarding significant accounting estimates
- ▶ Significant unusual transactions
- ▶ Financial statement presentation
- ▶ New accounting pronouncements
- ▶ Alternative accounting treatments

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# Internal Control Over Financial Reporting

In planning and performing our audit of the District’s financial statements, we considered the District’s internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the District’s internal control.

Our consideration of internal control was for the limited purpose described above and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses.

We are required to communicate, in writing and in a timely manner, to those charged with governance all material weaknesses and significant deficiencies that have been identified in the District’s internal controls over financial reporting. The definitions of control deficiency, significant deficiency and material weakness follow:

Category	Definition
<b>Deficiency in Internal Control</b>	A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis.
<b>Significant Deficiency</b>	A deficiency or combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.
<b>Material Weakness</b>	A deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the District’s financial statements will not be prevented, or detected and corrected on a timely basis.

In conjunction with our audit of the financial statements, we noted the following material weakness.

Title	Description
<b>Material adjusting journal entries</b>	During the audit it was noted that prior year adjusting journal entries had not been recorded. ACM posted these to appropriately state 2019 balances.



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# Other Required Communications

Following is a summary of those required items, along with specific discussion points as they pertain to the District:

Requirement	Discussion Points
Significant changes to planned audit strategy or significant risks initially identified	There were no significant changes to the planned audit strategy or significant risks initially identified and previously communicated to those charged with governance as part of our Audit Planning communications.
Obtain information from those charged with governance relevant to the audit	There were no matters noted relevant to the audit, including, but not limited to: violations or possible violations of laws or regulations; risk of material misstatements, including fraud risks; or tips or complaints regarding the District's financial reporting that we were made aware of as a result of our inquiry of those charged with governance.
If applicable, nature and extent of specialized skills or knowledge needed related to significant risks	There were no specialized skills or knowledge needed, outside of the core engagement team, to perform the planned audit procedures or evaluate audit results related to significant risks.
Consultations with other accountants	We are not aware of any consultations about significant accounting or auditing matters between management and other independent public accountants. Nor are we aware of opinions obtained by management from other independent accountants on the application of generally accepted accounting principles.
Our evaluation of the District's relationships and transactions with related parties and their impact on the financial statements	We have evaluated the District's process to identify, authorize and approve, account for, and disclose its relationships and transactions with related parties and noted no significant issues.
Disagreements with management	There were no disagreements with management about matters, whether or not satisfactorily resolved, that individually or in aggregate could be significant to the District's financial statements or to our auditor's report.
Significant difficulties encountered during the audit	There were no significant difficulties encountered during the audit.
If applicable, other matters significant to the oversight of the District's financial reporting process, including complaints or concerns regarding accounting or auditing matters	There are no other matters that we consider significant to the oversight of the District's financial reporting process that have not been previously communicated.
Representations requested from management	Please refer to the management representation letter.

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# Independence Communication

Our engagement letter to you describes our responsibilities in accordance with professional standards and certain regulatory authorities with regard to independence and the performance of our services. This letter also stipulates the responsibilities of the District with respect to independence as agreed to by the District. Please refer to that letter for further information.

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# GASB Standards

## SUMMARY OF STATEMENT NO. 95 POSTPONEMENT OF THE EFFECTIVE DATES OF CERTAIN AUTHORITATIVE GUIDANCE (ISSUED 05/20)

- ▶ The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.
  
- ▶ The effective dates of certain provisions contained in the following pronouncements are postponed by one year:
  - Statement No. 83, Certain Asset Retirement Obligations
  - Statement No. 84, Fiduciary Activities
  - Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements
  - Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period
  - Statement No. 90, Majority Equity Interests
  - Statement No. 91, Conduit Debt Obligations
  - Statement No. 92, Omnibus 2020
  - Statement No. 93, Replacement of Interbank Offered Rates
  - Implementation Guide No. 2017-3, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting)
  - Implementation Guide No. 2018-1, Implementation Guidance Update—2018
  - Implementation Guide No. 2019-1, Implementation Guidance Update—2019
  - Implementation Guide No. 2019-2, Fiduciary Activities.
  
- ▶ The effective dates of the following pronouncements are postponed by 18 months:
  - Statement No. 87, Leases
  - Implementation Guide No. 2019-3, Leases.
  
- ▶ Earlier application of the provisions addressed in this Statement is encouraged and is permitted to the extent specified in each pronouncement as originally issued.

## GASB STATEMENT NO. 87, LEASES

- ▶ This standard will require recognition of certain lease assets and liabilities for leases that are currently classified as operating leases.
- ▶ New definition of a lease - a contract that conveys the right to use another entity's nonfinancial asset for a period in an exchange or exchange-like transaction.
- ▶ Eliminates the distinction between operating and capital leases.
- ▶ Excludes short-term leases.
- ▶ Excludes leases that transfer ownership and service concession arrangements that are covered by GASB Statement No. 60.

- ▶ Lessees would recognize a lease liability and an intangible right-to-use lease asset which would be amortized in a systematic and reasonable manner over the shorter of the lease term or the useful life of the underlying asset.
- ▶ Lessors would recognize lease receivable and deferred inflow of resources which would be recognized as revenue in a systematic and rational manner over the term of the lease.

### ***GASB STATEMENT NO. 89, ACCOUNTING FOR INTEREST COST INCURRED BEFORE THE END OF A CONSTRUCTION PERIOD***

- ▶ Upon implementation, in financial statements using the economic resources measurement focus (business-type activities and enterprise Districts) interest incurred during construction should be recognized as an expense of the period.
- ▶ Interest costs on construction-in-progress will be capitalized only to the implementation date of this Statement. The provisions of this Statement are to be applied prospectively and will therefore not require a restatement of any balances.
- ▶ In financial statements using the current financial resources measurement focus, interest incurred during construction should be recognized as an expenditure (no change).
- ▶ If a government has regulated operations as defined by paragraph 476 of GASB Statement No. 62, this Statement does not eliminate or remove the requirement to capitalize qualifying interest costs as a regulatory asset.

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# Cybersecurity

The board’s role in the oversight of organizational risk is increasingly complicated by cybersecurity concerns. Trustees need to maintain continual knowledge about evolving cyber issues and management’s plans for allocating resources and otherwise responding to cyber risks. Such knowledge helps boards assess the priorities and investment decisions made by management in critical areas. Often, particularly in smaller organizations, those charged with governance oversee and monitor management’s strategy for protecting its digital assets.

In April 2017, the AICPA published the new [Cybersecurity Risk Management Reporting Framework](#) to its website –also known as “SOC (System and Organization Controls) for Cybersecurity”–that provides entities with a proactive approach for designing a risk management program and communicating about its effectiveness to their senior management teams, boards, and external stakeholders. The board of directors is urged to refer to BDO’s [SOC for Cyber](#) resources to learn more about attestation serves with respect to management programs.

Here are recent tools/materials for use by those charged with governance in this area:

Recommended Resources	Release Date
BDO Webinar: <a href="#">Cybersecurity - Resources Boards Want to Know About</a>	August 22, 2018 September 27, 2018
CAQ’s <a href="#">Cybersecurity Risk Management Oversight : A Tool for Board Members</a>	April 2018
<a href="#">BDO Archived Webinar: What’s on the Minds of Boards?</a>	November 2017
<a href="#">Are You Cyber Aware?: 10 Cybersecurity Questions for Senior Executives?</a>	October 2017
<a href="#">Cyber Risk Management: What You Need to Know Now</a>	October 2017
<a href="#">2017 BDO Cyber Governance Survey</a>	September 2017
<a href="#">Breaking Down the Equifax Data Breach</a>	September 2017
<a href="#">BDO Knows Cybersecurity: Petya Cyber Attack</a>	June 2017
<a href="#">BDO Highlights Important DHS - FBI Cyber Alert on North Korea - Hidden Cobra</a>	June 2017
<a href="#">Introducing SOC for Cybersecurity: Translating Cyber Risk For Every Stakeholder</a>	June 2017

Year End: December 31, 2019  
 Adjusting journal entries  
 Date: 1/1/2019 To 12/31/2019  
 Account No: 1 To 99

Started by ALH 6/10/2020	Completed by ALH 6/10/2020	Reviewed by
Reviewed by	Partner	

Number	Date	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence	Misstatement
1	12/31/2019	LMD Taxes Rec-CO Dept Revenue	1300	PY CW FILE		140,031.00			
1	12/31/2019	Prepaid Expenses	1390	PY CW FILE		1,762.00			
1	12/31/2019	Prepaid Expenses	1390	PY CW FILE		3,599.00			
1	12/31/2019	Office Equipment	1415	PY CW FILE			3,599.00		
1	12/31/2019	Accumulated Depreciation	1416	PY CW FILE			198.00		
1	12/31/2019	Accounts Payable	2000	PY CW FILE					
1	12/31/2019	Retained Earnings	2900	PY CW FILE			1.00		
1	12/31/2019	Retained Earnings	2900	PY CW FILE			1,762.00		
1	12/31/2019	Retained Earnings	2900	PY CW FILE			164,350.00		
1	12/31/2019	Retained Earnings	2900	PY CW FILE			61,675.00		
1	12/31/2019	Retained Earnings	2900	PY CW FILE		198.00			
1	12/31/2019	Retained Earnings	2900	PY CW FILE		404.00			
1	12/31/2019	Retained Earnings	2900	PY CW FILE			140,031.00		
1	12/31/2019	Print - Magazines	4512	PY CW FILE		25,000.00			
1	12/31/2019	Broadcast - TV & Radio	4513	PY CW FILE		15,000.00			
1	12/31/2019	Digital	4521	PY CW FILE		110,000.00			
1	12/31/2019	Pay-Per-Click	4523	PY CW FILE		5,000.00			
1	12/31/2019	Local Sponsorships	4535	PY CW FILE		4,350.00			
1	12/31/2019	Local Sponsorships	4535	PY CW FILE		5,000.00			
1	12/31/2019	Media Fam Tours	8600	PY CW FILE		1.00			
1	12/31/2019	Net pension expense	9681	PY CW FILE		61,675.00			
1	12/31/2019	Net OPEB expense	9682	PY CW FILE			404.00		
To roll retained earnings									
2	12/31/2019	Accumulated Depreciation	1416	M. 1			6,869.00		
2	12/31/2019	Depreciation	9630	M. 1		6,869.00			
To book depreciation for 2019.									
4	12/31/2019	LMD Taxes Rec-CO Dept Revenue	1300	10.01		28,033.00			
4	12/31/2019	District Tax Fund	3000	10.01			28,033.00		
Entry to true up taxes receivable and revenue to record for month earned instead of month reported.									
5	12/31/2019	Deferred Outflows of Resources - Pension	1501	FF.03. 02		142,637.00			
5	12/31/2019	Deferred Inflows of Resources - Pension	2701	FF.03. 02		189,305.00			
5	12/31/2019	Net Pension Liability	2801	FF.03. 02			116,540.00		
5	12/31/2019	Retained Earnings	2900	FF.03. 02					
5	12/31/2019	Net pension expense	9681	FF.03. 02			215,402.00		
To account for 2019 GASB 68 activity									
Factual									
6	12/31/2019	Deferred Outflows of Resources - OPEB	1502	FF.04. 03		4,728.00			
6	12/31/2019	Deferred Inflows of Resources - OPEB	2702	FF.04. 03		5,239.00			
6	12/31/2019	Net OPEB Liability	2802	FF.04. 03			5,610.00		
6	12/31/2019	Retained Earnings	2900	FF.04. 03					
6	12/31/2019	Net OPEB expense	9682	FF.04. 03			4,357.00		
To adjust for 2019 OPEB activity									
Factual									
						748,831.00	748,831.00		
Net Income (Loss)			(167,167.00)						



