

City of Castle Pines, Colorado

Financial Statements and
Independent Auditor's Report

December 31, 2022



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Independent Auditor's Report

Honorable Mayor and the City Council
City of Castle Pines, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Castle Pines, Colorado, as of and for the year ended December 31, 2022 and the related notes to the financial statements, which collectively comprise the City of Castle Pines, Colorado's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Castle Pines, Colorado, as of December 31, 2022 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Castle Pines, Colorado and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Castle Pines, Colorado's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Castle Pines, Colorado's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Castle Pines, Colorado's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Castle Pines, Colorado's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and budgetary schedules are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Information

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

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

Haynie & Company

Littleton, Colorado
July 27, 2023



City of Castle Pines, Colorado Management's Discussion and Analysis December 31, 2022

The City of Castle Pines (City) offers readers of these financial statements an overview and analysis of the City's financial activities for the year ended December 31, 2022.

FINANCIAL HIGHLIGHTS

- Total assets exceeded total liabilities (net position) by \$76,929,944 at the end of the year.
- The City's total governmental funds reported an ending fund balance of \$12,698,427.
- The City's General Fund reported an ending fund balance of \$2,751,379, a decrease of \$3,250,780 from the prior year.
- Seventy-six percent (76%) of the General Fund ending fund balance consists of \$2,088,354 in unrestricted, unassigned fund balance, which is available for spending at the City's discretion.
- General Fund revenues were \$1,358,606 lower than the budgeted amount. The primary reason for this is an unexpected slowdown in new home construction, which led to construction materials use tax revenue and building permit fee revenue not meeting budget expectations. There were 375 building permits issued for new home construction compared to the 663 that was originally expected.
- The General Fund expenditures were within budget with a positive variance of \$1,451,625.
- All other City funds were within budget, as well.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City's financial statements. The City's financial statements are comprised of three primary components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements.

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

The statement of net position presents information on all City positions and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as an indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing changes in the City's net position during

the fiscal year. Changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for certain items that will only result in cash flows in future fiscal periods.

Both government-wide financial statements identify functions of the City that are primarily supported by property, sales, and use taxes (governmental activities). The governmental activities of the City include general government, public safety, public works, parks and recreation, and community development.

The government-wide financial statements can be found on pages 1 and 2 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The City currently maintains six funds: the General Fund, the Capital Improvements Fund, the Parks and Recreation Fund, the Conservation Trust Fund, the Community Capital Investment Fund, and the North Pine Vistas Metro Districts Nos. 1-3 O&M Fund (NPVMD Fund).

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. A reconciliation to facilitate this comparison between the governmental fund and governmental activities is provided in the financial statements.

The City adopts an annual appropriated budget for all funds. A budgetary comparison schedule has been provided for the major funds (General Fund and Capital Improvements Fund), as required, and other supplementary information to demonstrate compliance with the budget.

Notes to 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 financial statements can be found on pages listed in the index of this report.

Required supplementary information. A budgetary comparison schedule has been provided in this section for the General Fund to demonstrate compliance with the budget, as well as a schedule of retirement plan information. The required supplementary information can be found after the notes to financial statements on pages as listed in the index of this report.

Other supplementary information. Other supplementary information includes a budgetary comparison schedule for the Capital Improvements Fund. Budgetary comparison schedules and combining statements for the Parks and Recreation Fund, Conservation Trust Fund, Community Capital Investment Fund, and NPVMD Fund are included, as well as the local highway finance report required by State statute.

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GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's assets related to governmental activities exceeded liabilities by \$79,929,944 at the close of the most recent fiscal year.

	<u>2022</u>	<u>2021</u>
Current assets	\$ 17,449,175	\$ 18,085,716
Other assets		
Capital assets	<u>65,476,468</u>	<u>57,552,653</u>
Total assets	82,925,643	75,638,369
Deferred outflows of resources	<u>307,599</u>	<u>470,692</u>
Total deferred outflows of resources	307,599	470,692
Current liabilities	3,632,244	3,080,651
Noncurrent liabilities	<u>531,226</u>	<u>660,132</u>
Total liabilities	4,163,470	3,740,783
Deferred inflows of resources		
Property taxes	1,199,611	1,146,405
Deferred inflows related to pension	911,565	626,740
Deferred inflows related to OPEB	<u>28,652</u>	<u>25,953</u>
Deferred inflows of resources	2,139,828	1,799,098
Net investment in capital assets	65,371,290	57,552,653
Restricted net position	919,586	1,563,776
Unrestricted net position	<u>10,639,068</u>	<u>11,452,751</u>
Total net position	<u>\$ 76,929,944</u>	<u>\$ 70,569,180</u>

At the end of the current fiscal year, the City reports positive balances in all three categories of net position. The largest portion of the City's net position (85%) reflects its investment in capital assets. The City utilizes these capital assets to provide services to citizens. Consequently, these assets are not available for future spending.

An additional portion, \$919,586, of the City's net position (1%) represents resources that are subject to restrictions on how they can be used and are not currently available for the City's ongoing obligations (e.g., emergency TABOR reserve and funds restricted for Conservation Trust Fund eligible expenditures). The remaining balance of unrestricted net position totaling \$10,639,068 (14%) is available and may be used to meet the City's future expenditures.

The most significant change in the City’s net position was with Capital Assets, which increased by \$7,923,815 due to the City’s heavy investment in capital assets (street improvements).

Change in Net Position

	2022	2021
Revenue		
Program revenues		
Charges for service	\$ 2,758,775	\$ 3,996,644
Operating grants and contributions	362,564	67,489
Capital grants and contributions	4,352,639	1,352,639
General Revenues		
Sales and use taxes	8,839,260	9,287,682
Other taxes	1,247,669	1,106,957
Franchise fees	669,184	558,684
Intergovernmental	1,627,524	1,731,772
Other	(284,832)	(45,298)
Total Revenues	19,572,783	18,056,569
Expenses		
General government	1,907,045	1,739,302
Public safety	1,240,832	1,074,078
Public works	5,819,225	5,202,058
Parks and recreation	1,110,447	998,433
Community development	3,134,470	4,338,124
Total Expenses	13,212,019	13,351,995
Change in net position	6,360,764	4,704,574
Net position - beginning	70,569,180	65,864,606
Net position - ending	\$ 76,929,944	\$ 70,569,180

Net position increased with total revenue of \$19,572,783, outpacing total expenses of \$13,212,019 by \$6,360,764.

Although a downturn in new home construction activity led to decreases in charges for service revenue (-\$1,237,869), sales and use taxes revenue (-\$448,422), and intergovernmental revenue (-\$104,248), total revenue increased by \$1,516,214, which is attributable to increased capital grants

and contributions of \$3,000,000.

Sales and use taxes revenue decreased overall by 5% or \$448,422. The primary reason for this decrease is due to a downturn in new home construction activity. Construction materials use tax revenue decreased 35% or \$1,549,928 because of the decrease in new home construction. There were 375 building permits issued for new home construction compared to 620 in 2021.

An overall increase in sales tax revenue plus motor vehicle use tax revenue of \$1,041,145 (22%) helped offset the decrease in construction materials use tax revenue. The increase in sales tax revenue is attributed to the City's growth in population and an increase in consumers shopping online.

Capital grants and contributions increased due to a \$3,000,000 contribution from Douglas County, which was used for public works street capital improvement purposes.

Overall, City-wide expenses decreased by \$139,976 (1%). Public works expenses increased by \$617,167, while Community Development expenses decreased by \$1,203,654. An increase in snow removal expenses, plus taking over maintenance from the North Pine Vistas Metro District, led to an increase in public works expenses. Community development expenses decreased as a direct result of the slowdown in new home construction.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The following discussion narrows the focus from City-wide activities to the City's governmental funds. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The City's financial reporting uses six funds: the General Fund, Capital Improvements Fund, Parks and Recreation Fund, Conservation Trust Fund, Community Capital Investment Fund, and North Pine Vistas Metro Districts Nos. 1-3 O&M Fund (NPVMD Fund).

General Fund

The General Fund accounts for all government revenue and expenditures not specific to one of the other funds.

At the end of 2022, the General Fund reported an ending fund balance of \$2,751,379. General Fund revenues (\$16,134,394) exceeded expenditures (\$8,798,975) by \$7,335,419. In addition to funding City operations, General Fund revenue, including prior year surplus revenue (i.e., fund balance) was transferred to the Capital Improvements Fund (\$10,105,000) for capital projects and to the Parks and Recreation Fund (\$481,199) for operating and capital projects. Overall, the General Fund's fund balance decreased by \$3,250,780 as the City invested heavily in street capital improvements.

