



# City of Fountain, Colorado

## Annual Comprehensive Financial Report

### Year ended December 31, 2022

#### Vision Statement:

“Fountain will purposely embrace the growth occurring throughout the region and continue developing into an even more contemporary, accomplished city, while maintaining its All-America hometown feel and strong sense of community.”

Prepared by:  
Finance Department

# City of Fountain, Colorado

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## **Introductory Section**



TRANSMITTAL LETTER

August 31, 2023

To the Honorable Mayor, Members of the City Council, and Citizens of the City of Fountain:

The Annual Comprehensive Financial Report (ACFR) of the City of Fountain, Colorado, for the fiscal year ended December 31, 2022, is hereby transmitted. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that are established for this purpose. Because the cost of internal controls should not outweigh the benefits, the City's internal controls have been designed to provide reasonable assurance that the financial statements will be free from material misstatements.

The City is required by Colorado law to have an annual audit conducted in accordance with generally accepted auditing standards by an independent certified public accountant licensed to practice in Colorado. The city must then submit the audit report to the Office of the State Auditor.

The City's financial statements have been audited by Haynie & Company, a licensed certified public accounting firm. The goal of the independent audit is to provide reasonable assurance that the City's financial statements for the fiscal year ended December 31, 2022, are free from material misstatements. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended December 31, 2022, are presented fairly and in conformity with Generally Accepted Accounting Principles. The independent auditors' report is presented on the first page of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

### *City Profile*

The City of Fountain, Colorado, incorporated in 1903, is located on Colorado’s Rocky Mountain Front Range, 10 miles south of Colorado Springs. The City occupies 22.08 square miles and serves a population of approximately 30,000.

The City is, by Charter, a Home Rule City with a Council-Manager form of government. Policy-making and legislative authority are vested in the City Council consisting of the mayor and six other members who are elected by and answer to the citizens of Fountain. A City Manager is appointed by the City Council to run the day-to-day operations of the City.

The City of Fountain provides a full range of services including police, fire, and emergency medical services, street and drainage maintenance, economic development, water and electric utilities, bus transit, parks & recreation, and general administrative services. The Fountain Urban Renewal Authority is a separate legal entity but is reported in the City’s financial statement as a component unit.

### *Local Economy*

The largest employer in the Fountain area is Fort Carson with more than 35,000 military, civilian employees and contractors. Residential housing developers have planned for large developments in and around Fountain and the City is working hard to provide the infrastructure required to keep up with the housing demand. In addition, the City continues to grow its business commercial base with a diversification among prime employer industries other than schools and government:

- Manufacturing
- Transportation & Logistics
- Retail
- Restaurants
- Professional Services
- Motorsports

For the first five months of 2023, year over year sales tax revenue is approximately 2% higher. Both sales and use tax revenues are above 2022 budgeted projections to date.

### *Long-term Financial Planning*

In 2018, the City embarked on a new, updated Strategic Planning process designed to provide a simple, focused, and accountable Strategy that identified the Council’s highest priorities, and developed appropriate goals and objectives tied directly to those priorities. In 2021, the City reviewed and updated the Strategic Plan, and published new Priorities and Objectives to be accomplished through 2024. Adopted by Council at the end of 2021, the City’s new Strategic Priorities are as follows:

**Strategic Priority:** Set conditions and facilitate responsible development and carefully managed city growth, focused on efforts that maintain or improve existing city-wide infrastructure and services, while building reasonable capacity to meet future community needs.

**Strategic Priority:** Develop, coordinate, and implement initiatives and programs, in collaboration with the community, that diversify city financial resources and invest in the Enduring Interests of the City Vision Statement.

**Strategic Priority:** Ensure highly professional, responsive and community focused public safety resources, that provide reliable access to public safety services throughout the City’s jurisdiction.

**Strategic Priority:** Improve the quality and availability of parks and recreation opportunities, including athletics, outdoor recreation areas, youth programs and community gathering places.

The Strategic Plan serves as a key guide for allocating financial resources in the preparation of the biennial budget document. With the biennium beginning January 1, 2011, the City embarked on preparing biennial budgets; however, the City still adopts an annual operating budget of revenues and expenditures for the following year in accordance with State Statute and the City Charter. Included as a part of the City’s budget process, the City prepares a five-year summary financial plan for the major funds. The plan encompasses both revenue projections and operating and capital expenditures.

### *Major Initiatives*

The City Council passes a resolution adopting the 2022-2024 Strategic Plan, identifying 30 Strategic Objectives that articulate the city’s highest priority projects, plans and initiatives. By end of 2022, the city had successfully accomplished 9 Objectives, to include an assessment of the city’s financial instruments, an expansion of the city Intergovernmental Support Agreement Program with Fort Carson Army Post and plans for a First Responder Mental Health and Resiliency Program, to name a few. The City Council also asked voters, through a ballot initiative, to raise the city’s mil levy by 6.1 mills, to be spent specifically on public safety, which passed in November 2022.

Five new businesses opened in Fountain in 2022, several more began construction. New housing starts increased by 96% over 2021, with 47 new single-family residences approved for construction, as well as the continuation of the land use review process for a 336 multifamily complex in the community. The City of Fountain Utilities Department continued coordination of plans to facilitate responsible, managed growth in the utilities service area, while also delivering over 849 million gallons of safe, potable water to Utilities customers, and providing electric service to over 18,000 electric meters. The city also saw an increase of 64% in residents utilizing solar generation, a trend expected to continue into 2023 and beyond.

In 2022, the City of Fountain successfully entered a third Inter-governmental Support Agreement (IGSA) with the Fort Carson Army Garrison, for the provision of Animal Control services to the Army post, while continuing implementation of a Pest Control IGSA and General Facility Construction IGSA within the Army post. The city’s partnership with Fort Carson was

recognized by the Department of the Army at the Pentagon, with the city being awarded a 2022 Army Community Partnership Award.

*Awards and Acknowledgements*

The GFOA awarded the Certificate of Achievement for Excellence in Financial Reporting (ACFR) to the City of Fountain for the fiscal year ended December 31, 2021. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

We wish to specifically acknowledge our auditors, Hinkle & Company, PC, for the assistance and guidance they provided in the preparation of the ACFR and for the professional manner in which they conducted the audit. We would additionally like to acknowledge and thank our entire Finance team and specifically, Shawna Dail and Jennifer Stevenson, who worked diligently to ensure that we could pull together all the necessary information for a quality audit.

We would also like to recognize the Mayor and City Council for their support and continued desire to ensure the highest standards of professionalism in the management of the City's financial affairs.

Respectfully submitted,



Scott Trainor  
City Manager



John Lewis  
Finance Director

**CITY COUNCIL**



**Sharon Thompson, Mayor**  
Term Expires: 11/2025



**Gordon Rick, Council Member**  
Ward: #1  
Term Expires: 11/2025



**Tamara Estes, Mayor Pro-Tem**  
Ward: #2  
Term Expires: 11/2023



**Cory Applegate, Council Member**  
Ward: #3



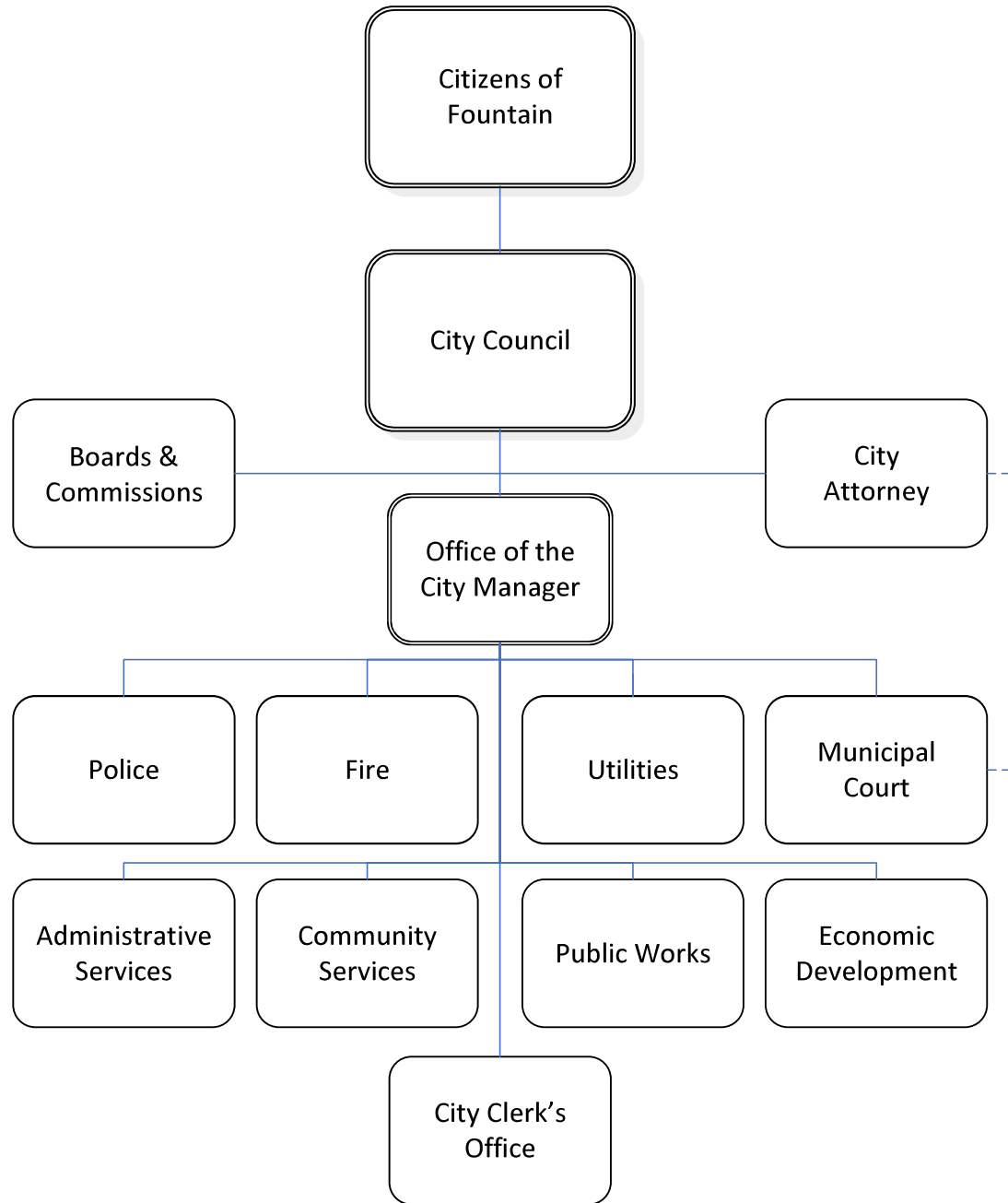
**Frederick Hinton, Council Member**  
Ward: At-Large  
Term Expires: 11/2025



**Richard Applegate, Council Member**  
Ward: At Large  
Term Expires: 11/2023



**Detra Duncan, Council Member**  
Ward: At Large  
Term Expires: 11/2023





Government Finance Officers Association

**Certificate of  
Achievement  
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Presented to

**City of Fountain  
Colorado**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2021

*Christopher P. Morill*

Executive Director/CEO

## **Financial Section**



## Independent Auditors' Report

Honorable Mayor and Members of the City Council  
City of Fountain, Colorado  
Fountain, Colorado

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, and each major fund of the City of Fountain (the City), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, and each major fund of the City, as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Fountain Urban Renewal Authority, which represents entirety of the discretely presented component unit. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Fountain Urban Renewal Authority is based solely on the report of the other auditors.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### Office Locations:

Colorado Springs, CO  
Denver, CO  
Tulsa, OK

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***Responsibilities of Management for the Financial Statements***

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

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's ability to continue as a going concern for one year after the date that the financial statements are issued.

***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS, 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'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'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 and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

**Other Information**

Management is responsible for the other information included in the Supplementary Information and the local highway finance report, as listed in the table of contents. The other information comprises the Supplementary Information and the local highway finance report but does not include the financial statements and our auditor's report thereon. Our opinions on the 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 financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the 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.

*12.1.2023 & Company, PC*

Englewood, Colorado  
August 31, 2023



# City of Fountain, Colorado

## December 31, 2022

### Management's Discussion & Analysis

This discussion and analysis of the City of Fountain's (the City) financial performance provides an overview of the City's financial activities for the fiscal year ended December 31, 2022. Please read it in conjunction with the City's financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

#### **Financial Highlights**

- The assets and deferred outflows of the City of Fountain exceeded its liabilities and deferred inflows at the close of 2022 by \$206 million (net position). Of this amount, \$10.4 million (unrestricted net position) may be used to pay the City's obligations to citizens and creditors.
- At December 31, 2022, the City of Fountain's governmental funds reported combined ending fund balance for restricted and unrestricted of \$21.4 million, an increase of approximately \$2.8 million in comparison with the prior year. This increase was primarily due to the increased sales and use tax revenues, charges for services and intergovernmental revenues. Approximately \$11 million of the unrestricted fund balance is available for spending at the government's discretion.
- The unrestricted fund balance for the General Fund was \$11 million, or 38.2% of the total General Fund expenditures, compared to \$9.3 million or 34.4% for fiscal year 2021. An additional \$939,664 of fund balance in the General Fund is restricted by the State of Colorado for emergencies in 2022.
- Sales Tax, the City's largest source of General Fund revenue, was \$17.2 million for 2022 as compared to \$16.5 million for the prior year, an increase of 4%.
- Use tax revenue increased by approximately 10.8% or \$205 thousand to \$2.1 million in 2022 due to the increase from 2021 in construction materials purchased in 2022 in Fountain due to an increase in construction activity overall.
- Deferred outflows for the City of Fountain increased by \$1.5 million and deferred inflows increased by \$3.9 million, primarily due to changes in pension valuations and an increase in property taxes.
- No new long-term debt was acquired in 2022. After payments on debt, long term liabilities for both governmental and business-type activities, including OPEB decreased by \$3.1 million during 2022.

#### **Using this Annual Report**

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

#### **Government-wide Financial Statements**

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

# City of Fountain, Colorado

December 31, 2022  
Management's Discussion & Analysis

The *statement of net position* presents information on all of the City of Fountain's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Fountain is improving or deteriorating.

The *statement of activities* presents information showing how the City of Fountain's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses reported in this statement for some items will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Fountain that are principally supported by taxes and intergovernmental revenues (*Governmental Activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*Business-type Activities*). The Governmental Activities of the City of Fountain include General Government, Public Safety, Public Works, Health and Welfare, Culture and Recreation and Interest Expense. The Business-type Activities of the City of Fountain include Water, Electric, Ambulance, and Drainage. Also included in the government-wide financial statements is the Fountain Urban Renewal Authority (FURA). FURA is legally separate from the city, however the members of the governing board are appointed by the City Council. FURA is categorized as a discretely presented component unit rather than a part of the primary government. FURA's financial information is, therefore, presented in a separate column in the government-wide financial statements.

## **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Fountain, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the City's funds can be divided into three categories: Governmental Funds, Proprietary Funds, and Fiduciary Funds.

**Governmental funds** – Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. The governmental funds include the general fund and eight special revenue funds. The funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental funds statements provide a detailed short-term view of cash, the governmental fund operations, and the basic services it provides.

**City of Fountain, Colorado**  
December 31, 2022  
Management's Discussion & Analysis

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. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

**Proprietary funds** – The *enterprise fund* type of proprietary funds is used to report the same functions presented as business-type activities in the government-wide financial statements, but provide more detail and additional information, such as cash flow. Fountain's proprietary funds include the water and electric utilities, the ambulance and drainage funds and the insurance fund, which is an internal service fund. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities.

**Fiduciary funds**-Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The volunteer fire pension is Fountain's only fiduciary fund. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

**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 the financial statements can be found on pages 13-44 of this report.

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. This supplementary information can be found on pages 56-74 of this report. The City of Fountain's progress in funding its obligation to provide pension benefits to volunteer fire fighters is located on pages 45 and 46 of this report. The Schedules of Proportionate Share of the Net Pension Liability/Asset and Contributions or FPPA is located on pages 48-51. The Budgetary Comparison Schedule for the General Fund and other required supplementary information can be found on pages 52 and 53.

Supplementary information, including the combining statements, referred to earlier in connection with non-major Governmental Funds and Enterprise Funds, are presented immediately following the required supplementary information on pensions and the General Fund. Combining and individual fund statements and schedules can be found on pages 56-69.

**City of Fountain, Colorado**  
December 31, 2022  
Management's Discussion & Analysis

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

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Fountain, assets exceeded liabilities by \$206 million at the close of 2022, an increase of \$8 million from the end of 2021.

**Statement of Net Position (in thousands)**

	<b>Governmental</b>		<b>Business-type</b>		<b>Total</b>	
	<b>Activities</b>	<b>2021</b>	<b>2022</b>	<b>Activities</b>		<b>2021</b>
Current and other assets	\$ 43,489	\$ 33,120	\$ 19,226	\$ 19,385	\$ 62,715	\$ 52,505
Capital assets	74,394	74,697	160,041	160,852	234,435	235,549
Total assets	117,883	107,817	179,267	180,237	297,150	288,054
Deferred outflows of resources	4,609	3,204	867	733	5,476	3,937
Long-term liabilities outstanding	6,588	7,181	64,517	67,020	71,105	74,201
Other liabilities	10,845	7,507	4,929	6,476	15,774	13,983
Total liabilities	17,433	14,689	69,446	73,495	86,879	88,184
Deferred inflows of resources	9,395	5,445	-	-	9,395	5,445
Net position:						
Net investment in capital assets	70,677	69,262	102,365	109,395	173,042	178,657
Restricted	12,907	9,615	-	-	12,907	9,615
Unrestricted	12,080	12,010	8,323	(1,920)	20,403	10,090
Total net position	\$ 95,664	\$ 90,887	\$ 110,688	\$ 107,475	\$ 206,352	\$ 198,362

The largest portion of the City of Fountain's net position (89.4%) is reflected in the net investment in capital assets (e.g., land, buildings, infrastructure, vehicles, equipment, etc.), less any related debt still outstanding (current and long-term), that was used to acquire those assets, excluding unspent bond and capital lease proceeds. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Unrestricted net position may be used to meet the City's ongoing obligations to citizens and creditors.

**City of Fountain, Colorado**  
December 31, 2022  
Management's Discussion & Analysis

A small portion of the City of Fountain's net position (5.6%) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position (\$10.4 million) may be used to meet the City's ongoing obligations to citizens and creditors.

**City of Fountain, Colorado**  
December 31, 2022  
Management's Discussion & Analysis

**Changes in Net Position** (in thousands)

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Revenues:						
Program Revenues:						
Charges for services	\$ 2,452	\$ 1,748	\$ 41,637	\$ 40,769	\$ 44,089	\$ 42,517
Operating grants and contributions	2,641	1,959	1,542	-	4,183	1,959
Capital grants and Contributions	-	1,896	423	3,069	423	4,965
General Revenues:						
Property taxes	3,225	2,629	-	-	3,225	2,629
Sales and use taxes	21,595	20,630	-	-	21,595	20,630
Spec. Own. taxes	340	323	-	-	340	323
Franchise taxes	2,404	2,345	-	-	2,404	2,345
Other revenues	596	659	2,623	2,972	3,219	3,631
Investment earnings	200	7	84	4	284	11
<b>Total revenues</b>	<b>33,453</b>	<b>32,196</b>	<b>46,309</b>	<b>46,814</b>	<b>79,762</b>	<b>79,010</b>
Program expenses:						
General government	12,934	8,191	-	-	12,934	8,191
Public Safety	11,381	13,690	-	-	11,381	13,690
Public Works	2,862	6,378	-	-	2,862	6,378
Health and welfare	440	470	-	-	440	470
Culture and recreation	1,229	1,248	-	-	1,229	1,248
Interest expense	360	168	-	-	360	168
Water utility	-	-	11,739	11,915	11,739	11,915
Electric utility	-	-	29,172	27,720	29,172	27,720
Ambulance	-	-	1,655	1,265	1,655	1,265
<b>Total expenses</b>	<b>29,206</b>	<b>30,145</b>	<b>42,566</b>	<b>40,900</b>	<b>71,772</b>	<b>71,045</b>
Excess/(Deficiency) Before transfers	4,247	2,051	3,743	5,914	7,990	7,965
Transfers In (Out)	530	682	(530)	(682)	-	-
Increase/(Decrease) in net position	4,777	2,733	3,213	5,232	7,990	7,965
Net position, beginning	\$ 90,887	\$ 88,154	\$ 107,475	\$ 102,243	\$ 198,362	\$ 190,397
Net position, ending	\$ 95,664	\$ 90,887	\$ 110,688	\$ 107,475	\$ 206,352	\$ 198,362

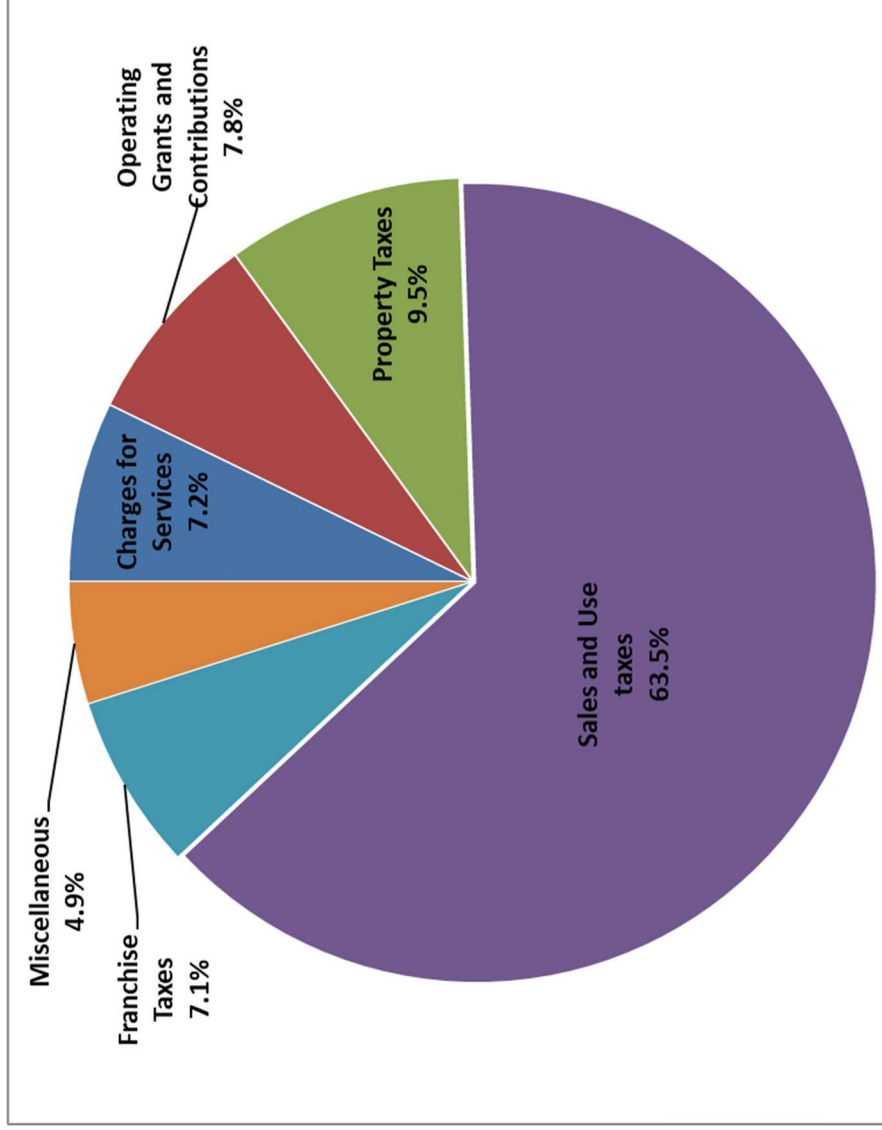
**City of Fountain, Colorado**  
December 31, 2022  
Management's Discussion & Analysis

The major changes to the City's Governmental Activities and Business-type funds are described in the next two sections.

**Governmental Activities**

Governmental activities net position for 2022 increased by \$4,777,251. This is primarily attributed to the increases in tax revenues, charges for services and grants, and decreases in general government and public works expenditures.

The following pie chart illustrates the Governmental Activities revenues.



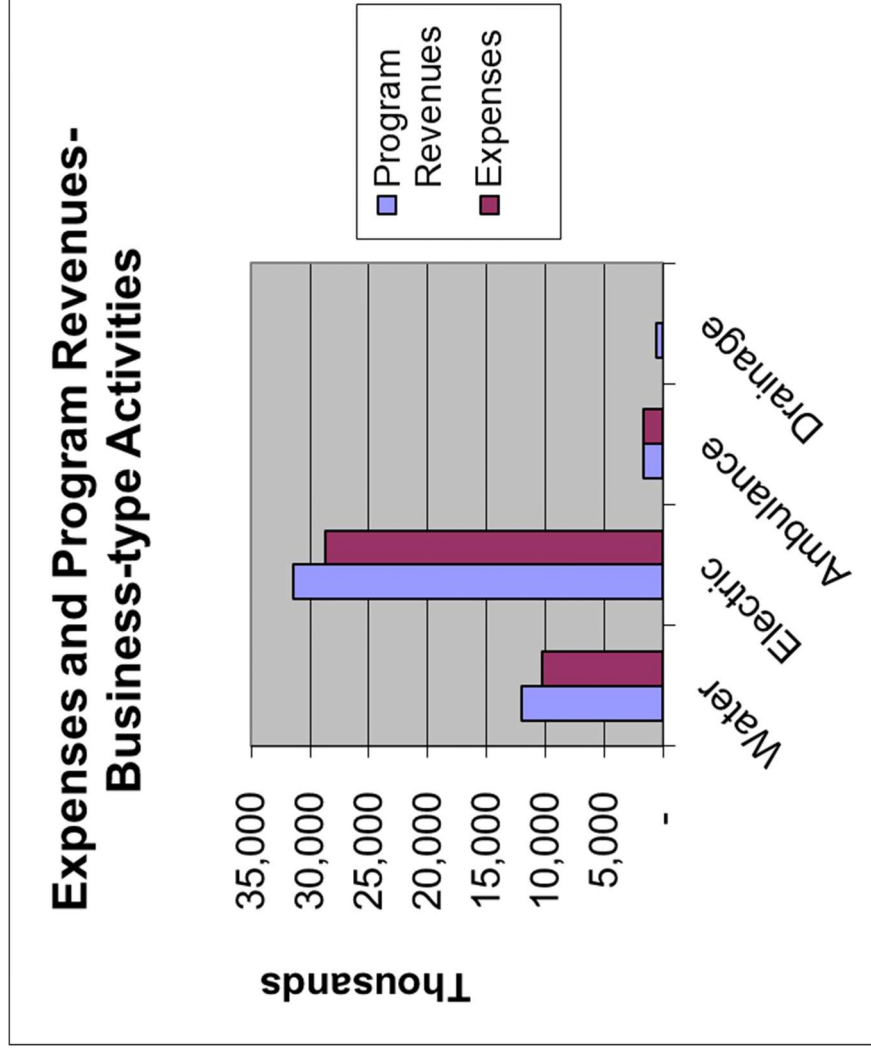
- Revenue from general fund sales tax of \$17.2 million increased \$670 thousand or 4.1% over 2021 due to the continued increases in online sales and continued growth in the South Academy Highlands development.

**City of Fountain, Colorado**  
 December 31, 2022  
 Management's Discussion & Analysis

- Revenue from various operating and capital grants of \$1.2 million increased in 2022 by \$507 thousand.
- Increases were also realized in franchise, use and property tax revenues, developer fess and investment income.

**Business-type Activities**

The City of Fountain 2022 business-type activities net position increased by \$3,213,806. The following chart illustrates the business-type activities program revenues and expenses.



- Combined 2022 revenue of \$46.3 million was approximately \$500 thousand less than 2021 total revenue.
  - Water charges for services, including system development fees, of \$12.3 million decreased approximately \$2.7 million, from 2021, primarily due to a large tap fee paid by a residential developer in 2021 and a decrease in water usage.
  - Electric charges for services of \$28.2 million increased by approximately \$1.2 million over 2021, primarily due to increased electric rates and usage.