**Estes Park Local Marketing District**

**Financial Statements and Supplementary  
Information**

For the Year Ended December 31, 2019

Draft



# Estes Park Local Marketing District

## Contents

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<b>Independent Auditor's Report</b>	1 - 2
<b>Management's Discussion and Analysis</b>	3 - 12
<b>Basic Financial Statements:</b>	
Government-wide Financial Statements:	
Statement of Net Position	13
Statement of Activities	14
Fund Financial Statements:	
Balance Sheet - General Fund	15
Reconciliation of the General Fund Balance Sheet with the Government-wide Statement of Net Position	16
Statement of Revenues, Expenditures and Changes in Fund Balance	17
Reconciliation of the General Fund Statement of Revenues, Expenditures and Changes in Fund Balance with the Government-wide Statement of Activities	18
Notes to Financial Statements	19 - 40
<b>Required Supplementary Information:</b>	
Schedule of the District's Proportionate Share of the Net Pension Liability	41
Schedule of District Contributions - Pensions	42
Schedule of District's Proportionate Share of Net OPEB Liability	43
Schedule of District Contributions - OPEB	44
Schedule of Revenues, Expenditures and Changes in Fund Balance (Budget and Actual) - General Fund	45





## Independent Auditor's Report

Board of Directors  
Estes Park Local Marketing District  
Estes Park, Colorado

We have audited the accompanying financial statements of the governmental activities and the General Fund of the Estes Park Local Marketing District (the "District"), a component unit of the Town of Estes Park, Colorado, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

### *Auditor's Responsibility*

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

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

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

### *Opinions*

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the General Fund of the Estes Park Local Marketing District as of December 31, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.



### ***Emphasis of Matters***

The COVID-19 outbreak in 2020 (see Note 9) has caused business disruption in a variety of industries, markets and geographic regions, which has resulted in considerable uncertainty as to the financial impact and duration, which cannot be reasonably estimated at this time. Our opinion is not modified with respect to this matter.

### ***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 3 through 12, the budgetary comparison information for the General Fund on page 44, and the Pension and OPEB related schedules on pages 40 to 43 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Greeley, Colorado  
July XX, 2020

**Estes Park Local Marketing District  
Management's Discussion and Analysis  
For the Year Ended December 31, 2019**

This section of the annual financial report offers readers of the Estes Park Local Marketing District's (the "District") financial statements, management's discussion and analysis of the District's financial performance during the year ended December 31, 2019. We encourage readers to consider the information presented here in conjunction with additional information furnished in the District's financial statements, which immediately follow this section.

**Background Information**

The District was created by voter approval of its formation and subsequent lodging tax levy in the November 2008 general election, in accordance with state statutes that allow for the formation of a taxing district. The predominant fund approach for the District is comprised of one basic fund, the General Fund, which is primarily financed by levying a two percent lodging tax on all short term stays of less than 30 days (commercial property and property management systems).

**Financial Highlights**

- ☐ The District's financial status trended higher over the course of the 2019 fiscal year. Total net position increased \$29,723. This represents a higher income from lodging tax revenue and higher income from Stakeholder services.
- ☐ Lodging Tax revenues account for \$2,558,625 or 77.38 percent of all revenues. There were program specific revenues in the form of \$732,288 in charges for services and \$12,669 in operating grants and awards during 2019. The District had miscellaneous income of \$2,349; as well as \$595 in investment income.
- ☐ The District had \$3,276,803 in expenses related to governmental activities; some of these expenses were offset by program-specific charges for services or operating grants and contributions. General revenues consisting of lodging taxes of \$2,558,625 and other revenues were adequate to provide for these programs with \$29,723 of positive change in net position.
- ☐ During 2019, the District expended \$8,455 on capital assets.
- ☐ The District has no outstanding long-term debt at December 31, 2019.

**Overview of the Financial Statements**

This annual financial report consists of three parts: management's discussion and analysis, the basic financial statements, and supplemental information. The basic financial statements include two kinds of statements that present different views of the District.

- ☐ The first two statements are government-wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- ☐ The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the government-wide statements. The governmental fund statements tell how basic services such as fire protection were financed in the short-term as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information.

**Estes Park Local Marketing District  
Management's Discussion and Analysis  
For the Year Ended December 31, 2019**

Detailed in the following diagram are how the various parts of this annual report are arranged and relate to one another.

**Table 1**

**Organization of the Estes Park Local Marketing District's  
Annual Financial Report**

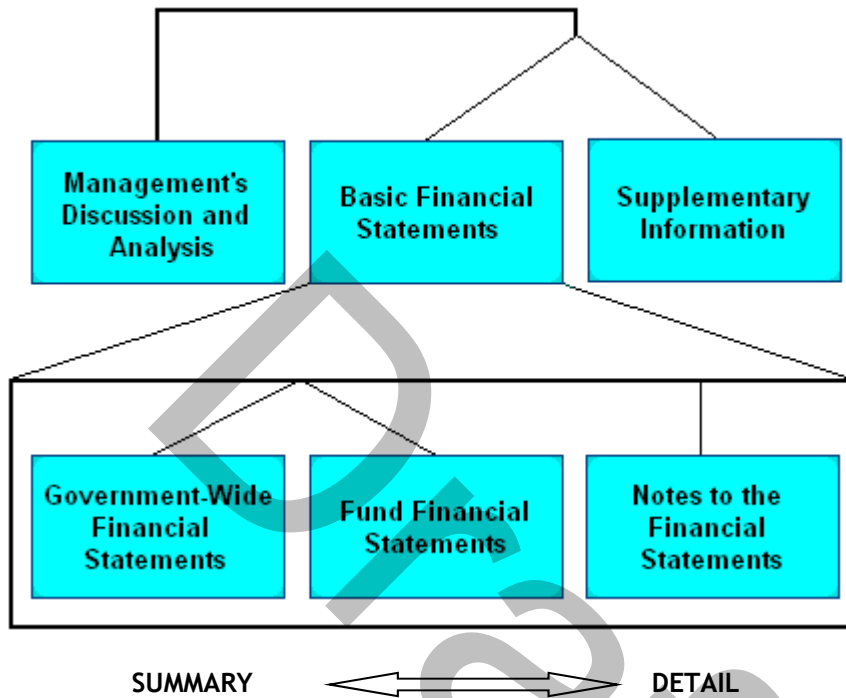


Table 2, displayed on the following page, summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the two types of financial statements, government-wide and fund financial statements, found in the basic financial statements.

**Estes Park Local Marketing District  
Management's Discussion and Analysis  
For the Year Ended December 31, 2019**

**Table 2**

**Major Features of the Government-wide and Fund Financial Statements**

	Government-wide Statements	Fund Financial Statements Governmental Fund
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary
Required Financial Statements	Statement of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures and Changes in Fund Balances
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
Type of asset/liability information	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable

***Government-wide Statements***

The government-wide statements are designed to provide readers a broad overview of the District's finances, in a manner similar to a private-sector business. The statement of net position includes all of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid. These statements provide both short-term and long-term information about the District's overall financial status.

The statement of net position presents information on all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between these items 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 District is improving or deteriorating. To assess the District's overall health, you need to consider additional non-financial factors such as the condition of buildings and equipment.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in these statements for some items that will only result in cash flow in future fiscal periods.

**Estes Park Local Marketing District  
Management's Discussion and Analysis  
For the Year Ended December 31, 2019**

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities). Included in governmental activities are most of the District's basic services such as destination marketing and promotion.

The basic government-wide financial statements can be found on pages 13-14 of this report.

***Fund Financial Statements***

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds, not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs.

- ☐ ***Governmental fund:*** The District's basic services are included in the governmental fund, generally focusing on (1) inflows and outflows of cash and other financial assets and (2) balances remaining at year-end which are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine financial resources that may be available in the near term to finance the District's programs. Because this information does not encompass the long-term focus of the government-wide statements, a reconciling schedule is included on the governmental fund statements explaining the relationship (or difference) between them.

The District maintains one governmental fund, the General Fund which is considered a major fund. The basic governmental fund financial statements can be found on pages 15-16 of this report.

***Notes to the Financial Statements***

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 19-32 of this report.

**Financial Analysis of the District as a Whole**

***Net position and Changes in Net Position***

The District's net position was larger on December 31, 2019, than the previous year, increasing to \$1,356,420 on the accrual basis of accounting. Table 3, displayed on the following page, provides a summary of the District's net position at December 31, 2019 and 2018.

**Estes Park Local Marketing District  
Management's Discussion and Analysis  
For the Year Ended December 31, 2019**

**Table 3  
Condensed Statement of Net Position**

	2019	2018
<b>Assets</b>		
Current assets	\$ 2,085,877	\$ 2,234,052
Non-Current assets	31,369	29,783
<b>Total assets</b>	<b>2,117,246</b>	<b>2,263,835</b>
<b>Deferred outflows of resources</b>		
Deferred outflows of resources re: pensions	243,325	95,960
<b>Total deferred inflows of resources</b>	<b>243,325</b>	<b>95,960</b>
<b>Liabilities</b>		
Current liabilities	176,908	156,330
Noncurrent liabilities	820,456	675,440
<b>Total liabilities</b>	<b>997,364</b>	<b>831,770</b>
<b>Deferred inflows of resources</b>		
Deferred inflows of resources re: pensions	6,787	201,328
<b>Total deferred inflows of resources</b>	<b>6,787</b>	<b>201,328</b>
<b>Net position</b>		
Net investment in capital assets	31,369	29,783
Nonspendable - prepaid items	-	-
Restricted for emergencies (TABOR)	99,196	93,568
Unassigned	1,225,855	1,203,346
<b>Total net position</b>	<b>\$ 1,356,420</b>	<b>\$ 1,326,697</b>

Table 4, displayed on the following page, provides a summary of the changes in net position. Following Table 4 is specific discussion related to overall revenues and expenses.