Unrestricted-unassigned ending fund balance, which is available for spending at the City's discretion, is \$2,088,354 and makes up 76% of the total ending fund balance.

Non-spendable (\$75,841) and restricted (\$587,184) fund balances make up the remaining fund balance. The entire restricted fund balance consists of emergency reserves set aside as required by the State Constitution (amendment to Article X, Section 20).

Capital Improvement Fund

The Capital Improvement Fund accounts for capital projects or capital outlay not accounted for in other City funds and receives most of its revenue from the General Fund. Most of the funds \$10,945,868 expenditures, were spent on street and street-related improvements (\$10,784,306). The remaining \$161,152 was spent on gateway monumentation design at the entrance to the City off I-25. The Capital Improvement Fund was supported by a transfer from the General Fund (\$10,105,000) and a contribution from Douglas County (\$3,000,000). Fund balance increased \$2,172,072, going from \$3,790,422 to \$5,962,494.

BUDGETARY HIGHLIGHTS

General Fund

Overall, actual revenues (\$16,134,394) are lower than the budgeted amount (\$17,493,000) by \$1,358,606.

Tax revenue is \$122,371 lower than the budgeted amount. The biggest contributing factor to the negative budget variance is from construction materials use tax revenue, which is \$720,252, lower than budget expectations (an unexpected decline in new home construction activity previously discussed in this management's discussion and analysis). This is offset by sales tax revenue, which exceeds its budget by \$543,674, and by positive budget variances in other tax revenues.

Charges for services revenue is \$816,832 lower than the budgeted amount. Again, the biggest contributing factor to this negative variance is the unexpected decline in new home construction and other development-related activity. Negative budget variances existed in building permit fee revenue, planning and zoning fee revenue, and public works fee revenue: \$635,891, \$65,909, and \$79,514, respectively.

There is a negative budget variance for investment income (expense) of \$434,486, as explained below. Actual investment income is negative (expense) due to a decrease in the market value of the City's investments that must be recorded for accounting purposes. The investment income budget is \$80,000; however, investment earnings of \$253,111 are offset by a decrease in the market value of investment adjustment totaling \$607,597. This decrease is recognized on paper only for accounting purposes and not an actual realized loss because the City holds all investments to maturity.

Total expenditures are lower than the budget by \$1,451,625. Budget savings are realized in Public Works (\$725,437), Community Development (\$562,798), and Economic Development (\$329,641). Public Works savings is the result of reduced spending on routine road repairs due to an increased focus on major road repairs (accounted for in the Capital Improvements Fund). The savings in Community Development and Economic Development are directly related to the same decreases in revenue because of the decrease in new home construction activity: building department services expenditures and construction materials use tax credits.

Capital Improvements Fund

Significant project savings and projects not completed in 2022 (budget carried forward to 2023) resulted in a positive expenditure budget variance in expenditures of \$5,460,432. The negative revenue budget variance of \$440,060 is due to budgeted contributions that were not received because the related expenditures had not occurred.

CAPITAL ASSETS

Information on the City's capital assets can be found in Note 3 on page 16 of this report.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Castle Pines' finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional information can be emailed to information@castlepinesco.gov or mailed to the address below.

City of Castle Pines
Attn: Finance Department
7437 Village Square Drive, Suite 200
Castle Pines, CO, 80108

Basic Financial Statements

City of Castle Pines, Colorado
Statement of Net Position
December 31, 2022

	Governmental Activities
Assets	
Cash and investments	\$ 14,900,126
Accounts receivable	1,234,060
Property taxes receivable	1,199,611
Interest receivable	36,614
Prepaid expenses	75,841
Other assets	2,923
Capital assets, not being depreciated	3,318,141
Capital assets, net of accumulated depreciation	62,053,149
Net pension asset	105,178
Total assets	82,925,643
 Deferred Outflows of Resources	
Deferred outflows related to pension	260,976
Deferred outflows related to OPEB	46,623
Total deferred outflows of resources	307,599
Total assets and deferred outflows of resources	\$ 83,233,242
 Current Liabilities	
Accounts payable	\$ 2,126,008
Accrued liabilities	1,359,612
Unearned revenue	6,835
Deposits held	58,682
Net OPEB liability	81,107
Total current liabilities	3,632,244
 Noncurrent Liabilities	
Due in one year	82,803
Due in more than one year	448,423
Total long-term liabilities	531,226
 Deferred Inflows of Resources	
Property tax revenue	1,199,611
Deferred inflows related to pension	911,565
Deferred inflows related to OPEB	28,652
Total deferred inflows of resources	2,139,828
 Net Position	
Investment in capital assets	65,371,290
Restricted for:	
Emergencies	587,184
Parks and open space	332,402
Unrestricted:	10,639,068
Total net position	76,929,944
Total liabilities, deferred inflow of resources and net position	\$ 83,233,242

The accompanying notes are an integral part of these financial statements

City of Castle Pines, Colorado
Statement of Activities
For the Year Ended December 31, 2022

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense)</u> <u>Revenue and</u> <u>Change in</u> <u>Net Position</u>
		<u>Charges for</u> <u>Services</u>	<u>Operating</u> <u>Grants and</u> <u>Contributions</u>	<u>Capital</u> <u>Grants and</u> <u>Contributions</u>	<u>Governmental</u> <u>Activities</u>
Primary government:					
Governmental activities:					
General government	\$ 1,907,045	\$ 229,577	\$ -	\$ -	\$ (1,677,468)
Public safety	1,240,832	-	-	-	(1,240,832)
Public works	5,819,225	436,351	290,693	4,352,639	(739,542)
Parks and recreation	1,110,447	70,885	71,871	-	(967,691)
Community development	3,134,470	2,021,962	-	-	(1,112,508)
Total Governmental Activities	<u>13,212,019</u>	<u>2,758,775</u>	<u>362,564</u>	<u>4,352,639</u>	<u>(5,738,041)</u>
					1,146,292
					101,377
					4,252,574
					4,586,686
					669,184
					(354,486)
					69,654
					<u>1,627,524</u>
					12,098,805
					<u>6,360,764</u>
					<u>70,569,180</u>
					<u>\$ 76,929,944</u>

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

City of Castle Pines, Colorado
Governmental Funds Balance Sheet
December 31, 2022

	General	Capital Improvement	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and investments	\$ 3,876,997	\$ 7,000,781	\$ 4,022,348	\$ 14,900,126
Prepaid expenses	75,841	-	-	75,841
Other assets	2,923	-	-	2,923
Accounts receivable	1,071,183	162,877	-	1,234,060
Interest receivable	36,614	-	-	36,614
Property tax receivable	1,199,611	-	-	1,199,611
Total assets	\$ 6,263,169	\$ 7,163,658	\$ 4,022,348	\$ 17,449,175
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	\$ 1,416,507	\$ 671,707	\$ 37,794	\$ 2,126,008
Accrued liabilities	830,155	529,457	-	1,359,612
Unearned revenue	6,835	-	-	6,835
Deposits held	58,682	-	-	58,682
Total Liabilities	2,312,179	1,201,164	37,794	3,551,137
Deferred Inflows of Resources				
Property taxes	1,199,611	-	-	1,199,611
Total deferred inflows of resources Fund Balances	1,199,611	-	-	1,199,611
Nonspendable:				
Prepaid expenses	75,841	-	-	75,841
Restricted:				
Emergency reserve	587,184	-	-	587,184
Parks and open spaces	-	-	332,402	332,402
Assigned	-	5,962,494	3,652,152	9,614,646
Unassigned	2,088,354	-	-	2,088,354
Total Fund Balances	2,751,379	5,962,494	3,984,554	12,698,427
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 6,263,169	\$ 7,163,658	\$ 4,022,348	\$ 17,449,175

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

City of Castle Pines, Colorado
Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
December 31, 2022

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

Total fund balance - governmental fund	\$ 12,698,427
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds.	65,371,290
Other long-term assets are not available to pay for current-period expenditures, and, therefore, are unavailable in the governmental funds.	
Net pension assets	105,178
Deferred outflows are not current assets or financial resources; and deferred inflows are not due and payable in the current period and therefore are not reported in governmental funds.	
Deferred outflows related to pension	260,976
Deferred outflows related to OPEB	46,623
Deferred inflows related to pension	(911,565)
Deferred inflows related to OPEB	(28,652)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds balance sheet. Long-term liabilities at year end consist of:	
Lease liability, including accrued interest	(482,323)
Net OPEB liability	(81,107)
Accrued compensated absences	<u>(48,903)</u>
Total net position - governmental activities	<u>\$ 76,929,944</u>