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- Ambulance grants and charges for service increased by \$255,489 thousand to \$1.7 million through improved Medicare and Medicaid billing practices.
- Drainage revenues increased by \$551 thousand due to the renewed institution of drainage fees charged to developers. These fees had been waived during the pandemic.
- Miscellaneous revenue for all business-type activities increased to \$ 2.9 million, an increase of approximately \$380 thousand from 2021, primarily due to additional fees.
- Program expense of \$42.6 million was approximately \$1.8 million more than 2021 primarily due to increased operations and supply costs.
  - Water decreased by approximately \$175 thousand, primarily due to a decrease in interest expense due to a refunding of debt in 2020 and 2021 at lower interest rates.
  - Electric increased by approximately \$1.4 million, primarily due to increased source of supply and operations and maintenance costs and increases in depreciation with the completion of the Utility Operations Center.
  - Ambulance increased by approximately \$390 thousand, primarily due to increased calls for service.

**Fiduciary Activities**

The City of Fountain maintains a fiduciary fund to account for money designated to pay benefits under the City's Volunteer Fire Pension Plan.

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

The City of Fountain uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds**

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balance of spendable resources. Such information is useful in assessing the City's financing requirements.

The City's General Fund reported a 2022 ending fund balance of \$13.9 million, an increase of \$1.9 million in comparison with the previous year. The increase was primarily due to a 3.2 million increase in revenues, partially offset by a \$1.8 million increase in expenditures and decreases in financing sources. The decreases in financing sources resulted from decreases in capital lease and insurance proceeds and the lack of sales of capital assets. Unassigned fund balance, which is available for spending at the City's discretion, totaled \$11 million or 80.2% of the total general fund balance. The remainder of the fund balance is restricted for emergencies (\$939,664), committed to park improvements and school zone improvements, (\$646,289 thousand combined), and assigned to public safety capital improvements (\$1,296,034).

# City of Fountain, Colorado

December 31, 2022

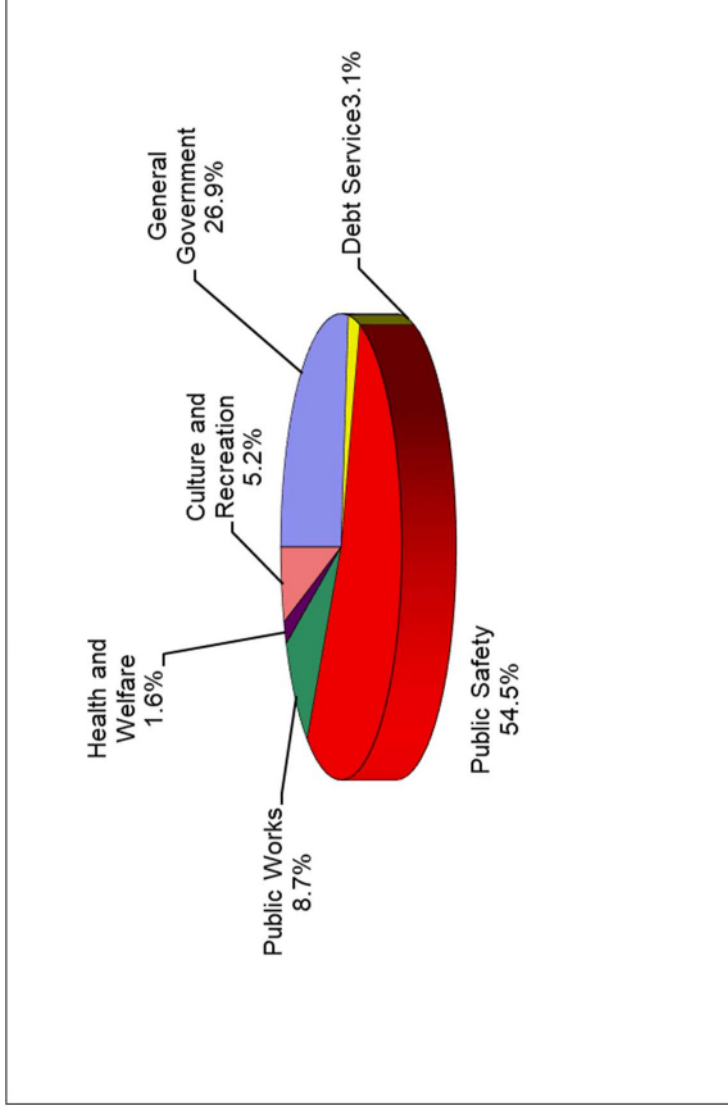
## Management's Discussion & Analysis

### Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statement, but in more detail. Unrestricted net position of the water and electric utilities, the two largest proprietary funds, were (\$4.3) million and \$9 million, respectively.

### General Fund Budgetary Highlights

The General Fund accounts for all of the general government services provided by the City of Fountain including; City Council, Municipal Court, Economic Development, Election, Administration, Planning & Engineering, Recreation, and Information Technology. The following pie chart illustrates the General Fund expenditures by type.



Line-item budget transfers are allowed within a fund with the approval of the City Manager. Increases in the expenditure budget for any fund must be approved by the City Council. The General Fund original budgeted expenditures (including transfers out) were \$27.2 million. Budget amendments presented to, and approved by, the City Council for 2022, totaled approximately \$5.7 million. The final budget was, therefore, \$33 million in 2022.

**City of Fountain, Colorado**  
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Variances from the final budget to actual expenditures worth noting include the following:

- General government variance was \$2.67 million under budget primarily due to information technology capital expenditures and administrative expenses that were either postponed or cut through efficiencies.
- Public Safety variance was \$466 thousand over budget due to a December emergency ladder truck purchase for an amount greater than what was budgeted. The City Council approved the purchase in advance but did not appropriate the money by resolution.
- Culture and recreation variance was \$724 thousand under budget due to delays of certain capital purchases into 2023.
- Public works variance was \$1.2 million under budget due to construction delays in streets and building improvements.
- The total positive budget variance in expenditures in the General Fund, including transfers out, approximated \$5.2 million.
- Positive variances in general fund revenues totaled \$1.7 million, primarily due to the increase in tax revenues and charges for services, partially offset by a \$1.2 million decrease in anticipated intergovernmental grants.

### **Capital Assets and Debt Administration**

#### **Capital Assets**

The City of Fountain's investment in capital assets for its governmental and business-type activities, not including pension assets or debt, as of December 31, 2022, totaled \$234.4 million (net of accumulated depreciation). This investment in capital assets includes land and easements, water and storage rights, buildings and improvements, infrastructure, machinery and equipment, computers and software, and vehicles. The City's investment in capital assets decreased by \$1.1 million during 2022; governmental activities decreased by \$303 thousand while business-type activities decreased by \$811 thousand.

Major capital events for 2022 included the following items:

- The General Fund spent \$266,200 on computer equipment and upgrades to the audiovisual equipment in multiple city buildings and Lexipol policy software for the Fire Department. The General Fund also spent \$481,860 on Power Cots for the Fire Department and Tactical Armor sets and training accessories for the Police Department. In addition, \$165,000 was spent out of the General Fund on new playground equipment for Metcalf Park.
- The Water Fund expended \$53,575 on water rights, and \$585,700 on various infrastructure improvements such as water line extensions and relocations. An additional \$1.5 million was expended out of the Water Fund for a Water Treatment Structure that was reimbursed by the Air Force.

**City of Fountain, Colorado**  
December 31, 2022  
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- The Electric Fund spent \$86,000 on equipment for the Fleet Department and \$143,900 on a new bucket truck. Additionally, \$2.2 million was expended on a new solar array that is partially funded by a DOLA grant.
- The Transportation Sales Tax fund spent \$137,000 on a new transit bus and \$95,000 on improvements to the City bus shelters.

Note 4 on pages 22-23 of the financial statements provides a detailed summary of the City's capital assets.

**Long-term Debt**

The City of Fountain's total long-term debt decreased by \$3.1 million from 2021 and remains at approximately \$71.1 million as of December 31, 2022.

The City's long-term debt related to governmental activities decreased during 2022 by approximately \$466 thousand. Compensated absences increased by \$122,370, capital leases decreased by \$536,782, and the early retirement program decreased by \$52,000.

The City's long-term debt related to business-type activities decreased by approximately \$2.5 million during 2022. Capital leases, compensated absences and early retirement increased by \$242,985 net of payments. All other business-type activities debt decreased by approximately \$2.3 million.

Note 5 on pages 24-30 of the financial statements provide a detailed summary of the City's long-term debt.

**Economic Factors and Next Year's Budget and Rates**

Financial indicators:

- The unemployment rate for the Colorado Springs area as of December 2022, was 2.6% and is now estimated to be 3%. This is slightly less than the current national rate of 3.7% according to the Bureau of Labor Statistics. Employment growth in 2023 is anticipated to increase.
- The federal government has announced that Colorado Springs will be the headquarters of the new Space Command (SPACECOM) Combatant Command. As a result, many new technology and defense companies are planning to establish offices in El Paso County, including an interest in the City of Fountain.
- The prices of homes rose almost 16.5% in the City of Fountain according to the 2022 assessment performed by the El Paso County Assessor's Office. Properties in El Paso County are reassessed every two years.

**City of Fountain, Colorado**  
December 31, 2022  
Management's Discussion & Analysis

- Sales tax revenue continued to increase in 2022 due to the South Academy Highlands Sam's and Walmart developments, along with several new businesses in other sections of the City and the growth in sales by national online retailers.
- Sales taxes are forecast to continue growing in 2023 due to the above reasons and particularly due to continued increases in sales by online retailers. In fact, for the first five months of 2023, sales tax revenues are up 2.2% over 2022.
- New construction in Fountain in 2022 included 47 new housing starts, and 5 new commercial buildings, which together constitute a 97% increase over last year. In addition, several large single family and multi-family developments continue in the early planning stages and similar to other areas along the front range of Colorado, the City of Fountain is anticipating continued, steady growth over the next 10 years. A great deal of commercial building activity continues around the Colorado Springs Airport, which is just outside the City of Fountain boundaries. A new Amazon facility was completed in 2021 between the airport and Fountain and it alone contains over 1 million square feet of commercial space.
- Property tax revenues are forecast to remain stable in 2023 over 2022, due to 2023 being a non-valuation year and increases will be primarily from new construction. The exception to this is the approximate \$1.7 million property tax increase from a new voter approved mill levy. The new mill levy of 6.1 mills is restricted to certain Public Safety expenditures in 2023 and future years.
- There are no water rate increases planned for 2023.
- Electric utility rates were increased by 4%, effective January 1, 2022. There are no rate increases planned for 2023.

All of the above indicators were considered in preparing and adopting the City of Fountain 2023 budget. Budgeted line items were kept mostly flat from 2022 expenditures with the exceptions of capital investment purchases and a 7% merit increase in pay for deserving staff. In the General Fund, the exceptions included certain investments in capital items for technology, fire equipment, street resurfacing and various recreational facilities. In the Water and Electric Funds, large expenditures are planned for final completion of a water treatment facility and infrastructure required to match the anticipated growth in the City due to the strong economic factors impacting the region.

**City of Fountain, Colorado**  
December 31, 2022  
Management's Discussion & Analysis

**Requests for Information**

This financial report is designed to provide a general overview of the City of Fountain's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or additional financial information should be addressed to the Finance Director:

City of Fountain  
116 South Main Street  
Fountain, CO 80817  
719-322-2033

## **Basic Financial Statements**

**City of Fountain, Colorado**  
Statement of Net Position  
December 31, 2022

	Primary Government			Component Unit Urban Renewal Authority
	Governmental Activities	Business-Type Activities	Total	
<b>Assets</b>				
Cash and Investments	\$ 16,197,987	\$ 2,404,958	\$ 18,602,945	\$ 1,149,101
Committed Cash and Investments	-	1,072,906	1,072,906	-
Restricted Cash and Investments	14,521,724	5,018,287	19,540,011	8,364,186
Accounts Receivable	4,078,546	6,044,624	10,123,170	212,789
Grants Receivable	406,926	-	406,926	-
Taxes Receivable	4,934,325	-	4,934,325	972,938
Inventories	-	3,482,252	3,482,252	-
Prepaid Expenses	-	32,396	32,396	8,678
Internal Balances	(1,171,040)	1,171,040	-	-
Net Pension Asset	4,520,798	-	4,520,798	-
Capital Assets, Not Being Depreciated	4,067,115	38,979,609	43,046,724	2,086,059
Capital Assets, Net of Accumulated Depreciation	70,326,715	121,061,396	191,388,111	911,595
<b>Total Assets</b>	<b>117,883,096</b>	<b>179,267,468</b>	<b>297,150,564</b>	<b>13,705,346</b>
<b>Deferred Outflows of Resources</b>				
Loss on Debt Refunding, Net of Accumulated Amortization	-	866,833	866,833	-
Pension Related Outflows of Resources	4,189,758	-	4,189,758	-
OPEB Related Outflows of Resources	419,516	-	419,516	-
Bond Discount	-	-	-	187,016
<b>Total Deferred Outflows of Resources</b>	<b>4,609,274</b>	<b>866,833</b>	<b>5,476,107</b>	<b>187,016</b>
<b>Liabilities</b>				
Accounts Payable	832,065	3,076,200	3,908,265	240,611
Accrued Liabilities	552,844	437,614	990,458	-
Deposits	9,193,503	1,019,767	10,213,270	1,557
Accrued Interest Payable	-	395,019	395,019	1,033,116
Insurance Claims Payable	266,714	-	266,714	-
Noncurrent Liabilities	-	-	-	-
Due Within One Year	1,148,414	2,888,409	4,036,823	80,000
Due in More Than One Year	3,951,361	61,628,913	65,580,274	47,704,511
Net OPEB Liability	1,487,905	-	1,487,905	-
<b>Total Liabilities</b>	<b>17,432,806</b>	<b>69,445,922</b>	<b>86,878,728</b>	<b>49,059,795</b>
<b>Deferred Inflows of Resources</b>				
Property Taxes	4,934,325	-	4,934,325	360,178
Pensions, Net of Accumulated Amortization	4,262,642	-	4,262,642	-
OPEB, Net of Accumulated Amortization	198,198	-	198,198	-
<b>Total Deferred Inflows of Resources</b>	<b>9,395,165</b>	<b>-</b>	<b>9,395,165</b>	<b>360,178</b>
<b>Net Position</b>				
Net Investment in Capital Assets	70,677,055	102,365,315	173,042,370	2,678,143
Restricted for:				
Net Pension Asset	4,520,798	-	4,520,798	-
Parks	636,293	-	636,293	-
District Repairs and Maintenance	2,091,654	-	2,091,654	-
Transportation	3,208,528	-	3,208,528	-
Street Repairs and Maintenance	499,082	-	499,082	-
Street Improvements	1,010,683	-	1,010,683	-
Debt Service	-	-	-	914,006
Capital Projects	-	-	-	179,287
Emergencies	939,664	-	939,664	-
Unrestricted	12,080,642	8,323,064	20,403,706	(39,299,047)
<b>Total Net Position</b>	<b>\$ 95,664,399</b>	<b>\$ 110,688,379</b>	<b>\$ 206,352,778</b>	<b>\$ (35,527,611)</b>

See Notes to Financial Statements.

**City of Fountain, Colorado**  
**Statement of Activities**  
For the Year Ended December 31, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Unit Urban Renewal Authority
					Governmental Activities	Business-Type Activities	Total	
<b>Primary Government</b>								
<i>Governmental Activities</i>								
General Government	\$ 12,919,756	\$ 657,951	\$ -	\$ -	\$ (12,261,805)	\$ -	\$ (12,261,805)	\$ -
Public Safety	11,381,665	1,354,262	-	-	(10,027,403)	-	(10,027,403)	-
Public Works	2,861,983	382,039	2,282,319	-	(197,625)	-	(197,625)	-
Health and Welfare	439,971	9,466	36,479	-	(394,026)	-	(394,026)	-
Culture and Recreation	1,243,170	48,176	322,721	-	(872,273)	-	(872,273)	-
Interest Expense	359,572	-	-	-	(359,572)	-	(359,572)	-
Total Governmental Activities	29,206,117	2,451,894	2,641,519	-	(24,112,704)	-	(24,112,704)	-
<i>Business-Type Activities</i>								
Water	11,739,482	11,955,039	-	382,550	-	598,107	598,107	-
Electric	29,171,524	28,241,363	766,452	40,000	-	(123,709)	(123,709)	-
Ambulance	1,655,142	896,787	775,874	-	-	17,519	17,519	-
Drainage	-	544,285	-	-	-	544,285	544,285	-
Total Business-Type Activities	42,566,148	41,637,474	1,542,326	422,550	-	1,036,202	1,036,202	-
Total Primary Government	\$ 71,772,265	\$ 44,089,368	\$ 4,183,845	\$ 422,550	(24,112,704)	1,036,202	(23,076,502)	-
<b>Component Unit</b>								
Urban Renewal Authority	\$ 2,983,436	\$ -	\$ 44,130	\$ -	-	-	-	(2,939,306)
<b>General Revenues</b>								
Property Taxes					3,225,061	-	3,225,061	251,313
Sales and Use Taxes					21,594,956	-	21,594,956	-
Specific Ownership Taxes					339,592	-	339,592	-
Franchise Taxes					2,404,373	-	2,404,373	-
Intergovernmental Revenues not Restricted to Specific Programs					-	-	-	3,760,067
Investment Income					200,498	84,119	284,617	144,601
Miscellaneous					595,610	2,623,050	3,218,660	101,853
Transfers					529,865	(529,865)	-	-
Total General Revenues and Transfers					28,889,955	2,177,304	31,067,259	4,257,834
<b>Change in Net Position</b>					4,777,251	3,213,506	7,990,757	1,318,528
<b>Net Position, Beginning of year</b>					90,887,148	107,474,873	198,362,021	(36,846,139)
<b>Net Position, End of year</b>					\$ 95,664,399	\$ 110,688,379	\$ 206,352,778	\$ (35,527,611)

See Notes to Financial Statements.

**City of Fountain, Colorado**  
 Balance Sheet  
 Governmental Funds  
 December 31, 2022

	General	Nonmajor Governmental Funds	Total
<b>Assets</b>			
Cash and Investments	\$ 13,022,422	\$ 6,938,398	\$ 19,960,820
Restricted Cash and Investments	7,340,575	131,789	7,472,364
Accounts Receivable	3,921,098	540,631	4,461,729
Taxes Receivable	<u>4,568,463</u>	<u>365,862</u>	<u>4,934,325</u>
<b>Total Assets</b>	<u>\$ 28,852,558</u>	<u>\$ 7,976,680</u>	<u>\$ 36,829,238</u>
<b>Liabilities</b>			
Accounts Payable	\$ 739,407	\$ 85,422	\$ 824,829
Accrued Liabilities	496,208	22,837	519,045
Deposits	<u>9,193,503</u>	<u>-</u>	<u>9,193,503</u>
Total Liabilities	<u>10,429,118</u>	<u>108,259</u>	<u>10,537,377</u>
<b>Deferred Inflows of Resources</b>			
Property Taxes	<u>4,568,463</u>	<u>365,862</u>	<u>4,934,325</u>
<b>Fund Balances</b>			
Restricted for:			
Parks	-	636,293	636,293
District Repairs and Maintenance	-	2,091,654	2,091,654
Transportation	-	3,208,528	3,208,528
Street Repairs and Maintenance	-	499,082	499,082
Street Improvements	-	1,010,683	1,010,683
Emergencies	939,664	-	939,664
Committed to:			
Park Improvements	490,807	-	490,807
School Zone	155,482	-	155,482
Volunteer Fire Activities	-	56,319	56,319
Assigned to Public Safety Capital Improvements	1,296,034	-	1,296,034
Unrestricted, Unassigned	<u>10,972,990</u>	<u>-</u>	<u>10,972,990</u>
Total Fund Balances	<u>13,854,977</u>	<u>7,502,559</u>	<u>21,357,536</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<u>\$ 28,852,558</u>	<u>\$ 7,976,680</u>	<u>\$ 36,829,238</u>

**City of Fountain, Colorado**  
 Reconciliation of the Balance Sheet of Governmental Funds  
 to the Statement of Net Position  
 For the Year Ended December 31, 2022

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

Total Fund Balances of Governmental Funds	\$ 21,357,536
<p>Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in governmental funds.</p>	
Capital assets, not being depreciated	4,067,115
Capital assets, being depreciated	155,273,711
Accumulated depreciation	(84,946,996)
	74,393,830
<p>Net pension assets and liabilities and the related deferred inflows and outflows are not current financial resources and, therefore, are not reported in governmental funds:</p>	
Net Pension Asset	4,520,798
Pension related deferred outflows of resources	4,189,758
Pension related deferred inflows of resources	(4,262,642)
Net OPEB liability	(1,487,905)
OPEB related deferred outflows of resources	419,516
OPEB related deferred inflows of resources	(198,198)
	3,181,327
<p>Long-term liabilities are not due and payable in the current year and, therefore, are not reported in governmental funds.</p>	
Capital leases payable	(3,716,775)
Accrued compensated absences	(1,371,000)
Early retirement	(12,000)
	(5,099,775)
<p>An internal service fund is used by management to charge the costs of health insurance to individual funds. A portion of the assets and liabilities of the internal service fund is included in governmental activities in the statement of net position.</p>	
Total Net Position of Governmental Activities	\$ 95,664,399

**City of Fountain, Colorado**  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2022

	General	Nonmajor Governmental Funds	Total
<b>Revenues</b>			
Taxes	\$ 24,849,369	\$ 2,714,613	\$ 27,563,982
Licenses and Permits	162,013	-	162,013
Charges for Services	1,777,935	13,183	1,791,118
Fines and Forfeitures	498,763	-	498,763
Intergovernmental	2,198,048	443,471	2,641,519
Investment Income	174,356	26,142	200,498
Miscellaneous	457,666	6,149	463,815
Total Revenues	<u>30,118,150</u>	<u>3,203,558</u>	<u>33,321,708</u>
<b>Expenditures</b>			
Current			
General Government	7,733,791	1,141,428	8,875,219
Public Safety	15,682,033	21,154	15,703,187
Public Works	2,493,109	1,008,078	3,501,187
Health and Welfare	455,719	-	455,719
Culture and Recreation	1,502,257	240,144	1,742,401
Capital Outlay	-	-	-
Debt Service			
Principal	889,654	6,700	896,354
Interest	-	-	-
Total Expenditures	<u>28,756,563</u>	<u>2,417,504</u>	<u>31,174,067</u>
<b>Excess Revenues Over (Under) Expenditures</b>	<u>1,361,587</u>	<u>786,054</u>	<u>2,147,641</u>
<b>Other Financing Sources (Uses)</b>			
Capital Leases	-	131,795	131,795
Transfers In	1,101,533	-	1,101,533
Transfers Out	(571,668)	-	(571,668)
Total Other Financing Sources (Uses)	<u>529,865</u>	<u>131,795</u>	<u>661,660</u>
<b>Net Change in Fund Balances</b>	<u>1,891,452</u>	<u>917,849</u>	<u>2,809,301</u>
<b>Fund Balances, Beginning of year</b>	<u>11,963,525</u>	<u>6,584,710</u>	<u>18,548,235</u>
<b>Fund Balances, End of year</b>	<u>\$ 13,854,977</u>	<u>\$ 7,502,559</u>	<u>\$ 21,357,536</u>

See Notes to Financial Statements.

**City of Fountain, Colorado**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes in**  
**Fund Balances of Governmental Funds to the Statement of Activities**  
**Governmental Funds**  
**For the Year Ended December 31, 2022**

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

Net Change in Fund Balances of Governmental Funds	\$ 2,809,301
<p>Capital outlays to purchase or construct capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized in the statement of net position and are allocated over their estimated useful lives as annual depreciation expense in the statement of activities.</p>	
Depreciation Expense	(5,199,101)
Capital Outlays	4,896,076
	<u>(303,025)</u>
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This includes changes in the following:</p>	
Change in Net Pension Asset	2,399,801
Change in Deferred Outflows Related to Pensions	1,457,399
Change in Deferred Inflows Related to Pensions	(2,112,255)
Change in Net OPEB Liability	127,215
Change in Deferred Outflows Related to OPEB	(52,307)
Change in Deferred Inflows Related to OPEB	(142,901)
	<u>1,676,952</u>
<p>Repayments of long-term liabilities are expenditures in governmental funds, but they reduce long-term liabilities in the statement of net position and do not affect the statement of activities.</p>	
Principal payments on capital leases	536,782
Change in accrued compensated absences	(122,370)
Change in early retirement	52,000
	<u>466,412</u>
<p>An internal service fund is used by management to charge the costs of health insurance to individual funds. A portion of the net income of the internal service fund is included in governmental activities in the statement of activities.</p>	
Change in Net Position of Governmental Activities	127,611
	<u>\$ 4,777,251</u>

**City of Fountain, Colorado**  
Statement of Net Position  
Proprietary Funds  
December 31, 2022

	Business-Type Activities				Total	Governmental Activities Internal Service Fund
	Water	Electric	Nonmajor Funds			
<b>Assets</b>						
<i>Current Assets</i>						
Cash and Investments	\$ -	\$ -	\$ 2,404,958	\$ 2,404,958	\$ 3,286,527	
Committed Cash and Investments	-	1,072,906	-	1,072,906	-	
Restricted Cash and Investments	3,177,813	1,840,474	-	5,018,287	-	
Accounts Receivable	1,475,895	4,371,323	197,406	6,044,624	23,743	
Inventories	249,180	3,233,072	-	3,482,252	-	
Prepaid Expenses	32,396	-	-	32,396	-	
Interfund Receivables	46,411	4,321,134	-	4,367,545	-	
Total Current Assets	<u>4,981,695</u>	<u>14,838,909</u>	<u>2,602,364</u>	<u>22,422,968</u>	<u>3,310,270</u>	
<i>Noncurrent Assets</i>						
Capital Assets, Not Being Depreciated	36,407,197	2,572,412	-	38,979,609	-	
Capital Assets, Net of Accumulated Depreciation	73,486,535	47,240,811	334,050	121,061,396	-	
Total Noncurrent Assets	<u>109,893,732</u>	<u>49,813,223</u>	<u>334,050</u>	<u>160,041,005</u>	<u>-</u>	
Total Assets	<u>114,875,427</u>	<u>64,652,132</u>	<u>2,936,414</u>	<u>182,463,973</u>	<u>3,310,270</u>	
<b>Deferred Outflows of Resources</b>						
Loss on Debt Refunding, Net of Accumulated Amortization	<u>866,833</u>	<u>-</u>	<u>-</u>	<u>866,833</u>	<u>-</u>	
<b>Liabilities</b>						
<i>Current Liabilities</i>						
Accounts Payable	915,839	2,135,065	25,296	3,076,200	7,236	
Accrued Liabilities	101,164	279,502	56,948	437,614	33,799	
Customer Deposits	144,543	875,224	-	1,019,767	-	
Accrued Interest Payable	394,913	106	-	395,019	-	
Interfund Payables	4,321,134	46,411	-	4,367,545	-	
Current Portion of Long-Term Debt						
Insurance Claims Payable	-	-	-	-	266,714	
Compensated Absences Payable	173,860	308,074	67,281	549,215	-	
Early Retirement Payable	3,600	8,400	-	12,000	-	
Capital Leases Payable	34,754	102,440	-	137,194	-	
Bonds and Loans Payable	1,818,000	372,000	-	2,190,000	-	
Total Current Liabilities	<u>7,907,807</u>	<u>4,127,222</u>	<u>149,525</u>	<u>12,184,554</u>	<u>307,749</u>	
<i>Long-Term Liabilities</i>						
Compensated Absences Payable	58,210	329,809	7,278	395,297	-	
Capital Leases Payable	36,246	2,798,279	-	2,834,525	-	
Bonds and Loans Payable	47,010,337	11,388,754	-	58,399,091	-	
Total Long-Term Liabilities	<u>47,104,793</u>	<u>14,516,842</u>	<u>7,278</u>	<u>61,628,913</u>	<u>-</u>	
Total Liabilities	<u>55,012,600</u>	<u>18,644,064</u>	<u>156,803</u>	<u>73,813,467</u>	<u>307,749</u>	
<b>Net Position</b>						
Net Investment in Capital Assets	65,039,041	36,992,224	334,050	102,365,315	-	
Unrestricted	<u>(4,309,381)</u>	<u>9,015,844</u>	<u>2,445,561</u>	<u>7,152,024</u>	<u>3,002,521</u>	
Total Net Position	<u>\$ 60,729,660</u>	<u>\$ 46,008,068</u>	<u>\$ 2,779,611</u>	<u>\$ 109,517,339</u>	<u>\$ 3,002,521</u>	

**Amounts reported for Business-type Activities in the Statement of Net Position are different:**

An internal service fund is used by management to charge the cost of health insurance to individual Funds. A portion of the assets and liabilities of the internal service fund is included in the business-type activities in the statement of net position.