**Estes Park Local Marketing District  
Management's Discussion and Analysis  
For the Year Ended December 31, 2019**

**Table 4  
Condensed Statement of Activities**

<u>Years Ended December 31,</u>	<u>2019</u>	<u>2018</u>
<b><u>Revenues</u></b>		
Program revenues		
Charges for services	\$ 732,288	\$ 569,934
Operating grants & awards	12,669	111,331
General revenues		
Lodging taxes	2,558,625	2,428,517
Contractual payments		6,550
Earnings on investments	595	953
Other	<u>2,349</u>	<u>1,657</u>
<b>Total revenue</b>	<u><b>3,306,526</b></u>	<u><b>3,118,942</b></u>
<b><u>Expenses</u></b>		
Administration/Personnel services	868,513	596,140
Marketing & operations	2,408,290	2,301,755
Grants & awards	<u>-</u>	<u>128,952</u>
<b>Total expenses</b>	<u><b>3,276,803</b></u>	<u><b>3,026,847</b></u>
<b>Increase (Decrease) in net position</b>	<u><b>\$ 29,723</b></u>	<u><b>\$ 92,095</b></u>

Lodging taxes account for a majority of the District's revenue, contributing 77.38 cents for every dollar raised (see Table 5) and the remaining 22.62 cents came from charges for service and from other sources.

The District expenses predominantly relate to payment for destination marketing and promotion for 2019 and 2018.

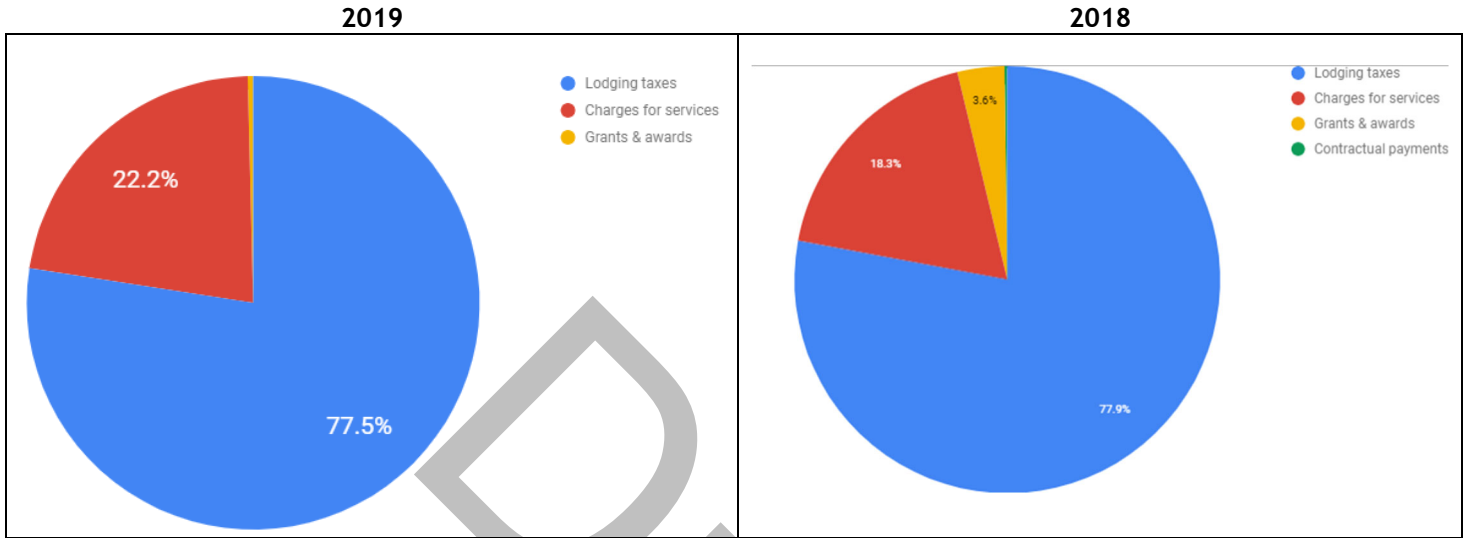
The District saw an increase in Tax revenue in 2019 over 2018 by \$130,108. The district also had an increase in expenses from 2018 in the amount of \$249,956.



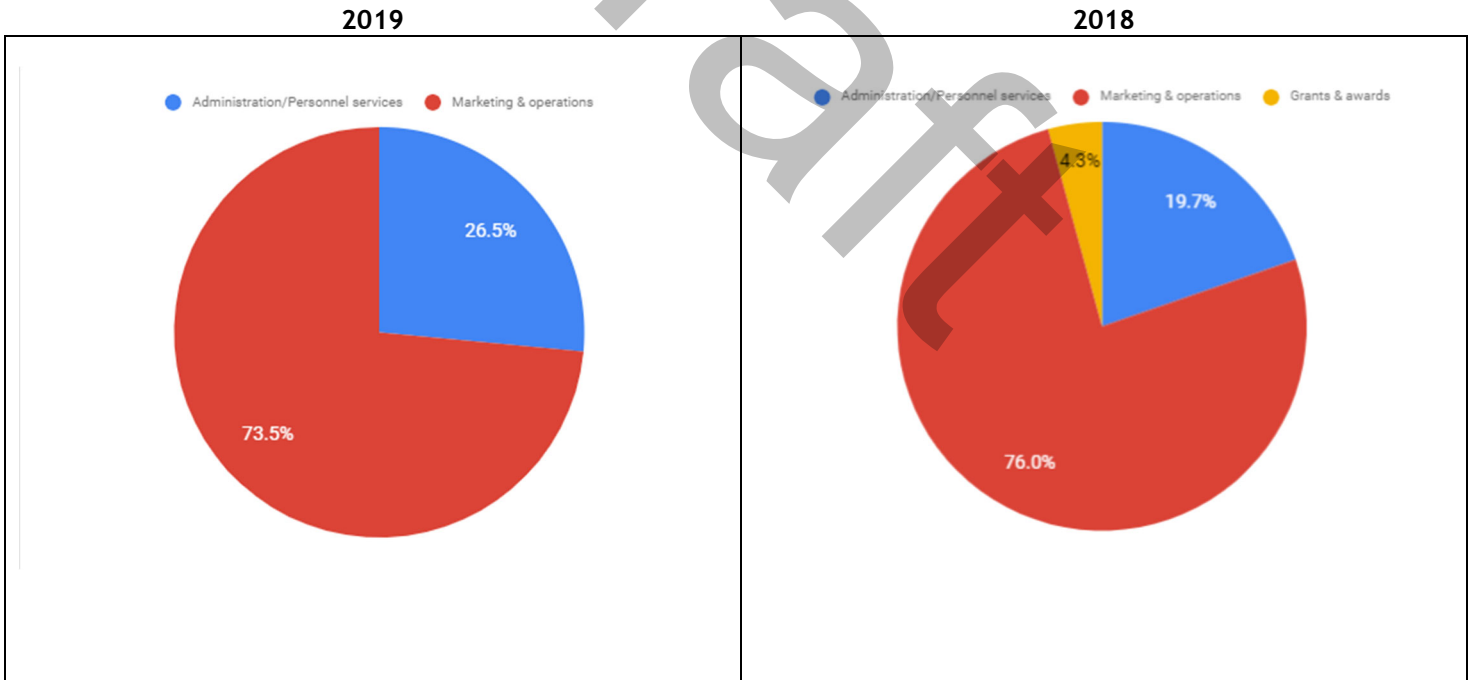
**Estes Park Local Marketing District  
Management's Discussion and Analysis  
For the Year Ended December 31, 2019**

Detailed below in Tables 5 and 6 are charts displaying revenues by sources and expenses by program for the total District.

**Table 5  
Sources of Revenues for Fiscal Year**



**Table 6  
Expenses for Fiscal Year**



The statement of activities shows the cost of program services and the related charges for services and grants offsetting those costs. Table 7 reflects each program's total cost and net cost of services. That is, it identifies the cost of these services supported by lodging taxes.

**Estes Park Local Marketing District  
Management's Discussion and Analysis  
For the Year Ended December 31, 2019**

**Net Cost of Governmental Activities**

	<u>Total Cost</u>	<u>Net Cost of Services</u>
Administrative/Personnel services	\$ 868,513	\$ 868,513
Marketing & operations	2,408,290	1,676,002
Grants & awards	-	(12,669)
Total	\$ 3,276,803	\$ 2,531,846

**Financial Analysis of the District's Funds**

***Governmental Activities***

The increase in net position for governmental activities was \$29,723 in the 2019 fiscal year.

The governmental funds monitor cash resources and expenditures.

***General Fund***

The General Fund was established and is continually funded to provide for the daily activities, salaries, expenses, and operating costs of the District. This fund provides for functional areas of the organization - administration/personnel services, marketing and operations, and grants & awards. The primary funding source for the General Fund is lodging taxes. Other sources of income for the General Fund include earnings on investments and other sources. The primary projects or program efforts for establishing needed funding during 2019 were:

1. Administration/Personnel services of the District.
2. Marketing and operations.

**Estes Park Local Marketing District  
Management's Discussion and Analysis  
For the Year Ended December 31, 2019**

***General Fund Budgetary Highlights***

The District's budget is prepared according to Colorado law and is based on accounting for certain transactions on a basis of cash receipts and disbursements. The District's budget for the General Fund anticipated that expenditures would exceed revenues by \$93,168.82. The actual results for the year show expenditures over income of \$168,753 in the General Fund for 2019.

It should be noted that the District's budget format is designed to establish and monitor divisional functions of the District's operations to more closely align expenses with the areas of responsibility. These divisions are set up as cost centers for accountability in each of the following areas:

- Administration/personnel services
- Marketing and operations
- Grants and awards

The District must maintain a 3% emergency reserve as a part of the TABOR Amendment (Taxpayer Bill of Rights). At December 31, 2019, the District's TABOR reserve amounted to \$99,196.

**Capital Assets and Debt Administration**

***Capital Assets***

In 2019 the District purchased \$8,455 in capital assets to provide essential items to new staff.

***Long-Term Debt***

The District had no outstanding debt at year end. The District has not incurred any long-term debt since inception.

**Estes Park Local Marketing District  
Management's Discussion and Analysis  
For the Year Ended December 31, 2019**

**Factors Bearing on the District's Future**

At the time these financial statements were prepared and audited, the District was aware of the following circumstances that could significantly affect its financial health in the future:

The District's budget for 2020 forecasts lodging tax revenue of \$2,472,000.