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

City of Castle Pines, Colorado
Combined Statement of Revenues, Expenditures
and Changes in Fund Balances
For the Year Ended December 31, 2022

	General	Capital Improvements	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 10,086,929	\$ -	-	\$ 10,086,929
Franchise fees	669,184	-	-	669,184
Licenses and permits	335,844	-	-	335,844
Charges for services	2,252,568	-	70,885	2,323,453
Fines and forfeitures	99,478	-	-	99,478
Intergovernmental	2,988,163	3,000,000	354,565	6,342,728
Investment income (loss)	(354,486)	-	-	(354,486)
Other	56,714	12,940	-	69,654
Total Revenues	<u>16,134,394</u>	<u>3,012,940</u>	<u>425,450</u>	<u>19,572,784</u>
Expenditures:				
General government	1,906,636	-	-	1,906,636
Public safety	1,240,832	-	-	1,240,832
Public works	2,083,463	333,654	279,090	2,696,207
Parks and recreation	306,049	-	584,831	890,880
Community development	3,183,161	-	-	3,183,161
Capital Outlay	78,834	10,612,214	124,253	10,815,301
Total Expenditures	<u>8,798,975</u>	<u>10,945,868</u>	<u>988,174</u>	<u>20,733,017</u>
Transfers:				
Parks and Recreation	(481,199)	-	481,199	-
Capital Improvements Fund	(10,105,000)	10,105,000	-	-
Total Transfers	<u>(10,586,199)</u>	<u>10,105,000</u>	<u>481,199</u>	<u>-</u>
Net change in fund balances	(3,250,780)	2,172,072	(81,525)	(1,160,233)
Fund balances:				
Beginning of the year	<u>6,002,159</u>	<u>3,790,422</u>	<u>4,066,079</u>	<u>13,858,660</u>
End of the year	<u>\$ 2,751,379</u>	<u>\$ 5,962,494</u>	<u>\$ 3,984,554</u>	<u>\$ 12,698,427</u>

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

City of Castle Pines, Colorado
Reconciliation of Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended December 31, 2022

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

Net changes in fund balances of governmental funds	\$ (1,160,233)
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Capital outlays to purchase or construct capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized in the statement of net position and are allocated over their estimated useful lives as annual depreciation expense in the statement of activities.

Capital outlay	\$ 10,815,301
Depreciation expense	(3,425,364)

The repayment of the principal of long-term debt consumes the current financial resources of governmental funds, but does not have an effect on net position in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal repayment of long-term debt	26,909
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Changes in the City's net pension liability, net OPEB liability, deferred outflows of resources and deferred inflows of resources related to the City's pension and OPEB plans for the current year do not require the use of current financial resources, and therefore, are not reported as expenditures in the governmental fund financial statements

233,588

Some revenue and expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as revenue or expenditures in the governmental funds.

Amortization of right-to-use asset	(80,534)
Increase in compensated absences	(48,903)

Change in Net Position of Governmental Activities	<u>\$ 6,360,764</u>
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The accompanying notes are an integral part of these financial statements.

City of Castle Pines, Colorado

Notes to Financial Statements

December 31, 2022

1. Summary of Significant Accounting Policies

The City of Castle Pines (the “City”) was incorporated on February 12, 2008, as a statutory municipality as defined in State statutes. On May 14, 2019, residents voted in support of changing the City’s government structure to Home Rule and the City became the 102nd home rule municipality in Colorado. The City is governed by a Mayor and six-member council elected by the residents.

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City’s accounting policies are described below.

Reporting Entity

The financial reporting entity consists of the City, organizations for which the City is financially accountable, and organizations that raise and hold economic resources for the direct benefit of the City. All funds, organizations, institutions, agencies, departments and offices that are not legally separate are part of the City. Legally separate organizations for which the City is financially accountable are considered part of the reporting entity. Financial accountability exists if the City appoints a voting majority of the organization’s governing board and is able to impose its will on the organization, or if the organization provides benefits to, or imposes financial burdens, on the City.

Based on the application of this criteria, the City does not include additional organizations within its reporting entity.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the City. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported in a single column.

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

City of Castle Pines, Colorado
Notes to Financial Statements (continued)
December 31, 2022

1. Summary of Significant Accounting Policies (continued)

revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

Separate financial statements are provided for the governmental funds. Major individual governmental funds are reported in separate columns. The nonmajor funds are combined in a column in the fund financial statements and are detailed in the combining section of the report.

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 the liability is incurred, regardless of the timing of related cash flows.

Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current year. Taxes and intergovernmental revenues associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. All other revenues are considered to be measurable and available only when cash is received by the City. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

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

In the fund financial statements, the City reports the following major governmental funds:

General Fund - The City's primary operating fund. It is currently used to account for the general financial activities of the City.

Capital Improvements Fund – Acts as a repository to set aside funds for future capital improvements or acquisitions.

City of Castle Pines, Colorado
Notes to Financial Statements (continued)
December 31, 2022

1. Summary of Significant Accounting Policies (continued)

Budgets

In accordance with the State Budget Law, the City Council holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and other financing uses level and lapses at year end. The City Council can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting, unless otherwise indicated.

On or before September 30, the City staff submits to the Council a proposed budget for the next fiscal year commencing the following January 1. The budget includes proposed expenditures and the means of financing them. A public hearing is conducted by the City Council to obtain taxpayer comments. State law requires that the City adopt a budget prior to the certification of its mill levy to the county and file a certified copy of its budget with the Division of Local Government within 30 days of such adoption. Failure to do so can result in the County Treasurer withholding future property tax revenues pending compliance by the City. The City filed the certified copy of its budget timely for 2023.

Assets, Liabilities and Net Position/Fund Balance

Cash and Investments

Investments are reported at fair value.

Receivables

Receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Prepaid Expenses

Certain payments to vendors reflect costs applicable to future years and are reported as prepaid expenses.

Capital Assets

Capital assets, which include equipment, land, park improvements, and all infrastructure assets owned by the City, are reported in the government-wide financial statements. Infrastructure assets include streets, curbs and sidewalks, and drainage and traffic systems. Land and infrastructure assets were donated to the City by Douglas County upon the City's incorporation. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at

City of Castle Pines, Colorado
Notes to Financial Statements (continued)
December 31, 2022

1. Summary of Significant Accounting Policies (continued)

historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Infrastructure	15 to 30 years
Park Improvements	20 years
Buildings and Improvements	20 to 30 years
Equipment	3 to 10 years
Vehicles	3 to 5 years

Deferred Inflows of Resources

Deferred inflows of resources include property taxes earned but levied for a subsequent year and license fees received but not yet earned. It also includes pension contributions received but applicable to a subsequent year.

Leases

The City is a lessee for noncancellable leases of equipment and office spaces. The City recognizes a lease liability, reported with long-term debt, and a right-to-use lease asset (lease asset), reported with other capital assets, in the government-wide statements.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the lease term or its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses the risk-free rate equivalent to the U.S. Treasury rate.
- The lease term includes the noncancellable period of the lease.
- Lease payments included in the measurement of the lease liability are composed of

City of Castle Pines, Colorado
Notes to Financial Statements (continued)
December 31, 2022

1. Summary of Significant Accounting Policies (continued)

fixed payments, variable payments fixed in substance or that depend on an index or a rate, purchase option price that the City is reasonably certain to exercise, lease incentives receivable from the lessor, and any other payments that are reasonably certain of being required based on an assessment of all relevant factors.

The City monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Compensated Absences

Full-time employees are allowed to accumulate from 10 to 25 days of unused vacation time, dependent upon years of service, which must be used within the first three months of the subsequent year. Upon separation of employment, employees will be compensated for any unused vacation time. These compensated absences are recognized as current salary costs when paid in the governmental fund.

Net Position/Fund Balance

In the government-wide and fund financial statements, net position and fund balance are restricted when constraints placed on the use of resources are externally imposed. The City has not established a formal policy for its use of restricted and unrestricted fund balance. However, when an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the City considers restricted fund balances to have been spent first.

Fund Equity

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned.

Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

- *Nonspendable fund balance*- The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.
- *Restricted fund balance* - The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as

City of Castle Pines, Colorado
Notes to Financial Statements (continued)
December 31, 2022

1. Summary of Significant Accounting Policies (continued)

bondholders), constitutional provisions, or enabling legislation.

- *Committed fund balance*- The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the City Council. The constraint may be removed or changed only through formal action of the City Council.