1,171,040  
110,688,379

See Notes to Financial Statements.

**City of Fountain, Colorado**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended December 31, 2022**

	Business-Type Activities			Total	Governmental Activities Internal Service Fund
	Water	Electric	Nonmajor Funds		
<b>Operating Revenues</b>					
Charges for Services	\$ 11,955,039	\$ 28,241,363	\$ 1,441,072	\$ 41,637,474	\$ 4,163,012
Grant Revenue	-	766,452	775,874	1,542,326	-
Miscellaneous	90,197	2,451,266	-	2,541,463	-
<b>Total Operating Revenues</b>	<u>12,045,236</u>	<u>31,459,081</u>	<u>2,216,946</u>	<u>45,721,263</u>	<u>4,163,012</u>
<b>Operating Expenses</b>					
Source of Supply	2,195,029	16,027,825	-	18,222,854	-
Operations and Maintenance	2,382,973	4,990,493	1,548,019	8,921,485	-
Customer Accounts and Collection	633,695	1,475,446	-	2,109,141	-
Administration and General	2,091,097	3,704,217	-	5,795,314	118,121
Insurance Premiums	-	-	-	-	1,118,188
Insurance Claims	-	-	-	-	2,728,212
Depreciation	2,974,817	2,454,967	107,123	5,536,907	-
<b>Total Operating Expenses</b>	<u>10,277,611</u>	<u>28,652,948</u>	<u>1,655,142</u>	<u>40,585,701</u>	<u>3,964,521</u>
<b>Operating Income (Loss)</b>	<u>1,767,625</u>	<u>2,806,133</u>	<u>561,804</u>	<u>5,135,562</u>	<u>198,491</u>
<b>Nonoperating Revenues (Expenses)</b>					
Investment Income	26,662	48,931	8,526	84,119	10,707
Interest Expense	(1,461,871)	(518,576)	-	(1,980,447)	-
<b>Total Nonoperating Revenues (Expenses)</b>	<u>(1,435,209)</u>	<u>(469,645)</u>	<u>8,526</u>	<u>(1,896,328)</u>	<u>10,707</u>
<b>Net Income (Loss) Before Transfer and Capital Contributions</b>	<u>332,416</u>	<u>2,336,488</u>	<u>570,330</u>	<u>3,239,234</u>	<u>209,198</u>
Transfers In	109,721	621,049	-	730,770	-
Transfers Out	(510,273)	(668,428)	(81,934)	(1,260,635)	-
System Development Fees	382,550	40,000	-	422,550	-
<b>Change in Net Position</b>	<u>314,414</u>	<u>2,329,109</u>	<u>488,396</u>	<u>3,131,919</u>	<u>209,198</u>
<b>Net Position, Beginning of year</b>	<u>60,415,246</u>	<u>43,678,959</u>	<u>2,291,215</u>	<u>106,385,420</u>	<u>2,793,323</u>
<b>Net Position, End of year</b>	<u>\$ 60,729,660</u>	<u>\$ 46,008,068</u>	<u>\$ 2,779,611</u>	<u>\$ 109,517,339</u>	<u>\$ 3,002,521</u>

**Amounts Reported for Business-Type Activities in the Statement of Activities are Different Because:**

Change in Net Position of Enterprise Funds	\$ 3,131,919
An internal service fund is used by management to charge the costs of health insurance to individual funds. A portion of the net income of the internal service fund is included in business-type activities in the statement of activities.	
Change in Net Position of Business-Type Activities	<u>\$ 3,213,506</u>

**City of Fountain, Colorado**  
Reconciliation of the Statement of Net Position  
of Enterprise Funds to the Business-Type Activities  
For the Year Ended December 31, 2022

**Amounts Reported for Business-Type Activities in the Statement of Net Position are Different Because:**

Total Net Position of Enterprise Funds	\$ 109,517,339
An internal service fund is used by management to charge the costs of health insurance to individual funds. A portion of the assets and liabilities of the internal service fund is included in business-type activities in the statement of net position.	<u>1,171,040</u>
Total Net Position of Business-Type Activities	<u><u>\$ 110,688,379</u></u>

**City of Fountain, Colorado**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2022**

	Business-Type Activities			Total	Governmental Activities Internal Service Fund
	Water	Electric	Nonmajor Funds		
<b>Cash Flows from Operating Activities</b>					
Cash Received from Customers	\$ 12,182,318	\$ 29,375,955	\$ 1,581,856	\$ 43,140,129	\$ 4,162,825
Cash Payment from Other	-	766,452	775,874	1,542,326	-
Cash Payments to Employees	(15,294)	90,277	26,935	101,918	-
Cash Payments to Suppliers	(6,773,683)	(29,158,413)	(1,537,691)	(37,469,787)	(3,952,330)
Net Cash Provided (Used) by Operating Activities	5,393,341	1,074,271	846,974	7,314,586	210,495
<b>Cash Flows from Nonoperating Capital Financing Activities</b>					
Payments from Other Funds	(3,991,270)	-	(81,934)	(4,073,204)	-
Payments to Other Funds	-	3,991,270	-	3,991,270	-
Other	(106,535)	(47,379)	-	(153,914)	-
Net Cash Provided (Used) by Noncapital Financing Activities	(4,097,805)	3,943,891	(81,934)	(235,848)	-
<b>Cash Flows from Capital and Related Financing Activities</b>					
Acquisition and Construction of Capital Assets	(2,492,014)	(2,522,128)	(6,258)	(5,020,400)	-
System Development Fees Received	382,550	40,000	-	422,550	-
Debt Principal Payments	(1,758,332)	(528,721)	(37,130)	(2,324,183)	-
Debt Interest and Fiscal Charges Paid	(1,748,762)	(660,671)	-	(2,409,433)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(5,616,558)	(3,671,520)	(43,388)	(9,331,466)	-
<b>Cash Flow from Investing Activities</b>					
Interest Received	26,662	48,931	8,526	84,119	10,707
<b>Net Change in Cash and Cash Equivalents</b>	(4,294,360)	1,395,573	730,178	(2,168,609)	221,202
<b>Cash and Cash Equivalents, Beginning of year</b>	3,151,038	5,838,942	1,674,780	10,664,760	3,065,325
<b>Cash and Cash Equivalents, End of year</b>	\$ (1,143,322)	\$ 7,234,515	\$ 2,404,958	\$ 8,496,151	\$ 3,286,527
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>					
Operating Income (Loss)	\$ 1,767,625	\$ 2,806,133	\$ 561,804	\$ 5,135,562	\$ 198,491
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Depreciation	2,974,817	2,454,967	107,123	5,536,907	-
Changes in Assets and Liabilities					
Accounts Receivable	125,983	(1,285,971)	140,784	(1,019,204)	(187)
Inventories	94,837	(970,646)	-	(875,809)	-
Prepaid Expenses	(32,396)	-	-	(32,396)	-
Accounts Payable	466,670	(1,989,786)	10,328	(1,512,788)	(2,102)
Accrued Liabilities	(2,980)	65,967	12,906	75,893	10,173
Customer Deposits	11,099	(30,703)	-	(19,604)	-
Insurance Claims Payable	-	-	-	-	4,120
Compensated Absences Payable	(3,914)	53,110	14,029	63,225	-
Early Retirement Payable	(8,400)	(28,800)	-	(37,200)	-
Net Cash Provided (Used) by Operating Activities	\$ 5,393,341	\$ 1,074,271	\$ 846,974	\$ 7,314,586	\$ 210,495

See Notes to Financial Statements.

**City of Fountain, Colorado**  
Statement of Fiduciary Net Position  
Pension Trust Fund  
December 31, 2022

	Total
<b>Assets</b>	
Cash	\$ 2,752
Investments	
Local Government Investment Pools	459,614
Money Market Funds	239,162
Total Assets	\$ 701,528
<b>Net Position</b>	
Restricted for Pension Benefits	\$ 701,528

**City of Fountain, Colorado**  
Statement of Changes in Net Position  
Pension Trust Fund  
For the Year Ended December 31, 2022

	Total
<b>Additions</b>	
Investment Income	\$ 9,625
Total Additions	9,625
<b>Deductions</b>	
Administration	3,600
Benefit Payments	1
Total Deductions	3,601
<b>Change in Net Position</b>	6,024
<b>Net Position, Beginning of year</b>	695,504
<b>Net Position, End of year</b>	\$ 701,528

**City of Fountain, Colorado**  
Notes to Financial Statements  
December 31, 2022

**Note 1: Summary of Significant Accounting Policies**

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

**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 has the potential to provide benefits to, or impose financial burdens on, the City. Based on the application of these criteria, the City includes the following entities in its reporting entity.

The *Heritage Maintenance District* was established to maintain landscaping, fencing, drainage facilities, and other improvements within its boundaries. The *General Improvement District No. 1* was created to provide for the construction of a fire station, and after funding the fire station, for capital improvements including life safety improvements, park and recreational improvements, regional street improvements, and regional civic and cultural improvements. The *General Improvement District No. 2* was created to provide an alternate method of funding the construction, re-construction, and maintenance of certain public improvements within its boundaries. The City Council serves as the governing board for these districts and City management has operational responsibility for the districts. Therefore, their financial activity is blended into the City's financial statements. Separate financial statements are not issued.

The *Fountain Urban Renewal Authority* (the Authority) was created to redevelop or rehabilitate certain blighted areas within the City. The Authority has a separate governing board with members appointed by the City Council. Although the Authority is legally separate from the City, the Authority's primary revenue source, tax increment financing, can only be established by the City. The Authority is discretely presented in the City's financial statements. Separate financial statements for the Authority are available at City Hall, 116 South Main Street, Fountain, Colorado 80817.

**City of Fountain, Colorado**  
Notes to Financial Statements  
December 31, 2022

**Note 1: Summary of Significant Accounting Policies (Continued)**

**Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all nonfiduciary activities of the City and its component units. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges for interfund services that are reasonably equivalent to the services provided. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The *primary government* is reported separately from the legally separate *component unit* for which the City is financially accountable.

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 revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and the fiduciary fund, even though the latter is excluded from the government-wide financial statements. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current 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, intergovernmental revenues, and interest 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.

**City of Fountain, Colorado**  
Notes to Financial Statements  
December 31, 2022

**Note 1: Summary of Significant Accounting Policies (Continued)**

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

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

When both restricted and unrestricted resources are available for a specific 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 fund:

*General Fund* - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those accounted for in another fund.

The City also reports the following major enterprise funds:

*Water Utility* - This fund accounts for all activities necessary for the provision of water services to the City residents.

*Electric Utility* - This fund accounts for all activities necessary to provide electric power to the City residents.

Additionally, the City reports the following fund types:

*Internal Service Fund* - The Insurance Fund accounts for the activities related to employee health benefits, which are partially self-insured by the City.

*Pension Trust Fund* - The Pension Trust Fund is used to account for assets held by the City in a trustee capacity for the City's volunteer firefighters pension plan.

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

*Cash Equivalents* - Cash equivalents include investments with original maturities of three months or less. Investments in pooled cash are considered cash equivalents.

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

*Inventories* - Inventories of the proprietary funds are valued using the average cost method, and are reported as expenses when consumed. Materials and supplies purchased by the governmental funds are charged to operations when purchased.

**City of Fountain, Colorado**  
Notes to Financial Statements  
December 31, 2022

**Note 1: Summary of Significant Accounting Policies (Continued)**

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

*Prepaid Expenses* - Payments to vendors for services that will benefit subsequent years are reported as prepaid expenses.

*Interfund Receivables and Payables* - During the course of operations, certain transactions occur between individual funds. The resulting receivables and payables are classified in the fund financial statements as *interfund receivables* and *interfund payables* when they are short-term in nature. Noncurrent portions of interfund receivables and payables are reported as *advances from other funds* and *advances to other funds*. Any residual balances outstanding between governmental and business-type activities are reported in the government-wide financial statements as *internal balances*.

*Capital Assets* - Capital assets, which include land, buildings, equipment, and all infrastructure assets owned by the City, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the proprietary funds in the fund financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value on the date of donation. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the asset lives are not capitalized.

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

Buildings and Improvements	10 - 40 years
Infrastructure	25 - 40 years
Computers and Software	3 - 7 years
Machinery and Equipment	5 - 10 years
Vehicles	5 - 7 years

*Unearned Revenues* - Unearned revenues in the Electric Fund represent donations from customers that may be used to assist other customers with their utility bills.

*Deferred Inflows of Resources* - Deferred inflows of resources include property taxes earned but levied for a subsequent year.

*Compensated Absences* - Employees of the City are allowed to accumulate unused vacation and sick time. Upon termination of employment from the City, an employee will be compensated for all accrued vacation time up to 320 hours at their current pay rate, and for unused sick time, depending on years of service, up to 720 hours at a percentage of their current rate of pay. Employees hired after March 1, 2006, will be paid for all accrued vacation time up to 240 hours and for unused sick time, depending on years of service, up to 360 hours at a percentage of their current rate of pay.

**City of Fountain, Colorado**  
Notes to Financial Statements  
December 31, 2022

**Note 1: Summary of Significant Accounting Policies (Continued)**

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

These compensated absences are expensed when earned in the proprietary funds and when paid in the governmental funds. A long-term liability has been reported in the government-wide financial statements for the accrued compensated absences.

*Postemployment Benefits* - An employee with at least 20 years of service with the City, and who has reached at least 55 years of age at retirement, is eligible to receive health and life insurance coverage after retirement. This benefit expires when the retiree reaches the age of 65, thereby making the maximum eligibility period 10 years. A long-term liability is reported in the government-wide financial statements as the postemployment benefits are earned.

*Early Retirement* - During the year ended December 31, 2013, the City offered early retirement benefits to qualified employees. In lieu of receiving postemployment health and life insurance coverage after retirement, the employees will receive annual payments of \$12,000 for nine years or until the employee reaches age 65. At December 31, 2014, this offer was closed to further participation. A long-term liability is reported in the government-wide financial statements and the proprietary funds in the fund financial statements when the early retirement benefits are accepted by the employee and approved by the City.

*Long-Term Debt* - In the government-wide financial statements and the proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Debt premiums, discounts, and refunding losses are deferred and amortized over the life of the debt using the straight-line method.

In the fund financial statements, governmental funds recognize the face amount of debt issued as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

Issuance costs, whether or not withheld from the debt proceeds, are reported as current expenses or expenditures.

*Pensions* - The City participates in the Statewide Defined Benefit Plan, a cost-sharing multiple-employer defined benefit pension plan, and the Statewide Hybrid Plan, a cost-sharing multiple-employer combination defined benefit and money purchase pension plan. The plans are administered by the Fire & Police Pension Association of Colorado (FPPA). In addition, the City maintains a single-employer defined benefit pension plan for volunteer firefighters.

The net pension asset (liability), deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position, and additions to and deductions from each plan's fiduciary net position have been determined using the accrual basis of accounting, the same basis of accounting used by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Employee contributions are recognized in the year the contributions are due.

**City of Fountain, Colorado**  
Notes to Financial Statements  
December 31, 2022

**Note 1: Summary of Significant Accounting Policies (Continued)**

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

*Net Position/Fund Balances* - In the government-wide and fund financial statements, net position and fund balances are restricted when constraints placed on the use of resources are externally imposed. As reported in the governmental fund financial statements, the City Council establishes a fund balance commitment through passage of an ordinance, and is authorized to informally assign amounts to a specific purpose.

The City Council has established the ideal target reserves at 40% of the current operating budget of the General Fund. The reserves should not be allowed to fall below 20% of the current operating budget, including the emergency reserve required by the Tabor Amendment (See Note 11).

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

**Property Taxes**

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

**Subsequent Events**

The City has evaluated subsequent events through August 31, 2023, the date the financial statements were available to be issued.

**Note 2: Cash and Investments**

A summary of cash and investments as of December 31, 2022, follows:

Petty Cash	\$ 3,498
Deposits	31,883,560
Investments	<u>7,328,804</u>
Total	<u>\$ 39,215,862</u>

**City of Fountain, Colorado**  
Notes to Financial Statements  
December 31, 2022

**Note 2: Cash and Investments (Continued)**

Cash and investments are reported in the financial statements as follows:

Cash and Investments	\$ 18,602,945
Committed Cash and Investments	1,072,906
Restricted Cash and Investments	<u>19,540,011</u>
Total	<u>\$ 39,215,862</u>

**Deposits**

The Colorado Public Deposit Protection Act (PDPA) requires all local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2022, the City had bank deposits of \$12,404,093 collateralized with securities held by the financial institutions' agents but not in the City's name.

**Investments**

The City is required to comply with State statutes which specify investments meeting defined rating, maturity, and concentration risk criteria in which local governments may invest, which include the following. State statutes do not address custodial risk. The City's investment policy does not further limit these investment choices.

- Obligations of the United States and certain U.S. Agency securities
- General obligation and revenue bonds of U.S. local government entities
- Certain corporate or bank securities
- Commercial paper
- Local government investment pools
- Repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts (GICs)

**City of Fountain, Colorado**  
Notes to Financial Statements  
December 31, 2022

**Note 2: Cash and Investments (Continued)**

**Investments** (Continued)

At December 31, 2022, the City had the following investments:

Investment Type	S&P Rating	Investment Maturities in Years		
		Less Than 1	1 to 5 Years	Total
Local Government Investment Pools	AAA/m	\$ 238,283	\$ -	\$ 238,283
Money Market Funds	Not Rated	97,521	-	97,521
U.S. Agency Securities	AA+	1,493,115	-	1,493,115
Municipal Securities	AA+	-	2,639,235	2,639,235
Corporate Securities	AA-	-	1,115,807	1,115,807
Corporate Securities	A-	-	764,883	764,883
Corporate Securities	AA	-	979,960	979,960
<b>Total</b>		<b>\$ 1,828,919</b>	<b>\$ 5,499,885</b>	<b>\$ 7,328,804</b>

*Fair Value Measurements* - The City reports its investments using the fair value measurements established by generally accepted accounting principles. As such, a fair value hierarchy categorizes the inputs used to measure the fair value of the investments into three levels. Level 1 inputs are quoted prices in active markets for identical investments; Level 2 inputs include quoted prices in active markets for similar investments, or other observable inputs; and Level 3 inputs are unobservable inputs. The U.S. Agency, municipal, and corporate securities were measured utilizing quoted prices in active markets for similar investments (Level 2 inputs). The local government investment pools and money market funds were reported at the net asset value per share.

*Interest Rate Risk* - State statutes limit investments to an original maturity of five years from the date of purchase, unless the governing board authorizes the investment for a period in excess of five years. Corporate securities must mature within three years.

*Credit Risk* - State statutes limit investments in municipal securities to those with at least two credit ratings at or above A or its equivalent by nationally recognized statistical rating organizations (NRSROs). Corporate securities must have at least two credit ratings from any of the NRSROs at or above AA- or its equivalent. State statutes also limit investments in money market funds to those that maintain a constant share price, with a maximum remaining maturity in accordance with the Securities and Exchange Commission's Rule 2a-7, and either have assets of one billion dollars or the highest rating issued by one or more NRSROs.

*Concentration of Credit Risk* - State statutes do not limit the amount the City may invest in a single issuer of U.S. Agency or municipal securities. Corporate securities are limited to fifty percent of the total investment portfolio and five percent for a single issuer. At December 31, 2022, the City's investments in the Federal Farm Credit Banks Funding Corporation, Federal Home Loan Bank, Chevron Corporation, Bank of Montreal, and Walmart Corporation represented 20%, 22%, 15%, 10%, and 13%, respectively, of the City's total investments.

**City of Fountain, Colorado**  
Notes to Financial Statements  
December 31, 2022

**Note 2: Cash and Investments (Continued)**

**Investments** (Continued)

*Custodial Credit Risk* - At December 31, 2022, the City's investments in U.S. Agency, municipal, and corporate securities, and certain money market funds were held by the counterparty (broker), but not in the City's name.

*Local Government Investment Pools* - At December 31, 2022, the City had \$5,136 and \$19,686,240 invested in the Colorado Local Government Liquid Asset Trust (Colotrust) and the Colorado Surplus Asset Fund Trust (CSAFE), respectively. The Trusts are investment vehicles established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating the Trusts. The Trusts operate in conformity with the Securities and Exchange Commission's Rule 2a-7, with each share valued at \$1. Both Trusts are rated AAAm by Standard and Poor's. Investments of the Trusts are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

**Committed Cash and Investments**

Beginning January 1, 2006, the City committed to use system development fees and water acquisition fees received by the Water Fund exclusively for growth-related capital improvements and purchases of water rights. In addition, system development fees collected by the Electric Fund are committed for the construction of a new substation. The remaining cash and investments at December 31, 2022, of \$1,072,906 were reported as committed cash and investments in the Electric Fund.

**Restricted Cash and Investments**

Loan proceeds of \$217,500 are restricted in the Water Fund for debt reserves.

**Note 3: Interfund Balances and Transactions**

**Interfund Balances**

At December 31, 2022, the Electric Fund had temporarily subsidized the negative cash balance of the Water Fund in the amount of \$4,321,134.00.

**City of Fountain, Colorado**  
Notes to Financial Statements  
December 31, 2022

**Note 3: Interfund Balances and Transactions (Continued)**

**Interfund Transfers**

Interfund transfers during the year ended December 31, 2022, consisted of the following:

Transfers In	Transfers Out	Amount
General Fund	Electric Enterprise Fund	\$ 668,428
Electric Enterprise Fund	General Fund	461,947
General Fund	Water Enterprise Fund	397,616
Electric Enterprise Fund	Water Enterprise Fund	112,657
Water Enterprise Fund	General Fund	109,721
Electric Enterprise Fund	Ambulance Enterprise Fund	46,445
General Fund	Ambulance Enterprise Fund	35,489
Total		<u>\$ 1,832,303</u>

**Note 4: Capital Assets**

**Governmental Activities**

Capital Assets, *not being depreciated*

	Balance 12/31/21	Additions	Deletions	Balance 12/31/22
Land and Easements	\$ 1,874,166	-	-	\$ 1,874,166
Constructions in Progress	679,324	1,834,708	(321,083)	2,192,949
Total Capital Assets, <i>not being depreciated</i>	<u>2,553,490</u>	<u>1,834,708</u>	<u>(321,083)</u>	<u>4,067,115</u>
Capital Assets, being depreciated	18,900,374	621,016	(6,615)	19,514,775
Buildings and Improvements	119,256,807	-	-	119,256,807
Infrastructure	1,500,729	273,733	(8,241)	1,766,221
Computers and Software	4,793,488	654,817	(641,372)	4,806,933
Machinery and Equipment	8,389,702	1,832,885	(293,614)	9,928,973
Vehicles	152,841,100	3,382,451	(949,842)	155,273,709
Total Capital Assets, being depreciated	<u>(5,687,005)</u>	<u>(897,021)</u>	<u>6,616</u>	<u>(6,577,410)</u>
Less Accumulated Depreciation	(65,714,946)	(2,974,647)	-	(68,689,593)
Buildings and Improvements	(944,733)	(276,723)	8,241	(1,213,215)
Infrastructure	(3,371,902)	(361,885)	641,372	(3,092,415)
Computers and Software	(4,979,149)	(688,825)	293,613	(5,374,361)
Machinery and Equipment	(80,697,735)	(5,199,101)	949,842	(84,946,994)
Vehicles	(72,143,365)	(1,816,650)	-	70,326,715
Total Accumulated Depreciation	<u>74,696,855</u>	<u>18,058</u>	<u>(321,083)</u>	<u>74,393,830</u>
Capital Assets, <i>being depreciated</i> , Net	<u>\$ 74,696,855</u>	<u>\$ 18,058</u>	<u>\$ (321,083)</u>	<u>\$ 74,393,830</u>
Governmental Activities Capital Assets, Net	<u>\$ 74,696,855</u>	<u>\$ 18,058</u>	<u>\$ (321,083)</u>	<u>\$ 74,393,830</u>

**City of Fountain, Colorado**  
Notes to Financial Statements  
December 31, 2022

**Note 4: Capital Assets (Continued)**

Capital assets activity for the year ended December 31, 2022, is summarized below:

	Balance 12/31/21	Additions	Deletions	Balance 12/31/22
<b>Business-Type Activities</b>				
Capital Assets, <i>not being depreciated</i>				
Land and Easements	\$ 7,113,005	-	-	\$ 7,113,005
Water and Storage Rights	26,200,126	53,575	-	26,253,701
Constructions in Progress	1,771,414	4,135,505	(294,016)	5,612,903
<b>Total Capital Assets, <i>not being depreciated</i></b>	<b>35,084,545</b>	<b>4,189,080</b>	<b>(294,016)</b>	<b>38,979,609</b>
Capital Assets, <i>being depreciated</i>				
Buildings and Improvements	21,922,190	-	(74,220)	21,847,970
Infrastructure	142,265,413	585,688	(3,232,665)	139,618,436
Computers and Software	3,594,746	15,382	(116,087)	3,494,041
Machinery and Equipment	4,286,134	86,279	(1,251,493)	3,120,920
Vehicles	3,233,765	143,975	(216,718)	3,161,022
<b>Total Capital Assets, <i>being depreciated</i></b>	<b>175,302,248</b>	<b>831,324</b>	<b>(4,891,183)</b>	<b>171,242,389</b>
<b>Less Accumulated Depreciation</b>				
Buildings and Improvements	(4,297,028)	(843,554)	74,220	(5,066,362)
Infrastructure	(36,861,775)	(3,706,969)	3,208,439	(37,360,305)
Computers and Software	(2,178,684)	(501,543)	116,087	(2,564,140)
Machinery and Equipment	(3,797,394)	(191,623)	1,214,486	(2,774,531)
Vehicles	(2,400,383)	(231,990)	216,718	(2,415,655)
<b>Total Accumulated Depreciation</b>	<b>(49,535,264)</b>	<b>(5,475,679)</b>	<b>4,829,950</b>	<b>(50,180,993)</b>
<b>Capital Assets, <i>being depreciated</i>, Net</b>	<b>125,766,984</b>	<b>(4,644,355)</b>	<b>(61,233)</b>	<b>121,061,396</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 160,851,529</b>	<b>\$ (455,275)</b>	<b>\$ (355,249)</b>	<b>\$ 160,041,005</b>

Depreciation expense was charged to programs of the City as follows:

Governmental Activities	
General Government	\$ 285,049
Public Safety	999,202
Public Works	3,669,398
Health and Welfare	3,689
Culture and Recreation	241,763
<b>Total</b>	<b>\$ 5,199,101</b>

**City of Fountain, Colorado**  
Notes to Financial Statements  
December 31, 2022

**Note 5: Long-Term Debt**

**Governmental Activities**

Following is a summary of long-term debt transactions for the governmental activities for the year ended December 31, 2022.

	Balance 12/31/21	Additions	Reductions	Balance 12/31/22	Due Within One Year
Capital Leases	\$ 4,253,557	\$ -	\$ (536,782)	\$ 3,716,775	\$ 433,744
Compensated Absences	1,248,630	906,912	(784,542)	1,371,000	702,670
Early Retirement	64,000	-	(52,000)	12,000	12,000
<b>Total</b>	<b>\$ 5,566,187</b>	<b>\$ 906,912</b>	<b>\$ (1,373,324)</b>	<b>\$ 5,099,775</b>	<b>\$ 1,148,414</b>

During 2012, the City entered into a lease purchase agreement for \$3,000,000 to build a new fire station and remodel the police building. During 2013, an additional \$218,000 was borrowed under the agreement to complete the projects. Interest payments are due semi-annually on March 1 and September 1, with interest accruing at 3.95% per annum. Principal payments are due annually on September 1, through September, 2032. At December 31, 2022, capital assets of \$2,076,665, net of accumulated depreciation, were reported under this lease.

During 2017, the City entered into a lease agreement for \$104,300 to purchase a police vehicle. Monthly payments of \$995 are due under the lease agreement beginning in January, 2018, through December, 2027. Interest accrues on the outstanding balance at 2.74% per annum. Capital assets of \$84,537 less accumulated depreciation of \$60,384 are reported under this lease.