Operations of the Estes Park Local Marketing District are periodically reviewed by elected officials of the Town of Estes Park and Larimer County. By the intergovernmental agreement (IGA) used to form the district, annually, in October, but no later than December 5, both governmental entities are required to approve the District's Operating Plan for the coming year. In addition, the same IGA provides a five-year sunset clause for the local marketing district. The next sunset period is scheduled for the year 2023.

With the COV-ID 19 crisis the District has begun adjustments in regards to budgeted revenue and expenses for 2020.

**Contacting the District's Financial Management**

This financial report is designed to provide the District's citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Estes Park Local Marketing District at P.O. Box 4426, 1230 Big Thompson Ave, Estes Park, CO, 80517.

## Basic Financial Statements

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Draft

# Estes Park Local Marketing District

## Statement of Net Position

December 31, 2019

	Governmental Activities
<b>Assets</b>	
<b>Current assets</b>	
Cash and investments	\$ 1,580,596
Taxes receivable	249,385
Accounts receivable	250,535
Prepaid items	5,361
<b>Total Current Assets</b>	<b>2,085,877</b>
<b>Non-Current Assets</b>	
<b>Capital assets:</b>	
Being depreciated, net of accumulated depreciation	31,369
<b>Total assets</b>	<b>2,117,246</b>
<b>Deferred outflows of resources</b>	
Deferred outflows of resources relating to pensions	234,560
Deferred outflows of resources relating to OPEB	8,765
<b>Total deferred outflows of resources</b>	<b>243,325</b>
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts payable	176,611
Accrued liabilities	297
<b>Total Current Liabilities</b>	<b>176,908</b>
<b>Non-current liabilities:</b>	
Accrued compensated absences	26,738
Net pension liability	732,265
Net OPEB Liability	61,453
<b>Total non-current liabilities</b>	<b>820,456</b>
<b>Total liabilities</b>	<b>997,364</b>
<b>Deferred inflows of resources</b>	
Deferred inflows of resources relating to OPEB	6,787
<b>Total deferred inflows of resources</b>	<b>6,787</b>
<b>Net Position</b>	
Net investment capital assets	31,369
Restricted for emergencies	99,196
Unrestricted	1,225,885
<b>Total net position</b>	<b>\$ 1,356,420</b>

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

# Estes Park Local Marketing District

## Statement of Activities

Year Ended December 31, 2019

		Program Revenues		Net Revenue (Expense) and Change in Net Position
Governmental Activities	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
Personnel services	\$ 868,513	\$ -	\$ -	\$ (868,513)
Marketing and operations	2,408,290	732,288	12,669	(1,663,333)
<b>Total governmental activities and primary government</b>	<b>\$ 3,268,348</b>	<b>\$ 732,288</b>	<b>\$ 12,669</b>	<b>(2,531,846)</b>
<b>General revenues:</b>				
Lodging taxes				2,558,625
Miscellaneous				2,349
Investment income				595
<b>Total general revenues</b>				<b>2,561,569</b>
<b>Change in net position</b>				<b>29,723</b>
<b>Net position at beginning of year</b>				<b>1,326,697</b>
<b>Net position at end of year</b>				<b>\$ 1,356,420</b>

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

# Estes Park Local Marketing District

## Balance Sheet

### General Fund

December 31, 2019

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**Assets**

Cash and investments	\$ 1,580,596
Taxes receivable	249,385
Accounts receivable	250,535
Prepaid items	5,361

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<b>Total assets</b>	<b>\$ 2,085,877</b>
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**Liabilities**

Accounts payable	\$ 176,611
Accrued liabilities	297

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<b>Total liabilities</b>	<b>176,908</b>
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**Fund balance**

Nonspendable - prepaid items	5,361
Restricted for emergencies	99,196
Unassigned	1,804,412

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<b>Total fund balance</b>	<b>1,908,969</b>
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<b>Total liabilities and fund balance</b>	<b>\$ 2,085,877</b>
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*The accompanying notes are an integral part of these financial statements.*



**Estes Park Local Marketing District**  
**Reconciliation of the General Fund Balance Sheet**  
**with the Government-wide Statement of Net Position**  
**December 31, 2019**

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

Total fund balance - General Fund	\$	1,908,969
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Capital assets used in governmental activities are not financial resources, and therefore, are not reported as assets in the fund financial statements.

Capital assets, cost	\$	38,436		
Accumulated depreciation		<u>(7,067)</u>		31,369

Accrued compensated absences are reflected as a liability on the statement of net position, but are not due and payable from current financial resources, and therefore, are not reflected in the fund financial statements. (26,738)

Net pension and OPEB liabilities and the related deferred inflows and deferred outflows of resources are not current financial resources nor are they due and payable from current financial resources and, therefore, are not reported in the fund financial statements.

Net pension liability	\$	(732,265)		
Deferred outflows of resources relating to pensions		<u>234,560</u>		(497,705)
Net OPEB Liability	\$	(61,453)		
Deferred outflows of resources related to OPEB		8,765		
Deferred Inflows of resources relating to OPEB		<u>(6,787)</u>		(59,475)

Total net position - governmental activities	\$	1,356,420
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*The accompanying notes are an integral part of these financial statements.*

**Estes Park Local Marketing District**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**General Fund**  
**Year Ended December 31, 2019**

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<b>Revenues</b>	
Lodging taxes	\$ 2,558,625
Charges for services	732,288
Grants	12,669
Miscellaneous	2,349
Investment income	595
<hr/>	
Total revenues	3,306,526
<hr/>	
<b>Expenditures</b>	
Current:	
Personnel services	1,065,403
Marketing and operations	2,401,421
Capital outlay	8,455
<hr/>	
Total expenditures	3,475,279
<hr/>	
Net change in fund balance	(168,753)
<hr/>	
Fund balance at beginning of year	2,077,722
<hr/>	
Fund balance at end of year	\$ 1,908,969

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

**Estes Park Local Marketing District**  
**Reconciliation of the General Fund Statement of Revenues, Expenditures and**  
**Changes in Fund Balance with the Government-wide Statement of Activities**  
**Year Ended December 31, 2019**

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

Total net change in fund balance - General Fund \$ (168,753)

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are capitalized in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities.

Depreciation	\$ (6,869)	
Capital Outlay	8,455	1,586

Increase in accrued compensated absences is reflected as an expense on the statement of activities and not reflected as an expenditure on the statement of revenues, expenditures and changes in fund balance. (22,868)

Changes in the District's net pension liability, deferred outflows of resources, and deferred inflows of resources related to the pension plan for the current year are not reported in the governmental funds but are reported in the statement of activities. 215,402

Changes in the District's net OPEB liability, deferred outflows of resources, and deferred inflows of resources related to the OPEB plan for the current year are not reported in the governmental funds but are reported in the statement of activities. 4,356

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Change in net position - governmental activities \$ 29,723

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

**Estes Park Local Marketing District**  
**Notes to Financial Statements**  
**December 31, 2019**

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

### ***Form of Organization***

The Estes Park Local Marketing District (the “District” or “Visit Estes Park”), a component unit of the Town of Estes Park, Colorado, was established by election in November 2008, to assist with the marketing of businesses and activities in the District’s boundaries, which include the Town of Estes Park (the “Town”) and the surrounding area. The election allowed Visit Estes Park to assess a 2% marketing and promotion tax on all lodging establishments in the District. Visit Estes Park has a separate Board of Directors with seven members appointed by the Town and Larimer County (the “County”).

The District is organized under the provisions of Section 29-1-201 of the Colorado Revised Statutes (“CRS”) and Article XIV, Section 18 of the Colorado Constitution. Pursuant to Section 29-25-112, CRS, the District levies a marketing and promotional tax on the purchase price paid or charged to persons for accommodations (“Lodging tax”) within the District’s boundaries.

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) as applied to government units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District’s accounting policies are described below.

### ***Reporting Entity***

As defined by GAAP established by the GASB, the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Financial accountability is defined as:

- 1) Appointment of a voting majority of the component unit’s governing board, and either, a) the ability to impose its will by the primary government, or b) there is a potential for the component unit to provide specific financial benefits to, or impose specific financial burdens on, the primary government; or
- 2) Fiscal dependency on the primary government and there is a potential for the organization to provide specific benefits to, or impose specific financial burdens on, the primary government regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government or (3) a jointly appointed board.

Based on the above criteria, there are no other organizations that would be considered component units of the District.

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

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the District. Governmental activities, which normally are supported by taxes, charges for services, and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on user charges for support. The District does not report any business-type activities.

The statement of activities demonstrates the degree to which the direct 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 those who purchase, use, or directly

**Estes Park Local Marketing District**  
**Notes to Financial Statements**  
**December 31, 2019**

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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.

The fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. The District has only one governmental fund, the General Fund, which is a major fund.

***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. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are accounted for using the current financial resources measurement focus, whereby only current assets, deferred outflows of resources, liabilities, and deferred inflows of resources generally are included in the balance sheet, and the statement of revenues, expenditures and changes in fund balance presents increases and decreases in those components. These funds use the modified accrual basis of accounting, whereby revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recognized when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recognized only when payment is due.

Lodging taxes, intergovernmental grants, and earnings on investments associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

Because governmental fund statements are presented using a measurement focus and basis of accounting different from that used in the government-wide statements, a reconciliation is presented that briefly explains the adjustments necessary to reconcile to ending net position and the change in net position.

In accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, the corresponding assets (receivables) in non-exchange transactions are recognized in the period in which the underlying exchange occurs, when an enforceable legal claim has arisen, when all eligibility requirements have been met, or when resources are received, depending on the revenue source.

Governmental funds are used to account for all or most of a government's general activities. The following is the District's only major governmental fund:

**General Fund** - The General Fund is the District's primary operating fund. It accounts for all the financial resources of the District.

**Estes Park Local Marketing District**  
**Notes to Financial Statements**  
**December 31, 2019**

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***Operating Plan***

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

- By September 30 of each year, the District shall file with the Town and County an Operating Plan specifically identifying services to be provided by the District, and Marketing and Promotion Tax to be levied by the District, and such additional information as may be appropriate or required to inform the Town and County as to the activities, services, and funding of the District in the upcoming calendar year. The Operating Plan shall include a proposed budget for the next fiscal year;
- The Town, County or both may require the District to supplement the Operating Plan or budget when necessary;
- The Town and County shall approve, modify or disapprove the Operating Plan within thirty (30) days after receipt of the Operating Plan and all requested documentation relating thereto, but no later than December 5<sup>th</sup> of the year in which such documents are filed;
- The services and financial arrangements of the District shall conform so far as practical to the approved Operating Plan;
- The District may amend the Operating Plan from time to time with the approval of both the Town and County.