- *Assigned fund balance* - The portion of fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the City Council to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

- *Unassigned fund balance*- The residual portion of fund balance that does not meet any of the criteria described above.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District's policy to use the most restrictive classification first.

Property Taxes

Property taxes attach as an enforceable lien on property on January 1, are levied the following December, and are collected in the subsequent year. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer's Office collects property taxes and remits to the City on a monthly basis.

Pensions

The City 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 (FNP) and additions to/deductions from the FNP 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.

City of Castle Pines, Colorado

Notes to Financial Statements (continued)

December 31, 2022

1. Summary of Significant Accounting Policies (continued)

Investments are reported at fair value.

Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City maintains commercial insurance for these risks of loss.

New Accounting Pronouncements

The City implemented Governmental Accounting Standards Board (GASB) Statement No. 87, Leases on January 1, 2022. GASB Statement No. 87 enhances the relevance and consistency of information of the government's leasing activities. It established requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a right of use asset and a lease liability. These changes were incorporated in the District's 2022 financial resulting in a right to use asset and liability in the amount of \$509,233 at January 1, 2022.

2. Cash and Investments

Cash Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is specified by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The State Regulatory Commissions for banks and savings and loan associations are required by Statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City has a policy of limiting custodial credit risks by assuring that deposits are only made in eligible public depositories. As of December 31, 2022, none of the City's deposits are deemed to be exposed to custodial credit risk.

The City's deposits as of December 31, 2022 are shown below.

City of Castle Pines, Colorado
Notes to Financial Statements (continued)
December 31, 2022

2. Cash and Investments (continued)

Cash balances and investments:

	Bank Balance	Carrying Balance
Insured (FDIC)	\$ 25	\$ -
Collateralized by securities held by the pledging financial institution's trust department or agent in the City's name	14,900,126	14,900,126
Total cash and investments	\$ 14,900,151	\$ 14,900,126

Investments - Colorado statutes specify in which instruments the local government may invest, which include:

1. Repurchase agreements in obligations of the United States;
2. Obligations of the United States or obligations unconditionally guaranteed by the United States;
3. General obligation or revenue bonds of any state, District of Columbia, US territory or any of their subdivisions, with certain limitations;
4. Bankers acceptance issued by a state or national bank, with certain limitations;
5. Commercial paper, with certain limitations;
6. Any obligation, certificate of participation or lease/purchase of the investing public entity;
7. Money market funds, with certain limitations, which invest in the types of securities listed above;
8. Guaranteed investment contracts, with other certain limitations;
9. Participation with other local governments in pooled investment funds (trusts). These trusts are supervised by participating governments, and must comply with the same restrictions on cash deposits and investments. These trusts are "Colotrust" and "CSAFE".

At December 31, 2022, the District had the following investments reported as cash and investments:

City of Castle Pines, Colorado
Notes to Financial Statements (continued)
December 31, 2022

2. Cash and Investments (continued)

Investment	Rating	Investment Maturities (in Years)		
		Less than 1	1 to Less than 5	Total
Money Market Funds		\$ 4,542	\$ -	\$ 4,542
U.S. Treasury Securities		2,456,735	2,795,095	5,251,830
U.S. Government Bonds	AAA	1,965,770	5,202,410	7,168,180
CSAFE - Investments		-	2,475,574	2,475,574
		\$ 4,427,047	\$ 10,473,079	\$ 14,900,126

Fair Value Measurement and Application

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs. All current investments measured at fair value are Level 1. Investments not measured at fair value and not categorized include governmental money market funds (Dreyfus Government Cash Management Income Reinvested) and CSAFE (which are recorded at amortized cost).

CSAFE

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all state statutes governing the Trust. The Trust is similar to a money market fund, with each share valued at \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds, and highest rated commercial paper. A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE is rated AAAM by Standard & Poor's, CSAFE records its investments at amortized cost and the District records its investments in CSAFE using at net asset value as determined by amortized cost. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

City of Castle Pines, Colorado
Notes to Financial Statements (continued)
December 31, 2022

3. Capital Assets

An analysis of the changes in net capital assets for the year ended December 31, 2022 follows:

	<u>Balance at December 31, 2021</u>	<u>Additions</u>	<u>Retirements/ Transfers</u>	<u>Balance at December 31, 2022</u>
Capital assets, not being depreciated				
Land	\$ 1,673,843	\$ 111,739	\$ 75,641	\$ 1,861,223
Construction in progress	<u>2,953,614</u>	<u>979,372</u>	<u>(2,476,068)</u>	<u>1,456,918</u>
Total capital assets, not being depreciated	<u>4,627,457</u>	<u>1,091,111</u>	<u>(2,400,427)</u>	<u>3,318,141</u>
Capital assets, being depreciated				
Infrastructure	85,322,177	12,044,353	(75,641)	97,290,889
Buildings and improvements	4,741,538	-	-	4,741,538
Vehicles and equipment	1,164,320	155,906	-	1,320,226
Right-to-use assets	<u>-</u>	<u>509,232</u>	<u>-</u>	<u>509,232</u>
Total capital assets, being depreciated	<u>91,228,035</u>	<u>12,709,491</u>	<u>(75,641)</u>	<u>103,861,885</u>
Less accumulated depreciation/amortization for:				
Infrastructure	(34,891,780)	(3,157,556)	-	(38,049,336)
Buildings and improvements	(2,315,955)	(235,063)	-	(2,551,018)
Vehicles and equipment	(1,095,104)	(32,746)	-	(1,127,850)
Right-to-use assets	<u>-</u>	<u>(80,532)</u>	<u>-</u>	<u>(80,532)</u>
Accumulated depreciation/amortization	<u>(38,302,839)</u>	<u>(3,505,897)</u>	<u>-</u>	<u>(41,808,736)</u>
Total capital assets, being depreciated/amortized, net	<u>52,925,196</u>	<u>9,203,594</u>	<u>(75,641)</u>	<u>62,053,149</u>
Total capital assets, net	<u>\$ 57,552,653</u>	<u>\$ 10,294,705</u>	<u>\$ (2,476,068)</u>	<u>\$ 65,371,290</u>

Depreciation expense for the year ended December 31, 2022 was charged to the following programs of the City:

General Government	\$ 89,638
Public Works	3,168,298
Parks and Recreation	<u>247,961</u>
Total	<u>\$ 3,505,897</u>

City of Castle Pines, Colorado
Notes to Financial Statements (continued)
December 31, 2022

4. Long-term Liabilities

The following is an analysis of the City's change in long-term obligations:

	<u>Balance at December 31, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at December 31, 2022</u>	<u>Amounts Due Within One Year</u>
Right-to-use lease liabilities	\$ -	\$ 509,232	\$ (26,909)	\$ 482,323	\$ 82,181
Compensated absences	-	48,903	-	48,903	-
Total Long-Term Debt	<u>\$ -</u>	<u>\$ 558,135</u>	<u>\$ (26,909)</u>	<u>\$ 531,226</u>	<u>\$ 82,181</u>

Right-to-use lease liability

The City has entered into a lease agreement allowing the right-to-use property over the term of the lease. The City is required to make monthly payments at its incremental borrowing rate, or the interest rate stated or implied within the lease.

The lease rate, term and ending lease liability are as follows:

	<u>Interest rate</u>	<u>Commencement</u>	<u>Term in</u>	<u>Balance</u>
Leased real estate	1.55%	\$ 509,232	6.1	\$ 482,233

The value of the right-to-use asset as of December 31, 2022 was \$428,700, including accumulated amortization of \$80,532.

The future minimum lease payments under non-cancelable leases as of December 31, 2022 are as follows:

	<u>Operating leases</u>
2023	\$ 88,999
2024	96,589
2025	99,461
2026	102,446
2027	105,515
2028	8,922
Less: imputed interest	(19,609)
Total future minimum lease payments	<u>\$ 482,323</u>
Lease commitments - current portion	\$ 82,181
Lease commitments - Long-term portion	400,142
Total	<u>\$ 482,323</u>

City of Castle Pines, Colorado
Notes to Financial Statements (continued)
December 31, 2022

5. Retirement Commitments

Defined Benefit Pension Plan

Plan Description

Eligible employees of The City are provided with pensions through the LGDTF—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 (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided as of December 31, 2022

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 C.R.S. § 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% and then multiplied by years of service credit.
- The value of the retiring employee's member contribution account plus a 100% 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.