During 2017, the City entered into a lease agreement for \$809,770 to purchase vehicles. Monthly payments of \$14,218 are due under the lease agreement through August, 2027. Interest accrues on the outstanding balance at 2.07% per annum. Capital assets of \$797,880 less accumulated depreciation of \$650,122 are reported under this lease.

During 2017, the City entered into a lease agreement for \$482,518 to purchase a fire vehicle. Monthly payments of \$4,552 are due under the lease agreement through August, 2027. Interest accrues on the outstanding balance at 2.52% per annum. Capital assets of \$482,518 less accumulated depreciation of \$171,562 are reported under this lease.

During 2017, the City used capital lease proceeds in the amount of \$1,000,000 and other City resources to finance improvements to the Lorraine Center. Principal is due annually beginning in September, 2017, through 2032. Interest accrues on the outstanding balance at 3.15% per annum and is payable semi-annually in March and September. Capital assets of \$1,147,753 less accumulated depreciation of \$241,028 are reported as a result of this transaction.

**City of Fountain, Colorado**  
Notes to Financial Statements  
December 31, 2022

**Note 5: Long-Term Debt (Continued)**

**Governmental Activities** (Continued)

During 2017, the City entered into a lease agreement for \$1,004,165 to improve the City buildings' energy performance. Principal and interest are due quarterly beginning in March, 2018, through December, 2032. Interest accrues on the outstanding balance at 2.72% per annum. Capital assets of \$458,587 less accumulated depreciation of \$374,513 are reported as a result of this transaction.

During 2017, the City entered into a lease agreement for \$451,200 to purchase information technology equipment. Annual payments of \$97,306 are due under the lease agreement with an initial payment due in January, 2018, and annual payments thereafter beginning in September, 2018, through 2021. Interest accrues on the outstanding balance at 3.92% per annum. Capital assets of \$324,024 less accumulated depreciation of \$324,024 are reported under this lease. Lease payments totaling \$69,768 will be made by the General Fund.

During 2017, the City entered into a lease agreement for \$713,800 to purchase information technology equipment and vehicles. Principal and interest are due quarterly beginning in January 2018, through December 2022. Interest accrues on the outstanding balance at 0.2% per annum. Capital assets of \$34,445 less accumulated depreciation of \$24,604 are reported as a result of this transaction.

During 2020, the City entered into a lease agreement for \$174,143 to purchase information technology equipment. Principal and interest are due annually beginning in May 2021, through September 2024. Interest accrues on the outstanding balance at 4.35% per annum. Capital assets in the amount of \$174,143 net of accumulated depreciation in the amount of \$38,698 are reported as a result of this transaction.

During 2021, the City entered into a lease agreement for \$131,789 to purchase a bus. Principal and interest are due annually beginning in June 2021, through June 2025. Interest accrues on the outstanding balance at 1.21% per annum. Capital assets in the amount of \$131,789 net of accumulated depreciation in the amount of \$19,269 are reported as a result of this transaction.

During 2021, the City entered into a lease agreement for \$349,509 to purchase trucks. Principal and interest are due annually beginning in November 2021, through November 2026. Interest accrues on the outstanding balance at 2.90% per annum. Capital assets in the amount of \$349,509 net of accumulated depreciation in the amount of \$49,930 are reported as a result of this transaction.

**City of Fountain, Colorado**  
Notes to Financial Statements  
December 31, 2022

**Note 5: Long-Term Debt (Continued)**

**Governmental Activities** (Continued)

Following is a schedule of the future minimum lease payments required under the governmental activities capital lease obligations.

Year Ended December 31,	\$
2023	464,889
2024	555,311
2025	511,971
2026	623,987
2027	420,360
2028 - 2032	<u>1,800,278</u>
Total Minimum Lease Payments	4,376,796
Less: Interest Portion	<u>(660,021)</u>
Present Value of Future Minimum Lease Payments	<u>\$ 3,716,775</u>

The liabilities for compensated absences, postemployment benefits, and early retirement are expected to be liquidated primarily with General Fund revenues.

**Business-Type Activities**

Following is a summary of long-term debt transactions for the business-type activities for the year ended December 31, 2022.

	Balance 12/31/21	Additions	Reductions	Balance 12/31/22	Due Within One Year
2014 CWRPDA Loan	14,150,000	\$ -	\$ (505,000)	\$ 13,645,000	\$ 530,000
Premium	1,013,065	-	(44,206)	968,859	-
2015 Water Revenue Bonds	3,440,000	-	(95,000)	3,345,000	100,000
Premium	47,755	-	(1,990)	45,765	-
2016 Water Revenue Bonds	5,685,000	-	(250,000)	5,435,000	255,000
Premium	694,906	-	(41,694)	653,212	-
2019 Water Revenue Bonds	18,300,000	-	(500,000)	17,800,000	620,000
Premium	1,910,424	-	(109,167)	1,801,257	-
2020 Revenue Refunding Bonds	8,025,000	-	(335,000)	7,690,000	335,000
2021 Revenue Refunding Bonds	9,545,000	-	(340,000)	9,205,000	350,000
Agreement Payable	37,130	-	(37,130)	-	-
Capital Leases	3,240,729	-	(269,010)	2,971,719	137,195
Compensated Absences	881,285	781,290	(718,065)	944,510	549,214
Early Retirement	49,200	-	(37,200)	12,000	12,000
Total	<u>\$ 67,019,494</u>	<u>\$ 781,290</u>	<u>\$ (3,283,462)</u>	<u>\$ 64,517,322</u>	<u>\$ 2,888,409</u>

**City of Fountain, Colorado**  
Notes to Financial Statements  
December 31, 2022

**Note 5: Long-Term Debt (Continued)**

**Business-Type Activities** (Continued)

During 2014, the City entered into a loan agreement for \$16,900,000 with the CWRPDA. Loan proceeds were used for construction of the Southern Delivery System (See Note 11), purchase of water rights, replacement of old water mains, installation of a supervisory control and data acquisition system (SCADA), and to refund a portion of the 2005 CWRPDA loan. Interest payments are due semi-annually on March 1 and September 1. Principal payments are due annually on September 1, through 2044. Interest accrues at rates ranging from 2% to 5% per annum.

The 2014 CWRPDA loan has two covenants the City meet. One is a Debt Service Ratio requirement of 1.10. The City is meeting that covenant with more than 2 times the minimum requirement. The other covenant is an Operations and Maintenance Reserve requirement equal to 25% of the annual expenditures. The City is currently below that requirement and is working through the allowable remedy to meet that requirement.

During 2015, the City issued \$3,965,000 Water Revenue Bonds, Series 2015. Bond proceeds were used for construction of the Southern Delivery System (See Note 11). Interest payments are due semi-annually on June 1 and December 1. Principal payments are due annually on December 1, through 2045. Interest accrues at rates ranging from 3% to 3.625% per annum.

During 2016, the City issued \$7,150,000 Water Revenue Refunding Bonds, Series 2016. Bond proceeds were used to repay the balance of the 2009 CWRPDA Loan, originally issued for future water storage sites, and the acquisition of a customer service building. Interest accrues on the bonds at rates ranging from 2% to 4% per annum. Interest payments are due semi-annually on June 1 and December 1. Principal payments are due annually on December 1, through 2038.

During 2019, the City issued \$19,000,000 Electric, Water and Wastewater Utility Revenue Bonds, Series 2019. Bond proceeds were used to fund various capital projects. Interest accrues on the bonds at rates ranging from 3% to 5% per annum. Interest payments are due semi-annually on June 1 and December 1. Principal payments are due annually on December 1, through 2039.

In October 2020, the City entered into a refunding transaction whereby the series 2020 revenue refunding bonds were issued to refund the 2011 CWRPDA Loan. The series 2020 bonds were issued in the amount of \$8,340,000. The net proceeds of \$8,168,306 (after payment of \$171,694 in underwriting fees and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited into an irrevocable trust with an escrow agent to provide for future debt payments on the 2011 CWRPDA loan callable in 2021. The total amount deposited with the escrow agent included the \$7,795,000 loan balance and deferred amounts on refunding. As a result of the transaction, the 2011 CWRPDA loan is considered to be defeased in-substance and the liability for those bonds has been removed from the proprietary fund statement of net position.

**City of Fountain, Colorado**  
Notes to Financial Statements  
December 31, 2022

**Note 5: Long-Term Debt** (Continued)

**Business-Type Activities** (Continued)

The City completed the advanced refunding in 2020 to reduce its total debt service payments over the next 21 years by \$1,640,637 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$1,297,977.

In November 2021, the City entered into a refunding transaction whereby the series 2021 revenue refunding bonds were issued to refund the 2013 CWRPDA loan. The series 2021 bonds were issued in the amount of \$9,545,000. The net proceeds of \$10,039,292 (including a cash contribution from the City of \$682,548 and payment of \$188,257 in underwriting fees and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited into an irrevocable trust with an escrow agent to provide for future debt payments on the 2013 DWEPPDA loan callable in 2022. The total amount deposited with the escrow agent included the \$9,640,000 loan balance and deferred amounts on refunding. As a result of this transaction, the 2011 CWRPDA loan is considered to be defeased in-substance and the liability for those bonds has been removed from the proprietary fund statement of net position.

The City completed the advance refunding in 2021 to reduce its total debt service payments over the next 22 years by \$1,930,919 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$1,495,113.

The Water Fund loans and bonds are payable solely from revenues of the City's utility system, which includes the Water and Electric Funds, after deduction of operating and maintenance costs, provided that revenues are limited to 50% of tap fee revenues. An Operations and Maintenance Reserve requirement equal to three months of operation and maintenance. The City's utility reserves are currently below the 25% requirement. In accordance with the covenant, the City is working to come back into compliance with this requirement. A Debt Service Coverage Ratio Requirement of 1.10. The City is generating more than 2 times the minimum coverage ratio. During the year ended December 31, 2022, net revenues of \$11,232,454 were available to pay annual debt service of approximately \$4,202,504

**City of Fountain, Colorado**  
Notes to Financial Statements  
December 31, 2022

**Note 5: Long-Term Debt (Continued)**

**Business-Type Activities** (Continued)

Future debt service requirements for the outstanding bonds and loans at December 31, 2022, were as follows.

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 2,190,000	\$ 2,095,366	\$ 4,285,366
2024	2,255,000	2,026,800	4,281,800
2025	2,335,000	1,953,695	4,288,695
2026	2,405,000	1,875,469	4,280,469
2027	2,495,000	1,789,827	4,284,827
2028 - 2032	13,910,000	7,499,111	21,409,111
2033 - 2037	16,750,000	4,972,073	21,722,073
2038 - 2042	12,390,000	1,623,227	14,013,227
2043 - 2045	2,390,000	154,352	2,544,352

Present Value of Future Minimum Lease Payments \$ 57,120,000 \$ 23,989,920 \$ 81,109,920

During 2015, the City entered into a lease agreement for \$83,000 to purchase an ambulance. Monthly payments of \$1,235 are due under the lease agreement through July 2021. Interest accrues on the outstanding balance at 2.28% per annum. Capital assets of \$163,063 less accumulated depreciation of \$163,063 are reported under this lease.

During 2017, the City entered into a lease agreement for \$713,080 to purchase computer equipment, software and a vehicle. Monthly payments of \$12,594 are due under the lease agreement beginning in January, 2018, through December, 2022. Interest accrues on the outstanding balance at 2.3% per annum. Capital assets of \$740,062 less accumulated depreciation of \$88,191 are reported as a result of this transaction.

During 2020, the City entered into a lease agreement for \$348,286 to purchase information technology equipment. Principal and interest are due annually beginning in September 2020, through September 2024. Interest accrues on the outstanding balance at 4.35% per annum. Capital assets in the amount of \$348,286 net of accumulate depreciation in the amount of \$77,397 are reported as a result of this transaction.

During 2021, the City entered into a lease agreement for \$2,859,047 to improve the City's energy performance. Principal and interest are due annually beginning in November 2022, through November 2041. Interest accrues on the outstanding balance at 2.165% per annum. There were no capital assets recorded as of December 31, 2022 related to this lease agreement. Restricted cash in the amount of \$860,994 held in Escrow is recorded as restricted cash in the Electric Fund.

**City of Fountain, Colorado**  
Notes to Financial Statements  
December 31, 2022

**Note 5: Long-Term Debt (Continued)**

**Business-Type Activities** (Continued)

Following is a schedule of the future minimum lease payments required under the business-type activities capital lease obligations, including the equipment leases to be paid partially by the governmental activities.

Year Ended December 31,	
2023	\$ 258,113
2024	258,167
2025	182,452
2026	182,452
2027	182,452
2028 - 2032	912,260
2033 - 2037	912,260
2038 - 2041	729,807
Total Minimum Lease Payments	3,617,963
Less: Interest Portion	(646,244)
Present Value of Future Minimum Lease Payments	\$ 2,971,719

**Note 6: Joint Venture**

The City is a participant in the Fountain Valley Authority which was formed to construct and operate a water treatment plant. Participants in the Authority are the Cities of Fountain and Colorado Springs, Security Water District, Stratmoor Hills Water District and Widefield Water and Sanitation District. The City is represented on the Authority's Board of Directors by one member. The Board of Directors has the responsibility for all operations of the Authority.

The City's share of available capacity for the year ended December 31, 2022, was 2,000 acre feet of project water, representing an ownership percentage of participation of 9.95%.

The City's share of the Authority is not included in the financial statements since the Authority is a component unit of the City of Colorado Springs. Financial information about the Fountain Valley Authority can be obtained in a separate report available at City Hall.

**Note 7: 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; natural disasters; and health and dental claims of its employees. The City accounts for and finances its risk activities in the General Fund and the Insurance Internal Service Fund.

**City of Fountain, Colorado**  
Notes to Financial Statements  
December 31, 2022

**Note 7: Risk Management** (Continued)

**Public Entity Risk Pool**

For property, liability and workers compensation risks of loss, the City is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to the provisions of 24-10-115.5, Colorado Revised Statutes (1982 Replacement Volume) and the Colorado Constitution, Article XIV, Section 18(2).

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

It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability of loss, to the limit of the financial resources of CIRSA. It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverages at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members.

**Insurance Fund**

Effective October 1, 2009, the City established a partially self-insured program for employee health, dental and short-term disability benefits. Transactions of the self-insurance program are reported in the Insurance Fund, an internal service fund. The City has purchased excess insurance policies to cover individual claims in excess of \$50,000, and aggregate annual claims in excess of approximately \$3,388,169, depending on enrollment counts. Premiums are paid by the General, Water, Electric, and Ambulance Funds.

Claims liabilities, including estimated incurred but not reported claims (IBNR), are reported in the government-wide financial statements and the internal service fund if information available prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Other than current amounts, the City believes the estimated claims liability is not fully measurable, and the City could incur additional costs related to IBNR claims.

Changes in claims payable were as follows:

	2022	2021
Claims Payable, <i>Beginning of Year</i>	\$ 262,594	\$ 213,020
Claims and Changes in Provisions	2,728,212	2,257,350
Claims Payments	<u>(2,724,092)</u>	<u>(2,207,776)</u>
Claims Payable, <i>End of Year</i>	<u>\$ 266,714</u>	<u>\$ 262,594</u>

**City of Fountain, Colorado**  
Notes to Financial Statements  
December 31, 2022

**Note 8: Defined Benefit Retirement Plans**

**Volunteer Firefighters' Pension Plan**

General Information

*Plan Description* - The City has established the Volunteer Firefighters' Pension Plan, a single-employer defined benefit pension plan for volunteer firefighters as authorized by State of Colorado statutes. The plan is administered by a Board of Trustees composed of City Council members and firefighters. The Board of Trustees also establishes and is allowed to amend contribution and benefit requirements. The plan does not publish a separate stand-alone report, but is reported in the financial statements as a Pension Trust Fund.

*Plan Membership* - At December 31, 2022, plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	2
Inactive plan members entitled to but not yet receiving benefits	15
Active plan members	<u>7</u>
Total	<u><u>24</u></u>

*Benefits Provided* - Any firefighter who has both attained the age of fifty and completed twenty years of active service shall be eligible for a monthly pension benefit of \$200. A firefighter who is disabled in the line of duty and whose disability is of such character and magnitude as to deprive the firefighter of earning capacity and extends beyond one year shall be compensated in an amount determined by the Board of Trustees, currently \$200 each month. Monthly survivor benefits are \$200 unless the firefighter was disabled, in which case the survivor benefit is \$100 each month.

*Contributions* - As established by State statutes, the plan may receive contributions from the City in an amount not to exceed one-half mill of property tax revenue. The State of Colorado contributes 90% of the City's contribution. Plan members are not required to contribute to the plan. The contributions are not actuarially determined. The actuarial valuation as of January 1, 2018, indicated that the current level of contributions is adequate to support on an actuarially sound basis the prospective benefits of the present plan. No contributions were made to the plan during the year ended December 31, 2018.

**City of Fountain, Colorado**  
Notes to Financial Statements  
December 31, 2022

**Note 8: Defined Benefit Retirement Plans (Continued)**

**Volunteer Firefighters' Pension Plan (Continued)**

Investments

*Investment Policy* - The Board of Trustees has the authority to establish an investment policy for the plan, but has not done so. City management currently makes all investment decisions.

*Rate of Return* - For the year ended December 31, 2022, the annual money-weighted rate of return on plan investments, net of investment expense, was 1.36%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Asset

At December 31, 2022, the City reported a net pension asset of \$477,027. The net pension asset was measured at December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022.

*Actuarial Assumptions* - The total pension liability was determined by an actuarial valuation as of January 1, 2022, using the following actuarial assumptions, applied to all periods included in the measurement.

Interest Rate – 2.3% per annum, compounded annually, net of operating expenses  
Mortality - Pub-2010 mortality table for general employees, projected with generational mortality improvement using Scale MP-2021. Separate annuitant and non-annuitant rate tables were used.

The long-term expected rate of return on plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return and by adding expected inflation.

*Discount Rate* - The discount rate used to measure the total pension liability was 2.3%. The projection of cash flows used to determine the discount rate assumed that contributions will continue to follow the current funding policy. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments of 1.36% was applied to all periods of projected benefit payments to determine the total pension liability.

**City of Fountain, Colorado**  
Notes to Financial Statements  
December 31, 2022

**Note 8: Defined Benefit Retirement Plans (Continued)**

**Volunteer Firefighters' Pension Plan (Continued)**

Net Pension Asset (Continued)

For the year ended December 31, 2022, changes in the net pension asset of the City were as follows.

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Asset (a) - (b)
Balances at December 31, 2021	\$ 217,610	\$ 711,004	\$ (493,394)
Changes for the Year:			
Service Cost	8,601	-	8,601
Interest	5,158	-	5,158
Differences Between Expected and Actual Experience	(3,452)	-	(3,452)
Changes of Assumptions	36	-	36
Net Investment Income	-	9,651	(9,651)
Benefit Payments	(3,600)	(3,600)	-
Administrative Expenses	-	(15,675)	15,675
	<u>\$ 224,353</u>	<u>\$ 701,380</u>	<u>\$ 477,027</u>
Balances at December 31, 2022			

*Sensitivity of the Net Pension Asset to Changes in the Discount Rate* - The following table presents the net pension asset of the City at December 31, 2022, calculated using the discount rate of 2.3%, as well as what the City's net pension asset would be if it were calculated using a discount rate that is one percentage point lower (1.3%) or one percentage point higher (3.3%) than the current rate, as follows:

	Current		
	1% Decrease (1.30%)	Discount Rate (2.30%)	1% Increase (3.30%)
City's Net Pension Liability (Asset)	\$ (423,005)	\$ (477,027)	\$ (516,966)

**City of Fountain, Colorado**  
Notes to Financial Statements  
December 31, 2022

**Note 8: Defined Benefit Retirement Plans (Continued)**

**Volunteer Firefighters' Pension Plan (Continued)**

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

For the year ended December 31, 2022, the City recognized pension expense of \$54,947. The differences in projected and actual earnings on investments, differences between expected and actual experience, and the effect of changes in assumptions were recorded in pension expense. Because the differences were not significant, they will not be recognized as pension expense over multiple years.

**Police and Firefighters' Pension Plans**

Plan Description

The City contributes to the Statewide Defined Benefit Plan (the SWDB Plan), a cost-sharing multiple-employer defined benefit pension plan. The plan is administered by the Fire & Police Pension Association of Colorado (FPPA). Effective September 1, 2011, paid firefighters had the option to remain in the City's existing pension plan or choose to participate in the SWH plan. Firefighters hired after September 1, 2011, are required to participate in the SWDB on the first day of employment. Title 31, Article 31 of the Colorado Revised Statutes (CRS) grants the authority to establish and amend benefit terms to the FPPA Board of Directors. FPPA issues a publicly available financial report that includes information on the plans. That report may be obtained at [www.fppaco.org](http://www.fppaco.org).

Benefits Provided

*SWDB Plan* - A SWDB Plan member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55. The annual normal retirement benefit is 2% of the average of the member's highest three years' base salary for each year of credited service up to 10 years, plus 2.5% for each year of service thereafter. Benefits paid to retirees are evaluated and may be re-determined every October 1. The amount of any increase is based on the FPPA Board of Director's discretion and can range from zero to the higher of 3% or the Consumer Price Index.

**City of Fountain, Colorado**  
Notes to Financial Statements  
December 31, 2022

**Note 8: Defined Benefit Retirement Plans (Continued)**

**Police and Firefighters' Pension Plans**  
(Continued)

**Benefits Provided**

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

**Contributions**

*SWDB Plan Contributions* - The City and eligible employees are required to contribute to the SWDB Plan at rates established by State statutes. Employer contribution rates can only be amended by the State Legislature. Employee contribution rates can be amended by the State Legislature or by election of the membership. The City and eligible employees contributed 8.9% and 10.5% of base salary, respectively, for the year ended December 31, 2022. SWDB Plan members elected to increase the employee contribution rate 0.5% annually from 2015 through 2022, to a total of 12% of base salary. Employer contributions will increase 0.5% annually beginning in 2021 through 2030 for a total of 13% of pensionable earnings.

Contributions from employees and employers reentering the SWDB Plan are established by resolution of the FPPA Board of Directors. The reentry group had a combined contribution rate of 23% of base salary through December 31, 2022. The split of contributions between employees and the City is determined by the City Council.

The City's contributions to the SWDB Plan for the year ended December 31, 2022, were \$510,584 equal to the required contributions.

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

At December 31, 2022, the City reported a net pension asset (liability) of \$4,043,771 representing its proportionate share of the net pension asset (liability) of the SWDB Plan. The net pension asset (liability) was measured at December 31, 2021, and the total pension liability used to calculate the net pension asset (liability) was determined by an actuarial valuation as of January 1, 2022. The City's proportion of the net pension asset (liability) was based on a projection of the City's contributions to the plans for the calendar year ended December 31, 2021, relative to the projected contributions of all participating employers.

At December 31, 2021, the City's proportion of the SWDB Plan was 0.74617440%, which was an decrease of 0.00352666% from its proportion measured at December 31, 2020.

**City of Fountain, Colorado**  
Notes to Financial Statements  
December 31, 2022

**Note 8: Defined Benefit Retirement Plans (Continued)**

**Police and Firefighters' Pension Plans**  
(Continued)

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

For the year ended December 31, 2022, the City recognized pension income for the SWDB Plan of \$448,712. At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<b>Statewide Defined Benefit Plan</b>		
Differences between expected and actual experience	\$ 896,675	\$ (79,509)
Net difference between projected and actual earnings on plan investments	-	(2,025,987)
Changes of assumptions and other inputs	432,906	-
Changes of proportion	46,250	(24,363)
Contributions subsequent to the measurement date	683,773	-
Total	\$ 2,059,604	\$ (2,129,859)

City contributions to the SWDB Plan subsequent to the measurement date of \$683,773 will be recognized as an increase or decrease to the net pension asset (liability) in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows.

<u>Year ended December 31,</u>		
2023	\$	(668,680)
2024		(386,521)
2025		(110,121)
2026		243,295
2027		143,280
Thereafter		24,719
Total	\$	(754,028)

**City of Fountain, Colorado**  
Notes to Financial Statements  
December 31, 2022

**Note 8: Defined Benefit Retirement Plans (Continued)**

**Police and Firefighters' Pension Plans**  
(Continued)

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

*Actuarial Assumptions* - The actuarial valuations as of January 1, 2022, determined the total pension liability using the following actuarial assumptions and other inputs.

Investment rate of return, compounded annually, net of plan investment expenses, including inflation	7.0%
Inflation	2.5%
Projected salary increases	4.25% - 11.25%
Cost of living adjustments (COLA)	0.0%

For determining the total pension liability and actuarially determined contributions, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rates from the RP-2014 Annuitant Mortality Tables projected to 2018 using the MP-2017 projection scales, and the projected prospectively using the ultimate rates of the scale for all years. The pretirement off-duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.

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

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of December 31, 2022, are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Rate of Return
Global Equity	39%	8.23%
Equity Long/Short	8%	6.87%
Private Markets	26%	10.63%
Fixed Income - Rates	10%	4.01%
Fixed Income - Credit	5%	5.25%
Absolute Return	10%	5.60%
Cash	2%	2.32%
	100%	

**City of Fountain, Colorado**  
Notes to Financial Statements  
December 31, 2022

**Note 8: Defined Benefit Retirement Plans (Continued)**

**Police and Firefighters' Pension Plans**  
(Continued)

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

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
City's proportionate share of the SWDB Net Pension Liability (Asset)	\$ (557,661)	\$ (4,043,771)	\$ (6,931,819)

**Police and Firefighters' Pension Plans**  
(Continued)

*Pension Plan Fiduciary Net Position* - Detailed information about the plans' fiduciary net position is available in FPPA's separately issued financial report, which may be obtained at [www.fppaco.org](http://www.fppaco.org).

The aggregate amount of pension expense for the SWBD Plan and the Volunteer Plan is a net pension benefit of \$393,765.

**City of Fountain, Colorado**  
Notes to Financial Statements  
December 31, 2022

**Note 9: Retirement Commitments**

**Police and Firefighter Money Purchase Pension Plan**

The City contributes to a single-employer defined contribution money purchase pension plan on behalf of police officers and paid firefighters that did not elect to participate in the FPPA Plans. The City is required to contribute 9.5% of each participating employee's compensation, and each employee must contribute a matching amount. The Plan provisions and contribution requirements are established and may be amended by the City Council. Employees are eligible to participate in the Plan as of the first day of work as an employee, and become fully vested after five years of service.

For the year ended December 31, 2022, the City contributed \$17,513 to the Plan, equal to the required contributions. All of the Plan investments at December 31, 2022, are managed by Empower Retirement Company, an outside administrator.

**General Employee Money Purchase Pension Plan**

The City contributes to a single-employer defined contribution money purchase pension plan on behalf of non-police and firefighter employees. The City is required to contribute 4.5% of each participating employee's compensation, and each employee must contribute a matching amount. The Plan provisions and contribution requirements are established and may be amended by the City Council. Employees are eligible to participate in the Plan after six months of employment. Participants become fully vested after five years of service.

For the year ended December 31, 2022, the City contributed \$426,025 to the Plan, equal to the required contributions. All of the Plan investments at December 31, 2022, are managed by the Colorado Retirement Association (CRA), an outside administrator.

**Note 10: Postemployment Benefits other than Pensions**

*Plan Description* - The City has established a single-employer defined benefit postemployment healthcare plan. Employees with at least 20 years of service with the City, and who have reached at least 55 years of age, are eligible to receive health insurance benefits after retirement. These benefits expire when the retiree reaches the age of 65. The authority to establish and amend benefit provisions rests with the City Council. The City does not issue a stand-alone financial report for the plan.

*Funding Policy* - The contribution requirements of plan members and the City are established and may be amended by the City Council. The required contribution is based on projected pay-as-you-go financing requirements. The City pays the entire monthly insurance premium. Plan members are not required to contribute to the plan. For the year ended December 31, 2022, the City paid premiums for retirees totaling \$55,600.

**City of Fountain, Colorado**  
Notes to Financial Statements  
December 31, 2022

**Note 10: Postemployment Benefits other than Pensions (Continued)**

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

At December 31, 2022, the City reported an OPEB liability of \$1,487,905. The net OPEB liability was measured as of December 31, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2021. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2022.

For the year ended December 31, 2022, changes in the net OPEB liability of the City were as follows.