The total budget for the General Fund was \$3,247,700; there were no revisions to the budget during the year ended December 31, 2019.

During 2019 the actual expenditures exceeded budgeted amounts by \$227,579.

***Cash and Investments***

Cash and investments include cash on hand and demand deposits.

Investments, including a money market account, are reported at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, based on quoted market values.

***Accounts Receivable***

Accounts receivable are reported at their gross value and, when appropriate, are reduced by the estimated portion that is expected to be uncollectible. No amounts were determined to be uncollectible at December 31, 2019.

***Prepaid Items***

Payments made to vendors for services that will benefit periods beyond year-end are recorded as prepaid items in the government-wide financial statements and will be reported as expenses in the following year. These amounts are reflected as expenditures in the year paid in the governmental fund financial statements.

**Estes Park Local Marketing District**  
**Notes to Financial Statements**  
**December 31, 2019**

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***Capital Assets***

Capital assets are defined by the District as assets with an initial, individual cost of more than \$100 and an estimated useful life in excess of one year. Such assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair value on the date donated. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are expensed.

Depreciation of capital assets is charged as an expense against operations. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful life of office equipment is five years.

***Compensated Absences***

The District reports compensated absences in accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*. Personal leave benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services rendered and it is probable that the District will compensate the employees for the benefits earned. Upon termination of employment from the District, an employee will be compensated for all unused accrued vacation and compensatory time at their current rate of pay; there is no payment for sick leave upon termination.

Amounts of vested or accumulated vacation pay that are not expected to be liquidated with expendable available financial resources are reported on the government-wide financial statements. The District has recorded a liability of \$26,738 at December 31, 2019.

***Accrued Liabilities***

All payables and accrued liabilities are reported in the government-wide financial statements. In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements, regardless of whether they will be liquidated with current resources. However, claims and judgments and the noncurrent portion of long-term liabilities that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. Payments made within 60 days after year-end are considered to have been made with current available financial resources.

***Deferred Outflows/Inflows of Resources***

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

The District's deferred inflows and outflows of revenues relate to pensions and other post-employment benefits, as further described in Notes 5 and 6.

**Estes Park Local Marketing District**  
**Notes to Financial Statements**  
**December 31, 2019**

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***Fund Balance and Net Position***

In the government-wide financial statements, net position is classified in the following categories:

***Net Investment in Capital Assets*** - This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.

***Restricted Net Position*** - This category presents external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments, and restrictions imposed by law through constitutional provisions or enabling legislation.

***Unrestricted Net Position*** - This category represents the net position of the District, which is not restricted for any project or other purpose. A deficit will require future funding.

In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, fund balances of the governmental funds are classified as follows:

***Nonspendable*** - amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact;

***Restricted*** - amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation, or because of constraints that are externally imposed by creditors, grantors, or the laws or regulations of other governments;

***Committed*** - amounts that can be used only for specific purposes determined by a formal action of the Board of Directors (the "Board"). The Board is the highest level of decision making authority for the District. Commitments may be established, modified, or rescinded only through resolutions approved by the Board;

***Assigned*** - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The Board has the authority to assign amounts for specific purposes;

***Unassigned*** - all other spendable amounts.

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



**Estes Park Local Marketing District**  
**Notes to Financial Statements**  
**December 31, 2019**

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***Revenue Recognition/Lodging Taxes***

Lodging taxes are assessed on all lodging establishments within the District. Lodging tax collections are remitted to the State of Colorado Department of Revenue. Lodging tax receipts collected by the Department of Revenue each month are remitted to the District by the sixth working day of each month. Lodging tax revenues are recognized in the government-wide financial statements in the year that the lodging taxes were reported by the Colorado Department of Revenue.

In the fund financial statements, lodging taxes are recognized in the month for which they are assessed provided they become available and measurable. Lodging tax revenues are considered available when they become due or past due and are received by the District within 60 days of the end of the fiscal year.

***Pensions***

*The District* participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the LGDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: *Concerning Modifications To the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years*. The bill was signed into law by Governor Hickenlooper on June 4, 2018. A brief description of some of the major changes to plan provisions required by SB 18-200 for the LGDTF that were in effect on the LGDTF's December 31, 2018 measurement date are listed below. A full copy of the bill can be found online at [www.leg.colorado.gov](http://www.leg.colorado.gov).

- Increases employee contribution rates for the LGDTF by a total of 2 percent (to be phased in over a period of 3 years starting on July 1, 2019).
- Modifies the retirement benefits, including temporarily suspending and reducing the annual increase for all current and future retirees, increases the highest average salary for employees with less than five years of service credit on December 31, 2019 and raises the retirement age for new employees.
- Member contributions, employer contributions, the direct distribution from the State, and the annual increases will be adjusted based on certain statutory parameters beginning July 1, 2020, and then each year thereafter, to help keep PERA on path to full funding in 30 years.
- Expands eligibility to participate in the PERA DC Plan to members of the Local Government Division hired on or after January 1, 2019. Beginning January 1, 2021, and every year thereafter, employer contribution rates for the LGDTF will be adjusted to include a defined contribution supplement based on the employer contribution amount paid to defined contribution plan participant accounts that would have otherwise gone to the defined benefit trusts to pay down the unfunded liability plus any defined benefit investment earnings thereon.

**Estes Park Local Marketing District**  
**Notes to Financial Statements**  
**December 31, 2019**

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***Other Post-Employment Benefits***

The District participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

***Estimates***

The presentation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Actual results could differ from those estimates.

**2. Cash and Investments**

***Custodial Credit Risk - Deposits***

Colorado state statutes govern the District's deposits of cash. For deposits in excess of federally insured limits, Colorado Revised Statutes require the depository institution to maintain collateral on deposit with an official custodian (as authorized by the State Banking Board). The Colorado Public Deposit Protection Act ("PDPA") requires state regulators to certify eligible depositories for public deposit. PDPA requires the eligible depositories with public deposits in excess of the amounts insured by the Federal Deposit Insurance Corporation ("FDIC") to create a single institutional collateral pool of obligations of the State of Colorado or local Colorado governments and obligations secured by first lien mortgages on real property located in the state. 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 assets in the pool must be at least 102% of the uninsured deposits. At December 31, 2019, the District had deposits with financial institutions with a carrying amount (book balance) of \$778,312. The bank balances with the financial institutions was \$855,167, of which \$497,875 was covered by FDIC. The remaining balance of \$357,292 was collateralized with securities held by the financial institutions' agents, but not in the District's name.

***Investments***

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which the District may invest, which include:

- Certificates of deposit with an original maturity in excess of three months
- Certain obligations of the United States and U.S. Government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Banker's acceptance of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

The District's policy is to hold investments until maturity.

**Estes Park Local Marketing District**  
**Notes to Financial Statements**  
**December 31, 2019**

***Custodial Credit Risk - Investments***

For investments, custodial credit risk is the risk that in the event of a failure of a counter party, the District would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District does not have a specific policy for custodial credit risk. As of December 31, 2019, the District had no investments exposed to custodial credit risk.

***Interest Rate Risk***

Colorado Revised Statutes limit investment maturities to five years or less from the date of purchase. This limit on investment maturities is a means of limiting exposure to fair value losses arising from increasing interest rates.

The composition of the District's cash and investments, on December 31, 2019, is as follows:

Cash on hand	\$	2,284
Bank deposits		778,312
<b>Total cash</b>		<b>780,596</b>
<b><i>Investments</i></b>		
Certificate of deposits		800,000
<b>Total cash and investments</b>	<b>\$</b>	<b>1,580,596</b>

Certificates of deposit are measured at fair value in level 2 which includes investments that reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active.

**3. Capital Assets**

Capital asset activity for the year ended December 31, 2019, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Capital assets, being depreciated:</b>				
Office Equipment	\$ 29,981	\$ 8,455	\$ -	\$ 38,436
<b>Less accumulated depreciation for:</b>				
Office Equipment	(198)	(6,869)	-	(7,067)
<b>Total capital assets, being depreciated, net</b>	<b>\$ 29,783</b>	<b>\$ 1,586</b>	<b>\$ -</b>	<b>\$ 31,369</b>

Depreciation expense has been allocated to the marketing and operations function in the accompanying statement of activities.

**4. Risk Management**

The District 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.

**Estes Park Local Marketing District**  
**Notes to Financial Statements**  
**December 31, 2019**

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The District carries commercial insurance covering specific and general risks of loss, including workers compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There have been no significant reductions in insurance coverage.

## **5. Defined Benefit Pension Plan**

*Plan description.* Eligible employees of the District are provided with pensions through the Local Government Division Trust Fund—a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (“CRS”) administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code (“IRC”). Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

*Benefits provided as of December 31, 2018.* PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at CRS § 24-51-602, 604, 1713, and 1714.

The lifetime retirement benefit for all eligible retiring employees under the PERA Benefit Structure is the greater of the:

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit
- The value of the retiring employee’s member contribution account plus a 100 percent match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

In all cases the service retirement benefit is limited to 100 percent of highest average salary and also cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50 percent or 100 percent on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

As of December 31, 2018, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments in certain years, referred to as annual increases in the C.R.S. Pursuant to SB 18-200, there are no annual increases “AI” for 2018 and 2019. Thereafter, benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure will receive an annual increase, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 1.5 percent or the average of the Consumer Price Index for Urban Wage Earners and

Clerical Workers “CPI-W” for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 will receive the lesser of an annual increase of 1.5 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA’s Annual Increase Reserve “AIR” for the LGDTF. The automatic adjustment provision may raise or lower the aforementioned AI for a given year by up to one-quarter of 1 percent based on the parameters specified C.R.S. § 24-51-413.

**Estes Park Local Marketing District**  
**Notes to Financial Statements**  
**December 31, 2019**

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Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the lifetime retirement benefit formula(s) shown above considering a minimum 20 years of service credit, if deemed disabled.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

*Contribution provisions as of December 31, 2019.* Eligible employees and the District are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements are established under CRS § 24-51-401, *et seq.* Eligible employees are required to contribute 8 percent of their PERA-includable salary. The employer contribution requirements are summarized in the table below:

	January 1, 2018 Through December 31, 2019
Employer Contribution Rate <sup>1</sup>	10.00%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in CRS § 24-51-208(1)(f) <sup>1</sup>	(1.02)%
Amount Apportioned to the LGDTF <sup>1</sup>	8.98%
Amortization Equalization Disbursement (AED) as specified in CRS § 24-51-411 <sup>1</sup>	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in CRS 24-51-411 <sup>1</sup>	1.50%
Total Employer Contribution Rate to the LGDTF <sup>1</sup>	12.68%

<sup>1</sup>Rates are expressed as a percentage of salary as defined in CRS § 24-51-101(42).