The lifetime retirement benefit for all eligible retiring employees under the Denver Public Schools (DPS) benefit structure is the greater of the:

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit.
- \$15 times the first 10 years of service credit plus \$20 times service credit over 10 years plus a monthly amount equal to the annuitized member contribution account balance based on life expectancy and other actuarial factors.

In all cases the service retirement benefit is limited to 100% 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% or 100% 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.

City of Castle Pines, Colorado
Notes to Financial Statements (continued)
December 31, 2022

5. Retirement Commitments (continued)

Upon meeting certain criteria, benefit recipients who elect to receive a lifetime retirement benefit generally receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Subject to the automatic adjustment provision (AAP) under C.R.S. § 24-51-413, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, and all eligible benefit recipients of the DPS benefit structure will receive the maximum annual increase (AI) or AI cap of 1.00% unless adjusted by the AAP. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lesser of an annual increase of the 1.00% AI cap or the average increase of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed a determined increase that would exhaust 10% of PERA’s Annual Increase Reserve (AIR) for the LGDTF. The AAP may raise or lower the aforementioned AI cap by up to 0.25% based on the parameters specified in C.R.S. § 24-51-413.

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. For State Troopers whose disability is caused by an on- the-job injury, the five-year service requirement is waived and they are immediately eligible to apply for disability benefits. 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.

Contributions provisions as of December 31, 2022

Eligible employees of The City and the State are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements for the LGDTF are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Employee contribution rates for the period of January 1, 2022, through December 31, 2022, are summarized in the table below:

	January 1, 2022 Through June 30, 2022	July 1, 2022 Through December 31, 2022
Employee contribution (all employees)	8.50%	9.00%

**Contribution rates for the LGDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

City of Castle Pines, Colorado
Notes to Financial Statements (continued)
December 31, 2022

5. Retirement Commitments (continued)

The employer contribution requirements for all employees are summarized in the table below:

	January 1, 2022 Through June 30, 2022	July 1, 2022 Through December 31, 2022
Employer contribution rate	10.50%	11.00%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02%)	(1.02%)
Amount apportioned to the LGDTF	9.48%	9.98%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	2.20%	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	1.50%	1.50%
Defined Contribution Supplement as specified in C.R.S. § 24-51-415	0.03%	0.03%
Total employer contribution rate to the LGDTF	13.21%	13.71%

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and The City is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the City were \$134,034 for the year ended December 31, 2022.

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

At December 31, 2022, the City reported an asset of \$105,178 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2021, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2020, using standard roll-forward techniques to determine the liability as of December 31, 2021. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At December 31, 2021, the City's proportion was approximately 0.12 percent.

For the year ended December 31, 2022, the City recognized a pension benefit of \$(99,138). At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

City of Castle Pines, Colorado
Notes to Financial Statements (continued)
December 31, 2022

5. Retirement Commitments (continued)

	<u>Deferred Outflows Of Resources</u>	<u>Deferred Inflows Of Resources</u>
Differences between expected and actual experience	\$ 5,140	\$ 1,757
Changes of assumptions or other inputs	35,653	-
Net difference between projected and actual earnings on pension plan investments	-	909,808
Changes in proportion and differences between contributions recognized and proportionate share of contributions	86,149	-
Contributions subsequent to the measurement date	134,034	-
Total	<u>\$ 260,976</u>	<u>\$ 911,565</u>

The \$134,034 of deferred outflows of resources resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction (increase) of the net pension liability (asset) in the year ending December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	
2023	\$ (121,069)
2024	(333,634)
2025	(219,517)
2026	(110,402)
Total	<u>\$ (784,623)</u>

Actuarial Assumptions

The total pension asset in the December 31, 2020 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

City of Castle Pines, Colorado
Notes to Financial Statements (continued)
December 31, 2022

5. Retirement Commitments (continued)

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.20%–11.30%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (compounded annually)	1.00%
PERA benefit structure hired after 12/31/06 ¹	Financed by the AIR

¹ Post-retirement benefit increases are provided by the AIR, accounted separately within each Division Trust Fund, and subject to moneys being available; therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

The total pension liability as of December 31, 2021, includes the anticipated adjustments to contribution rates and the annual increase cap, resulting from the 2020 automatic adjustment provision (AAP) assessment, statutorily recognized July 1, 2021, and effective July 1, 2022.

The mortality tables described below are generational mortality tables developed on a benefit-weighted basis.

Pre-retirement mortality assumptions for members were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

- **Males:** 94% of the rates prior to age 80 and 90% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- **Females:** 87% of the rates prior to age 80 and 107% of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

City of Castle Pines, Colorado
Notes to Financial Statements (continued)
December 31, 2022

5. Retirement Commitments (continued)

- **Males:** 97% of the rates for all ages, with generational projection using scale MP-2019.
- **Females:** 105% of the rates for all ages, with generational projection using scale MP-2019.

Disabled mortality assumptions for members were based upon the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

Several factor are considered in evaluating the long-term rate of return assumption, 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 percentages and then adding expected inflation.

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board’s November 15, 2019, meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-rate of return, the target asset allocation and best estimates of geometric real rates of returns for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives	6.00%	4.70%
Total	100.00%	

City of Castle Pines, Colorado
Notes to Financial Statements (continued)
December 31, 2022

5. Retirement Commitments (continued)

Note: 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 nominal rate of return assumption of 7.25%.

Discount rate

The discount rate used to measure the total pension liability was 7.25 percent. The basis for the projection of liabilities and the FNP used to determine the discount rate was an actuarial valuation performed as of December 31, 2020, and the financial status of the Trust Fund as of the prior measurement date (December 31, 2020). 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 3.00 percent.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the required adjustments resulting from the 2018 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. 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 the required adjustments resulting from the 2018 AAP assessment, and the additional 0.50%, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103 percent, at which point the AED and SAED will each drop 0.50 percent every year until they are zero. Additionally, estimated employer contributions reflect 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.

City of Castle Pines, Colorado
Notes to Financial Statements (continued)
December 31, 2022

5. Retirement Commitments (continued)

- The AIR balance was excluded from the initial FNP, 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 FNP position and the subsequent AIR benefit payments were estimated and included in the projections.
- The projected benefit payments reflect the lowered annual increase cap, from 1.25% to 1.00%, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the Trust Fund’s FNP 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 proportionate share of the net pension liability to changes in the discount rate

The following presents the Trust Fund’s proportionate share of the net pension liability (asset) calculated using the discount rate of 7.25 percent, as well as what the 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:

	1% Decrease	Current Discount	1% Increase (8.25%)
Proportionate share of the net pension liability (asset)	\$721,160	\$(105,178)	\$(796,373)

Pension plan fiduciary net position

Detailed information about the LGDTF’s fiduciary net position is available in PERA’s Annual Report which can be obtained at www.copera.org/investments/pera-financial-reports.

Defined Contribution Pension Plan

Plan Description

Employees of the City that are also members of the LGDTF may voluntarily contribute to the

City of Castle Pines, Colorado
Notes to Financial Statements (continued)
December 31, 2022

5. Retirement Commitments (continued)

Voluntary Investment Program, an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the CRS, as amended, assigns the authority to establish the Plan provisions to the State Legislature. PERA issues a publicly available annual financial report for the Plan. That report may be obtained as described previously.

Funding Policy

The Plan is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the CRS, as amended. In addition, the City has agreed to match employee contributions up to 5% of covered salaries. Forfeitures are used to pay expenses of the PERA defined contribution plan in accordance with PERA Rule 16.80 as adopted by the PERA Board of Trustees in accordance with Title 24, Article 51, Section 204 of the Colorado Revised Statutes. For the year ended December 31, 2022, the City contributed \$13,537 and Plan members contributed \$11,957 to the Plan.

6. Post-Employment Benefits

Summary of Significant Accounting Policies OPEB

The City 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 (FNP) and additions to/deductions from the FNP 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.

General Information about the OPEB Plan

Eligible employees of the City 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 (C.R.S.), as amended. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. Title 24, Article 51, Part 12 of the C.R.S., 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

City of Castle Pines, Colorado
Notes to Financial Statements (continued)
December 31, 2022

6. Post-Employment Benefits (continued)

available comprehensive annual financial report that can be obtained at www.copera.org/investments/pera-financial-reports.

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 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.

C.R.S. § 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.

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 maximum subsidy, in each case, is for retirees 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 retiree pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For retirees who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, the HCTF or the DPS HCTF pays an alternate service-based premium subsidy. Each individual retiree meeting these conditions receives the maximum \$230 per month subsidy reduced appropriately for service less than 20 years, as described above. Retirees who do not have Medicare Part A pay the difference between the total premium and the monthly subsidy.