Balance at December 31, 2021	Net OPEB Liability
Changes for the year:	\$ 1,615,120
Service Cost	125,701
Interest	37,773
Changes of assumptions	(165,914)
Benefit Payments	(124,775)
Balance at December 31, 2022	\$ 1,487,905

For the year ended December 31, 2022, the City recognized OPEB expense of \$192,768. At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred	Deferred
	Outflows of	Inflows of
	Resources	Resources
Changes of assumptions or other inputs	\$ 419,516	\$ (198,198)

**City of Fountain, Colorado**  
Notes to Financial Statements  
December 31, 2022

**Note 10: Postemployment Benefits other than Pensions (Continued)**

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

Year ended December 31,		
2023	\$	29,294
2024		29,294
2025		29,294
2026		29,294
2027		29,294
Thereafter		<u>74,848</u>
Total	\$	<u>221,318</u>

*Actuarial Methods and Assumptions* - Projections of benefits for financial reporting purposes are based on the substantive plan as understood by the City and plan members, and are based on the types of benefits provided at the time of each valuation and the historical pattern of sharing of the benefit costs between the City and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Significant methods and assumptions included the following:

- Actuarial Valuation Date - January 1, 2021
- Actuarial Cost Method - Entry Age
- Salary Increases-5.00%
- Investment Rate of Return – N/A
- Healthcare Cost Trend Rates- 6.75% in 2020 decreasing to 4.50% in 2031+

**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 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:

	Current	
City's OPEB Liability	Trend Rate	1% Increase
	<u>\$ 1,322,812</u>	<u>\$ 1,682,178</u>

**City of Fountain, Colorado**  
Notes to Financial Statements  
December 31, 2022

**Note 10: Postemployment Benefits other than Pensions (Continued)**

Discount rate. The discount rate used to measure the total OPEB liability was 4.31 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above.

Benefit payments and contributions were assumed to be made on a pay-as-you-go basis, and thus there is no assets accumulated in a GASB-complaint trust.

**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 4.31 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 (3.31 percent) or 1-percentage-point higher (5.31 percent) than the current rate:

	Current		
	1% Decrease	Discount Rate	1% Increase
City's OPEB Liability	\$ 1,568,093	\$ 1,487,905	\$ 1,409,141

**Note 11: Commitments and Contingencies**

**TABOR Amendment**

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. The Amendment is complex and subject to judicial interpretation. The City believes it is in compliance with the requirements of the Amendment. However, the City has made certain interpretations of the Amendment's language in order to determine compliance.

The City has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2022, the emergency reserve was reported as restricted fund balance in the General Fund, in the amount of \$939,664.

**Claims and Judgements**

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

**City of Fountain, Colorado**  
Notes to Financial Statements  
December 31, 2022

**Note 11: Commitments and Contingencies (Continued)**

**Southern Delivery System**

The City, along with the City of Colorado Springs, Security Water and Sanitation District, and Pueblo West Metropolitan District, are partners in the Southern Delivery System project. This project will convey raw water from Pueblo Reservoir through a 66" diameter, 53-mile pipeline to Upper Williams Creek Reservoir and Universal Water Treatment Plant located east of Colorado Springs. The City's participation in the conveyance capacity is 2,500 acre-feet per year and 5.625 million gallons per day (mgd) in the water treatment plant. The project was online in 2016, and all construction was completed in early 2020.

Under the terms of the project agreement, the City's participation is reported in the financial statements as an undivided interest, whereby the City reports its assets, liabilities, revenues and expenses associated with the joint project. At December 31, 2022, the City reported capital assets, net of depreciation, of \$45,071,737 for this project.

**Litigation**

The City is involved in various pending or threatened litigation. The outcome of this litigation cannot be determined at this time.

**Concentration of Risk**

A substantial amount of the City's sales tax revenues is received from four taxpayers. A reduction in this revenue, if it were to occur, may have a significant affect on the City's programs and activities.

**Economic Development Tax Incentive Agreements**

The City has approved several agreements to rebate certain property, sales and use taxes generated by new businesses. During the year ended December 31, 2022, the City paid \$2,875,851 under these agreements.

## **Required Supplementary Information**

**City of Fountain, Colorado**  
 Schedule of Changes in Net Pension Liability and Related Ratios and Investment Returns  
 Volunteer Firefighters' Pension Plan  
 December 31, 2022

	2022	2021	2020	2019
<b>Total Pension Liability</b>				
Service Cost	\$ 8,601	\$ 4,604	\$ 5,446	\$ 5,313
Interest	5,158	6,357	6,197	5,640
Differences Between Expected and Actual Experience	(3,452)	-	(2,433)	-
Changes of Assumptions	36	71,658	(572)	6,118
Benefit Payments	(3,600)	(3,600)	(5,000)	(4,600)
<b>Net Change in Total Pension Liability</b>	<b>6,743</b>	<b>79,019</b>	<b>3,638</b>	<b>12,471</b>
<b>Total Pension Liability, Beginning of year</b>	<b>217,610</b>	<b>138,591</b>	<b>134,953</b>	<b>122,482</b>
<b>Total Pension Liability, End of year</b>	<b>\$ 224,353</b>	<b>\$ 217,610</b>	<b>\$ 138,591</b>	<b>\$ 134,953</b>
<b>Plan Fiduciary Net Position</b>				
Net Investment Income	\$ 9,651	\$ 454	\$ 3,940	\$ 11,155
Benefit Payments	(3,600)	(3,600)	(5,000)	(4,600)
Administrative Expenses	(15,675)	(175)	(175)	-
<b>Net Change in Plan Fiduciary Net Position</b>	<b>(9,624)</b>	<b>(3,321)</b>	<b>(1,235)</b>	<b>6,555</b>
<b>Plan Fiduciary Net Position, Beginning of year</b>	<b>711,004</b>	<b>714,325</b>	<b>715,560</b>	<b>709,005</b>
<b>Plan Fiduciary Net Position, End of year</b>	<b>\$ 701,380</b>	<b>\$ 711,004</b>	<b>\$ 714,325</b>	<b>\$ 715,560</b>
<b>City's Net Pension Asset, End of year</b>	<b>\$ 477,027</b>	<b>\$ 493,394</b>	<b>\$ 575,734</b>	<b>\$ 580,607</b>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	313%	327%	515%	530%
<b>Investment Returns</b>				
Annual Money-Weighted Rate of Return, Net of Investment Expense	1.36%	0.06%	0.55%	1.60%

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

(Continued)

**City of Fountain, Colorado**  
Schedule of Changes in Net Pension Liability and Related Ratios and Investment Returns  
Volunteer Firefighters' Pension Plan  
December 31, 2022  
(Continued)

	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>					
Service Cost	\$ 6,090	\$ 13,751	\$ -	\$ -	\$ -
Interest	5,546	11,460	14,655	14,188	13,765
Differences Between Expected and Actual Experience	-	(144,009)	-	-	-
Changes of Assumptions	(3,954)	-	(94,965)	-	-
Benefit Payments	(5,100)	(4,800)	(4,000)	(3,600)	(4,800)
<b>Net Change in Total Pension Liability</b>	2,582	(123,598)	(84,310)	10,588	8,965
<b>Total Pension Liability, Beginning of year</b>	119,900	243,498	327,808	317,220	308,255
<b>Total Pension Liability, End of year</b>	<u>\$ 122,482</u>	<u>\$ 119,900</u>	<u>\$ 243,498</u>	<u>\$ 327,808</u>	<u>\$ 317,220</u>
<b>Plan Fiduciary Net Position</b>					
Net Investment Income	\$ 9,962	\$ 4,948	\$ 3,029	\$ 2,732	\$ 2,191
Benefit Payments	(5,100)	(4,800)	(4,000)	(3,600)	(4,800)
Administrative Expenses	(3,693)	(3,270)	(2,850)	(10,539)	(150)
<b>Net Change in Plan Fiduciary Net Position</b>	1,169	(3,122)	(3,821)	(11,407)	(2,759)
<b>Plan Fiduciary Net Position, Beginning of year</b>	707,836	710,958	714,779	726,186	728,945
<b>Plan Fiduciary Net Position, End of year</b>	<u>\$ 709,005</u>	<u>\$ 707,836</u>	<u>\$ 710,958</u>	<u>\$ 714,779</u>	<u>\$ 726,186</u>
<b>City's Net Pension Asset, End of year</b>	<u>\$ 586,523</u>	<u>\$ 587,936</u>	<u>\$ 467,460</u>	<u>\$ 386,971</u>	<u>\$ 408,966</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	579%	590%	292%	218%	229%
<b>Investment Returns</b>					
Annual Money-Weighted Rate of Return, Net of Investment Expense	0.70%	0.70%	0.43%	0.38%	0.28%

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

**City of Fountain, Colorado**  
**Schedule of Changes in Net OPEB Liability and Related Ratios and Investment Returns**  
**Retiree Health Insurance Plan**  
**December 31, 2022**

	2022	2021	2020	2019	2018
<b>Total OPEB Liability</b>					
Service Cost	\$ 125,701	\$ 91,486	\$ 75,208	\$ 68,407	\$ 69,786
Interest	37,773	24,159	37,847	40,958	36,179
Differences Between Expected and Actual Experience	-	443,794	-	-	-
Changes of Assumptions	(165,914)	(44,298)	71,241	19,974	(25,189)
Benefit Payments	(124,775)	(120,009)	(99,321)	(101,348)	(96,984)
<b>Net Change in Total OPEB Liability</b>	<b>(127,215)</b>	<b>395,132</b>	<b>84,975</b>	<b>27,991</b>	<b>(16,208)</b>
<b>Total OPEB Liability, Beginning of year</b>	<b>1,615,120</b>	<b>1,219,988</b>	<b>1,135,013</b>	<b>1,107,022</b>	<b>1,123,230</b>
<b>Total OPEB Liability, End of year</b>	<b>\$ 1,487,905</b>	<b>\$ 1,615,120</b>	<b>\$ 1,219,988</b>	<b>\$ 1,135,013</b>	<b>\$ 1,107,022</b>

Note: There are no assets accumulated in a GASB-compliant trust to pay related benefits for the OPEB plan.

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

**City of Fountain, Colorado**  
Schedule of Proportionate Share of the Net Pension (Asset) Liability and Contributions  
Fire and Police Pension Association of Colorado Statewide Defined Benefit Plan  
December 31, 2022

	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>12/31/2018</u>
<b>Proportionate Share of the Net Pension Asset (Liability)</b>				
City's Proportion of the Net Pension Liability (Asset)	0.74617440%	0.74970075%	0.72470184%	0.82451333%
City's Proportionate Share of the Net Pension Liability (Asset)	\$ (4,043,771)	\$ (1,627,603)	\$ (456,549)	\$ 1,042,411
City's Covered-employee Payroll	\$ 5,941,268	\$ 5,408,779	\$ 5,264,431	\$ 4,909,389
City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered-employee Payroll	-68.1%	-30.1%	-8.7%	21.2%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	116.2%	106.7%	101.9%	95.2%
<b>City Contributions</b>				
Statutorily Required Contribution	\$ 683,773	\$ 552,062	\$ 481,733	\$ 475,954
Contributions in Relation to the Statutorily Required Contribution	<u>(683,773)</u>	<u>(552,062)</u>	<u>(481,733)</u>	<u>(475,954)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered-employee Payroll	\$ 7,101,018	\$ 5,941,268	\$ 5,408,779	\$ 5,264,431
Contributions as a Percentage of Covered-employee Payroll	9.63%	9.29%	8.91%	9.04%

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

(Continued)

## City of Fountain, Colorado

### Schedule of Proportionate Share of the Net Pension (Asset) Liability and Contributions Fire and Police Pension Association of Colorado Statewide Defined Benefit Plan

December 31, 2022

(Continued)

**Proportionate Share of the Net Pension Asset (Liability)**

	12/31/17	12/31/16	12/31/15	12/31/14	12/31/13
City's Proportion of the Net Pension Liability (Asset)	0.30674205%	0.28760751%	0.28396312%	0.31188443%	0.32238512%
City's Proportionate Share of the Net Pension Liability (Asset)	\$ (441,297)	\$ (96,829)	\$ 5,006	\$ 351,985	\$ 288,272
City's Covered-employee Payroll	\$ 1,638,955	\$ 1,331,905	\$ 1,224,894	\$ 1,227,432	\$ 1,202,066
City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered-employee Payroll	-26.9%	-7.3%	0.4%	29%	24%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	106.3%	98%	100.1%	107%	106%

**City Contributions**

Statutorily Required Contribution	\$ 441,845	\$ 143,538	\$ 117,754	\$ 110,127	\$ 112,204
Contributions in Relation to the Statutorily Required Contribution	(441,845)	(143,538)	(117,754)	(110,127)	(112,204)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
City's Covered-employee Payroll	\$ 4,909,389	\$ 1,638,955	\$ 1,331,905	\$ 1,224,894	\$ 1,227,432
Contributions as a Percentage of Covered-employee Payroll	9.00%	8.76%	8.84%	8.99%	9.14%

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

**City of Fountain, Colorado**  
**Schedule of Proportionate Share of the Net Pension Asset and Contributions**  
**Fire and Police Pension Association of Colorado Statewide Hybrid Plan**  
**December 31, 2022**

	<u>12/31/2021*</u>	<u>12/31/2020*</u>	<u>12/31/2019</u>	<u>12/31/2018</u>
<b>Proportionate Share of the Net Pension Asset</b>				
City's Proportion of the Net Pension Asset	N/A	N/A	0.96090110%	0.84503560%
City's Proportionate Share of the Net Pension Asset	N/A	N/A	\$ (187,126)	\$ (116,644)
City's Covered-employee Payroll	N/A	N/A	\$ 141,768	\$ 108,220
City's Proportionate Share of the Net Pension Asset as a Percentage of Covered-employee Payroll	N/A	N/A	-132%	-108%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	N/A	N/A	130.1%	123.5%
<b>City Contributions</b>				
Statutorily Required Contribution	N/A	\$ 10,435	\$ 15,335	\$ 13,468
Contributions in Relation to the Statutorily Required Contribution	N/A	<u>(10,435)</u>	<u>(15,335)</u>	<u>(6,218)</u>
Contribution Deficiency (Excess)	N/A	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered-employee Payroll	N/A	\$ 109,841	\$ 161,421	\$ 141,768
Contributions as a Percentage of Covered-employee Payroll	N/A	9.50%	9.50%	9.50%

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

\* There were no participants in the Statewide Hybrid Plan during the years ending 12/31/2021 and 12/31/2022

(Continued)

**City of Fountain, Colorado**  
 Schedule of Proportionate Share of the Net Pension Asset and Contributions  
 Fire and Police Pension Association of Colorado Statewide Hybrid Plan  
 December 31, 2022  
 (Continued)

	12/31/17	12/31/16	12/31/15	12/31/14	12/31/13
<b>Proportionate Share of the Net Pension Asset</b>					
City's Proportion of the Net Pension Asset	0.47396124%	0.52041609%	0.47649964%	0.50235952%	0.46745219%
City's Proportionate Share of the Net Pension Asset	\$ 92,672	\$ 56,649	\$ 50,189	\$ 59,578	\$ 47,680
City's Covered-employee Payroll	\$ 76,282	\$ 70,847	\$ 66,053	\$ 65,458	\$ 63,658
City's Proportionate Share of the Net Pension Asset as a Percentage of Covered-employee Payroll	121%	80%	76%	91%	75%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	138.9%	126%	129%	141%	139%
<b>City Contributions</b>					
Statutorily Required Contribution	\$ 10,281	\$ 7,247	\$ 6,730	\$ 6,275	\$ 6,218
Contributions in Relation to the Statutorily Required Contribution	(10,281)	(7,247)	(6,730)	(6,275)	(6,218)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
City's Covered-employee Payroll	\$ 108,220	\$ 76,282	\$ 70,847	\$ 66,053	\$ 65,458
Contributions as a Percentage of Covered-employee Payroll	9.50%	9.50%	9.50%	9.50%	9.50%

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

**City of Fountain, Colorado**  
 Budgetary Comparison Schedule  
 General Fund  
 For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
<b>Taxes</b>				
Property Taxes	\$ 2,864,367	\$ 2,864,367	\$ 2,839,218	\$ (25,149)
Sales Taxes	15,700,000	15,700,000	17,192,499	1,492,499
Use Taxes	2,000,000	2,000,000	2,110,124	110,124
Specific Ownership Taxes	264,600	264,600	303,155	38,555
Franchise Taxes	2,175,750	2,175,750	2,404,373	228,623
Total Taxes	<u>23,004,717</u>	<u>23,004,717</u>	<u>24,849,369</u>	<u>1,844,652</u>
<b>Licenses and Permits</b>				
Business Licenses	56,500	56,500	61,578	5,078
Telecommunications	33,500	33,500	55,018	21,518
Liquor Licenses	9,000	9,000	7,821	(1,179)
Street and Curb Permits	31,500	31,500	37,596	6,096
Total Licenses and Permits	<u>130,500</u>	<u>130,500</u>	<u>162,013</u>	<u>31,513</u>
<b>Charges for Services</b>				
Developer Fees	125,000	125,000	188,346	63,346
Impact Fees	37,500	37,500	344,509	307,009
Park Fees	50,000	50,000	48,176	(1,824)
School District Juvenile Program	698,000	698,000	809,565	111,565
Off Duty Police Program	75,000	75,000	87,028	12,028
Cemetery	11,000	11,000	9,400	(1,600)
Miscellaneous	67,350	67,350	290,911	223,561
Total Charges for Services	<u>1,063,850</u>	<u>1,063,850</u>	<u>1,777,935</u>	<u>714,085</u>
<b>Fines and Forfeitures</b>	486,300	486,300	498,763	12,463
<b>Intergovernmental</b>				
Highway Users Tax	787,825	787,825	817,594	29,769
Road and Bridge Fund	31,750	31,750	45,796	14,046
Motor Vehicle Registration	87,000	87,000	87,839	839
Cigarette Taxes	40,000	40,000	36,479	(3,521)
State and Local Grants	18,500	852,194	509,937	(342,257)
Federal Grants	1,224,500	1,617,568	700,403	(917,165)
Total Intergovernmental	<u>2,189,575</u>	<u>3,416,337</u>	<u>2,198,048</u>	<u>(1,218,289)</u>
<b>Investment Income</b>	32,500	32,500	174,356	141,856
<b>Miscellaneous</b>				
Rents	4,000	4,000	2,400	(1,600)
Other	274,575	309,430	455,266	145,836
Total Miscellaneous	<u>278,575</u>	<u>313,430</u>	<u>457,666</u>	<u>144,236</u>
<b>Total Revenues</b>	<u>\$ 27,186,017</u>	<u>\$ 28,447,634</u>	<u>\$ 30,118,150</u>	<u>\$ 1,670,516</u>

(Continued)

**City of Fountain, Colorado**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended December 31, 2022**  
*(Continued)*

<b>Expenditures</b>	Original Budget	Final Budget	Actual	Variance Positive (Negative)
General Government				
Legislative	\$ 71,806	\$ 71,806	\$ 70,389	\$ 1,417
Judicial	254,418	254,418	253,699	719
Economic Development	2,995,599	2,995,599	2,965,873	29,726
Information Technology	2,164,889	2,194,384	1,847,332	347,052
Planning and Engineering	591,740	689,310	897,145	(207,835)
Administration	2,040,440	2,336,177	1,699,353	636,824
Total General Government	<u>8,118,892</u>	<u>8,541,694</u>	<u>7,733,791</u>	<u>807,903</u>
Public Safety				
Police	8,914,625	9,113,025	9,014,592	98,433
Communications	584,180	584,180	574,779	9,401
Fire	4,202,065	4,300,862	6,092,662	(1,791,800)
Total Public Safety	<u>13,700,870</u>	<u>13,998,067</u>	<u>15,682,033</u>	<u>(1,683,966)</u>
Public Works				
Highway and Streets	1,610,905	1,856,934	1,397,179	459,755
Facilities Maintenance	986,670	1,063,670	1,095,930	(32,260)
Total Public Works	<u>2,597,575</u>	<u>2,920,604</u>	<u>2,493,109</u>	<u>427,495</u>
Health and Welfare				
Code Enforcement	516,040	526,040	407,690	118,350
Cemetery	34,750	34,750	48,029	(13,279)
Total Health and Welfare	<u>550,790</u>	<u>560,790</u>	<u>455,719</u>	<u>105,071</u>
Culture and Recreation				
Parks	988,546	1,041,796	1,196,943	(155,147)
Community Building	386,640	402,840	305,314	97,526
Total Culture and Recreation	<u>1,375,186</u>	<u>1,444,636</u>	<u>1,502,257</u>	<u>(57,621)</u>
Capital Outlay	-	4,604,464	0	4,604,464
Debt Service	885,050	885,050	889,654	(4,604)
Total Expenditures	<u>27,228,363</u>	<u>32,955,305</u>	<u>28,756,563</u>	<u>4,198,742</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(42,346)</u>	<u>(4,507,671)</u>	<u>1,361,587</u>	<u>5,869,258</u>
<b>Other Financing Sources (Uses)</b>				
Capital Leases	165,000	723,831	-	(723,831)
Transfers In	1,291,187	1,291,187	1,101,533	(189,654)
Transfers Out	(811,947)	(855,015)	(571,668)	283,347
Total Other Financing Sources (Uses)	<u>644,240</u>	<u>1,160,003</u>	<u>529,865</u>	<u>(630,138)</u>
<b>Net Change in Fund Balance</b>	601,894	(3,347,668)	1,891,452	5,239,120
<b>Fund Balance, Beginning of year</b>	6,013,488	6,013,488	11,963,525	5,950,037
<b>Fund Balance, End of year</b>	<u>\$ 6,615,382</u>	<u>\$ 2,665,820</u>	<u>\$ 13,854,977</u>	<u>\$ 11,189,157</u>

See the accompanying Independent Auditors' Report.

**City of Fountain, Colorado**  
Notes to Required Supplementary Information  
December 31, 2022

**Note 1: Volunteer Firefighters' Pension Plan**

**Contributions**

The City made no contributions to the Volunteer Firefighters' Pension Plan during the year ended December 31, 2022. In addition, the plan members consist only of volunteer firefighters and no employee payroll information is applicable.

**Actuarial Assumptions**

Significant actuarial methods and assumptions used to determine the contribution rates for the Volunteer Firefighters' Pension Plan are as follows:

Valuation Date	January 1, 2022
Actuarial Cost Method	Entry age
Amortization Method	Level amount, open
Remaining Amortization Period	20 years
Asset Valuation Method	Fair value
Interest Rate	2.3% per annum, compounded annually, net of operating expenses
Inflation Rate	2.5% per annum
Retirement Age	Age 50 and 20 years of service
Mortality	Projected 15 years from the valuation date

**Note 2: Stewardship, Compliance and Accountability**

**Budgetary Accounting**

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

- In September, management submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally adopted through passage of an ordinance.
- Management is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the City Council. State statutes stipulate that expenditures may not exceed budgeted appropriations at the fund level.

# City of Fountain, Colorado

Notes to Required Supplementary Information  
December 31, 2022

## Note 2: Stewardship, Compliance and Accountability (Continued)

### **Budgetary Accounting** (Continued)

- Budgets are legally adopted for all funds of the City. Fiduciary fund budgets have not been presented in the financial statements. Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons for the proprietary funds are presented on a non-GAAP budgetary basis. Debt principal is recognized as an expenditure for budgetary purposes. Capital outlay is budgeted as an expenditure, and depreciation and amortization are not budgeted.
- All appropriations lapse at year end.

## **Supplementary Information**

**City of Fountain, Colorado**  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 December 31, 2022

	Conservation Trust	Heritage Maintenance District	General Improvement Districts	Volunteer Fire
<b>Assets</b>				
Cash and Investments	\$ 642,592	\$ 618,210	\$ 1,468,664	\$ 62,542
Restricted Cash and Investments	-	-	-	-
Accounts Receivable	543	1,307	3,473	63
Taxes Receivable	-	88,648	277,214	-
<b>Total Assets</b>	\$ 643,135	\$ 708,165	\$ 1,749,351	\$ 62,605
<b>Liabilities</b>				
Accounts Payable	\$ 6,842	-	-	\$ 6,286
Accrued Liabilities	-	-	-	-
Total Liabilities	6,842	-	-	6,286
<b>Deferred Inflows of Resources</b>				
Property Taxes	-	88,648	277,214	-
<b>Fund Balances</b>				
Restricted for:				
Parks	636,293	-	-	-
District Repairs and Maintenance	-	619,517	1,472,137	-
Transportation	-	-	-	-
Street Repairs and Maintenance	-	-	-	-
Street Improvements	-	-	-	-
Committed to Volunteer Fire Activities	-	-	-	56,319
Total Fund Balances	636,293	619,517	1,472,137	56,319
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	\$ 643,135	\$ 708,165	\$ 1,749,351	\$ 62,605

(Continued)

**City of Fountain, Colorado**  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 December 31, 2022  
 (Continued)

	Public Transportation	Street Resurfacing	Street Improvement	Total
<b>Assets</b>				
Cash and Investments	\$ 2,728,529	\$ 347,022	\$ 1,070,839	\$ 6,938,398
Restricted Cash and Investments	131,789	-	-	131,789
Accounts Receivable	381,336	152,926	983	540,631
Taxes Receivable	-	-	-	365,862
<b>Total Assets</b>	\$ 3,241,654	\$ 499,948	\$ 1,071,822	\$ 7,976,680
<b>Liabilities</b>				
Accounts Payable	\$ 10,289	\$ 866	\$ 61,139	\$ 85,422
Accrued Liabilities	22,837	-	-	22,837
<b>Total Liabilities</b>	33,126	866	61,139	108,259
<b>Deferred Inflows of Resources</b>				
Property Taxes	-	-	-	365,862
<b>Fund Balances</b>				
Restricted for:				
Parks	-	-	-	636,293
District Repairs and Maintenance	-	-	-	2,091,654
Transportation	3,208,528	-	-	3,208,528
Street Repairs and Maintenance	-	499,082	-	499,082
Street Improvements	-	-	1,010,683	1,010,683
Committed to Volunteer Fire Activities	-	-	-	56,319
<b>Total Fund Balances</b>	3,208,528	499,082	1,010,683	7,502,559
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	\$ 3,241,654	\$ 499,948	\$ 1,071,822	\$ 7,976,680

**City of Fountain, Colorado**  
Combining Statement of Revenues, Expenditures, and Changes in the Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2022

	Conservation Trust	Heritage Maintenance District	General Improvement Districts	Volunteer Fire
<b>Revenues</b>				
Taxes	-	\$ 99,126	\$ 323,154	\$ -
Charges for Services	-	-	200	1,861
Intergovernmental	322,721	-	-	-
Investment Income	2,117	2,249	6,517	201
Miscellaneous	-	-	301	4,034
<b>Total Revenues</b>	<u>324,838</u>	<u>101,375</u>	<u>330,172</u>	<u>6,096</u>
<b>Expenditures</b>				
Current				
General Government	-	-	-	-
Public Safety	-	-	-	21,154
Public Works	-	38,598	-	-
Culture and Recreation	240,144	-	-	-
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Principal	-	-	-	-
<b>Total Expenditures</b>	<u>240,144</u>	<u>38,598</u>	<u>-</u>	<u>21,154</u>
<b>Excess Revenues Over (Under) Expenditures</b>	84,694	62,777	330,172	(15,058)
<b>Other Financing Sources</b>				
Capital Leases	-	-	-	-
<b>Net Change in Fund Balances</b>	84,694	62,777	330,172	(15,058)
<b>Fund Balances, Beginning of year</b>	<u>551,599</u>	<u>556,740</u>	<u>1,141,965</u>	<u>71,377</u>
<b>Fund Balances, End of year</b>	<u>\$ 636,293</u>	<u>\$ 619,517</u>	<u>\$ 1,472,137</u>	<u>\$ 56,319</u>

(Continued)

**City of Fountain, Colorado**  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2022  
(Continued)

	Public Transportation	Street Resurfacing	Street Improvement	Total
<b>Revenues</b>				
Taxes	\$ 1,432,708	\$ 859,625	-	\$ 2,714,613
Charges for Services	11,122	-	-	13,183
Intergovernmental	120,750	-	-	443,471
Investment Income	10,033	1,318	3,707	26,142
Miscellaneous	1,814	-	-	6,149
<b>Total Revenues</b>	<u>1,576,427</u>	<u>860,943</u>	<u>3,707</u>	<u>3,203,558</u>
<b>Expenditures</b>				
Current				
General Government	1,141,428	-	-	1,141,428
Public Safety	-	-	-	21,154
Public Works	-	883,628	85,852	1,008,078
Culture and Recreation	-	-	-	240,144
Capital Outlay	-	-	-	-
Debt Service				
Principal	6,700	-	-	6,700
<b>Total Expenditures</b>	<u>1,148,128</u>	<u>883,628</u>	<u>85,852</u>	<u>2,417,504</u>
<b>Excess Revenues Over (Under) Expenditures</b>	428,299	(22,685)	(82,145)	786,054
<b>Other Financing Sources</b>				
Capital Leases	131,795	-	-	131,795
<b>Net Change in Fund Balances</b>	560,094	(22,685)	(82,145)	917,849
<b>Fund Balances, Beginning of year</b>	<u>2,648,434</u>	<u>521,767</u>	<u>1,092,828</u>	<u>6,584,710</u>
<b>Fund Balances, End of year</b>	<u>\$ 3,208,528</u>	<u>\$ 499,082</u>	<u>\$ 1,010,683</u>	<u>\$ 7,502,559</u>

**City of Fountain, Colorado**  
 Budgetary Comparison Schedule  
 Conservation Trust Fund  
 For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Lottery Proceeds	\$ 270,000	\$ 270,000	\$ 322,721	\$ 52,721
Investment Income	1,150	1,150	2,117	967
<b>Total Revenues</b>	<u>271,150</u>	<u>271,150</u>	<u>324,838</u>	<u>53,688</u>
<b>Expenditures</b>				
Culture and Recreation	146,100	146,100	240,144	(94,044)
Capital Outlay	100,000	310,064	0	310,064
<b>Total Expenditures</b>	<u>246,100</u>	<u>456,164</u>	<u>240,144</u>	<u>216,020</u>
<b>Net Change in Fund Balance</b>	25,050	(185,014)	84,694	269,708
<b>Fund Balance, Beginning of year</b>	<u>393,442</u>	<u>393,442</u>	<u>551,599</u>	<u>158,157</u>
<b>Fund Balance, End of year</b>	<u>\$ 418,492</u>	<u>\$ 208,428</u>	<u>\$ 636,293</u>	<u>\$ 427,865</u>

See the accompanying Independent Auditors' Report.