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the District were \$96,448 for the year ended December 31, 2019.

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

At December 31, 2019, the District reported a liability of \$732,265 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. Standard update procedures were used to roll forward the total pension liability to December 31, 2018. The District's proportion of the net pension liability was based on District contributions to the LGDTF for the calendar year 2018 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2018, the District's proportion was 0.0583 percent, which was an increase of 0.0030 from its proportion measured as of December 31, 2017.

**Estes Park Local Marketing District**  
**Notes to Financial Statements**  
**December 31, 2019**

For the year ended December 31, 2019, the District recognized pension income of \$118,954. At December 31, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 30,618	\$ -
Net difference between projected and actual earnings on pension plan investments	95,362	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	12,132	-
District Contributions subsequent to the measurement date	96,448	-
<b>Total</b>	<b>\$ 234,560</b>	<b>\$ -</b>

The \$96,448 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Amortization
2020	\$ 68,403
2021	30,122
2022	10,747
2023	28,840
<b>Total</b>	<b>\$ 138,112</b>

*Actuarial assumptions.* The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 - 10.45 percent
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (automatic)	2.00 percent and compounded annually
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

**Estes Park Local Marketing District**  
**Notes to Financial Statements**  
**December 31, 2019**

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The revised assumptions shown below were reflected in the roll-forward calculation of the total pension liability from December 31, 2017 to December 31, 2018:

Discount rate	7.25 percent
Post-retirement benefit increases: PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (automatic)	0% through 2019 and 1.5% compounded annually,
thereafter PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

Healthy mortality assumptions for active members reflect the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

Healthy, post-retirement mortality assumptions reflect the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 108 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78 percent factor applied to rates for ages less than 80, a 109 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

For disabled retirees, the mortality assumption was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The actuarial assumptions used in the December 31, 2016, valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016.

Several factors were considered in evaluating the long-term rate of return assumption for the LGDTF, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

**Estes Park Local Marketing District**  
**Notes to Financial Statements**  
**December 31, 2019**

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As of the most recent adoption of the long-term expected rate of return by the PERA Board, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
U.S. Equity - Large Cap	21.20%	4.30%
U.S. Equity - Small Cap	7.42%	4.80%
Non U.S. Equity - Developed	18.55%	5.20%
Non U.S. Equity - Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non U.S. Fixed Income - Developed	1.84%	0.60%
Emerging Market Debt	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
<b>Total</b>	<b>100.00%</b>	

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25%.

*Discount rate.* The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including scheduled increases in SB 18-200. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.



**Estes Park Local Marketing District**  
**Notes to Financial Statements**  
**December 31, 2019**

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- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, LGDTF’s fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent. There was no change in the discount rate from the prior measurement date.

*Sensitivity of the District’s proportionate share of the net pension liability to changes in the discount rate.* The following presents the District’s proportionate share of the net pension liability/(asset) calculated using the discount rate of 7.250 percent, as well as what the District’s proportionate share of the net pension liability/(asset) would be if it were calculated using a discount rate that is 1-percentage point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
District’s proportionate share of the net pension liability	\$ 1,120,215	\$ 732,265	\$ 407,707

*Pension plan fiduciary net position.* Detailed information about the LGDTF’s fiduciary net position is available in PERA’s comprehensive annual financial report which can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

*Changes between the measurement date of the net pension liability and December 31, 2019.*

During the 2019 legislative session, the Colorado General Assembly passed HB 19-1217: *PERA Public Employees’ Retirement Association Local Government Division Member Contribution Rate*. The bill was signed into law by Governor Polis on May 20, 2019, and eliminates the 2 percent increase in the contribution rate for members in the Local Government Division mandated by SB 18-200.

## 6. Other Post-Employment Benefits

### General Information about the OPEB Plan

*Plan description.* Eligible employees of the District are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes, as amended. Title 24, Article 51, Part 12 of the CRS., as amended, sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

*Benefits provided.* The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based

**Estes Park Local Marketing District**  
**Notes to Financial Statements**  
**December 31, 2019**

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upon the benefit structure under which the member retires and the member's years of service credit. For members who retire having service credit with employers in the Denver Public Schools (DPS) Division and one or more of the other four Divisions (State, School, Local Government and Judicial), the premium subsidy is allocated between the HCTF and the Denver Public Schools Health Care Trust Fund (DPS HCTF). The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

CRS. § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure and all retirees under the DPS benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare. Upon the death of a DPS benefit structure retiree, no further subsidy is paid.

Enrollment in the PERACare is voluntary and is available to benefit recipients and their eligible dependents, certain surviving spouses, and divorced spouses and guardians, among others. Eligible benefit recipients may enroll into the program upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period.

*PERA Benefit Structure.* The maximum service-based premium subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The basis for the maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5 percent reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, CRS. § 24-51-1206(4) provides an additional subsidy. According to the statute, PERA cannot charge premiums to benefit recipients without Medicare Part A that are greater than premiums charged to benefit recipients with Part A for the same plan option, coverage level, and service credit. Currently, for each individual PERACare enrollee, the total premium for Medicare coverage is determined assuming plan participants have both Medicare Part A and Part B and the difference in premium cost is paid by the HCTF or the DPS HCTF on behalf of benefit recipients not covered by Medicare Part A.

*Contributions.* Pursuant to Title 24, Article 51, Section 208(1)(f) of the CRS., as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, School, Local Government, and Judicial Divisions are required to contribute at a rate of 1.02 percent of PERA-includable salary into the HCTF.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$7,758 for the year ended December 31, 2019.

*OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB*

At December 31, 2019, the District reported a liability of \$61,453 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December

**Estes Park Local Marketing District**  
**Notes to Financial Statements**  
**December 31, 2019**

31, 2017. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2018. The District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year 2018 relative to the total contributions of participating employers to the HCTF.

At December 31, 2018, the District's proportion was 0.0045 percent, which was an increase of 0.0002 from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019 the District recognized OPEB expense of \$3,402. At December 31, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 223	\$ 94
Net difference between projected and actual earnings on OPEB plan investments	353	-
Changes in assumptions or other inputs	431	-
Changes in proportionate share	-	6,693
District contributions subsequent to the measurement date	7,758	-
<b>Total</b>	<b>\$ 8,765</b>	<b>\$ 6,787</b>

The \$7,758 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31,	Amortization
2020	\$ (1,315)
2021	(1,315)
2022	(1,315)
2023	(1,315)
2024	(548)
Thereafter	28
<b>Total</b>	<b>\$ (5,780)</b>

*Actuarial assumptions.* The total OPEB liability in the December 31, 2017 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent

**Estes Park Local Marketing District**  
**Notes to Financial Statements**  
**December 31, 2019**

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Salary increases, including wage inflation	3.50 in aggregate
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
Health care cost trend rates	
PERA benefit structure	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	5.00 percent
Medicare Part A premiums	3.25 percent for 2018, gradually rising to 5.00 percent in 2025

Calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each actuarial valuation and on the pattern of sharing of costs between employers of each fund to that point.

The actuarial assumptions used in the December 31, 2017, valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting. In addition, certain actuarial assumptions pertaining to per capita health care costs and their related trends are analyzed and reviewed by PERA's actuary, as discussed below.

In determining the additional liability for PERACare enrollees who are age sixty-five or older and who are not eligible for premium-free Medicare Part A, the following monthly costs/premiums are assumed for 2018 for the PERA Benefit Structure:

<b>Medicare Plan</b>	<b>Cost for Members Without Medicare Part A</b>	<b>Premiums for Members Without Medicare Part A</b>
Self-Funded Medicare Supplement Plans	\$736	\$367
Kaiser Permanente Medicare Advantage HMO	602	236
Rocky Mountain Health Plans Medicare HMO	611	251
UnitedHealthcare Medicare HMO	686	213

The 2018 Medicare Part A premium is \$422 per month.

In determining the additional liability for PERACare enrollees in the PERA Benefit Structure who are age sixty-five or older and who are not eligible for premium-free Medicare Part A, the following chart details the initial expected value of Medicare Part A benefits, age adjusted to age 65 for the year following the valuation date:

<b>Medicare Plan</b>	<b>Cost for Members Without Medicare Part A</b>
Self-Funded Medicare Supplement Plans	\$289
Kaiser Permanente Medicare Advantage HMO	300
Rocky Mountain Health Plans Medicare HMO	270
UnitedHealthcare Medicare HMO	400

**Estes Park Local Marketing District**  
**Notes to Financial Statements**  
**December 31, 2019**

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All costs are subject to the health care cost trend rates, as discussed below.

Health care cost trend rates reflect the change in per capita health costs over time due to factors such as medical inflation, utilization, plan design, and technology improvements. For the PERA benefit structure, health care cost trend rates are needed to project the future costs associated with providing benefits to those PERACare enrollees not eligible for premium-free Medicare Part A.

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and heuristics developed by health plan actuaries and administrators, and projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services.

Effective December 31, 2017, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

The PERA benefit structure health care cost trend rates that were used to measure the total OPEB liability are summarized in the table below:

Year	PERACare Medicare Plans	Medicare Part A Premiums
2018	5.00%	3.25%
2019	5.00%	3.50%
2020	5.00%	3.75%
2021	5.00%	4.00%
2022	5.00%	4.25%
2023	5.00%	4.50%
2024	5.00%	4.75%
2025+	5.00%	5.00%

Mortality assumptions for the determination of the total pension liability for each of the Division Trust Funds as shown below are applied, as applicable, in the determination of the total OPEB liability for the HCTF. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

Healthy mortality assumptions for active members were based on the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

Healthy, post-retirement mortality assumptions for the State and Local Government Divisions were based on the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- Males: Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 108 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- Females: Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78 percent factor applied to rates for ages less than 80, a 109 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

**Estes Park Local Marketing District**  
**Notes to Financial Statements**  
**December 31, 2019**

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Healthy, post-retirement mortality assumptions for the School and Judicial Divisions were based on the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

- Males: Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93 percent factor applied to rates for ages less than 80, a 113 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- Females: Mortality improvement projected to 2020 using the MP-2015 projection scale, a 68 percent factor applied to rates for ages less than 80, a 106 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

For disabled retirees, the mortality assumption was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The following economic and demographic assumptions were specifically developed for, and used in, the measurement of the obligations for the HCTF:

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2018 plan year.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016.