City of Castle Pines, Colorado
Notes to Financial Statements (continued)
December 31, 2022

6. Post-Employment Benefits (continued)

Contributions. Pursuant to Title 24, Article 51, Section 208(1)(f) of the C.R.S., 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 City is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the City were \$9,122 for the year ended December 31, 2022.

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

At December 31, 2022, the City reported a liability of \$81,107 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2021.

The City's proportion of the net OPEB liability was based on the City's contributions to the HCTF for the calendar year 2021 relative to the total contributions of participating employers to the HCTF. At December 31, 2021, the City's proportion was 0.009 percent.

For the year ended December 31, 2022, the City recognized OPEB expense of \$7,739. At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Differences between expected and actual experience	\$ 124	\$ 19,232
Changes of assumptions or other inputs	1,679	4,400
Net difference between projected and actual earnings on pension plan investments	-	5,021
Changes in proportion and differences between contributions recognized and proportionate share of contributions	35,202	-
Contributions subsequent to the measurement date	9,619	-
Total	\$ 46,623	\$ 28,652

\$9,619 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction (increase) of the net OPEB liability (asset) in the year ended December 31, 2023. Other amounts reported

City of Castle Pines, Colorado
Notes to Financial Statements (continued)
December 31, 2022

6. Post-Employment Benefits (continued)

as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending December 31,</u>		
2023	\$	2,180
2024		1,509
2025		1,192
2026		1,854
2027		1,619
<u>Total</u>	<u>\$</u>	<u>8,353</u>

Actuarial assumptions

The December 31, 2020, valuation used the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.20% - 11.30%
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	4.50% in 2021, 6.00% in 2022 gradually decreasing to 4.50% in 2029
Medicare Part A premiums	3.75% in 2021, gradually increasing to 4.50% in 2029
DPS benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

City of Castle Pines, Colorado
Notes to Financial Statements (continued)
December 31, 2022

6. Post-Employment Benefits (continued)

In determining the additional liability for PERACare enrollees who are age 65 or older and who are not eligible for premium-free Medicare Part A in the December 31, 2020, valuation, the following monthly costs/premiums (actual dollars) are assumed for 2021 for the PERA Benefit Structure:

Medicare Plan	Initial Costs for Members without Medicare Part A		
	Monthly Cost	Monthly Premium	Monthly Cost Adjusted to Age 65
Medicare Advantage/Self-Insured Rx	\$633	\$230	\$591
Kaiser Permanente Medicare Advantage HMO	\$596	\$199	\$562

The 2021 Medicare Part A premium is \$471 (actual dollars) per month.

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 industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2020, 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.

City of Castle Pines, Colorado
Notes to Financial Statements (continued)
December 31, 2022

6. Post-Employment Benefits (continued)

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

<u>Year</u>	<u>PERACare Medicare Plans</u>	<u>Medicare Part A Premiums</u>
2021	4.50%	3.75%
2022	6.00%	3.75%
2023	5.80%	4.00%
2024	5.60%	4.00%
2025	5.40%	4.00%
2026	5.10%	4.25%
2027	4.90%	4.25%
2028	4.70%	4.25%
2029+	4.50%	4.50%

Mortality assumptions used in the December 31, 2020 valuation for the Division Trust Funds as shown below, reflect generational mortality and were applied, as applicable, in the December 31, 2020, valuation for the Trust Fund, but developed on a headcount-weighted basis. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

Pre-retirement mortality assumptions for the State and Local Government Divisions were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the State and Local Government Divisions were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

- **Males:** 94% of the rates prior to age 80 and 90% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- **Females:** 87% of the rates prior to age 80 and 107% of the rates for ages 80 and older, with generational projection using scale MP-2019.

Disabled mortality assumptions for members were based upon the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.

The mortality tables described above are generational mortality tables developed on a head-count weighted basis.

City of Castle Pines, Colorado
Notes to Financial Statements (continued)
December 31, 2022

6. Post-Employment Benefits (continued)

The following health care costs assumptions were updated and used in the roll forward calculation for the Trust Fund:

- 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 2021 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.

Actuarial assumptions pertaining to per capita health care costs and their related trend rates are analyzed and updated annually by the Board's actuary, as discussed above.

The actuarial assumptions used in the December 31, 2020, valuations were based on the 2020 experience analysis, dated October 28, 2020, and November 4, 2020, for the period January 1, 2016, through December 31, 2019. Revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

Several factors are considered in evaluating the long-term rate of return assumption, 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 percentages and then adding expected inflation.

The PERA Board first adopted the 7.25 percent long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

City of Castle Pines, Colorado
Notes to Financial Statements (continued)
December 31, 2022

6. Post-Employment Benefits (continued)

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives	6.00%	4.70%
Total	100.00%	

Note: 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 nominal rate of return assumption of 7.25 percent.

Sensitivity of the City’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
Initial PERACare Medicare trend rate	3.50%	4.50%	5.50%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$ 78,778	\$ 81,107	\$ 83,806

Discount rate.

The discount rate used to measure the total OPEB liability was 7.25 percent. The basis for the projection of liabilities and the FNP used to determine the discount rate was an actuarial valuation performed as of December 31, 2020, and the financial status of the Trust Fund as of the prior measurement date (December 31, 2020). 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, 2021, measurement date.

City of Castle Pines, Colorado
Notes to Financial Statements (continued)
December 31, 2022

6. Post-Employment Benefits (continued)

- 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 3.00 percent.
- 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.
- 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.
- Estimated transfers of dollars into the Trust Fund representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the Trust Fund’s FNP 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. There was no change in the discount rate from the prior measurement date.

Sensitivity of the City’s proportionate share of the net OPEB liability to changes in the discount rate

The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net OPEB 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:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$94,198	\$81,107	\$69,926

OPEB plan fiduciary net position. Detailed information about the HCTF’s fiduciary net position is available in PERA’s Annual Report which can be obtained at www.copera.org/investments/pera-financial-reports.

City of Castle Pines, Colorado
Notes to Financial Statements (continued)
December 31, 2022

7. Intergovernmental Agreements

In 2022, the City and North Pine Vistas Metropolitan Districts Nos. 1-3 (NPVMD) entered into an Intergovernmental Agreement to transition trail and open space maintenance responsibilities, including funding, from the NPVMD to the City. A special revenue fund was established to account for this activity.

In addition, the City is working with Castle Pines North Metro District (CPNMD) to transition responsibility for parks, recreation, trails, and open space, including funding, from the CPNMD to the City. The City is also gearing up to significantly enhance its stormwater utility function by studying the operational and capital service needs and the funding sources required to meet those needs. As part of this, the City and CPNMD entered into an Intergovernmental Agreement to transition the stormwater utility services provided by the CPNMD to the City in 2023.

8. Commitments and Contingencies

The Canyons Annexation and Development Agreement

During 2009, the City approved an annexation and development agreement with the developer of a planned development known as The Canyons. To defray the cost to the City of providing municipal services during the predevelopment phase and to the future development, the developer paid \$1,976,400 to the City during the year ended December 31, 2009, and an additional \$1,000,000 during the year ended December 31, 2013.

As part of the agreement, the City agreed to grant future sales and use tax credits to retailers and building permit applicants within the development. The developer will collect public improvement fees in lieu of the sales and use taxes to finance the construction of infrastructure in the development. \$1,080,874 in use tax credits were paid in 2022.

Claims and Judgements

The City participates in state and local programs that are fully or partially funded by grants received from other governmental entities. Expenses financed by grants are subject to audit by the appropriate grantor government. If expenses are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government. At December 31, 2022, the City believes that any subsequent audits will not have a material effect on the overall financial position of the City.

City of Castle Pines, Colorado
Notes to Financial Statements (continued)
December 31, 2022

8. Commitments and Contingencies (continued)

Tabor Amendment

In November 1992, Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which limits state and local government taxing powers and imposes spending limitations.

Pursuant to the incorporation election held in November, 2007, any proceeds from sales and use taxes, property taxes, and the investment income thereon shall be retained, collected and spent by the City without regard to any spending, revenue-raising or other limitation contained in Article X, Section 20, without limiting in any year the amount of other revenue that may be collected and spent by the City.

In November, 2012, voters within the City authorized the City to retain and spend City revenues derived from any and all sources in excess of the spending or other limitations set forth in Article X, Section 20, beginning with revenues received in 2011. The Amendment is subject to many interpretations, but the City believes it is in substantial compliance with the Amendment.

The City has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2022, the emergency reserve of \$587,184 was reported as restricted fund balance in the General Fund.