**City of Fountain, Colorado**  
 Budgetary Comparison Schedule  
 Heritage Maintenance District Fund  
 For the Year Ended December 31, 2022

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Property Taxes	\$ 90,000	\$ 89,670	\$ (330)
Specific Ownership Taxes	6,500	9,456	2,956
Investment Income	1,500	2,249	749
<b>Total Revenues</b>	98,000	101,375	3,375
<b>Expenditures</b>			
Public Works	69,000	38,598	30,402
<b>Net Change in Fund Balance</b>	29,000	62,777	33,777
<b>Fund Balance, Beginning of year</b>	536,479	556,740	20,261
<b>Fund Balance, end of year</b>	\$ 565,479	\$ 619,517	\$ 54,038

**City of Fountain, Colorado**  
 Budgetary Comparison Schedule  
 General Improvement Districts Fund  
 For the Year Ended December 31, 2022

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Charges for Services	\$ -	\$ 200	\$ 200
Property Taxes	274,000	296,173	22,173
Specific Ownership Taxes	11,500	26,981	15,481
Investment Income	1,250	6,517	5,267
Miscellaneous	-	301	301
<b>Total Revenues</b>	286,750	330,172	43,422
<b>Net Change in Fund Balance</b>	286,750	330,172	43,422
<b>Fund Balance, Beginning of year</b>	1,181,502	1,141,965	(39,537)
<b>Fund Balance, End of year</b>	\$ 1,468,252	\$ 1,472,137	\$ 3,885

**City of Fountain, Colorado**  
 Budgetary Comparison Schedule  
 Volunteer Fire Fund  
 For the Year Ended December 31, 2022

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Charges for Services	\$ 5,000	\$ 1,861	\$ (3,139)
Investment Income	600	201	(399)
Miscellaneous	<u>53,028</u>	<u>4,034</u>	<u>(48,994)</u>
Total Revenues	<u>58,628</u>	<u>6,096</u>	<u>(52,532)</u>
<b>Expenditures</b>			
Public Safety	<u>32,600</u>	<u>21,154</u>	<u>11,446</u>
<b>Net Change in Fund Balance</b>	26,028	(15,058)	(41,086)
<b>Fund Balance, Beginning of year</b>	<u>79,763</u>	<u>71,377</u>	<u>(8,386)</u>
<b>Fund Balance, End of year</b>	<u>\$ 105,791</u>	<u>\$ 56,319</u>	<u>\$ (49,472)</u>

**City of Fountain, Colorado**  
 Budgetary Comparison Schedule  
 Public Transportation Fund  
 For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Sales Taxes	\$ 1,309,245	\$ 1,309,245	\$ 1,432,708	\$ 123,463
Charges for Services	-	-	11,122	11,122
Intergovernmental	-	-	120,750	120,750
Investment Income	4,000	4,000	10,033	6,033
Miscellaneous	-	-	1,814	1,814
<b>Total Revenues</b>	<u>1,313,245</u>	<u>1,313,245</u>	<u>1,576,427</u>	<u>263,182</u>
<b>Expenditures</b>				
Current				
General Government	976,226	976,226	1,141,428	(165,202)
Capital Outlay	125,000	402,000	0	402,000
Debt Service				
Principal	27,012	27,012	6,700	20,312
Interest	-	-	-	-
<b>Total Expenditures</b>	<u>1,128,238</u>	<u>1,405,238</u>	<u>1,148,128</u>	<u>257,110</u>
<b>Excess Revenues Over (Under) Expenditures</b>	185,007	(91,993)	428,299	520,292
<b>Other Financing Sources (Uses)</b>				
Capital Leases	-	-	131,795	131,795
Transfers Out	(4,615)	(4,615)	-	4,615
<b>Total Other Financing Sources (Uses)</b>	<u>(4,615)</u>	<u>(4,615)</u>	<u>131,795</u>	<u>136,410</u>
<b>Net Change in Fund Balance</b>	180,392	(96,608)	560,094	656,702
<b>Fund Balance, Beginning of year</b>	<u>1,574,122</u>	<u>1,574,122</u>	<u>2,648,434</u>	<u>1,074,312</u>
<b>Fund Balance, Ending of year</b>	<u>\$ 1,754,514</u>	<u>\$ 1,477,514</u>	<u>\$ 3,208,528</u>	<u>\$ 1,731,014</u>

See the accompanying Independent Auditors' Report.

**City of Fountain, Colorado**  
 Budgetary Comparison Schedule  
 Street Resurfacing Fund  
 For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Sales Taxes	\$ 785,548	\$ 918,548	\$ 859,625	\$ (58,923)
Investment Income	500	500	1,318	818
<b>Total Revenues</b>	<u>786,048</u>	<u>919,048</u>	<u>860,943</u>	<u>(58,105)</u>
<b>Expenditures</b>				
Public Works	752,000	960,000	883,628	76,372
<b>Net Change in Fund Balance</b>	34,048	(40,952)	(22,685)	18,267
<b>Fund Balance, Beginning of year</b>	<u>563,722</u>	<u>563,722</u>	<u>521,767</u>	<u>(41,955)</u>
<b>Fund Balance, End of year</b>	<u>\$ 597,770</u>	<u>\$ 522,770</u>	<u>\$ 499,082</u>	<u>\$ (23,688)</u>

**City of Fountain, Colorado**  
 Budgetary Comparison Schedule  
 Street Improvement Fund  
 For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Investment Income	12,000	12,000	3,707	(8,293)
Total Revenues	12,000	12,000	3,707	(8,293)
<b>Expenditures</b>				
Public Works	-	-	85,852	(85,852)
	-	970,374	0	970,374
Total Expenditures	-	970,374	85,852	884,522
<b>Net Change in Fund Balance</b>	12,000	(958,374)	(82,145)	876,229
<b>Fund Balance, Beginning of year</b>	1,248,772	1,248,772	1,092,828	(155,944)
<b>Fund Balance, End of year</b>	\$ 1,260,772	\$ 290,398	\$ 1,010,683	\$ 720,285

**City of Fountain, Colorado**  
Combining Statement of Net Position  
Nonmajor Enterprise Funds  
December 31, 2022

	Ambulance	Drainage	Total
<b>Assets</b>			
<i>Current Assets</i>			
Cash and Investments	\$ 364,602	\$ 2,040,356	\$ 2,404,958
Accounts Receivable	195,800	1,606	197,406
<b>Total Current Assets</b>	560,402	2,041,962	2,602,364
<i>Noncurrent Assets</i>			
Capital Assets, Net of Accumulated Depreciation	334,050	-	334,050
<b>Total Assets</b>	894,452	2,041,962	2,936,414
<b>Liabilities</b>			
<i>Current Liabilities</i>			
Accounts Payable	25,296	-	25,296
Accrued Liabilities	56,948	-	56,948
Current Portion of Long-Term Debt	67,281	-	67,281
Compensated Absences Payable	-	-	-
<b>Total Current Liabilities</b>	149,525	-	149,525
<i>Long-Term Liabilities</i>			
Compensated Absences Payable	7,278	-	7,278
<b>Total Long-Term Liabilities</b>	7,278	-	7,278
<b>Total Liabilities</b>	156,803	-	156,803
<b>Net Position</b>			
Net Investment in Capital Assets	334,050	-	334,050
Unrestricted	403,599	2,041,962	2,445,561
<b>Total Net Position</b>	\$ 737,649	\$ 2,041,962	\$ 2,779,611

See the accompanying Independent Auditors' Report.

**City of Fountain, Colorado**  
Combining Statement of Revenues, Expenses, and Changes in Net Position  
Nonmajor Enterprise Funds  
For the Year Ended December 31, 2022

	Ambulance	Drainage	Total
<b>Operating Revenues</b>			
Charges for Services	\$ 896,787	\$ 544,285	\$ 1,441,072
Grant Revenue	<u>775,874</u>	<u>-</u>	<u>775,874</u>
Total Operating Revenues	<u>1,672,661</u>	<u>544,285</u>	<u>2,216,946</u>
<b>Operating Expenses</b>			
Public Safety	941	-	941
Operations and Maintenance	1,547,078	-	1,547,078
Depreciation	<u>107,123</u>	<u>-</u>	<u>107,123</u>
Total Operating Expenses	<u>1,655,142</u>	<u>-</u>	<u>1,655,142</u>
<b>Operating Income (Loss)</b>	<u>17,519</u>	<u>544,285</u>	<u>561,804</u>
<b>Nonoperating Revenues (Expense)</b>			
Investment Income	<u>862</u>	<u>7,664</u>	<u>8,526</u>
<b>Total Nonoperating Revenues (Expenses)</b>	<u>862</u>	<u>7,664</u>	<u>8,526</u>
<b>Net Income (Loss) Before Transfers</b>	18,381	551,949	570,330
Transfers Out	<u>(81,934)</u>	<u>-</u>	<u>(81,934)</u>
<b>Change in Net Position</b>	(63,553)	551,949	488,396
<b>Net Position, Beginning of year</b>	<u>801,202</u>	<u>1,490,013</u>	<u>2,291,215</u>
<b>Net Position, End of year</b>	<u><u>\$ 737,649</u></u>	<u><u>\$ 2,041,962</u></u>	<u><u>\$ 2,779,611</u></u>

**City of Fountain, Colorado**  
Combining Statement of Cash Flows  
Nonmajor Enterprise Funds  
Increase (Decrease) In Cash and in Cash Equivalents  
For the Year Ended December 31, 2022

	Ambulance	Drainage	Total
<b>Cash Flows From Operating Activities</b>			
Cash Received from Customers	\$ 1,038,369	\$ 543,487	\$ 1,581,856
Cash Received from Others	775,874	-	775,874
Cash Payments to Employees	26,935	-	26,935
Cash Payments to Suppliers	<u>(1,537,691)</u>	<u>-</u>	<u>(1,537,691)</u>
Net Cash Provided (Used) by Operating Activities	<u>303,487</u>	<u>543,487</u>	<u>846,974</u>
<b>Cash Flows From Noncapital Financing Activities</b>			
Payments from Other Funds	<u>(81,934)</u>	<u>-</u>	<u>(81,934)</u>
<b>Cash Flows From Capital And Related Financing Activities</b>			
Acquisition and Construction of Capital Assets	<u>(6,258)</u>	<u>-</u>	<u>(6,258)</u>
Debt Principal Payments	<u>(37,130)</u>	<u>-</u>	<u>(37,130)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(43,388)</u>	<u>-</u>	<u>(43,388)</u>
<b>Cash Flows From Investing Activities</b>			
Interest Received	<u>862</u>	<u>7,664</u>	<u>8,526</u>
<b>Net Change In Cash And Cash Equivalents</b>	<u>179,027</u>	<u>551,151</u>	<u>730,178</u>
<b>Cash and Cash Equivalents, Beginning of year</b>	<u>185,575</u>	<u>1,489,205</u>	<u>1,674,780</u>
<b>Cash and Cash Equivalents, End of year</b>	<u>\$ 364,602</u>	<u>\$ 2,040,356</u>	<u>\$ 2,404,958</u>
<b>Reconciliation of Operating Income (Loss) To Net Cash Provided (Used) By Operating Activities</b>			
Operating Income (Loss)	\$ 17,519	\$ 544,285	\$ 561,804
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Depreciation	107,123	-	107,123
Changes in Assets and Liabilities			
Accounts Receivable	141,582	(798)	140,784
Accounts Payable	10,328	-	10,328
Accrued Liabilities	12,906	-	12,906
Compensated Absences Payable	14,029	-	14,029
Net Cash Provided (Used) by Operating Activities	<u>\$ 303,487</u>	<u>\$ 543,487</u>	<u>\$ 846,974</u>

See the accompanying Independent Auditors' Report.

**City of Fountain, Colorado**  
 Budgetary Comparison Schedule  
 Water Fund

For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Charges for Services	\$ 11,006,300	\$ 11,006,300	\$ 11,955,039	\$ 948,739
Miscellaneous	169,439	169,439	90,197	(79,242)
Investment Income	5,000	5,000	26,662	21,662
System Development Fees	1,210,000	1,210,000	382,550	(827,450)
Grants	-	1,625,000	-	(1,625,000)
Transfers In	-	43,068	109,721	66,653
<b>Total Revenues</b>	<b>12,390,739</b>	<b>14,058,807</b>	<b>12,564,169</b>	<b>(1,494,638)</b>
<b>Expenditures</b>				
Source of Supply	2,416,350	2,416,350	2,195,029	221,321
Operations and Maintenance	2,684,060	5,136,868	2,382,973	2,753,895
Customer Accounts and Collection	839,530	839,530	633,695	205,835
Administration and General	1,763,687	1,891,262	2,091,097	(199,835)
Capital Outlay	477,100	477,100	2,492,014	(2,014,914)
Debt Principal	-	1,608,687	1,758,332	(149,645)
Interest Expense	2,300,000	2,300,000	1,461,871	838,129
Transfers Out	555,989	555,989	510,273	45,716
<b>Total Expenditures</b>	<b>11,036,716</b>	<b>15,225,786</b>	<b>13,525,284</b>	<b>1,700,502</b>
<b>Change in Net Position, Budgetary Basis</b>	<b>\$ 1,354,023</b>	<b>\$ (1,166,979)</b>	<b>(961,115)</b>	<b>\$ 205,864</b>
<b>Adjustments to GAAP Basis</b>				
Capital Outlay, including Capitalized Interest			2,492,014	
Depreciation Expense			(2,974,817)	
Debt Principal			1,758,332	
<b>Change in Net Position, GAAP Basis</b>			<b>\$ 314,414</b>	

See the accompanying Independent Auditors' Report.

**City of Fountain, Colorado**  
 Budgetary Comparison Schedule  
 Electric Fund  
 For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Charges for Services	\$ 27,649,700	\$ 27,649,700	\$ 28,241,363	\$ 591,663
Miscellaneous	425,320	425,320	905,771	480,451
Investment Income	96,000	96,000	48,931	(47,069)
System Development Fees	105,000	105,000	40,000	(65,000)
New Service Installation	-	1,196,966	1,545,495	348,529
Debt Proceeds	-	2,341,169	-	(2,341,169)
Grants	-	1,350,000	766,452	(583,548)
Transfers In	598,379	598,379	621,049	22,670
<b>Total Revenues</b>	<u>28,874,399</u>	<u>33,762,534</u>	<u>32,169,061</u>	<u>(1,593,473)</u>
<b>Expenditures</b>				
Source of Supply	14,425,662	15,900,662	16,027,825	(127,163)
Operations and Maintenance	5,827,835	6,985,997	4,990,493	1,995,504
Customer Accounts and Collection	1,762,475	1,762,475	1,475,446	287,029
Administration and General	3,822,728	7,749,997	3,704,217	4,045,780
Capital Outlay	974,900	983,500	2,522,128	(1,538,628)
Debt Principal	-	91,226	528,721	(437,495)
Interest Expense	-	-	518,576	(518,576)
Transfers Out	777,983	777,983	668,428	109,555
<b>Total Expenditures</b>	<u>27,591,583</u>	<u>34,251,840</u>	<u>30,435,834</u>	<u>3,816,006</u>
<b>Change in Net Position, Budgetary Basis</b>	<u>\$ 1,282,816</u>	<u>\$ (489,306)</u>	<u>1,733,227</u>	<u>\$ 2,222,533</u>
<b>Adjustments to GAAP Basis</b>				
Debt Proceeds			-	
Capital Outlay			2,522,128	
Depreciation Expense			(2,454,967)	
Debt Principal			<u>528,721</u>	
<b>Change in Net Position, GAAP Basis</b>			<u>\$ 2,329,109</u>	

See the accompanying Independent Auditors' Report.

**City of Fountain, Colorado**  
 Budgetary Comparison Schedule

Ambulance Fund

For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Charges for Services	\$ 926,500	\$ 926,500	\$ 896,787	\$ (29,713)
Investment Income	-	-	862	862
Grants	-	14,872	775,874	761,002
Transfers In	300,000	300,000	-	(300,000)
<b>Total Revenues</b>	<u>1,226,500</u>	<u>1,241,372</u>	<u>1,673,523</u>	<u>432,151</u>
<b>Expenditures</b>				
Public Safety	-	-	941	(941)
Operations and Maintenance	1,589,911	1,644,783	1,547,078	97,705
Debt Principal	-	-	37,130	(37,130)
Interest Expense	-	-	-	-
Transfers Out	89,032	89,032	81,934	7,098
<b>Total Expenditures</b>	<u>1,678,943</u>	<u>1,733,815</u>	<u>1,667,083</u>	<u>66,732</u>
<b>Change in Net Position, Budgetary Basis</b>	<u>\$ (452,443)</u>	<u>\$ (492,443)</u>	6,440	\$ 498,883
<b>Adjustments to GAAP Basis</b>				
Depreciation Expense			(107,123)	
Debt Principal			<u>37,130</u>	
<b>Change in Net Position, GAAP Basis</b>			<u>\$ (63,553)</u>	

See the accompanying Independent Auditors' Report.

**City of Fountain, Colorado**  
 Budgetary Comparison Schedule  
 Drainage Fund  
 For the Year Ended December 31, 2022

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Charges for Services	\$ 31,290	\$ 544,285	\$ 512,995
Investment Income	-	7,664	7,664
<b>Total Revenues</b>	31,290	551,949	520,659
<b>Expenditures</b>			
Operations and Maintenance	200,000	-	200,000
<b>Total Expenditures</b>	200,000	-	200,000
<b>Change in Net Position, Budgetary Basis</b>	\$ (168,710)	551,949	\$ 720,659
<b>Net Position, Beginning of year</b>		1,490,013	
<b>Net Position, End of year</b>		\$ 2,041,962	

**City of Fountain, Colorado**  
 Budgetary Comparison Schedule  
 Insurance Fund  
 For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Charges for Services	\$ 4,381,000	\$ 4,381,000	\$ 4,163,012	\$ (217,988)
Investment Income	30,000	30,000	10,707	(19,293)
Total Revenues	<u>4,411,000</u>	<u>4,411,000</u>	<u>4,173,719</u>	<u>(237,281)</u>
<b>Expenditures</b>				
Administration and General	197,500	202,500	118,121	84,379
Insurance Premiums	1,133,000	1,133,000	1,118,188	14,812
Insurance Claims	2,825,000	3,025,000	2,728,212	296,788
Total Expenditures	<u>4,155,500</u>	<u>4,360,500</u>	<u>3,964,521</u>	<u>395,979</u>
<b>Change in Net Position, Budgetary Basis</b>	255,500	50,500	209,198	158,698
<b>Net Position, Beginning of year</b>	<u>2,915,212</u>	<u>2,915,212</u>	<u>2,793,323</u>	<u>(121,889)</u>
<b>Net Position, End of year</b>	<u>\$ 3,170,712</u>	<u>\$ 2,965,712</u>	<u>\$ 3,002,521</u>	<u>\$ 36,809</u>

See the accompanying Independent Auditors' Report.

## Statistical Section

# **CITY OF FOUNTAIN, COLORADO**

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## **STATISTICAL SECTION**

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<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	<b>76-80</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the City's most significant local revenue sources.	<b>81-89</b>
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	<b>90-92</b>
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	<b>93 &amp; 94</b>
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	<b>95 &amp; 96</b>

# CITY OF FOUNTAIN, COLORADO

TABLE 1

**NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(Unaudited)**

(accrual basis of accounting)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
						(restated)		(restated)		
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$ 74,221,505	\$ 71,700,844	\$ 71,587,864	\$ 69,520,813	\$ 67,964,354	\$ 69,746,246	\$ 68,476,764	\$ 70,174,636	\$ 69,262,457	\$ 70,677,055
Restricted for Net Pension Asset	-	-	-	-	-	-	-	-	2,120,997	4,520,798
Restricted for Parks	200,199	265,398	230,569	304,912	254,830	294,537	437,786	398,392	551,599	636,293
Restricted for District Repairs and Maintenance	335,202	377,522	438,171	525,899	691,029	922,414	1,176,145	1,460,973	1,698,705	2,091,654
Restricted for Transportation	323,923	486,290	717,664	912,062	1,095,465	1,297,901	1,576,647	2,111,178	2,648,434	3,208,528
Restricted for Street Repairs and Maintenance	114,524	81,645	78,649	203,892	248,154	180,746	111,586	326,138	521,767	499,082
Restricted for Street Improvements	2,273,777	2,913,693	3,507,196	4,127,544	4,853,221	1,440,123	1,236,771	1,146,550	1,092,828	1,010,683
Restricted for Emergencies	378,000	414,000	553,000	624,000	764,000	717,000	675,461	738,210	979,978	939,664
Unrestricted	(88,331)	3,400,191	5,745,378	4,666,972	5,194,378	8,778,702	11,360,175	11,798,280	12,010,383	12,080,642
<b>Total governmental activities net position</b>	<b>77,758,799</b>	<b>79,639,583</b>	<b>82,858,491</b>	<b>80,886,094</b>	<b>81,065,431</b>	<b>83,377,669</b>	<b>85,051,335</b>	<b>88,154,357</b>	<b>90,887,148</b>	<b>95,664,399</b>
<b>Business-type activities</b>										
Net Investment in Capital Assets	70,249,254	73,772,083	76,235,438	82,159,345	84,882,092	89,901,060	77,345,853	95,897,690	109,394,508	102,365,315
Restricted for Debt Service	576,900	576,900	794,400	217,500	217,500	217,500	-	-	-	-
Restricted for Capital Projects	-	-	-	-	-	-	8,357,595	-	-	-
Unrestricted	12,434,106	11,829,636	13,047,583	10,329,549	11,245,862	9,075,989	14,971,120	6,345,147	(1,919,635)	8,323,064
<b>Total business-type activities net position</b>	<b>83,260,260</b>	<b>86,178,619</b>	<b>90,077,421</b>	<b>92,706,394</b>	<b>96,345,454</b>	<b>99,194,549</b>	<b>100,674,568</b>	<b>102,242,837</b>	<b>107,474,873</b>	<b>110,688,379</b>
<b>Primary government</b>										
Net Investment in Capital Assets	144,470,759	145,472,927	147,823,302	151,680,158	152,846,446	159,647,306	145,822,617	166,072,326	178,656,965	173,042,370
Restricted for Net Pension Asset	-	-	-	-	-	-	-	-	2,120,997	4,520,798
Restricted for Parks	200,199	265,398	230,569	304,912	254,830	294,537	437,786	398,392	551,599	636,293
Restricted for District Repairs and Maintenance	335,202	377,522	438,171	525,899	691,029	922,414	1,176,145	1,460,973	1,698,705	2,091,654
Restricted for Transportation	323,923	486,290	717,664	912,062	1,095,465	1,297,901	1,576,647	2,111,178	2,648,434	3,208,528
Restricted for Street Repairs and Maintenance	114,524	81,645	78,649	203,892	248,154	180,746	111,586	326,138	521,767	499,082
Restricted for Street Improvements	2,273,777	2,913,693	3,507,196	4,127,544	4,853,221	1,440,123	1,236,771	1,146,550	1,092,828	1,010,683
Restricted for Debt Service	576,900	576,900	794,400	217,500	217,500	217,500	-	-	-	0
Restricted for Capital Projects	-	-	-	-	-	-	8,357,595	-	-	-
Restricted for Emergencies	378,000	414,000	553,000	624,000	764,000	717,000	675,461	738,210	979,978	939,664
Unrestricted	12,345,775	15,229,827	18,792,961	14,996,521	16,440,240	17,854,591	26,331,295	27,850,663	10,090,748	20,403,706
<b>Total primary government net position</b>	<b>\$ 161,019,059</b>	<b>\$ 165,818,202</b>	<b>\$ 172,935,912</b>	<b>\$ 173,592,488</b>	<b>\$ 177,410,885</b>	<b>\$ 182,572,118</b>	<b>\$ 185,725,903</b>	<b>\$ 200,104,430</b>	<b>\$ 198,362,021</b>	<b>\$ 206,352,778</b>