Several factors were considered in evaluating the long-term rate of return assumption for the HCTF, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

As of the most recent adoption of the long-term expected rate of return by the PERA Board, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

**Estes Park Local Marketing District**  
**Notes to Financial Statements**  
**December 31, 2019**

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
U.S. Equity - Large Cap	21.20%	4.30%
U.S. Equity - Small Cap	7.42%	4.80%
Non U.S. Equity - Developed	18.55%	5.20%
Non U.S. Equity - Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non U.S. Fixed Income - Developed	1.84%	0.60%
Emerging Market Debt	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
<b>Total</b>	<b>100.00%</b>	

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25%.

*Sensitivity of the District's proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates.* The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
PERACare Medicare trend rate	4.00%	5.00%	6.00%
Initial Medicare Part A trend rate	2.25%	3.25%	4.25%
Ultimate Medicare Part A trend rate	4.00%	5.00%	6.00%
Net OPEB Liability	\$ 59,756	\$ 61,453	\$ 63,405

*Discount rate.* The discount rate used to measure the total OPEB liability was 7.25 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2018, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.

**Estes Park Local Marketing District**  
**Notes to Financial Statements**  
**December 31, 2019**

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- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Transfers of a portion of purchase service agreements intended to cover the costs associated with OPEB benefits were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the end of the month.

Based on the above assumptions and methods, the projection test indicates the HCTF’s fiduciary net position was projected to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent.

*Sensitivity of the District’s proportionate share of the net OPEB liability to changes in the discount rate.* The following presents the District’s proportionate share of the net OPEB liability calculated using the discount rate of 7.250 percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	<u>1% Decrease (6.25%)</u>	<u>Current Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
District's proportionate share of the net OPEB liability	\$ 68,761	\$ 61,453	\$ 55,206

*OPEB plan fiduciary net position.* Detailed information about the HCTF’s fiduciary net position is available in PERA’s comprehensive annual financial report which can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

## 7. TABOR Compliance

In November 1992, Colorado voters passed an amendment (the “Amendment” or “TABOR”) to the State Constitution (Article X, Section 20) which limits the revenue raising and spending abilities of state and local districts. The limits on property taxes, revenue, and “fiscal year spending” include allowable annual increases tied to inflation and local growth in construction valuation. Fiscal year spending, as defined by the Amendment, excludes spending from certain revenue and financing sources such as federal funds, gifts, property sales, fund transfers, damage awards, and fund reserves (balances). The Amendment requires voter approval for any increase in mill levy or tax rates, new taxes, or creation of multi-year debt. Revenue earned in excess of the “spending limit” must be refunded or approved to be retained by the District under specified voting requirements by the entire electorate.

The Amendment also requires local districts to establish emergency reserves to be used for declared emergencies only. Emergencies as defined by the Amendment, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% or more of fiscal year spending (excluding bonded debt service). The District has restricted \$99,196 for this purpose.

The District believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions will require judicial interpretation.



**Estes Park Local Marketing District**  
**Notes to Financial Statements**  
**December 31, 2019**

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## **8. Commitments and Contingencies**

The District leases an office in Estes Park, Colorado which expires December 31, 2020. Rent expense under the operating lease totaled \$75,000 for the year ended December 31, 2019. The future minimum lease payments are: 2020 - \$75,000.

## **9. Subsequent Events**

Management of the District has evaluated subsequent events through July XX, 2020, the date that the financial statements were available to be issued. No transactions or events that would require adjustment to or disclosure in the financial statements were identified, except as follows.

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the “COVID-19 outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the District’s financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the District is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2020.

## Required Supplementary Information

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Draft

**Estes Park Local Marketing District**  
**Schedule of the District's Proportionate Share of the Net Pension Liability**  
**Last Ten Fiscal Years**

	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability / (asset)	0.0583%	0.0553%	0.0681%	0.0620%	0.0604%	0.0604%
District's proportionate share of the net pension liability / (asset)	\$ 732,265	\$ 615,725	\$ 918,813	\$ 683,301	\$ 541,140	\$ 547,984
District's covered payroll	\$ 369,874	\$ 348,856	\$ 412,879	\$ 352,279	\$ 330,820	\$ 355,268
District's proportionate share of the net pension liability / (asset) as a percentage of its covered payroll	197.98%	176.50%	222.54%	193.97%	163.58%	154.25%
Plan fiduciary net position as a percentage of the total pension liability	75.96%	79.37%	73.60%	76.90%	80.70%	77.66%

\* The amounts presented for each fiscal year were determined as of 12/31 of the prior year.

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

*See accompanying Independent Auditor's Report*

**Estes Park Local Marketing District  
Schedule of District Contributions - Pension  
Last Ten Fiscal Years**

	2019	2018	2017	2016	2015	2014	2013
Statutorily Required	\$ 96,448	\$ 46,900	\$ 44,235	\$ 52,353	\$ 44,669	\$ 41,948	\$ 45,048
Contributions in Relation to the Statutorily Required	96,448	46,900	44,235	52,353	44,669	41,948	45,048
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 760,628	\$ 369,874	\$ 348,856	\$ 412,879	\$ 352,279	\$ 330,820	\$ 355,268
Contributions as a Percentage of Covered Payroll	12.68%	12.68%	12.68%	12.68%	12.68%	12.68%	12.68%

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

*See accompanying Independent Auditor's Report.*

Draft

**Estes Park Local Marketing District**  
**Schedule of the District's Proportionate Share of the Net OPEB Liability**  
**Last Ten Years**

	2019	2018	2017
District's proportion of the net OPEB liability	0.0045%	0.0043%	0.0052%
District's proportionate share of the net OPEB liability	\$ 61,453	\$ 55,845	\$ 67,794
District's covered payroll	\$ 369,874	\$ 348,856	\$ 412,879
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	16.61%	16.01%	16.42%
Plan fiduciary net position as a percentage of the total OPEB liability	17.03%	17.53%	16.72%

\* The amounts presented for each fiscal year were determined as of 12/31 of the prior year.

OPEB schedules are intended to show information for ten years, additional years' information will be displayed as it becomes available.

*See accompanying Independent Auditor's Report.*

**Estes Park Local Marketing District  
Schedule of District Contributions - OPEB  
Last Ten Years**

	2019	2018	2017	2016
Statutorily Required Contribution	\$ 7,758	\$ 3,773	\$ 3,558	\$ 4,221
Contributions in Relation to the Statutorily Required Contribution	7,758	3,773	3,558	4,221
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 760,628	\$ 369,874	\$ 348,856	\$ 412,879
Contributions as a Percentage of Covered Payroll	1.02%	1.02%	1.02%	1.02%

OPEB schedules are intended to show information for ten years, additional years' information will be displayed as it becomes available.

*See accompanying Independent Auditor's Report.*

Draft

**Estes Park Local Marketing District**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**(Budget and Actual) - General Fund**  
**Year Ended December 31, 2019**

	Budgeted Amounts		Actual Amounts Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Lodging taxes	\$ 2,400,000	\$ 2,400,000	\$ 2,558,625	\$ 158,625
Charges for services	749,000	749,000	732,288	(16,712)
Payment-in-lieu of taxes	5,413	5,413	-	(5,413)
Grants		-	12,669	12,669
Miscellaneous	119	119	2,349	2,230
Investment income	-	-	595	595
<b>Total revenues</b>	<b>3,154,532</b>	<b>3,154,532</b>	<b>3,306,526</b>	<b>151,994</b>
<b>Expenditures</b>				
Personnel services	950,000	950,000	1,065,403	(115,403)
Marketing and operations	2,297,700	2,297,700	2,409,876	(112,176)
<b>Total expenses</b>	<b>3,247,700</b>	<b>3,247,700</b>	<b>3,475,279</b>	<b>(227,579)</b>
<b>Change in fund balance</b>	<b>\$ (93,168)</b>	<b>\$ (93,168)</b>	<b>(168,753)</b>	<b>\$ (75,585)</b>

Fund balance at beginning of year as previously reported 2,077,722

Fund balance at end of year \$ 1,908,969

*See accompanying Independent Auditor's Report.*



Visit Estes Park  
The Destination  
Marketing Organization  
VisitEstesPark.com

To: Deb Gibson, Chairman & Board of Directors

From: Eric Lund, President/CEO

Date: 7/7/2020

RE: CEO – July, 2020 Board Report

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## **I. Ends Policy Compliance Report**

### Destination Product Development:

- The CEO attended a number of Town Meetings, met with the Town Administrator and EDC Board Meeting, Chamber of Commerce Board Meeting, and Colorado Tourism Office
- Overall, the CEO attended 45 stakeholder, staff and industry meetings in June
- The CEO attended a number of meetings related to the Covid-19 crisis to assist with collaboration, planning and coordination including work on the Accelerated Recovery Task Force and notified stakeholders regarding new updates for Larimer County guidelines
- The CEO has met with each of our team leaders and is building a new budget for 2020 that will incorporate the input provided by each team leader. This includes Marketing, Stakeholders Services, Group Sales and Finance. Additionally, we are looking at incorporating a management dashboard which will show most of the metrics we track for each team to determine effectiveness and trends
- We have implemented a new summer marketing program designed to push more demand to Estes Park while also being very adaptable to adjustment if needed, this program is far in excess of what we have done in past summers
- The auditors have completed their audit and will be providing an update at the July Board Meeting
- Office move is in progress and we will be relocated to the new offices completes by July 15<sup>th</sup>. We have done all improvements ourselves including painting, upgrading the floor, updating counters and sink, updating board room and will be moving all equipment to the new office. Total costs for the updates have been kept to a minimum of approximately \$2,000 not counting the plumber for attaching the sink which is still to be done.

## **II. Stakeholder Support and Education:**

- The CEO supported a Virtual Town Hall meeting and a special Webinar hosted by VEP regarding tourism recovery and included updates for stakeholders and community residents
- We also presented a webinar for our stakeholders partnering with our agencies and our team and provided updates regarding tourism rebound insights and trends in the travel marketing and communications industries, as well as Visit Estes Park's plans to attract guests to Estes Park this summer, in this ever-evolving environment. We also covered what to do now for a stronger rebound, and we reserved time to answer any questions they had.



- We are also updating our website to include Covid-19 standards information for each business, to show visitors what businesses are practicing to improve the safety, like wearing masks, cleaning and a number of other things related to visitor safety intended to give peace of mind for visitors

### **III. Partnerships and Collaborations:**

- Covid-19 Updates: Things are changing daily and we are adapting and doing our best to anticipate those changes in our planning and as they impact us, the latest update includes closing bars and nightclubs and the Larimer County website has provided updated information on their business page. We are waiting for the next phase which will likely be the “Protect your neighbor” phase which will likely loosen additional guidelines as soon as Larimer County applies for that next phase.
  - We are working with the EDC, Chamber and Town to develop programs and initiatives to assist stakeholders in Estes Park. The CEO and PR Manager are engaged with Town Teams working on recovery including developing a new “Kindness” campaign that will start at the local resident level
  - We are sending out communications via newsletter and by email to keep stakeholders updated regarding Covid-19 changes and operating guidelines, we are working closely with the town, EDC and the Chamber to support our local businesses into the future

### **IV. Community Engagement:**

- We are working with the town transportation department and have been given permission to manage the banner program next to the Visitor Parking Structure to brand and promote town events and celebrations
  - We have hung a new set of 4<sup>th</sup> of July and “Welcome Back” banners at the visitor parking structure and also have designed a new banner for 4<sup>th</sup> of July weekend at the corner of 34 and 36.
- We have ordered an additional 1000 face masks which will bring our order to 2000 additional face masks to enable businesses to sell them to visitors. We have also arranged with the Visitor Center to sell them when they reopen and will likely order additional masks to meet demand. We are simply looking to recover our cost at \$2.75 apiece. We are recommending that businesses offer them at a higher cost and include a charitable beneficiary for the difference

End Report

## June VEP.com YOY Metrics

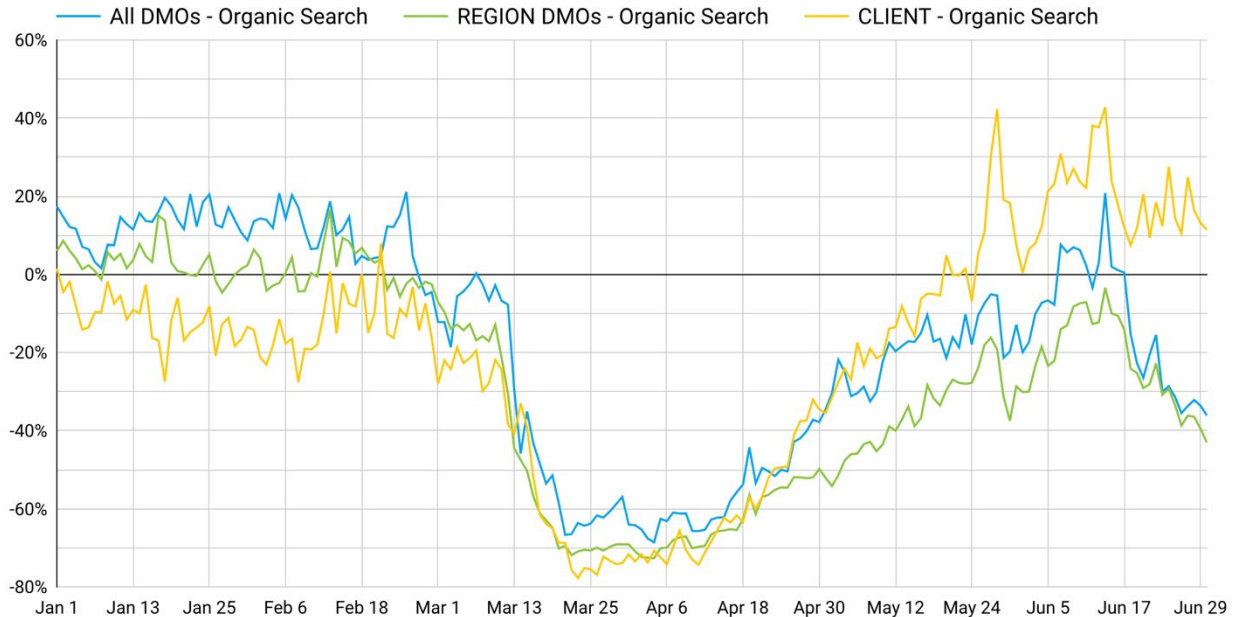
Users: 177,718 (up 5.6%)

Sessions: 233,600 (up 6.6%)

Pageviews: 506,329 (up 2.4%)

Session Duration: 3:00 (up :06 sec)

\*Note: Year-over-year growth can be attributed to Organic Search, Email, and Paid Search traffic sources. The homepage, things to do section, and lodging section all saw significant pageview increases YOY as well as additional pageviews on the new from last year Covid-19 page.



The above graph from Simpleview shows YOY Growth from Organic Search Sessions. The yellow line, representing VisitEstesPark.com, recovered more quickly and to a higher bar than all other DMO's and Region DMO's tracked by Simpleview.

## PR Performance YTD (through May)

Impressions: 119,093,028

Articles: 26

Ad Value: \$222,821

ROI: 7.1:1

## AiR

Athlete's in Residence [Caroline Gleich](#), [Courtney Dauwalter](#), and [Paige Claassen](#) have begun or completed posting their Estes Park content on Instagram, and we're close to our AiR Anthem Video as well as social cut downs. Those will be live and running mid-to late July.



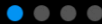
PAIGECLAASSEN

## Posts



**paigeclaassen**

Estes Park, Colorado



Liked by **s\_stokedd** and thousands of others

**paigeclaassen** This week, I'll be sharing some of my favorite zones around my hometown of Estes Park, Colorado. With Covid restrictions continuing throughout the summer... [more](#)

[View all 37 comments](#)

**robkepley\_photography** Ya just gotta love the uphill hike out on a 90 degree day..



**paigeclaassen** @robkepley\_photography oof! About time for higher elevations.




June 16

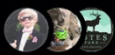


CAROLINEGLEICH

# Posts



**carolinegleich**   
Estes Park, Colorado



Liked by **s\_stokedd** and **thousands of others**

**carolinegleich** When I was a child growing up in Minnesota, I would take road trips out west with my family twice a year. We would get in the car and drive in a single push to... more



COURTNEYDAUWALTER

# Posts



courtneydauwalter



Liked by [visitestepark](#) and thousands of others

**courtneydauwalter** Early alarm clocks are always worth it. I've been spending my summer days trying to outlast the sun out on the trails. The usually wins, but it's... [more](#)

[View all 160 comments](#)



Visit Estes Park  
The Destination  
Marketing Organization  
VisitEstesPark.com

## Board of Directors Regular Meeting Minutes

June 2, 2020 at 6:00pm  
Via: Go To Meeting

Board Members Attending: Deborah Gibson, Pat Murphy, Tonya Humiston, Wendy Koeing and Sean Jurgens

Board Members Absent: Marie Cenac and Camden Birkeland

Also Attending:

Kyle Patterson, PIO Rocky Mountain National Park  
Eric Lund, President & CEO,  
Visit Estes Park  
Kevin Benes Vice President &  
CFO, Visit Estes Park  
Rebecca Pena, Group Sales  
Manager  
Josh Harms Marketing Manager

PUBLIC COMMENT.

No public comment

REPORTS.

Kyle Patterson updated the group on opening day for Rocky Mountain National Park, and said it went well and people were socially distancing well and wearing masks. Most areas in the park were full on Saturday and Sunday. She also spoke on the new time entry system that will start on June 4. So far there are 40,000 reservations and they have not experienced any problems with the new system. Kyle also noted that the media is really helping with spreading the word on the new time entry system and Covid-19 policies. Shuttle buses can operate at 50% capacity which is about 15 people per bus. She updated us on the opening of Trail Ridge road which will happen on June 4, but the Alpine Visitors Center won't open until June 15.

Wendy Koeing gave a brief update on the Town and she informed us that the town is doing a study session this coming Tuesday followed by an executive board session. The board is interested in the resiliency programs that are coming up in July and she noted that the survey is online until June 5. Wendy also spoke on the July 4 fireworks being cancelled and said it was per the Larimer County regulations and not due to funding. Finally, the board is getting caught up on topics regarding the historic district for the Stanley, Platte River Power and safer streets.

## CHAIRPERSON'S MESSAGE.

Wendi motioned to approve the agenda  
Sean seconded the motion  
Pat, Tonya, Deb, Sean & Wendi all approved it

## PRESIDENT & CEO.

Eric reported that he attended 43 virtual meetings regarding Covid-19 updates for stakeholders. He also mentioned that the annual report will be going out in the newsletter to all stakeholders. Eric gave a quick update for hotels, VRBO's and restaurants for the current Covid-19 policies. Eric also gave an update on the VEP masks, the first round has been delivered and the second shipment just arrived. Eric also spoke on the current newspaper ads that are out - VEP masks and the strong & safe recovery plan. VEP is working with CTO regarding the opening and welcoming visitors to Estes Park. The VEP website is consistently being updated with the new Covid-19 policies. VEP is also working on new banners for the parking structure and will keep us updated. Eric also spoke on continuing to work on reducing the VEP budget in several areas. New office renovations have been drastically reduced to a sink, painting of the floor on the one side and walls. Hoping to move July 1.

## PROGRAM REVIEW.

Josh gave us updates on the website stats: users, sessions and pageviews are all down year over year. Lodging referrals saw the highest on May 18; more details to come when the May monthly report is available. PR performance looks good and the Covid-19 page saw 23,725 page views. The Backyard Campout was this past Saturday. The AiR group is in town now, 3 people and they are creating the content for a future release on social media due to recent activity on social media. Finally, Josh spoke on the summer campaign that is now starting.

Eric gave a quick update on VEP staffing changes and that the Group Sales team will be helping out the Stakeholders team as well as filling in for Krystin while she is out on maternity leave.

Kevin started off with 2020 financial highlights, then went into cost saving measures and VEP visitor guide. Kevin is proposing a change to how VEP handles the visitor guides and lists the pros and cons of it. He asked for feedback and questions and Tonya asked if the 18 month distribution is industry standard. Kevin replied with no, there is no standard, but flexibility is what each city practices. Deb asked is the number of visitors who view it online vs print. Kevin nor Josh had those numbers handy, but would report back with them.

## POLICY DEVELOPMENT

Sean motioned that the VEP board authorize Tonya Humiston and Kevin Benes be authorization officials of entities in regards to the Bank of Colorado.

Pat second the motion

No comments

Pat, Tonya, Deb, Sean & Wendi all approved it

CONSENT AGENDA.

Tonya motioned to approve the May 5 minutes  
Sean seconded the motion  
No comments  
Pat, Tonya, Deb, Sean & Wendi all approved it

BOARD COMMENTS.

Deb asked about outdoor pools and playgrounds. Sean said that the city is taking public input until noon tomorrow. Deb said she read that they could open with 50% occupancy. Sean said he would send her the link with what he had.

ADJOURN.

Deb adjourned the meeting at 7:28pm

Next meeting:  
July 7  
August 4  
September 1

\_\_\_\_\_  
Rebecca Pena, Recording Secretary

\_\_\_\_\_  
Deborah Gibson, Chair Person

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_