City of Castle Pines, Colorado

Required Supplementary Information

City of Castle Pines, Colorado
General Fund
Schedule of Revenues, Expenditures
and Change in Fund Balance—Budget and Actual
For the Year Ended December 31, 2022

	Budgeted		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues				
Taxes	\$ 10,209,300	\$ 10,209,300	\$ 10,086,929	\$ (122,371)
Franchise fees	638,100	638,100	669,184	31,084
Licenses and permits	256,000	256,000	335,844	79,844
Intergovernmental	3,040,200	3,040,200	2,988,163	(52,037)
Charges for services	3,069,400	3,069,400	2,252,568	(816,832)
Fines and forfeitures	200,000	200,000	99,478	(100,522)
Investment income (expense)	80,000	80,000	(354,486)	(434,486)
Other income	-	-	56,714	56,714
Total Revenues	<u>17,493,000</u>	<u>17,493,000</u>	<u>16,134,394</u>	<u>(1,358,606)</u>
Expenditures				
City Council	160,100	160,100	154,383	5,717
City Manager	199,900	273,700	275,964	(2,264)
Inter/Non-Departmental	491,900	360,200	406,541	(46,341)
Legal services	210,000	210,000	197,343	12,657
Communications	144,600	144,600	222,758	(78,158)
Finance	396,500	396,500	362,022	34,478
City Clerk	180,200	238,100	245,905	(7,805)
Municipal Court	41,100	41,100	41,720	(620)
Public safety	1,248,100	1,248,100	1,240,832	7,268
Public works	2,808,900	2,808,900	2,083,463	725,437
Community development	2,472,700	2,472,700	1,909,902	562,798
Economic development	1,602,900	1,602,900	1,273,259	329,641
City events	214,800	214,800	306,049	(91,249)
Capital Outlay	78,900	78,900	78,834	66
Total Expenditures	<u>10,250,600</u>	<u>10,250,600</u>	<u>8,798,975</u>	<u>1,451,625</u>
Excess Of Revenues Over (Under) Expenditures	7,242,400	7,242,400	7,335,419	93,019
Other Financial Sources (Uses)				
Operating Transfers (Out)	(9,180,400)	(10,555,400)	(10,586,199)	(30,799)
Net Change in Fund Balance	(1,938,000)	(3,313,000)	(3,250,780)	62,220
Fund Balance, Beginning of Year	<u>4,692,307</u>	<u>6,002,159</u>	<u>6,002,159</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 2,754,30</u>	<u>\$ 2,689,159</u>	<u>\$ 2,751,379</u>	<u>\$ 62,220</u>

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

City of Castle Pines, Colorado
Retirement Plan Supplementary Information
For the Year Ended December 31, 2022

Schedule of Proportionate Share of the Net Pension and OPEB Liabilities (Assets) and Related Ratios

Colorado PERA - Pension

<u>Year Ending*</u>	<u>Proportion of the Net Pension Liability</u>	<u>Proportionate Share of the Net Pension Liability</u>	<u>Actual Member Payroll</u>	<u>Net Pension Liability as a Percentage of Member Payroll</u>	<u>Fiduciary Net Position as a Percentage of Total Pension Liability</u>
12/31/2015	0.064%	\$ 576,789	\$ 352,618	163.57%	80.72%
12/31/2016	0.066%	\$ 732,317	\$ 377,547	193.97%	76.90%
12/31/2017	0.066%	\$ 897,685	\$ 401,445	223.61%	73.65%
12/31/2018	0.065%	\$ 724,317	\$ 404,528	179.05%	79.40%
12/31/2019	0.070%	\$ 880,318	\$ 471,789	186.59%	75.96%
12/31/2020	0.090%	\$ 659,708	\$ 621,321	106.18%	86.26%
12/31/2021	0.111%	\$ 579,540	\$ 778,311	74.46%	90.88%
12/31/2022	0.123%	\$ (105,178)	\$ 894,316	-11.76%	101.49%

Colorado PERA - OPEB

<u>Year Ending*</u>	<u>Proportion of the Net OPEB Liability</u>	<u>Proportionate Share of the Net OPEB Liability</u>	<u>Actual Member Payroll</u>	<u>OPEB Liability as a Percentage of Member Payroll</u>	<u>Fiduciary Net Position as a Percentage of Total OPEB Liability</u>
12/31/2018	0.005%	\$ 65,694	\$ 404,528	16.24%	17.50%
12/31/2019	0.005%	\$ 73,880	\$ 471,789	15.66%	17.03%
12/31/2020	0.007%	\$ 77,669	\$ 621,321	12.50%	24.49%
12/31/2021	0.008%	\$ 80,592	\$ 778,311	10.35%	32.78%
12/31/2022	0.009%	\$ 81,107	\$ 894,316	9.07%	39.40%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

* The data provided in this schedule is based as of the measurement date of the Authority's net pension liability, which is as of the beginning of the year.

Schedule of Employer Contributions (PERA and OPEB)

<u>Year Ending</u>	<u>Statutorily Required Contributions</u>	<u>Actual Employer Contributions</u>	<u>Contribution Excess/(Deficiency)</u>	<u>Actual Covered Member Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/2013	38,811	38,811	-	\$ 283,293	13.7%
12/31/2014	48,308	48,308	-	\$ 352,618	13.7%
12/31/2015	51,724	51,724	-	\$ 377,547	13.7%
12/31/2016	54,998	54,998	-	\$ 401,445	13.7%
12/31/2017	55,489	55,489	-	\$ 404,528	13.7%
12/31/2018	64,635	64,635	-	\$ 471,789	13.7%
12/31/2019	85,121	85,121	-	\$ 621,321	13.7%
12/31/2020	109,514	109,514	-	\$ 778,311	14.1%
12/31/2021	129,674	129,674	-	\$ 894,316	14.5%
12/31/2022	143,652	143,652	-	\$ 942,991	15.2%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

City of Castle Pines, Colorado

Other Supplementary Information

City of Castle Pines, Colorado
Capital Improvements Fund
Schedule of Revenues, Expenditures
and Change in Fund Balance—Budget and Actual
For the Year Ended December 31, 2022

	Budgeted		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Total Revenues	\$ 3,453,000	\$ 3,453,000	\$ 3,012,940	\$ (440,060)
Expenditures				
Professional services	-	333,700	333,654	46
Capital outlay	11,525,000	16,072,600	10,612,214	5,460,386
Total Expenditures	11,525,000	16,072,600	10,945,868	5,460,432
Excess Of Revenues Over (Under) Expenditures	(8,072,000)	(12,619,600)	(7,932,928)	5,020,372
Other Financial Sources (Uses)				
Operating Transfers In	7,450,000	10,105,000	10,105,000	-
Total Transfers	7,450,000	10,105,000	10,105,000	-
Net Change in Fund Balance	(622,000)	(2,514,600)	2,172,072	5,020,372
Fund Balance, Beginning of Year	717,181	3,790,422	3,790,422	-
Fund Balance, End of Year	\$ 95,181	\$ 1,275,822	\$ 5,962,494	\$ 5,020,372

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

City of Castle Pines, Colorado
Combining Balance Sheet
Other Governmental Funds
December 31, 2022

	Parks & Recreation Fund	Conservation Trust Fund	Community Capital Investment Fund	North Pine Vistas Metro Districts Nos. 1-3 O&M Fund	TOTALS
Assets					
Cash and cash equivalents	\$ 647,946	\$ 328,798	\$ 3,042,000	\$ 3,604	\$ 4,022,348
Total assets	<u>647,946</u>	<u>328,798</u>	<u>3,042,000</u>	<u>3,604</u>	<u>4,022,348</u>
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	37,794	-	-	-	37,794
Total Liabilities	<u>37,794</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,794</u>
Fund Balances					
Restricted	-	328,798		3,604	332,402
Assigned	610,152	-	3,042,000	-	3,652,152
Total Fund Balances	<u>610,152</u>	<u>328,798</u>	<u>3,042,000</u>	<u>3,604</u>	<u>3,984,554</u>
Total Liabilities and Fund Balances	<u>\$ 647,946</u>	<u>\$ 328,798</u>	<u>\$ 3,042,000</u>	<u>\$ 3,604</u>	<u>\$ 4,022,348</u>

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

City of Castle Pines, Colorado
Other Governmental Funds
Combining Statement of Revenues, Expenditures
And Changes in Fund Balances
For the Year Ended December 31, 2022