# CITY OF FOUNTAIN, COLORADO

## CHANGES IN NET POSITION LAST TEN FISCAL YEARS (Unaudited)

TABLE 2

(accrual basis of accounting)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
						(restated)		(restated)		
<b>Expenses</b>										
<b>Governmental Activities</b>										
General Government	\$ 3,088,640	\$ 2,699,475	\$ 2,130,308	\$ 4,044,229	\$ 4,693,192	\$ 8,695,463	\$ 5,761,656	\$ 6,560,887	\$ 8,191,331	\$ 12,933,974
Public Safety	8,166,704	8,485,869	9,028,509	10,270,018	11,537,346	10,994,529	11,423,879	12,447,436	13,690,036	11,381,665
Public Works	3,402,850	4,488,188	4,590,601	5,529,468	3,476,418	4,001,851	4,572,294	5,225,921	6,377,712	2,861,983
Health and Welfare	276,146	296,720	282,840	339,505	382,291	398,085	398,325	491,878	470,014	439,971
Culture and Recreation	778,062	798,755	1,143,271	1,114,420	1,272,541	1,070,721	1,324,469	1,254,244	1,247,497	1,228,952
Interest Expense	133,048	136,046	130,542	136,878	129,487	270,449	126,337	160,772	168,287	359,572
<b>Total Governmental Activities Expenses</b>	<b>15,845,450</b>	<b>16,905,053</b>	<b>17,306,071</b>	<b>21,434,518</b>	<b>21,491,275</b>	<b>25,431,098</b>	<b>23,606,960</b>	<b>26,141,138</b>	<b>30,144,877</b>	<b>29,206,117</b>
<b>Business-type Activities</b>										
Water Utility	7,220,673	6,912,357	7,556,775	7,828,769	8,070,689	8,935,851	9,334,892	10,860,952	11,914,833	11,739,482
Electric Utility	23,025,897	24,279,421	22,372,569	21,780,237	22,447,508	24,952,506	26,604,937	27,461,957	27,720,042	29,171,524
Ambulance	826,633	858,779	845,194	962,046	1,117,680	1,225,967	1,279,842	1,321,738	1,265,157	1,655,142
Drainage	179	-	678,202	34,783	810	-	-	-	-	-
<b>Total Business-type Activities Expenses</b>	<b>31,073,382</b>	<b>32,050,557</b>	<b>31,452,740</b>	<b>30,605,835</b>	<b>31,636,687</b>	<b>35,114,324</b>	<b>37,219,671</b>	<b>39,644,647</b>	<b>40,900,032</b>	<b>42,566,148</b>
<b>Total Primary Government Expenses</b>	<b>\$ 46,918,832</b>	<b>\$ 48,955,610</b>	<b>\$ 48,758,811</b>	<b>\$ 52,040,353</b>	<b>\$ 53,127,962</b>	<b>\$ 60,545,422</b>	<b>\$ 60,826,631</b>	<b>\$ 65,785,785</b>	<b>\$ 71,044,909</b>	<b>\$ 71,772,265</b>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
<b>Charges for Services:</b>										
General Government	\$ 337,441	\$ 292,864	\$ 272,233	\$ 250,000	\$ 213,334	\$ 311,399	\$ 179,718	\$ 284,467	\$ 399,684	\$ 657,951
Public Safety	439,352	382,940	487,191	682,158	676,895	965,888	1,020,470	1,109,012	1,251,890	1,354,262
Public Works	12,437	37,455	127,292	74,205	155,208	85,428	22,945	66,826	41,703	382,039
Health and Welfare	38,000	14,777	21,773	12,000	6,965	12,676	9,320	16,100	11,000	9,466
Culture and Recreation	133,831	238,348	168,346	109,090	83,464	45,225	76,634	169,197	43,754	48,176
Operating Grants and Contributions	1,104,640	1,593,090	1,472,444	1,375,632	1,291,305	1,407,023	1,529,176	3,407,082	1,959,272	2,641,519
Capital Grants and Contributions	-	-	2,318,192	-	-	-	-	-	1,896,239	-
<b>Total Governmental Activities Program Revenues</b>	<b>2,065,701</b>	<b>2,559,474</b>	<b>4,867,471</b>	<b>2,503,085</b>	<b>2,427,171</b>	<b>2,827,639</b>	<b>2,838,263</b>	<b>5,052,684</b>	<b>5,603,542</b>	<b>5,093,413</b>
<b>Business-type Activities</b>										
<b>Charges for Services:</b>										
Water Utility	6,596,466	7,499,994	8,641,160	8,538,462	8,427,151	9,555,175	9,630,665	10,752,779	12,299,627	11,955,039
Electric Utility	23,757,241	24,304,148	23,673,596	22,148,619	22,951,368	24,910,405	24,355,307	25,011,877	27,039,503	28,241,363
Ambulance	603,636	678,983	725,652	675,385	875,963	846,008	755,039	1,002,155	1,417,305	896,787
Drainage	79,928	35,309	93,739	16,822	22,352	154,637	149,685	39,289	12,305	544,285
Capital & Operating Grants and Contributions	3,751,283	2,436,029	1,887,206	1,429,735	2,637,238	1,925,612	1,192,615	1,207,406	3,069,116	1,964,876
<b>Total Business-type Activities Program Revenues</b>	<b>34,788,554</b>	<b>34,954,463</b>	<b>35,021,353</b>	<b>32,809,023</b>	<b>34,914,072</b>	<b>37,391,837</b>	<b>36,083,311</b>	<b>38,013,506</b>	<b>43,837,856</b>	<b>43,602,350</b>
<b>Total Primary Government Revenues</b>	<b>\$ 36,854,255</b>	<b>\$ 37,513,937</b>	<b>\$ 39,888,824</b>	<b>\$ 35,312,108</b>	<b>\$ 37,341,243</b>	<b>\$ 40,219,476</b>	<b>\$ 38,921,574</b>	<b>\$ 43,066,190</b>	<b>\$ 49,441,398</b>	<b>\$ 48,695,763</b>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (13,779,749)	\$ (14,345,579)	\$ (12,438,600)	\$ (18,931,433)	\$ (19,064,104)	\$ (22,603,459)	\$ (20,768,697)	\$ (21,088,454)	\$ (21,088,454)	\$ (24,112,704)
Business-type Activities	3,715,172	2,903,906	3,568,613	2,203,188	3,277,385	2,277,513	(1,136,360)	(1,631,141)	2,937,824	1,036,202
<b>Total Primary Government Net Revenue (Expense)</b>	<b>\$ (10,064,577)</b>	<b>\$ (11,441,673)</b>	<b>\$ (8,869,987)</b>	<b>\$ (16,728,245)</b>	<b>\$ (15,786,719)</b>	<b>\$ (20,325,946)</b>	<b>\$ (21,905,057)</b>	<b>\$ (22,719,595)</b>	<b>\$ (18,150,630)</b>	<b>\$ (23,076,502)</b>

Source: City of Fountain, Colorado, audited financial statements, 20013-2022

**TABLE 2**  
**(continued)**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
						(restated)		(restated)		
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Property Taxes	\$ 1,691,850	\$ 1,715,894	\$ 1,816,545	\$ 2,031,189	\$ 2,152,814	\$ 2,304,048	\$ 2,316,627	\$ 2,695,802	\$ 2,629,066	\$ 3,225,061
Sales and Use Taxes	8,678,945	9,340,449	10,542,516	12,686,263	14,686,272	17,314,141	16,940,313	18,512,330	20,630,184	21,594,956
Specific Ownership Taxes	171,785	187,619	210,581	241,426	298,083	297,889	295,021	296,766	322,839	339,592
Franchise Taxes	1,861,009	1,993,771	1,996,793	1,932,297	1,975,688	2,095,707	2,134,383	2,165,326	2,344,669	2,404,373
Investment Income	(22,321)	55,200	44,801	33,620	77,724	141,379	254,083	85,184	7,203	200,498
Intergovernmental revenues	-	2,500,000	200,000	-	-	-	-	-	-	-
Other Revenues	134,994	285,505	137,918	331,378	288,308	2,590,872	922,533	968,485	657,737	595,610
Transfers	77,417	147,925	(154,987)	(297,137)	(235,448)	(416,275)	(420,597)	(532,417)	682,428	529,865
Total Governmental Activities	12,593,679	16,226,363	14,794,167	16,959,036	19,243,441	24,327,761	22,442,363	24,191,476	27,274,126	28,889,955
Business-type Activities:										
Other Revenues	-	-	-	-	-	-	1,809,584	2,466,751	2,972,011	2,623,050
Investment Earnings	143,831	162,378	175,202	128,648	126,227	155,207	386,298	200,242	4,629	84,119
Transfers	(77,417)	(147,925)	154,987	297,137	235,448	416,275	420,597	532,417	(682,428)	(529,865)
Total Business-type Activities	66,414	14,453	330,189	425,785	361,675	571,482	2,616,479	3,199,410	2,294,212	2,177,304
Total Primary Government	\$ 12,660,093	\$ 16,240,816	\$ 15,124,356	\$ 17,384,821	\$ 19,605,116	\$ 24,899,243	\$ 25,058,842	\$ 27,390,886	\$ 29,568,338	\$ 31,067,259
<b>Change in Net Position</b>										
Government Activities	\$ (1,186,070)	\$ 1,880,784	\$ 2,355,567	\$ (1,972,397)	\$ 179,337	\$ 1,724,302	\$ 1,673,666	\$ 3,103,022	\$ 6,185,672	\$ 4,777,251
Business-type Activities	3,781,586	2,918,359	3,898,802	2,628,973	3,639,060	3,021,995	1,480,119	1,568,269	5,232,036	3,213,506
Total Primary Government	\$ 2,595,516	\$ 4,799,143	\$ 6,254,369	\$ 656,576	\$ 3,818,397	\$ 4,746,297	\$ 3,153,785	\$ 4,671,291	\$ 11,417,708	\$ 7,990,757

Source: City of Fountain, Colorado, audited financial statements, 2013-2022

Note: The City of Fountain, Colorado adopted GASB Statement 68 for the year ended December 31, 2015. Amounts for 2014 have not been restated.  
The City of Fountain, Colorado adopted GASB Statement 75 for the year ended December 31, 2018. Amounts for 2017 have not been restated.

# CITY OF FOUNTAIN, COLORADO

## FUND BALANCES-GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS (Unaudited)

TABLE 3

(modified accrual basis of accounting)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Nonspendable Note Receivable	\$ 25,663	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted for Emergencies	378,000	414,000	553,000	624,000	764,000	717,000	675,461	738,210	979,978	939,664
Restricted for Fire Sta./Police Sta. Renovation	121,934	-	-	-	-	-	-	-	-	-
Committed to Park Improvements	283,566	512,486	662,405	742,637	848,069	925,294	966,532	1,102,533	450,607	490,807
Committed to School Zone	58,066	72,859	88,804	65,516	74,896	79,053	89,544	105,549	129,573	155,482
Committed to Traffic Signal	208,000	208,000	208,000	208,000	208,000	208,000	208,000	-	-	-
Assigned to Public Safety Capital Improvements	443,783	259,430	382,505	621,558	1,001,762	1,384,980	1,859,654	1,224,114	1,123,641	1,296,034
Unrestricted, Unassigned	589,591	3,683,805	4,671,273	2,969,618	4,146,335	5,343,256	5,149,521	7,392,527	9,279,726	10,972,990
Total general fund	\$ 2,108,603	\$ 5,150,580	\$ 6,565,987	\$ 5,231,329	\$ 7,043,062	\$ 8,657,584	\$ 8,948,712	\$ 10,562,933	\$ 11,963,525	\$ 13,854,977
All Other Governmental Funds										
Restricted for Parks	\$ 200,199	\$ 265,398	\$ 230,569	\$ 304,912	\$ 254,830	\$ 294,537	\$ 437,786	\$ 398,392	\$ 551,599	\$ 636,293
Restricted for District Repairs & Maintenance	335,202	377,522	438,171	525,899	691,029	922,414	1,176,145	1,460,973	1,698,705	2,091,654
Restricted for Transportation	323,923	486,290	717,664	912,062	1,095,465	1,297,901	1,576,647	2,111,178	2,648,434	3,208,528
Restricted for Street Repairs & Maintenance	114,524	81,645	78,649	203,892	248,154	180,746	111,586	326,138	521,767	499,082
Restricted for Street Improvements	2,273,777	2,913,693	3,507,196	4,127,544	4,853,221	1,440,123	1,236,771	1,146,550	1,092,828	1,010,683
Committed to Volunteer Fire Activities	104,881	129,951	155,036	142,081	153,684	155,602	113,126	107,035	71,377	56,319
Assigned to Volunteer Fire Activities	-	-	-	-	-	-	-	-	-	-
Unrestricted, Unassigned	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ 3,352,506	\$ 4,254,499	\$ 5,127,285	\$ 6,216,390	\$ 7,296,383	\$ 4,291,323	\$ 4,652,061	\$ 5,550,266	\$ 6,584,710	\$ 7,502,559
Total all governmental funds	\$ 5,461,109	\$ 9,405,079	\$ 11,693,272	\$ 11,447,719	\$ 14,339,445	\$ 12,948,907	\$ 13,600,773	\$ 16,113,199	\$ 18,548,235	\$ 21,357,536

Source: City of Fountain Colorado, audited financial statements, 2013-2022

# CITY OF FOUNTAIN, COLORADO

## CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS (Unaudited)

TABLE 4

(modified accrual basis of accounting)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Revenues:</b>										
Taxes	\$ 12,403,589	\$ 13,237,733	\$ 14,566,435	\$ 16,891,175	\$ 19,119,576	\$ 22,011,785	\$ 21,686,344	\$ 23,670,224	\$ 25,926,758	\$ 27,563,982
Licenses and Permits	128,163	114,018	110,887	106,779	94,105	164,955	136,114	146,457	168,978	162,013
Intergovernmental	1,368,640	4,093,090	1,672,444	1,375,632	1,284,586	1,407,023	1,529,176	3,407,082	1,135,466	1,791,118
Charges for Services	489,192	544,141	621,266	613,660	739,670	860,555	686,886	1,206,930	443,587	498,763
Fines and Forfeitures	343,706	308,225	344,682	407,014	302,091	395,106	441,367	292,220	1,959,272	2,641,519
Investment Income	(19,782)	47,729	39,835	29,412	65,843	141,379	254,083	85,184	7,203	200,498
Other Revenues	134,994	285,505	137,918	331,378	288,308	2,590,872	1,474,894	1,091,824	167,621	463,815
Total Revenues	14,848,502	18,630,441	17,493,467	19,755,050	21,894,179	27,571,675	26,208,864	29,899,921	29,808,885	33,321,708
<b>Expenditures:</b>										
General Government	2,716,674	3,034,927	2,485,007	4,447,557	4,880,968	4,915,105	5,580,304	6,591,610	7,634,979	7,777,896
Public Safety	10,262,612	8,637,059	8,650,779	10,084,025	11,431,458	12,023,231	11,275,406	11,952,809	12,726,284	13,058,617
Public Works	1,677,957	2,077,441	2,110,811	3,396,987	3,494,141	8,853,992	1,395,910	1,920,343	973,152	2,876,201
Health and Welfare	275,818	296,392	282,512	339,177	381,963	398,085	419,435	485,555	500,072	439,971
Culture and Recreation	899,644	858,192	1,167,182	1,187,270	1,525,382	1,160,204	1,180,020	1,092,444	1,071,583	1,228,952
Debt Service										
Principal	372,445	403,639	423,454	422,737	571,267	1,061,060	724,861	843,111	886,386	543,482
Interest	133,048	136,046	130,542	136,878	129,487	99,815	310,081	152,496	152,496	352,872
Capital Outlay	-	-	-	-	-	-	4,250,384	3,990,853	5,000,143	4,896,076
Total Expenditures	16,338,198	15,443,696	15,250,287	20,014,631	22,414,666	28,511,492	25,136,401	27,029,221	28,945,095	31,174,067
Excess of Revenues over (under) Expenditures	(1,489,696)	3,186,745	2,243,180	(259,581)	(520,487)	(939,817)	1,072,463	2,870,700	863,790	2,147,641
<b>Other Financing Sources (Uses)</b>										
Debt Issued	474,571	609,300	-	311,165	3,647,661	-	-	174,143	481,298	131,795
Sale of Capital Assets	-	-	-	-	-	-	-	-	142,190	-
Insurance Proceeds	-	-	-	-	-	-	-	-	265,330	-
Transfers In	675,270	675,270	200,000	-	-	-	-	-	1,221,418	1,101,533
Transfers Out	(597,853)	(527,345)	(154,987)	(297,137)	(235,448)	(450,721)	(420,597)	(532,417)	(538,990)	(571,668)
Total Other Financing Sources (Uses)	551,988	757,225	45,013	14,028	3,412,213	(450,721)	(420,597)	(358,274)	1,571,246	661,660
Net Change in Fund Balances	\$ (937,708)	\$ 3,943,970	\$ 2,288,193	\$ (245,553)	\$ 2,891,726	\$ (1,390,538)	\$ 651,866	\$ 2,512,426	\$ 2,435,036	\$ 2,809,301
Debt Service as a percentage of noncapital Expenditures	3.1%	3.5%	3.6%	2.8%	3.1%	4.1%	5.0%	4.3%	4.3%	3.4%

Source: City of Fountain, Colorado, audited financial statements, 2013-2022

# CITY OF FOUNTAIN, COLORADO

## ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY LAST TEN YEARS (Unaudited)

**TABLE 5**

Year	Vacant Land	Residential Property	Commercial Property	Industrial Property	Agricultural Property	Natural Resources	Exempt	State Assessed	Total Assessed Value	Direct Tax Rate	Estimated Actual Value	Assessed Value as a Percentage of Actual Value
2013	8,269,790	99,606,600	45,769,110	8,238,250	231,130	778,540	16,800,190	3,830,590	183,524,200	10.239	1,549,862,261	11.84%
2014	8,050,330	105,533,830	47,079,980	7,464,150	231,300	724,310	17,202,920	4,785,520	191,072,340	10.239	1,629,983,349	11.72%
2015	8,086,610	115,369,090	52,517,480	6,953,150	240,700	617,700	19,456,510	9,647,830	212,889,070	10.239	1,795,063,326	11.86%
2016	8,020,780	117,748,510	56,831,240	6,772,650	235,230	596,610	19,454,530	4,560,710	214,220,260	10.239	1,821,386,400	11.76%
2017	8,109,610	121,463,590	64,122,210	7,841,530	235,250	475,200	20,013,310	4,501,710	226,762,410	10.239	1,923,033,314	11.79%
2018	7,555,730	125,051,630	65,041,150	7,796,200	234,590	359,390	20,439,420	4,737,690	231,215,800	10.239	1,972,699,676	11.72%
2019	9,422,850	153,363,100	64,975,720	8,261,870	216,370	131,810	21,543,660	4,633,470	262,548,850	10.239	2,534,632,807	10.36%
2020	8,675,550	156,611,190	63,757,090	6,592,970	226,700	5,680	21,811,430	5,132,700	262,813,310	10.239	2,569,923,717	10.23%
2021	10,411,740	187,482,070	74,537,390	6,940,430	276,690	560	25,838,290	5,104,350	310,591,520	10.239	3,061,158,274	10.15%
2022	10,824,190	182,496,710	78,677,210	7,068,240	261,480	440	26,603,720	5,452,130	311,384,120	16.339	3,095,430,331	10.06%

Source - State of Colorado Annual Report and El Paso County Assessor

Note: Property in El Paso County is revalued every odd numbered year. The assessment rate is 29 percent of actual value for all properties except residential and producing natural resource properties.

The residential assessment rate is established by the State legislature every odd-numbered year in order to maintain the tax burden balance between residential properties and other properties.

The residential assessment rate is 7.96 percent for the 2012-2017 assessment years and 7.15% for the assessment years beginning in 2018 through 2021 and for 2022 is 6.95%. Tax rates are per \$1,000 of assessed value.

The General Fund mill levy was increased by 6.1 mills by voter approval, for 2022 property taxes to be collected in 2023.

# CITY OF FOUNTAIN, COLORADO

## DIRECT AND OVERLAPPING PROPERTY TAX RATES - LAST TEN YEARS (rate per \$1,000 of assessed value) (Unaudited)

TABLE 6

Taxing Authority	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Direct</b>										
City of Fountain (a)	10.239	10.239	10.239	10.239	10.239	10.239	10.239	10.239	10.239	10.239
<b>Total Direct Rate</b>	10.239	10.239	10.239	10.239	10.239	10.239	10.239	10.239	10.239	10.239
<b>Overlapping Governments</b>										
El Paso County	7.714	7.791	7.869	7.919	7.965	8.068	7.222	7.692	7.200	7.450
<b>School Districts</b>										
Widefield #3	48.025	47.004	47.527	45.657	61.320	60.294	56.396	56.164	49.384	49.384
Fountain/Fort Carson #8	24.726	24.775	25.195	24.748	24.731	24.776	24.845	24.741	25.704	25.704
<b>Sanitation Districts</b>										
Fountain Sanitation	5.755	6.101	0.604	6.248	6.328	6.637	6.030	6.340	5.707	5.707
<b>Water Districts</b>										
S.E. Water Conservancy	0.940	0.940	0.941	0.940	0.939	0.944	0.902	0.942	0.839	0.839
<b>Special Districts</b>										
Fountain GID #1	12.000	12.000	12.000	12.000	12.000	12.000	12.000	12.000	12.000	12.000
Fountain GID #2	10.000	10.000	10.000	10.000	10.000	10.000	10.000	10.000	10.000	10.000
Heritage Improv. Maint.	4.940	4.940	4.940	4.940	4.940	4.940	4.940	4.940	4.940	4.940
<b>Metropolitan Districts</b>										
Countryside South	30.000	30.000	30.000	30.000	33.166	33.166	33.477	33.555	33.555	33.555
Crescent Canyon	35.000	35.000	35.000	35.000	35.197	35.052	35.011	35.011	38.964	38.964
Cross Creek	10.727	10.727	10.727	10.727	11.859	11.859	11.898	11.898	11.898	11.898
Cumberland Green	50.000	50.000	50.000	50.000	50.000	50.000	47.000	47.000	47.000	47.000
Mesa Ridge #2	37.000	43.000	50.000	50.000	55.278	55.167	65.441	65.513	65.513	65.513
Remuda Ridge	-	-	-	-	50.000	50.000	10.000	10.000	55.664	55.664
Ventana	40.000	40.000	40.000	40.000	51.332	51.332	51.691	51.691	51.691	51.691
<b>Miscellaneous Districts</b>										
Pikes Peak Library	4.000	4.000	3.857	3.857	3.812	4.000	3.731	3.855	3.490	3.490

Source - El Paso County Assessor's Office, Abstract of Assessment 2013-2022.

Notes: (a) Overlapping rates are those of county governments and various types of districts that apply to property owners in the City of Fountain

# CITY OF FOUNTAIN, COLORADO

## PRINCIPAL PROPERTY TAX PAYERS Current year and 2013 (Unaudited)

Table 7

Taxpayer	2022			2013		
	Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Dillon Real Estate Co Inc	\$ 6,361,790	1	2.04%	\$ 4,598,640	1	1.43%
WalMart Real Estate	\$ 6,142,980	2	1.97%	\$ 2,513,990	2	
Lowes HIW, Inc	\$ 2,402,310	3	0.77%	\$ 2,159,820	4	2.61%
Mesa Ridge NO 1, LLP	\$ 2,253,260	4	0.72%			1.23%
CSH Property One LLC	\$ 2,227,580	5	0.72%			
Raceway 200 LLC	\$ 1,874,560	6	0.60%			
Pavestone, LLC	\$ 1,818,410	7	0.58%	\$ 1,885,010	5	1.07%
Sam's Real Est Business Trust	\$ 1,795,530	8	0.58%			
GEP Investments Inc	\$ 1,694,250	9	0.54%	\$ 1,126,790	6	0.61%
Fountain Hospitality, LLC.	\$ 1,621,360	10	0.52%			
SCI Plant No. 22 LLC				\$ 2,438,440	3	1.33%
GHC Merchandise Inc.				\$ 1,088,340	7	0.59%
Safeway Stores 46 Inc.				\$ 969,540	8	0.53%
RAG Properties				\$ 962,200	9	0.52%
R M B Products				\$ 950,860	10	0.52%
Total Assessed Valuation City of Fountain			\$ 311,384,120			\$ 183,524,200

Source: El Paso County Assessor's Office

# CITY OF FOUNTAIN, COLORADO

## GENERAL FUND REVENUES-TAXES BY CATEGORY LAST TEN FISCAL YEARS

TABLE 8

(Unaudited)

(modified accrual basis of accounting)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Sales Tax	\$ 5,848,928	\$ 6,260,780	\$ 7,152,889	\$ 8,937,330	\$ 10,341,676	\$ 10,822,136	\$ 11,976,431	\$ 14,954,300	\$ 16,522,145	\$ 17,192,499
General Property Tax	1,624,450	1,647,136	1,733,965	1,915,374	1,956,656	2,066,694	2,083,613	2,415,776	2,377,149	2,839,218
Use Tax	1,367,789	1,514,474	1,601,405	1,514,601	1,759,190	3,786,475	1,969,828	1,564,124	1,905,112	2,110,124
Specific Ownership Tax	165,432	180,249	201,176	227,899	270,180	267,478	262,321	268,222	289,784	303,155
Franchise Taxes:										
Cablevision/ Telephone	218,759	233,678	275,348	318,949	318,177	304,307	272,476	263,276	259,121	178,712
Electricity (1)	1,156,498	1,190,744	1,165,277	1,064,519	1,093,440	1,173,240	1,236,747	1,267,148	1,374,152	1,428,586
Gas	162,078	190,269	183,666	150,570	152,373	163,345	162,423	113,241	174,831	265,782
Water (2)	323,674	379,080	372,503	398,259	411,698	454,815	462,737	521,661	536,565	531,293
Total	\$ 10,867,608	\$ 11,596,410	\$ 12,686,228	\$ 14,527,501	\$ 16,303,390	\$ 19,038,489	\$ 18,426,576	\$ 21,367,748	\$ 23,438,859	\$ 24,849,369

Source: City of Fountain, Colorado, audited financial statements, 2013-2022

Notes: (1) The franchise fee for the City owned electric utility is 5% of gross revenues.

(2) The franchise fee for the City owned water utility is 5% of gross revenues.

# CITY OF FOUNTAIN, COLORADO

## SALES TAX BY CATEGORY LAST TEN FISCAL YEARS (Unaudited) (modified accrual basis of accounting)

**TABLE 9**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Auto Repair and Parts Supply	\$ 397,747	\$ 458,682	\$ 457,840	\$ 562,237	\$ 514,709	\$ 585,363	\$ 611,649	\$ 644,165	\$ 719,428	\$ 782,424
Auto Sales	110,604	161,058	164,354	190,353	297,330	328,020	302,120	185,082	228,799	355,465
Communications/Utilities	608,767	692,136	675,480	642,511	776,721	769,871	996,712	611,075	484,473	464,197
Convenience Stores	163,293	216,237	207,209	252,111	240,119	253,806	295,324	330,855	332,533	138,280
Entertainment	42,875	45,421	49,025	50,127	47,042	27,207	25,684	12,903	19,873	15,336
Hotel/Motel/RV Parks	38,018	53,912	58,493	65,368	69,033	76,343	92,584	141,472	263,429	272,970
Liquor Stores	201,905	243,093	284,607	309,087	309,841	319,827	343,827	395,112	405,685	408,103
Restaurants	1,390,407	1,607,930	1,878,716	2,116,482	2,344,155	2,695,191	2,814,861	2,847,312	2,974,341	2,961,391
Retail	3,514,312	3,555,432	4,831,279	6,566,477	7,799,112	7,691,028	8,493,117	10,388,048	11,170,980	11,599,288
Services - Misc	838,416	777,470	333,213	415,101	527,897	780,994	994,387	1,392,182	2,124,509	2,483,043
<b>Total</b>	<b>\$ 7,306,344</b>	<b>\$ 7,811,371</b>	<b>\$ 8,940,216</b>	<b>\$ 11,169,854</b>	<b>\$ 12,925,958</b>	<b>\$ 13,527,648</b>	<b>\$ 14,970,265</b>	<b>\$ 16,948,206</b>	<b>\$ 18,724,050</b>	<b>\$ 19,480,497</b>
City Direct Sales Tax Rate	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.40%	3.40%	3.40%

Source: City of Fountain, Colorado audited financial statements, 2013-2022 and Sales Tax Subsidiary Records, 2013-2022

# CITY OF FOUNTAIN, COLORADO

**DIRECT AND OVERLAPPING SALES TAX RATES**  
**DECEMBER 31, 2022**  
**(Unaudited)**

**TABLE 10**

<u>Fiscal Year</u>	<u>City of Fountain</u>	<u>El Paso County</u>	<u>State of Colorado</u>	<u>PPRTA</u>
2013	3.75%	1.23%	2.9%	
2014	3.75%	1.23%	2.9%	
2015	3.75%	1.23%	2.9%	
2016	All but South Academy Highlands	1.23%	2.9%	
2016	South Academy Highlands	1.23%	2.9%	1.0%
2017	All but South Academy Highlands	1.23%	2.9%	
2017	South Academy Highlands	1.23%	2.9%	1.0%
2018	All but South Academy Highlands	1.23%	2.9%	
2018	South Academy Highlands	1.23%	2.9%	1.0%
2019	All but South Academy Highlands	1.23%	2.9%	
2019	South Academy Highlands	1.23%	2.9%	1.0%
2020	All but South Academy Highlands	1.23%	2.9%	
2020	South Academy Highlands	1.23%	2.9%	1.0%
2021	All but South Academy Highlands	1.23%	2.9%	
2021	South Academy Highlands	1.23%	2.9%	1.0%
2022	All but South Academy Highlands	1.23%	2.9%	
2022	South Academy Highlands	1.23%	2.9%	1.0%

PPRTA-Pikes Peak Rural Transportation Authority can only charge a 1% tax to the South Academy Highland commercial establishments

Source: State of Colorado Department of Revenue

# CITY OF FOUNTAIN, COLORADO

**GENERAL FUND PROPERTY TAX LEVIES AND COLLECTIONS** **TABLE 11**  
**LAST TEN YEARS**  
**(Unaudited)**

Year Assessed	Gross Tax Levy (2)	Current Collections			Total Collections to Date	
		Amount	Percentage of Levy	Collections in Subsequent Years (1)	Total Net Taxes Collected	Total Tax Percentage of Levy
2013	1,690,240	1,603,985	94.90%	43,042	1,647,027	97.44%
2014	1,763,057	1,705,044	96.71%	28,921	1,733,965	98.35%
2015	1,961,172	1,869,797	95.34%	45,577	1,915,374	97.66%
2016	1,976,808	1,936,603	97.97%	20,053	1,956,656	98.98%
2017	2,095,580	2,088,384	99.66%	3,539	2,091,923	99.83%
2018	2,136,860	2,130,415	99.70%	2,872	2,133,287	99.83%
2019	2,443,474	2,439,188	99.82%	2,528	2,441,716	99.93%
2020	2,445,359	2,442,949	99.90%	655	2,443,604	99.93%
2021	2,873,409	2,867,352	99.79%	570	2,867,922	99.81%
2022	4,568,463	4,508,242	98.68%		N/A	

**Source: El Paso County Treasurer's Office and the City of Fountain, Colorado**  
**audited financial statements, 2013-2022**

**Note: (1) Property taxes are collected in the calendar year following the year levied.**

# CITY OF FOUNTAIN, COLORADO

## WATER REVENUES LAST TEN FISCAL YEARS (Unaudited) (accrual basis of accounting)

TABLE 12

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Water Revenues:</b>										
Charges for Services:										
<b>Metered Water Sales by Type of Customer:</b>										
Residential	\$ 4,612,252	\$ 5,269,638	\$ 5,370,315	\$ 5,869,792	\$ 5,966,982	\$ 6,975,508	\$ 7,288,222	\$ 8,387,168	\$ 9,438,741	\$ 8,921,553
Commercial	1,705,902	1,973,358	1,894,487	2,002,129	2,206,966	2,325,169	2,342,443	2,365,611	2,860,886	3,033,486
<b>Total Charges for Services</b>	<b>6,318,154</b>	<b>7,242,996</b>	<b>7,264,802</b>	<b>7,871,921</b>	<b>8,173,948</b>	<b>9,300,677</b>	<b>9,630,665</b>	<b>10,752,779</b>	<b>12,299,627</b>	<b>11,955,039</b>
Miscellaneous	278,312	256,998	1,376,358	666,541	253,203	254,498	443,472	1,311,079	869,813	90,197
<b>Total Operating Revenues</b>	<b>6,596,466</b>	<b>7,499,994</b>	<b>8,641,160</b>	<b>8,538,462</b>	<b>8,427,151</b>	<b>9,555,175</b>	<b>10,074,137</b>	<b>12,063,858</b>	<b>13,169,440</b>	<b>12,045,236</b>
Investment Income	30,597	8,454	14,204	24,380	4,862	4,320	77,790	72,780	9,598	26,662
<b>Total Water Revenues</b>	<b>\$ 6,627,063</b>	<b>\$ 7,508,448</b>	<b>\$ 8,655,364</b>	<b>\$ 8,562,842</b>	<b>\$ 8,432,013</b>	<b>\$ 9,559,495</b>	<b>\$ 10,151,927</b>	<b>\$ 12,136,638</b>	<b>\$ 13,179,038</b>	<b>\$ 12,071,898</b>
<b>Water Gallons Sold by Type of Customer</b>										
Residential	580,491,828	581,525,339	542,361,514	579,887,854	555,059,383	575,508,997	552,120,210	636,913,840	593,779,300	572,889,470
Commercial	192,229,910	201,572,170	186,637,670	178,402,965	178,760,968	189,259,178	190,517,730	177,743,200	211,856,180	226,876,410
<b>Total Water Gallons Sold by Type of Customer</b>	<b>772,721,738</b>	<b>783,097,509</b>	<b>728,999,184</b>	<b>758,290,819</b>	<b>733,820,351</b>	<b>764,768,175</b>	<b>742,637,940</b>	<b>814,657,040</b>	<b>805,635,480</b>	<b>799,765,880</b>

Source: City of Fountain, Colorado, audited financial statements, 2013-2022 and Utility Billing Records, 2013-2022

# CITY OF FOUNTAIN, COLORADO

## ELECTRIC REVENUES LAST TEN FISCAL YEARS (Unaudited) (accrual basis of accounting)

TABLE 13

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Electric Revenues:</b>										
Charges for Services:										
Metered Electric Sales by Type of Customer:										
Residential-inside city limits	\$ 9,064,892	\$ 9,522,120	\$ 9,124,562	\$ 8,785,711	\$ 8,592,953	\$ 9,107,204	\$ 10,430,671	\$ 10,254,870	\$ 11,190,436	\$ 11,973,126
Residential-outside city limits	6,740,561	6,836,575	6,475,483	6,102,628	5,728,635	6,304,987	6,542,323	6,753,207	7,813,159	7,692,196
Commercial-inside city limits	6,043,262	6,071,818	6,196,410	5,426,906	6,609,964	6,772,023	6,179,811	6,753,207	6,606,157	7,194,545
Commercial-outside city limits	1,394,599	1,263,326	1,272,037	1,073,402	1,101,661	1,167,590	1,202,502	1,250,594	1,429,751	1,381,496
Total Charges for Services	23,243,314	23,693,839	23,068,492	21,388,647	22,033,212	23,351,805	24,355,307	25,011,877	27,039,503	28,241,363
Miscellaneous	513,927	610,309	958,176	759,972	918,156	1,558,600	1,436,693	1,222,407	2,043,308	3,217,718
Total Operating Revenues	23,757,241	24,304,148	24,026,668	22,148,619	22,951,368	24,910,405	25,792,000	26,234,284	29,082,811	31,459,081
Investment Income	118,468	143,013	154,942	101,576	115,371	138,569	281,980	129,765	263	48,931
<b>Total Electric Revenues</b>	<b>\$ 23,875,709</b>	<b>\$ 24,447,161</b>	<b>\$ 24,181,610</b>	<b>\$ 22,250,195</b>	<b>\$ 23,066,739</b>	<b>\$ 25,048,974</b>	<b>\$ 26,073,980</b>	<b>\$ 26,364,049</b>	<b>\$ 29,083,074</b>	<b>\$ 31,508,012</b>
<b>Electric kWh Sold by Type of Customer</b>										
Residential-inside city limits	76,930,528	75,808,661	80,256,002	84,490,361	84,357,290	90,106,520	88,768,099	95,585,364	96,428,293	94,555,248
Residential-outside city limits	58,012,143	55,831,697	57,063,034	57,998,087	57,132,259	60,797,181	59,276,942	61,851,222	61,804,611	60,525,704
Commercial-inside city limits	61,833,071	62,074,818	63,289,307	63,723,036	64,932,845	66,671,035	64,086,355	62,420,690	65,556,271	66,227,895
Commercial-outside city limits	13,030,685	12,696,182	12,641,542	12,123,616	11,693,218	11,760,264	12,417,088	11,999,395	12,415,240	12,223,758
<b>Total Electric kWh Sold by Type of Customer</b>	<b>209,806,427</b>	<b>206,411,358</b>	<b>213,249,885</b>	<b>218,335,100</b>	<b>218,115,612</b>	<b>229,335,000</b>	<b>224,548,484</b>	<b>231,856,671</b>	<b>236,204,415</b>	<b>233,532,605</b>

Source: City of Fountain, Colorado, audited financial statements, 2013-2022 and Utility Billing Records, 2013-2022.

# CITY OF FOUNTAIN, COLORADO

## RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS (Unaudited)

TABLE 14

Fiscal Year	Governmental Activities		Business-Type Activities												Total Primary Government	Per Capita (a)	Percentage of Personal Income (b)	
	Capital Leases	Capital Leases	2005 Loan Payable CWRPDA	2003 Water Rights Loan	2007 Water Rights Loan	2008 Water Rights Loan	2009 Loan Payable CWRPDA	2011 Loan Payable CWRPDA	2013 Loan Payable CWRPDA	2014 Loan Payable CWRPDA	2015 Bond Payable Fountain	2016 Bond Payable Fountain	2019 Bond Payable Fountain	2020 Revenue Refunding Bond				2021 Revenue Refunding Bond
2013	3,740,879		6,850,000	218,100	117,150	1,225,743	8,015,000	9,175,000	12,162,361							41,504,233	1,522	3.72%
2014	3,946,540		200,000	145,400	78,100	1,165,641	7,835,000	8,995,000	11,918,594	18,222,508						52,506,783	1,844	4.40%
2015	3,523,086	77,595	-	72,700	39,050	-	7,650,000	8,810,000	11,669,827	18,113,302	4,024,695					53,980,255	1,884	4.47%
2016	3,411,514	105,268	-	-	-	-	-	8,620,000	11,416,061	17,659,096	3,942,705	7,773,376				52,928,020	1,802	4.15%
2017	6,487,908	1,056,272	-	-	-	-	-	8,425,000	11,157,295	17,189,889	3,855,715	7,501,683				55,673,762	1,868	4.21%
2018	5,738,316	843,534	-	-	-	-	-	8,225,000	10,888,529	16,705,682	3,768,725	7,224,989				53,394,775	1,795	3.86%
2019	4,829,711	593,157	-	-	-	-	-	8,015,000	10,614,763	16,211,475	3,676,735	6,948,295	21,128,758			72,017,894	2,343	7.24%
2020	4,376,934	649,235	-	-	-	-	-	-	10,330,998	15,697,269	3,584,745	6,666,601	20,719,591	8,340,000		70,365,373	2,269	6.73%
2021	4,253,557	3,240,729	-	-	-	-	-	-	-	15,163,065	3,487,755	6,379,906	20,210,424	8,025,000	9,545,000	70,305,436	2,359	6.71%
2022	3,716,775	2,971,719	-	-	-	-	-	-	-	14,613,859	3,390,765	6,088,212	19,601,257	7,690,000	9,205,000	67,277,587	2,327	6.19%

Note: Details regarding the City's outstanding debt including premium by issue can be found in Note 5 to the financial statements.

(a) Population data is from Table 18

(b) Personal income data is from Table 18

# CITY OF FOUNTAIN, COLORADO

## RATIOS OF WATER FUND DEBT OUTSTANDING LAST TEN FISCAL YEARS (Unaudited)

TABLE 15

### WATER FUND

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Water Fund Debt Outstanding										
2003 Water Rights Loan	\$ 218,100	\$ 145,400	\$ 72,700	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2005 Loan Payable CWRPDA	6,850,000	200,000	-	-	-	-	-	-	-	-
2007 Water Rights Loan	117,150	78,100	39,050	-	-	-	-	-	-	-
2008 Water Rights Loan	1,225,743	1,165,641	-	-	-	-	-	-	-	-
2009 Loan Payable CWRPDA	8,015,000	7,835,000	7,650,000	-	-	-	-	-	-	-
2011 Loan Payable CWRPDA	9,175,000	8,995,000	8,990,000	8,620,000	8,425,000	8,225,000	8,015,000	-	-	-
2013 Loan Payable CWRPDA	12,162,361	11,918,594	11,669,827	11,416,061	11,157,295	10,888,529	10,614,763	10,330,998	-	-
2014 Loan Payable CWRPDA		18,222,508	18,113,302	17,659,096	17,189,889	16,705,682	16,211,475	15,697,269	15,163,065	14,613,859
2015 City of Fountain Revenue Bond			4,024,695	3,942,705	3,855,715	3,768,725	3,676,735	3,584,745	3,487,755	3,390,765
2016 City of Fountain Revenue Bond				7,773,376	7,501,683	7,224,989	6,948,295	6,666,601	6,379,906	6,088,212
2016 Capital Lease				11,958	9,473	8,681	5,211	2,951	-	-
2017 Capital Lease					127,085	99,788	72,542	45,297	18,052	-
2019 City of Fountain Revenue Bond							8,451,503	8,287,836	8,084,170	7,840,503
2020 City of Fountain Revenue Refunding Bond								8,340,000	8,025,000	7,690,000
2021 City of Fountain Revenue Refunding Bond									9,545,000	9,205,000
<b>Total Water Fund Debt Outstanding</b>	<b>\$ 37,763,354</b>	<b>\$ 48,560,243</b>	<b>\$ 50,559,574</b>	<b>\$ 49,423,196</b>	<b>\$ 48,266,140</b>	<b>\$ 46,921,394</b>	<b>\$ 53,995,525</b>	<b>\$ 52,955,697</b>	<b>\$ 50,702,948</b>	<b>\$ 48,828,339</b>
Number of Active Water Service Connections	7,695	7,844	7,988	8,050	8,200	8,344	8,458	8,599	8,620	8,663
Water Fund Debt per Active Water Service Connection	\$ 4,908	\$ 6,191	\$ 6,329	\$ 6,140	\$ 5,886	\$ 5,623	\$ 6,384	\$ 6,158	\$ 5,882	\$ 5,636

Note: Details regarding the City's outstanding debt including premium by issue can be found in Note 5 to the financial statements.

Source: City of Fountain, Colorado, audited financial statements, 2013-2022 and Utility Billing Records, 2013-2022

# CITY OF FOUNTAIN, COLORADO

## DIRECT AND OVERLAPPING DEBT DECEMBER 31, 2022 (Unaudited)

**TABLE 16**

Government Entity	Debt Outstanding (d)	Estimated Percentage Applicable (b)	Estimated Share of Overlapping (a) Debt
Fountain/Fort Carson School District #8	\$ 11,333,598	100.00%	\$ 11,333,598
El Paso County	78,797,524	2.72%	\$ 2,143,293
Widefield School District #3	62,473,416	40.40%	\$ 25,239,260
Cumberland Green Metro District (c)	5,550,000	100.00%	\$ 5,550,000
Total Overlapping Debt	<u>158,154,538</u>		<u>44,266,151</u>
City of Fountain Direct Debt	<u>3,716,775</u>	100.0%	<u>3,716,775</u>
Total Direct and Overlapping Debt	<u>\$ 161,871,313</u>		<u>\$ 47,982,926</u>

**Notes:**

(a) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City.

This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Fountain. This process recognizes that, when considering the City of Fountain's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

(b) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries by dividing the City's assessed value by each unit's taxable assessed value.

(c) Debt for Cumberland Green Metro District is general obligation debt.

(d) Source: Individual entity year-end financial statements and footnotes to those statements.

# CITY OF FOUNTAIN, COLORADO

## LARGEST EMPLOYERS LAST YEAR (Unaudited)

**TABLE 17**

Employer	2022	
	Employees	Percentage of Total County Employment (a)
Fort Carson	35,592	11.88%
Widefield School District #3	1,291	0.43%
Fountain/Fort Carson School District #8	1,066	0.36%
Walmart	752	0.25%
Dillon/GHC	535	0.18%
City of Fountain (b)	270	0.09%
Total	39,506	13.18%

**Source:** Fort Carson and school district websites, Wal-Mart, & Dillon. Total El Paso County employment information used to calculate the percentage of total county employment from the Fred Economic Data report  
**Note:** Largest employers from nine years ago are not available.

(a) 2022 El Paso County employment was 299,666 according to BLS.gov for December 2022

(b) Includes part time staff

# CITY OF FOUNTAIN, COLORADO

## DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN YEARS (Unaudited)

TABLE 18

Year	Fountain Population (a)	Personal Income El Paso County (thousands of dollars) (b)	Personal Income Fountain (thousands of dollars) (c)	Per Capita Personal Income (b)	Unemployment Rate (d)
2013	27,265	26,374,299	1,114,948	40,541	7.8
2014	28,470	26,940,874	1,194,174	41,945	6.0
2015	28,650	27,210,283	1,207,733	42,155	4.6
2016	29,375	29,262,206	1,274,434	43,385	3.5
2017	29,804	30,565,961	1,323,566	44,409	3.4
2018	29,747	32,522,267	1,383,563	46,511	3.9
2019	30,735	47,066,809	994,216	32,348	3.3
2020	31,017	49,548,598	1,046,141	33,728	7.3
2021	29,802	41,315,534	1,048,345	35,177	6.8
2022	28,907	56,215,700	1,087,452	37,619	3.3

Source: Department of Local Affairs-Demography Section, U.S. Department of Labor-Bureau of Labor Statistics and Bureau of Economic Analysis-an agency of the U.S. Department of Commerce.

- (a) 2013 to 2014 and 2022 is from the US Census Bureau. 2014-2016 population estimate is from US Census Bureau. 2017-2021 per City Planning Department.
- (b) The data reported for Personal Income and Per Capita Personal Income is for El Paso County and has been updated per State of Colorado Labor and Employment Data Section.
- (c) Personal Income for Fountain is calculated by multiplying Fountain population by Per Capita Personal Income.
- (d) Unemployment rate is for Colorado Springs Metro Area not seasonally adjusted per the Bureau of Labor Statistics and State of Colorado, Division of Employment and Training for 2012-2017. For 2018-2022, unemployment rate is for El Paso County.

# CITY OF FOUNTAIN, COLORADO

## FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>General Government</b>									
City Clerk	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.50
Municipal Court	2.00	2.00	1.00	1.75	2.00	2.00	2.00	2.00	2.00
City Administration	4.00	5.00	5.00	6.00	7.00	6.50	6.50	6.50	6.50
Finance	4.00	4.00	4.00	4.45	4.45	4.45	4.50	4.50	4.50
Human Resource	2.00	2.00	2.00	3.00	2.00	3.00	3.00	3.00	3.00
Facilities	1.00	2.00	2.00	1.00	2.00	2.00	2.00	2.00	2.00
Planning & Zoning	2.85	3.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Engineering	2.50	2.00	2.00	4.00	4.00	4.00	4.00	4.00	4.00
Economic Development	1.00	1.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Information Technology	5.00	5.00	5.00	5.75	5.75	8.75	8.75	9.00	9.00
<b>Public Safety</b>									
<b>Police</b>									
Patrol	29.00	30.25	33.25	32.00	37.00	37.00	38.00	39.00	42.00
K-9 Patrol	0.50	2.00	2.00	2.00	1.00	1.00	1.00	1.00	1.00
Administration	4.00	5.00	5.00	6.75	5.00	5.00	5.00	5.00	5.00
Support Services	18.00	16.00	16.00	5.00	5.75	5.75	5.75	5.75	5.75
Investigations	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
School Resource/DARE Program	3.00	3.00	3.65	7.05	7.75	9.00	9.00	9.50	9.50
Drug Task Force	2.00	2.00	2.00	2.00	1.00	1.00	1.00	1.00	1.00
<b>Fire</b>									
Administration	2.00	2.00	2.00	3.00	3.00	3.00	3.00	3.00	3.00
Emergency Services	20.75	20.65	21.35	25.65	29.75	31.65	36.00	35.50	32.50
Prevention Services	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<b>Ambulance</b>									
Emergency Medical Services	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	11.00
<b>Public Works</b>									
Street & Drainage Maintenance	8.45	7.80	7.35	8.30	9.00	9.00	9.00	9.00	9.00
<b>Bus Transportation</b>									
Bus Drivers	4.50	4.50	4.50	4.75	5.00	5.00	5.00	5.00	5.00
Dispatchers	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Health and Welfare</b>									
Code Enforcement	2.00	2.00	2.00	3.50	3.50	3.50	3.75	4.50	4.50
<b>Cultural &amp; Recreation</b>									
Parks Maintenance	6.40	5.80	6.20	7.75	7.50	7.00	7.25	7.00	7.00
Recreation Programs			1.85	3.00	3.55	4.25	4.70	4.70	4.70
<b>Water Utility</b>									
Administration	2.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Water Resource	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Water Conservation	0.00	0.50	0.50	0.50	0.00	0.00	0.00	0.00	0.00
Water Operations	11.00	11.00	11.00	11.00	13.00	10.00	12.00	11.00	11.00
<b>Electric Utility</b>									
Administration	4.50	4.00	4.20	4.25	4.25	4.25	5.25	5.25	5.25
Engineering/Planning	5.00	5.00	3.45	4.00	2.00	2.00	2.00	2.00	2.00
Electric Distribution	19.20	19.15	19.90	19.90	19.50	20.50	20.50	20.50	20.50
Electric Conservation	0.00	0.50	0.50	0.50	0.00	0.00	0.00	0.00	0.00
Inventory Control	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<b>Customer Service - Utilities</b>									
Administration	3.00	3.00	3.00	3.00	4.00	4.00	4.00	4.00	4.00
Conservation Program	0.00	0.00	0.00	0.00	1.00	1.00	1.00	1.00	1.00
Customer Service	10.00	10.00	8.00	6.00	6.00	6.00	6.00	6.00	6.00
Customer Billing	5.00	5.00	4.00	6.00	8.00	8.00	8.00	8.00	8.00
Field Service	2.00	2.00	3.00	2.00	4.00	5.00	5.00	5.00	5.00
<b>Fleet Services</b>									
Fleet Maintenance	5.00	5.00	5.00	7.00	7.00	7.00	7.50	7.50	7.50
<b>Total</b>	<b>210.15</b>	<b>211.65</b>	<b>216.20</b>	<b>226.35</b>	<b>241.25</b>	<b>246.10</b>	<b>255.95</b>	<b>256.70</b>	<b>260.20</b>

Source: City of Fountain Finance Department

# CITY OF FOUNTAIN, COLORADO

## CAPITAL AND OPERATING INDICATORS BY FUNCTION/PROGRAM

### LAST TEN FISCAL YEARS

(Unaudited)

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Public Safety</b>									
<b>Fire Department</b>									
Fire career staff	33	39	39	47	55	55	50	57	60
Volunteers	40	30	40	26	26	20	20	15	5
Fire Insurance Rating	5	3	3	3	3	3	3	3	3
Fire emergency responses	3,747	3,785	4,314	4,406	5,007	5,186	4,820	4,180	4,844
Fire hydrants	1,205	1,205	1,210	1,210	1,210	1,215	1,300	1,300	1,300
Number of fire stations	3	3	3	3	3	3	3	3	3
Number of fire trucks/implements	11	12	12	12	12	12	12	12	11
<b>Police Department</b>									
Number of police stations	1	1	1	1	1	1	1	1	1
Sworn officers	41	41	46	50	55	58	58	58	61
Reserve officers	3	3	3	3	2	1	1	0	0
Calls for service	40,873	42,862	40,672	46,529	42,110	39,856	47,305	38,638	47,086
Homicides	0	0	1	1	1	3	4	2	2
Sexual assaults	59	43	32	18	50	73	63	65	66
Robbery	9	15	9	20	9	14	18	14	16
Assault	77	53	158	100	126	30	70	56	69
Larceny-thefts	580	383	687	899	335	283	295	173	190
Traffic citations	3,333	3,264	3,265	3,894	2,945	3,866	4,802	2,724	4,530
Adult arrests	1,080	500	1,279	2,740	2,257	1,094	1,222	1,135	1,410
Juvenile arrests	251	195	249	406	377	221	156	88	79
Domestic violence cases	144	376	625	712	691	81	179	153	171
Military custodial arrests	40	26	441	274	23	0*	0*	0*	0*
<b>Public Works</b>									
Miles of paved street	100.6	100.6	102.7	102.7	104.4	104.4	105.6	105.6	106.3
Miles of gravel road	3.5	3.5	3.4	3.4	3.4	3.4	3.4	3.4	3.4
Traffic signals	2	2	2	2	3	4	5	6	7
Pedestrian cross walks	75	75	85	85	130	133	135	157	135
<b>Cemetery</b>									
City owned Cemeteries	1	1	1	1	1	1	1	1	1
<b>Cultural &amp; Recreation</b>									
Developed parks	8	9	10	10	12	12	11	10	11
Open space acres	288.5	288.5	326.5	326.5	330	330	330	330	330
Miles of trails	6	6	10	10	10	10	10	10	10
Number of pavilions	6	6	6	6	13	13	13	14	13
Number of gazebos	2	2	2	2	2	2	2	2	2
Number of splash pads	1	1	1	1	1	1	1	1	1
Number of baseball/softball fields	6	6	5	5	5	5	5	5	5
Number of dog park areas	1	1	1	1	1	1	1	1	1
Number of concession stands	1	1	2	2	2	2	2	2	2
<b>Water Utility</b>									
Number of accounts	7,453	7,583	7,674	7,779	7,942	8,344	8,458	8,599	8,594
Average daily consumption (gallons)	2,117,046	2,145,473	1,997,258	2,070,185	1,086,355	2,098,586	1,990,803	2,262,934	2,207,220
Annual consumption (gallons)	772,721,738	783,097,509	728,999,184	755,617,619	735,663,943	765,984,075	726,643,140	814,659,620	805,635,480
Distribution system (miles) (a)	123	123	123	123	128	129	133	143	137
Number of wells	5	5	5	5	6	6	6	4	5
Potable Storage Tank Capacity (in gallons)	8,375,000	8,375,000	8,375,000	8,375,000	7,880,000	8,250,000	8,250,000	10,250,000	10,750,000
<b>Electric Utility</b>									
Number of accounts	16,585	16,920	17,028	17,144	17,364	17,370	18,814	17,868	18,098
Peak demand (megawatts)									
Summer-July	50	50	51	53	56	59	62	63	62
Winter-December	41	40	39	41	42	41	40	34	37
Average daily consumption (kwh)	574,812	565,510	584,246	598,184	597,577	619,031	602,206	635,294	651,793
Annual consumption	209,806,427	206,411,358	213,249,885	218,337,233	218,115,612	225,946,310	219,805,340	231,882,145	237,904,319
Distribution system (miles)	565	565	596	596	621	626	627	627	638
Number of substations	2	2	2	2	2	2	2	2	3
Miles of transmission lines	2	2	2	2	2	3	2	2	5
Number of street lights (b)	2,930	2,930	2,997	2,664	2,911	2,826	2,855	2,855	3,076

Source: City of Fountain Fire, Police, Public Works, Parks, Water and Electric departments.

\*Military Custodial Arrests not tracked after 2017

## **Compliance Section**

## **State Compliance**

<b>LOCAL HIGHWAY FINANCE REPORT</b>		City or County:
This Information From The Records Of (example - City of _ or County of _ CITY OF FOUNTAIN		YEAR ENDING : December 2022
Prepared By:		SHAWNA DAIL
Phone:		

**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**

ITEM	AMOUNT	ITEM	AMOUNT
<b>A. Receipts from local sources:</b>			
1. Local highway-user taxes		<b>A. Local highway disbursements:</b>	
a. Motor Fuel (from Item I.A.5.)		1. Capital outlay (from page 2)	150,599
b. Motor Vehicle (from Item I.B.5.)		2. Maintenance:	829,290
c. Total (a.+b.)		3. Road and street services:	
2. General fund appropriations	4,118,730	a. Traffic control operations	19,183
3. Other local imposts (from page 2)	300,569	b. Snow and ice removal	26,764
4. Miscellaneous local receipts (from page 2)	400,828	c. Other	
5. Transfers from toll facilities		d. Total (a. through c.)	45,947
6. Proceeds of sale of bonds and notes:		4. General administration & miscellaneous	671,338
a. Bonds - Original Issues		5. Highway law enforcement and safety	3,955,039
b. Bonds - Refunding Issues		6. Total (1 through 5)	5,652,213
c. Notes		<b>B. Debt service on local obligations:</b>	
d. Total (a. + b. + c.)	0	1. Bonds:	
7. Total (1 through 6)	4,820,127	a. Interest	
<b>B. Private Contributions</b>		b. Redemption	
<b>C. Receipts from State government</b>		c. Total (a. + b.)	0
(from page 2)	832,086	2. Notes:	
<b>D. Receipts from Federal Government</b>		a. Interest	
(from page 2)	0	b. Redemption	
<b>E. Total receipts (A.7 + B + C + D)</b>	5,652,213	c. Total (a. + b.)	0
		<b>C. Payments to State for highways</b>	
		<b>D. Payments to toll facilities</b>	
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	5,652,213

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
<b>A. Bonds (Total)</b>				0
1. Bonds (Refunding Portion)				
<b>B. Notes (Total)</b>				0

**V. LOCAL ROAD AND STREET FUND BALANCE**

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	5,652,213	5,652,213		0

Notes and Comments:

**LOCAL HIGHWAY FINANCE REPORT**

STATE:  
Colorado  
YEAR ENDING (mm/yy):  
December 2022

**II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL**

ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	363,298
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	300,569	g. Other Misc. Receipts	37,530
6. Total (1. through 5.)	300,569	h. Other	
c. Total (a. + b.)	300,569	i. Total (a. through h.)	400,828
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	750,436	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	81,651	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	81,651	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	832,086	3. Total (1. + 2.g)	
			(Carry forward to page 1)

**III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL**

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs			0
b. Engineering Costs		49,968	49,968
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		100,631	100,631
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	100,631	100,631
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	150,599	150,599
			(Carry forward to page 1)

**Notes and Comments:**