	Parks & Recreation Fund	Conservation Trust Fund	Community Capital Investment Fund	North Pine Vistas Metro Districts Nos. 1-3 O&M Fund	Totals
Revenues					
Charges for services	\$ 70,885	\$ -	\$ -	\$ -	\$ 70,885
Intergovernmental	<u>-</u>	<u>71,871</u>	<u>-</u>	<u>282,694</u>	<u>354,565</u>
Total Revenues	70,885	71,871	-	282,694	425,450
Expenditures					
Operation and Maintenance	584,831	-	-	279,090	863,921
Capital Outlay	<u>124,253</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>124,253</u>
Total Expenditures	<u>709,084</u>	<u>-</u>	<u>-</u>	<u>279,090</u>	<u>988,174</u>
Transfers	<u>581,199</u>	<u>(100,000)</u>	<u>-</u>	<u>-</u>	<u>481,199</u>
Net changes in fund balances	<u>(57,000)</u>	<u>(28,129)</u>	<u>-</u>	<u>3,604</u>	<u>(81,525)</u>
Fund Balances					
Beginning of the year	<u>667,152</u>	<u>356,927</u>	<u>3,042,000</u>	<u>-</u>	<u>4,066,079</u>
End of the year	<u>\$ 610,152</u>	<u>\$ 328,798</u>	<u>\$ 3,042,000</u>	<u>\$ 3,604</u>	<u>\$ 3,984,554</u>

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

City of Castle Pines, Colorado
Parks and Recreation Fund
Schedule of Revenues, Expenditures
and Change in Fund Balance—Budget and Actual
For the Year Ended December 31, 2022

	Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Park Fees	\$ 76,500	\$ 70,885	\$ (5,615)
State grant	150,000	-	(150,000)
Contributions	150,000	-	(150,000)
Total Revenues	376,500	70,885	(305,615)
Expenditures			
Salary and Benefits	149,500	150,827	(1,327)
Professional Services	50,000	32,289	17,711
Parks Facilities Repair and Maintenance	208,000	158,361	49,639
Other operating	63,400	42,154	21,246
Rueter-Hess Contribution	100,000	100,000	-
Capital Outlay	895,300	124,253	771,047
Other	-	101,200	(101,200)
Total Expenditures	1,466,200	709,084	757,116
Excess Of Revenues Over (Under) Expenditures	(1,089,700)	(638,199)	451,501
Other Financial Sources			
Operating Transfers In	800,400	581,199	(219,201)
Net Change in Fund Balance	(289,300)	(57,000)	232,300
Fund Balance, Beginning of Year	589,106	667,152	78,046
Fund Balance, End of Year	\$ 299,806	\$ 610,152	\$ 310,346

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

City of Castle Pines, Colorado
Conservation Trust Fund
Schedule of Revenues, Expenditures
and Change in Fund Balance—Budget and Actual
For the Year Ended December 31, 2022

	<u>Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental Revenue			
State Lottery Disbursement	\$ 68,300	\$ 71,871	\$ 3,571
Total Revenues	<u>68,300</u>	<u>71,871</u>	<u>3,571</u>
Expenditures			
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess Of Revenues Over (Under) Expenditures	68,300	71,871	3,571
Other Financial Sources (Uses)			
Operating Transfers (Out)	<u>(350,000)</u>	<u>(100,000)</u>	<u>250,000</u>
Net Change in Fund Balance	(281,700)	(28,129)	253,571
Fund Balance, Beginning of Year	<u>355,742</u>	<u>356,927</u>	<u>1,185</u>
Fund Balance, End of Year	<u>\$ 74,042</u>	<u>\$ 328,798</u>	<u>\$ 254,756</u>

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

City of Castle Pines, Colorado
Community Capital Investment Fund
Schedule of Revenues, Expenditures
and Change in Fund Balance—Budget and Actual
For the Year Ended December 31, 2022

	<u>Budgeted</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Total Expenditures	-	-	-	-
Excess Of Revenues Over (Under) Expenditures	-	-	-	-
Other Financial Sources (Uses)				
Operating Transfers In	1,280,000	-	-	-
Total Transfers	1,280,000	-	-	-
Net Change in Fund Balance	1,280,000	-	-	-
Fund Balance, Beginning of Year	3,042,000	3,042,000	-	(3,042,000)
Fund Balance, End of Year	<u>\$ 4,322,000</u>	<u>\$ 3,042,000</u>	<u>\$ -</u>	<u>\$ (3,042,000)</u>

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

City of Castle Pines, Colorado
North Pine Vistas Metro Districts Nos. 1-3 O&M Fund
Schedule of Revenues, Expenditures
and Change in Fund Balance—Budget and Actual
For the Year Ended December 31, 2022

	Budgeted		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental Revenue	\$ -	\$ 282,700	\$ 282,694	\$ (6)
Total Revenues	-	282,700	282,694	(6)
Expenditures				
Operation and Maintenance	-	282,700	279,090	3,610
Total Expenditures	-	282,700	279,090	3,610
Excess Of Revenues Over (Under) Expenditures	-	-	3,604	3,604
Other Financial Sources				
Operating Transfers	-	-	-	-
Net Change in Fund Balance	-	-	3,604	3,604
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,604</u>	<u>\$ 3,604</u>

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

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

LOCAL HIGHWAY FINANCE REPORT	STATE: COLORADO
	YEAR ENDING (mm/yy): 12/22
This Information From The Records Of: CITY OF CASTLE PINES	Prepared By: MIKE FARINA, FINANCE DIRECTOR

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. EXPENDITURES FOR ROAD AND STREET PURPOSES	
ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway expenditures:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	\$ 10,686,603.00
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	\$ 315,834.00
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	\$ 97,739.00
2. General fund appropriations	\$ 6,445,812.00	b. Snow and ice removal	\$ 570,640.00
3. Other local imposts (from page 2)	\$ 1,341,682.00	c. Other	\$ 40,075.00
4. Miscellaneous local receipts (from page 2)	\$ 3,269,964.00	d. Total (a. through c.)	\$ 708,454.00
5. Transfers from toll facilities		4. General administration & miscellaneous	\$ 1,065,854.00
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	\$ -
a. Bonds - Original Issues		6. Total (1 through 5)	\$ 12,776,745.00
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	\$ -	a. Interest	
7. Total (1 through 6)	\$ 11,057,458.00	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	\$ -
C. Receipts from State government (from page 2)	\$ 366,648.00	2. Notes:	
D. Receipts from Federal Government (from page 2)	\$ 1,352,639.00	a. Interest	
E. Total receipts (A.7 + B + C + D)	\$ 12,776,745.00	b. Redemption	
		c. Total (a. + b.)	\$ -
		3. Total (1.c + 2.c)	\$ -
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total expenditures (A.6 + B.3 + C + D)	\$ 12,776,745.00

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

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

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	\$ -	\$ 12,776,745.00	\$ 12,776,745.00	\$ -	\$ -

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
COLORADO
 YEAR ENDING (mm/yy):
 12/22

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assesments	\$ 562,444.00	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	\$ 99,478.00
1. Sales Taxes	\$ 677,861.00	c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	\$ 170,486.00
5. Specific Ownership &/or Other	\$ 101,377.00	g. Other Misc. Receipts	
6. Total (1. through 5.)	\$ 779,238.00	h. Other	\$ 3,000,000.00
c. Total (a. + b.)	\$ 1,341,682.00	i. Total (a. through h.)	\$ 3,269,964.00
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes (from Item I.C.5.)	\$ 321,086.00	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	\$ 45,562.00	d. Federal Transit Administration	
d. DOLA Grant		e. U.S. Corps of Engineers	
e. Other		f. Other Federal	\$ 1,352,639.00
f. Total (a. through e.)	\$ 45,562.00	g. Total (a. through f.)	\$ 1,352,639.00
4. Total (1. + 2. + 3.f)	\$ 366,648.00	3. Total (1. + 2.g)	\$ 1,352,639.00
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs		\$ 111,738.00	\$ 111,738.00
b. Engineering Costs		\$ 708,894.00	\$ 708,894.00
c. Construction:			
(1). New Facilities		\$ -	\$ -
(2). Capacity Improvements		\$ -	\$ -
(3). System Preservation		\$ 9,518,565.00	\$ 9,518,565.00
(4). System Enhancement And Operation		\$ 347,406.00	\$ 347,406.00
(5). Total Construction (1)+(2)+(3)+(4)	\$ -	\$ 9,865,971.00	\$ 9,865,971.00
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)	\$ -	\$ 10,686,603.00	\$ 10,686,603.00
<i>(Carry forward to page 1)</i>			

Notes and Comments: