



Annual Comprehensive Financial Report

for the year ended
December 31, 2023

TOWN OF AVON, COLORADO
LIST OF ELECTED AND APPOINTED OFFICIALS
December 31, 2023

TOWN COUNCIL

Amy Phillips, Mayor
Tamra N. Underwood, Mayor Pro Temp
Russell Andrade
Rich Carroll
Lindsay Hardy
Ruthie Stanley
Chico Thuon

MANAGEMENT

Eric Heil, Town Manager
Patty McKenny, Deputy Town Manager
Ineke de Jong, Chief Administrative Officer
Michael LaBagh, Recreation Director
Greg Daly, Police Chief
Matt Pielsticker, Community Development Director
Eva Wilson, Public Works Director
Paul Redmond, Chief Finance Officer

TOWN OF AVON, COLORADO

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2023

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June 21, 2024

To the Honorable Mayor, Members of the Town Council and Citizens of the Town of Avon:

Town Charter and State statutes require that the Town of Avon (Town) issue a complete set of financial statements presented in conformance with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed independent certified public accountants. Pursuant to these requirements, we hereby issue the annual financial report of the Town of Avon for the fiscal year ended December 31, 2023.

This report consists of management's representations concerning the finances of the Town of Avon. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the Town of Avon has established a comprehensive internal control framework that is designed both to protect the Town's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Town of Avon's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh the benefits, the Town of Avon's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Town of Avon's financial statements have been audited by McMahan and Associates, L.L.C., a firm of certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Avon for the fiscal year ended December 31, 2023, are free of material misstatement. The independent audit involved 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 Town of Avon's financial statements for the fiscal year ended December 31, 2023 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Town of Avon's MD&A can be found immediately following the report of the independent auditors.

Letter of Transmittal
Town of Avon, Colorado
June 21, 2024

Profile of the Town

The Town of Avon was incorporated in 1978 and is located in Eagle County, eight miles west of the Town of Vail and seventeen miles east of the Town of Eagle. The Town sits north of U.S. Highway 6, directly adjacent to the Beaver Creek Resort and is bisected by Interstate Highway 70 from east to west. The primary transportation route to and from Avon is I-70. Aviation services and transportation are available at the Eagle County Airport, 24 miles west of the Town. The Town provides bus transportation services within the Town and offers, in funding partnership with the Beaver Creek Resort Company, a high-speed gondola that provides direct access to Beaver Creek Resort. Avon is also served by the Eagle County Regional Transit Authority which provides bus service throughout Eagle County. Eagle County encompasses approximately 1,694 square miles and spans from the summit of Vail Pass to Glenwood Canyon. Approximately 80% of Eagle County's land is public – comprised of National Forests, wilderness areas, Bureau of Land Management properties, and state and local public lands.

The Town of Avon currently encompasses approximately 8¼ square miles. The Census Bureau's population estimate as of April 2020 was 6,072. This figure represents the permanent resident population. Total population increases significantly during the winter tourist ski season.

The Town operates under the council/manager form of government. Policy-making and legislative authority are vested in the Town Council, which consists of a mayor and a six-member council. The Town Council is responsible, among other things, for passing ordinances, adopting the budget, and appointing a Town Manager, Town Attorney, Town Prosecutor and Municipal Judge. The Town Manager is responsible for carrying out the policies and ordinances of the Council, overseeing the day-to-day operations of the Town, and for appointing the heads of the Town's departments.

The Council is elected on a non-partisan basis. Council members are elected to four-year staggered terms with three council members to be elected in November 2024, and the remaining four to be elected in November 2026. The mayor and mayor pro-tem are elected from amongst the elected council members by a majority vote. The mayor presides at meetings of council and shall not vote until all other Council members present who are eligible to vote have had reasonable opportunity to vote. The affirmative concurring vote of four (4) Council members is required for the adoption of an ordinance, resolution, order for appropriation, approval of a contract or approval of an intergovernmental agreement.

The Town is a home-rule community empowered to levy a property tax on the assessed value of real property located within the Town. The Town collects a 4% sales tax on all retail sales, and a 4% accommodations tax on the lease or rental of hotel rooms, condominium units and other accommodations within the Town. Beginning January 1, 2022, with voter approval, the Town began levying a 2% short-term rental tax on all residential short-term rentals. These funds are earmarked for community housing purposes. Effective January 1, 2019, with voter approval, the Town began levying a \$3 per pack excise tax on the sale of cigarettes and a 40% tax on other nicotine and tobacco products. The Town also collects a 2% real estate transfer tax on all sales of real property located within the Town. The Town has the power by state statute to extend its

Letter of Transmittal
Town of Avon, Colorado
June 21, 2024

corporate limits by annexation, which is done periodically when deemed appropriate by the Town Council.

The Town provides a full range of municipal services including general administrative services; community planning and zoning and building permitting and inspection services; municipal law enforcement; public works including management and maintenance of Town parks and landscaping, Nottingham Lake, bridges, streets and roads, trails, buildings, facilities and infrastructure; operation and management of the Avon Recreation Center and other youth, adult and senior recreation programs; and, special events and cultural activities.

The annual budget serves as the foundation for the Town of Avon's financial planning and control. No later than October 15th, the Town Manager submits to the Mayor and Town Council a proposed budget for the calendar year commencing the following January 1st. The budget is prepared by fund, department, program, and project and includes information on the prior year, current estimates and requested appropriations and estimated revenues for the upcoming year.

The Town Council holds public hearings and may change appropriations except for expenditures required by law for debt service or for estimated cash deficits. No change to the budget may increase the authorized expenditures to any amount greater than the total amount of funds available. The Town Council must adopt the budget by resolution prior to December 15th. Once adopted, the Town Council may at any time, by resolution, amend the budget. In addition, the Town Manager may transfer part or all of any unencumbered appropriation balance among programs within a department. A department is defined by the Town as a distinct, principal, or specialized division (e.g. the department of public works).

Expenditures may not legally exceed budgeted appropriations at the fund level. Budget to actual comparison are provided in this report for all funds and are presented at a lower-than-required level of control to facilitate detailed financial analysis.

Budgetary comparisons for the Town's General Fund and its major special revenue fund, the Avon Urban Renewal Authority, are presented as required supplemental information in this report. Budget to actual comparisons for all other Town funds are included as other supplemental information in this report.

Factors Affecting Financial Condition

The information presented in the financial statements is best understood when considered from a broader perspective rather than just the specific environment in which the Town operates.

Local Economy. Year-round tourism and winter recreation-related businesses account for a significant portion of the employment and earned income of area residents. Skier and snowboarder visits at Vail and Beaver Creek Resort account for almost 20% of the total such visits in Colorado. Both resorts are perennially ranked among the top ten ski resorts in the country.

Letter of Transmittal
Town of Avon, Colorado
June 21, 2024

In addition to skiing and associated winter-time activities, the area promotes a number of summer activities. The Town of Avon sponsors numerous special events throughout the year to area residents and visitors including Avon's Salute to the USA - a July 4th fireworks display typically held on July 3rd, and Avon LIVE!, a free Wednesday evening live music series; and family-friendly activities like the Avon Easter Egg Hunt. The Avon Recreation Center is a spacious 40,000 sq. ft. multi-use facility featuring a large aquatics area with a 5-lane lap pool, lazy river, kid's pool, 140 foot water slide, Aquaclimb climbing wall and diving well; a 2,560 sq. ft. advanced weight training room; a fitness room with treadmills, elliptical motion trainers, upright and recumbent bikes; and, separate Yoga/Tai Chi and multi-purpose training studios. Nottingham Park and Nottingham Lake serve as the Town's central headquarters for summer activities including standup paddleboard, pedal boat, and kayak rentals; fishing, beach volleyball, Fitness Court, and Destination Jump, Splash, Learn. Avon's Whitewater Park, with three distinct water features, is open all summer for rafters and kayakers to enjoy. The West Avon Preserve offers more than 11 miles of mountain bike trails accessible from the Town's paved bike paths with a variety of terrain for all ability levels. Offering several championship golf courses, Eagle County has earned a rating by Golf Digest Magazine as one of the top 40 golf communities in which to live. Other summer activities include hiking, horseback riding, bicycling, kayaking, and rafting, as well as other recreational sports.

Property Values. Property tax, which is based on assessed property values and a mill rate, represents approximately fifteen percent of the Town's total tax revenues. Assessed values are dependent upon real property growth and market values of property, along with assessment ratios established by the State legislature. In Avon, gross assessed values of real property increased by 40 percent in 2023.

Current Initiatives

Council places a high priority on maintaining the existing level of municipal services in 2023 for the purpose of community stability and support of the local economy. All levels of service and staffing to support those levels of service remain the same as 2023. Personnel cost highlights include a merit-based overall salary cost increase of 5% at January 1, and a 5% across-the-board increase for all employees on June 1, 2023. There are several new positions that will increase staff resources in Recreation, Community Development, and Buildings and Facilities. A total of \$1,560,564 in vehicle and heavy equipment purchases originally included in the 2023 budget are being carried-over to the 2024 budget due to continued supply-chain delays.

Community Housing. In 2023, the Avon Town Council continues to fund the buyer assistance, deed restriction purchase program originally began in 2020 called Mi Casa Avon! which has been very successful. Now with the 2% short-term rental tax on all residential short-term rentals earmarked for community housing purposes, the Town has begun feasibility studies and preliminary design on employee rental housing on certain town-owned properties.

Construction Use Tax. Staff is proposing to Town Council a construction use tax election question to be included in the upcoming November elections. The revenue from the construction

Letter of Transmittal
Town of Avon, Colorado
June 21, 2024

use tax would be dedicated to Community Housing. The construction use tax is a form of use tax levied on building materials. The use tax is collected at the time a building permit is issued. The use tax amount is determined by multiplying the use tax rate by the cost of the building materials using a predetermined formula. A common method is to determine that the cost of building materials to be fifty percent (50%) of the total valuation of the construction project. The builder then provides the building permit to the materials supplier to prove that use tax has already been paid, and then is exempt from paying a corresponding municipal sales tax in other locations.

The administrative burden of collection under a use tax methodology is greatly reduced. In addition, the Town would have the authority when necessary to reconcile the final cost of a project versus the initial value placed on the project for permit purposes.

Capital Improvement Projects

The Town updates its capital improvements long-range plan annually. Substantial expenditures are planned in 2024 from the Capital Projects Fund. A significant portion of the expenditures are planned for road and street maintenance and repairs and multi-modal / alternative mobility projects including a \$4.6 million project for the US Hwy 6 & Stondbridge Road roundabout, which is proposed to be funded through various federal, state and local grants. The previously-approved \$2.5 million H.A. Nottingham Park East Improvement project has received grant funding and will begin in 2024. The original project included landscaping upgrades, recreation path repairs, and the construction of additional public restrooms on the north and east side of the park.

The dedication of real estate transfer tax revenues to capital improvements is unique to Avon and has created a stable Capital Projects Fund with adequate fund balances to continue with street resurfacing, facility replacements, and implementation of community projects identified in the Town's Comprehensive Plan documents.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Avon for its annual comprehensive financial report (ACFR) for the fiscal year ended December 31, 2022. This was the fourteenth consecutive year that the Town has received this prestigious award. In order to be awarded a Certificate of Achievement, the Town published an easily readable and efficiently organized ACFR. This report satisfied both GAAP and applicable legal requirements.

The preparation of this report could not have been possible without the efficient and dedicated services of the entire staff of the Finance Department. Each member of the department has my sincere appreciation for the contributions made in the preparation of this report. Due credit should also be given to the Mayor, Town Council, and Town Manager for their interest, support and leadership in planning and conducting the operations of the Town in a responsible and progressive manner.

Letter of Transmittal
Town of Avon, Colorado
June 21, 2024

Respectfully Submitted,

Paul Redmond
Chief Finance Officer



Government Finance Officers Association
203 North LaSalle Street, Suite 2700
Chicago, Illinois 60601-1210
312.977.9700 fax: 312.977.4806

1/17/2024

Amy Phillips
Mayor
Town of Avon, Colorado

Dear Amy:

We are pleased to notify you that your annual comprehensive financial report for the fiscal year ended December 31, 2022 qualifies for GFOA's Certificate of Achievement for Excellence in Financial Reporting. 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.

When a Certificate of Achievement is awarded to a government, an Award of Financial Reporting Achievement (AFRA) is also presented to the individual(s) or department designated by the government as primarily responsible for its having earned the Certificate. This award has been sent to the submitter as designated on the application.

We hope that you will arrange for a formal presentation of the Certificate and Award of Financial Reporting Achievement, and give appropriate publicity to this notable achievement. A sample news release is included to assist with this effort.

We hope that your example will encourage other government officials in their efforts to achieve and maintain an appropriate standard of excellence in financial reporting.

Sincerely,

A handwritten signature in black ink that reads "Michele Mark Levine". The signature is written in a cursive, flowing style.

Michele Mark Levine
Director, Technical Services

Avon Citizens

Home Rule Charter
adopted and amended by
Avon voters

Council

Elected by Citizens - 7 Members

*Council appoints Mayor, Legal Counsel,
Municipal Judge, Town Manager, Boards,
Commissions and Committees*

*Council serves as Local Liquor Authority,
Board of Adjustments, and Board of Directors
for Avon Urban Renewal Authority*

Planning & Zoning
Commission (PZC)
Culture, Arts & Special
Events Committee (CASE)
Finance Committee
Health & Recreation
Committee

Town Attorney
Municipal Prosecutor
Special Legal Counsel

Municipal Judge

TOWN MANAGER

*Oversees Departments and Personnel,
Prepares Budget, Administers
Contracts, Implements Policies and
Projects as Directed by Council*

DEPARTMENTS

General Government

Finance

IT

Human
Resources

Risk
Management

Admin &
Council
Support

Town Clerk

Municipal
Court

Culture, Arts
& Special
Events

Marketing &
Communications

Sustainability

Community Development

Planning

Building
Inspections

Public Works

Engineering

Building &
Facility
Maintenance

Public
Operations

Mobility

Fleet
Maintenance

Recreation

Admin

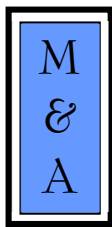
Recreation
Programs

Police

Admin

Patrol

Investigation



McMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

CHAPEL SQUARE, BLDG C
245 CHAPEL PLACE, SUITE 300
P.O. Box 5850, AVON, CO 81620

WEB SITE: WWW.MCMAHANCPA.COM
MAIN OFFICE: (970) 845-8800
FACSIMILE: (970) 845-8108
E-MAIL: MCMAHAN@MCMAHANCPA.COM

INDEPENDENT AUDITOR'S REPORT

**To the Honorable Mayor and Town Council
Town of Avon, Colorado**

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Avon, Colorado, Colorado (the "Town"), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town as of December 31, 2023, 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 ("U.S. GAAP").

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("U.S. 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 Town 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.

Emphasis of Matter – Change in Accounting Principle

As discussed in Note 17 to the financial statements, the Town adopted Governmental Accounting Standards Board Statement No. 96, *SBITA's*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. GAAP; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for one year after the date that the financial statements are issued.

Member: American Institute of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT
To the Town Council
Town of Avon, Colorado

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 U.S. 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 U.S. 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 Town'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 Town'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

U.S. GAAP require that Management's Discussion and Analysis on pages 4 - 16 and budgetary comparison information on pages 59 - 61 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 U.S. GAAS, 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.

INDEPENDENT AUDITOR'S REPORT
To the Town Council
Town of Avon, Colorado

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining fund financial statements, individual fund budgetary information, the Local Highway Finance Report, and the Schedule of Expenditures of Federal Awards as required by *Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* included in the Single Audit Section listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining fund financial statements, individual fund budgetary information, the Local Highway Finance Report, and the Schedule of Expenditures of Federal Awards included in the Single Audit Section listed in the accompanying table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. GAAS. In our opinion, the combining fund financial statements, individual fund budgetary information, the Local Highway Finance Report, the statistical section, and the Schedule of Expenditures of Federal Awards included in the Single Audit Section listed in the accompanying table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 26, 2024 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and on compliance.


McMahan and Associates, L.L.C.
Avon, Colorado
July 26, 2024

Management's Discussion and Analysis

As management of the Town of Avon, we offer readers of the Town of Avon's financial statements this narrative overview and analysis of the financial activities of the Town of Avon for the fiscal year ended December 31, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

- The assets of the Town exceeded its liabilities and deferred inflows at the close of its fiscal year ended December 31, 2023 by \$132,537,084 (net position). Of this amount, \$45,861,390 is unrestricted and may be used to meet the Town's ongoing obligations to citizens and creditors in accordance with the Town's fund designation and fiscal policies as more fully described below.
- The Town's total net position increased by \$8,271,867.
- As of the close of the fiscal year, the Town's governmental funds reported combined ending fund balances of \$41,923,804, an increase of \$3,984,797 from the prior year. Approximately 49.55 percent of this total amount, \$20,774,068, is available for spending at the Town's discretion (unassigned fund balance).
- The unassigned fund balance for the General Fund was \$20,774,068, or 94.68 percent of total General Fund expenditures and other financing uses. This represents a \$1,563,428 increase, or 8.1 percent, from the prior year.
- The Town of Avon's long-term liabilities decreased by a net \$1,687,611 during the current fiscal year. Regular principal payments were made on bonded debt of \$1,547,175, capital leases of \$91,260.

Overview of the Financial Statements

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

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

The *statement of net position* presents information on all of the Town of Avon'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 Town is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the Town of Avon 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 Town of Avon include general government, community development, public safety, public works and utilities, and recreation and culture. The business-type activities of the Town include mobility and fleet maintenance operations.

The government-wide financial statements include not only the Town of Avon itself (known as the *primary government*), but also the Avon Urban Renewal Authority, a legally separate entity, which was established in August 2007 to undertake urban renewal plans and projects with the Town. All members of the governing body are Town Council members. For financial reporting purposes, AURA is blended into the Town's financial statements and is reported as a major fund in the basic financial statements.

The government-wide financial statements can be found on pages 18-20 of this report.

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

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

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

The Town of Avon maintains nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Avon Urban Renewal Authority Fund, Debt Service Fund and Capital Projects Fund, all of which are considered to be major funds. Data from the other five nonmajor governmental funds (Water Fund, Community Enhancement Fund, Affordable Housing Fund, Exterior Energy Offset Fund, and Disposable Paper Bag Fee Fund) are combined into a single, aggregate presentation.

Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report. The basic governmental fund financial statements can be found on pages 21-24 of this report.

Proprietary funds. The Town of Avon maintains two different types of proprietary funds. *Enterprise funds* are used to report the same function presented as business-type activities in the government-wide financial statements. The Town of Avon uses enterprise funds to account for its mobility operations and its fleet maintenance operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the Town's various functions. The Town of Avon uses an internal service fund to account for the rental of vehicles and equipment to Town departments for the accumulation of funds for future replacement. Because this service predominately benefits governmental rather than business-type functions, it has been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the mobility fund and the fleet maintenance fund operations. Separate information is also provided for the Town's internal service fund. The basic proprietary fund financial statements can be found on pages 25-30 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 31-58 of this report.

Required Supplemental Information. In addition to the basic financial statements and accompanying notes, this report also presents certain other required supplemental information. The Town of Avon adopts an annual appropriated budget for its General Fund and major special revenue fund. Budgetary comparison statements have been provided for the General Fund and the Avon Urban Renewal Authority Fund to demonstrate compliance with these budgets and can be found on pages 59-60 of this report.

Other Supplemental Information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented under other supplemental information immediately following the required supplemental information. Individual fund statements and schedules and other miscellaneous schedules can also be found in this section on pages 61-94 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Avon, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$132,537,084 as of December 31, 2023.

The largest portion of the Town's net position (70.9%) reflects its investment in capital assets (e.g., land, buildings, utilities, machinery and equipment, infrastructure, and right-to-use lease assets), net of any related debt used to acquire those assets that is still outstanding. The Town uses these assets to provide services to citizens, consequently, these assets are not available for future spending. Although the Town's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town's net position (3.7%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (32%) may be used to meet the Town's ongoing obligations to citizens and creditors.

Condensed Net Position

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Government</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Current and Other Assets	\$ 59,033,397	\$ 51,921,266	\$ 2,429,762	\$ 2,207,784	\$ 61,463,159	\$ 54,129,050
Restricted Assets	423,144	450,230	-	-	423,144	450,230
Capital Assets, net	<u>79,525,175</u>	<u>77,598,684</u>	<u>14,801,206</u>	<u>14,530,727</u>	<u>94,326,381</u>	<u>92,129,411</u>
Total Assets	<u>138,981,716</u>	<u>129,970,180</u>	<u>17,230,968</u>	<u>16,738,511</u>	<u>156,212,684</u>	<u>146,708,691</u>
Deferred Outflow of Resources	<u>92,899</u>	<u>111,858</u>	<u>12,585</u>	<u>14,317</u>	<u>105,484</u>	<u>126,175</u>
Other Liabilities	6,258,989	4,598,328	539,278	206,084	6,798,267	4,804,412
Noncurrent Liabilities	<u>12,525,600</u>	<u>13,977,523</u>	<u>1,423,596</u>	<u>1,659,284</u>	<u>13,949,196</u>	<u>15,636,807</u>
Total Liabilities	<u>18,784,589</u>	<u>18,575,851</u>	<u>1,962,874</u>	<u>1,865,368</u>	<u>20,747,463</u>	<u>20,441,219</u>
Deferred Inflows of Resources	<u>2,961,699</u>	<u>2,082,427</u>	<u>72,232</u>	<u>46,003</u>	<u>3,033,931</u>	<u>2,128,430</u>
Net Position:						
Net Investment in Capital Assets	67,538,798	64,269,372	13,432,704	12,946,887	80,971,502	77,216,259
Restricted	5,704,192	4,743,590	-	-	5,704,192	4,743,590
Unrestricted	<u>44,085,337</u>	<u>40,410,798</u>	<u>1,776,053</u>	<u>1,894,570</u>	<u>45,861,390</u>	<u>42,305,368</u>
Total Net Position	<u>\$117,328,327</u>	<u>\$ 109,423,760</u>	<u>\$ 15,208,757</u>	<u>\$ 14,841,457</u>	<u>\$132,537,084</u>	<u>\$124,265,217</u>

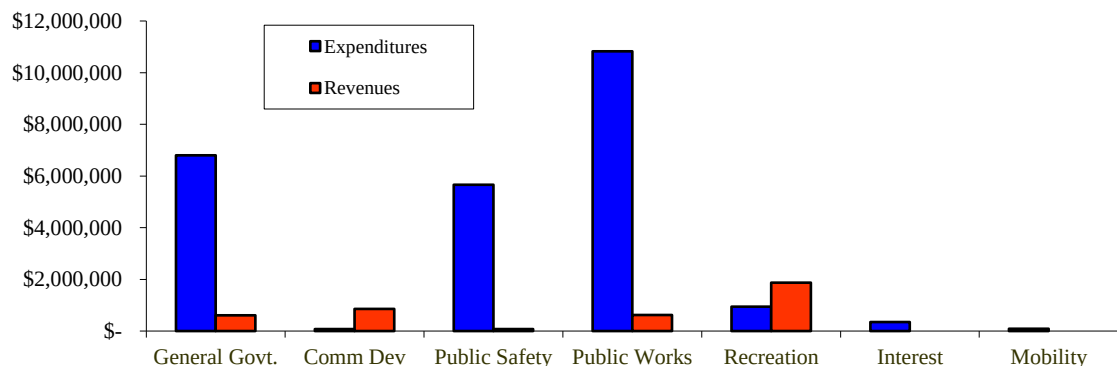
Analysis of the Town's Operations

Overall, the Town's net position increased by \$8,271,867 for 2023. Governmental activities increased net position by \$7,904,567, while business-type activities increased net position by \$367,300. The largest contributor to the overall increase was an increase in investment earnings from the previous year of \$1.8 million. General Fund spending variances of \$1.6 million, capital and operating grants for transit operations and bus purchases of \$900,000, and positive capital project expenditure variances of \$1.5 million.

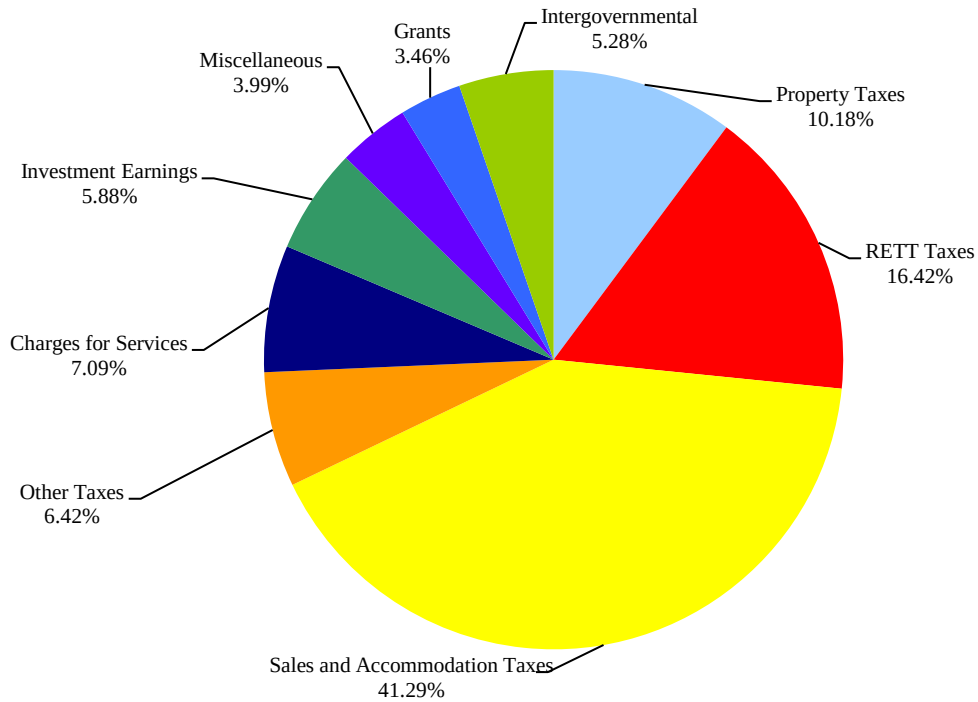
Change in Net Position

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Government</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
REVENUES						
Program Revenues:						
Charges for Services	\$ 2,818,254	\$ 4,714,559	\$ 2,143,269	\$ 1,989,517	\$ 4,961,523	\$ 6,704,076
Operating Grants and Contributions	1,204,555	182,916	400,563	431,912	1,605,118	614,828
Capital Grants and Contributions	-	47,135	838,719	1,576,477	838,719	1,623,612
General Revenues:						
Taxes:						
Property Taxes	4,001,831	3,996,579	46,696	46,707	4,048,527	4,043,286
Real Estate Transfer Tax	6,529,287	5,971,192	-	-	6,529,287	5,971,192
Sales and Accommodation Taxes	16,419,000	16,868,418	-	-	16,419,000	16,868,418
Other Taxes	2,554,707	2,345,389	-	-	2,554,707	2,345,389
Investment Earnings (Loss)	2,338,345	452,949	-	-	2,338,345	452,949
Unrestricted Grants & Contributions	1,376,087	1,677,112	-	-	1,376,087	1,677,112
Miscellaneous	1,585,596	949,072	-	-	1,585,596	949,072
Total Revenues	38,827,662	37,205,321	3,429,247	4,044,613	42,256,909	41,249,934
EXPENSES						
Program Activities:						
Governmental Activities:						
General Government	7,399,224	6,028,279	-	-	7,399,224	6,028,279
Community Development	925,098	658,989	-	-	925,098	658,989
Public Safety	5,804,502	4,792,423	-	-	5,804,502	4,792,423
Public Works and Utilities	11,447,522	9,094,216	-	-	11,447,522	9,094,216
Recreation	2,812,965	2,196,340	-	-	2,812,965	2,196,340
Mobility	91,785	88,266	-	-	91,785	88,266
Interest on Long-term Debt	343,233	380,278	-	-	343,233	380,278
Business-type Activities:						
Mobility	-	-	3,009,782	2,926,168	3,009,782	2,926,168
Fleet Maintenance	-	-	2,150,931	1,849,994	2,150,931	1,849,994
Total Expenses	28,824,329	23,238,791	5,160,713	4,776,162	33,985,042	28,014,953
Excess (Deficiency) Before Contributions and Transfers	10,003,333	13,966,530	(1,731,466)	(731,549)	8,271,867	13,234,981
Transfers	(2,098,766)	(2,676,567)	2,098,766	2,676,567	-	-
Increase (Decrease) in Net Position	7,904,567	11,289,963	367,300	1,945,018	8,271,867	12,234,981
Net Position, Beginning of Year	109,423,760	98,133,797	14,841,457	12,896,439	124,265,217	111,030,236
Net Position, Ending	\$117,328,327	\$ 109,423,760	\$15,208,757	\$14,841,457	\$ 132,537,084	\$124,265,217

Expenses and Program Revenues – Governmental Activities



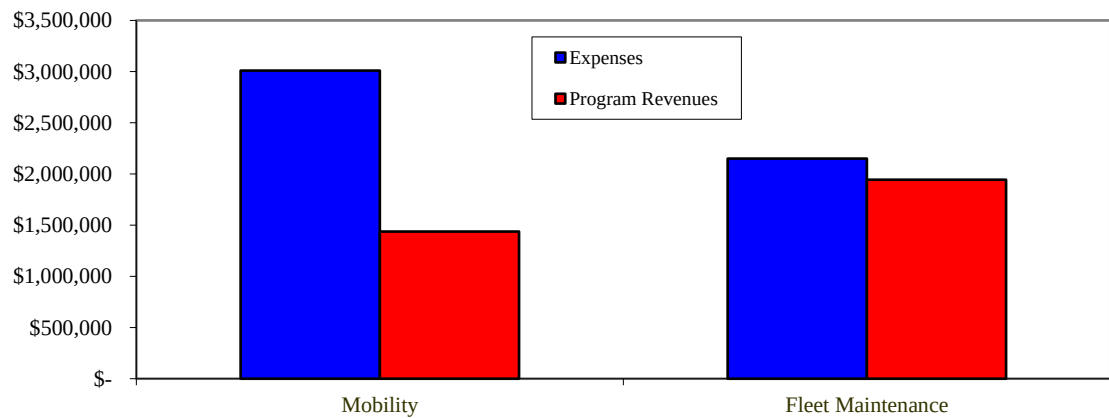
Revenues by Source – Governmental Activities



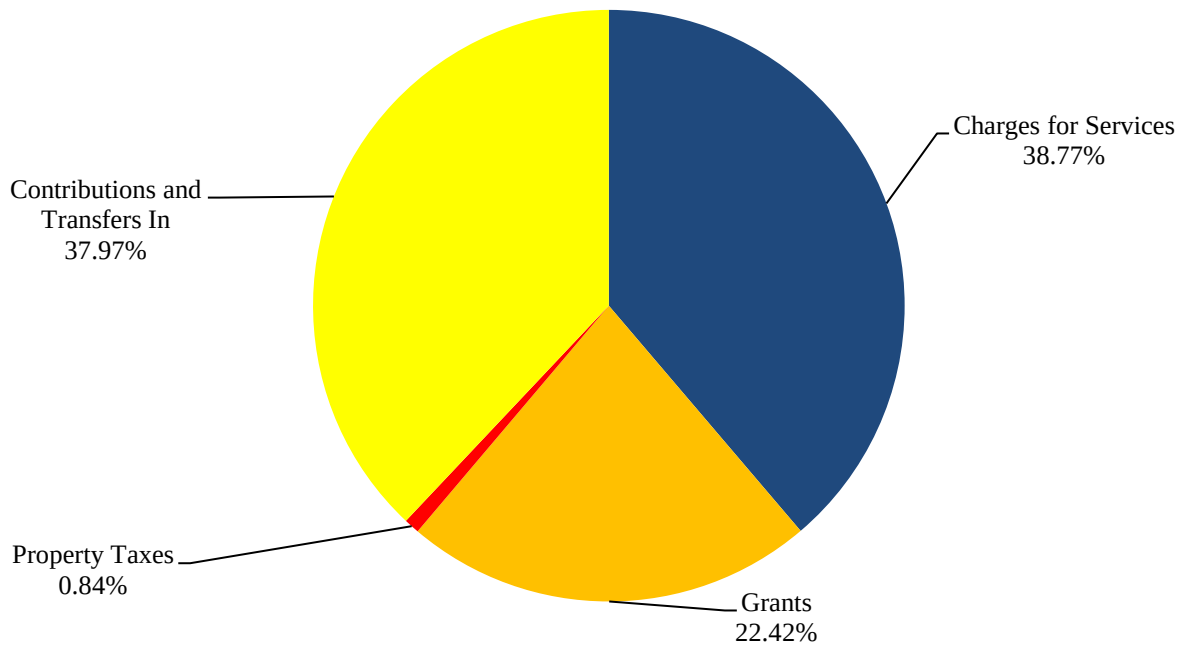
Business-type activities.

Net position of business-type activities increased by \$367,300 in 2023.

Expenses and Program Revenues – Business-type Activities



Revenues by Source – Business-type Activities



Financial Analysis of the Town's Funds

The following schedule presents a summary of governmental fund revenues for the year ended December 31, 2023 and the amount and percentage of increases and decreases in relation to the prior year.

Revenues	2023 Amount	Percent of Total	2022 Amount	Amount of Increase (Decrease)	Percent Increase (Decrease)
Taxes	\$29,504,825	78.30%	\$29,181,578	\$ 323,247	1.11%
Licenses and Permits	638,122	1.69%	1,636,380	(998,259)	(61.00%)
Intergovernmental	1,817,431	4.82%	1,403,174	414,257	29.52%
Charges for Services	2,818,254	7.48%	2,974,983	(156,729)	(5.27%)
Fines and Forfeitures	44,705	0.12%	28,191	16,514	58.58%
Investment Earnings	2,190,478	5.81%	415,982	1,774,496	426.58%
Other Revenues	<u>669,842</u>	<u>1.78%</u>	<u>920,665</u>	<u>(250,823)</u>	<u>(27.24%)</u>
Total	<u>\$37,683,658</u>	<u>100.00%</u>	<u>\$36,560,953</u>	<u>\$ 1,122,705</u>	

Tax revenues increased by \$323,247 from the prior year. Property tax collections increased minimally in 2023. Assessed values increased slightly from \$234,872,120 in 2022 to \$319,434,020 in 2023. The general operating mill rate for the Town remained the same at 8.956 mills. Property tax increment revenues from the Avon Urban Renewal Authority increased by \$25,270 from the prior year due. Sales taxes decreased by \$132,738 from the previous year and accommodation taxes decreased by \$171,092. A short-term rental tax of 2% has been levied since January 1, 2022.

For 2023 the total collections were \$1,041,364. 2023 was the fifth year for the levy and collection of cigarette and tobacco taxes. Cigarette taxes, which are based on a \$3 excise tax per pack sold, were up 3% from the prior year, or \$6,215. Tobacco taxes, which are levied at a tax rate of 40%, increased by \$25,203 or 7%. The Town also collects a 2% tax from all transfers of real property within the Town. These revenues are dedicated solely for capital improvement projects. Real estate transfer tax collections increased by 558,095 or 9.35% in 2023 after having dropped by 18.81% in 2022. The five-year average for real estate transfer taxes is now over \$6.171 million per year.

Investment earnings increased in 2023 by \$1,774,496 to regular increases in interest rates by the federal reserve and much higher yields throughout the year.

The following schedule presents a summary of governmental fund expenditures for the year ended December 31, 2023, and the amount and percentage of increases and decreases in relation to the prior year.

<u>Expenditures</u>	<u>2023 Amount</u>	<u>Percent of Total</u>	<u>2022 Amount</u>	<u>Amount of Increase (Decrease)</u>	<u>Percent Increase (Decrease)</u>
Current:					
General Government	\$ 7,086,072	22.79%	\$ 6,807,714	\$ 278,358	4.09%
Community Development	949,715	3.05%	653,294	296,421	45.37%
Public Safety	5,516,773	17.74%	5,044,825	471,948	9.36%
Public Works and Utilities	8,259,626	26.56%	6,084,870	2,174,756	35.74%
Parks and Recreation	2,450,098	7.88%	2,018,510	431,588	21.38%
Capital Improvements	5,063,521	16.28%	5,153,940	(90,419)	(1.75%)
Debt Service:					
Principal	1,421,365	4.57%	1,386,616	34,749	2.51%
Interest	340,382	1.09%	371,833	(31,451)	(8.46%)
Fiscal Charges	<u>6,620</u>	<u>0.02%</u>	<u>7,946</u>	<u>(1,326)</u>	(16.69%)
Total	<u>\$31,094,172</u>	<u>100.00%</u>	<u>\$27,529,548</u>	<u>\$ 3,564,624</u>	

Overall, total governmental fund expenditures increased by a net amount of \$3,564,624 in 2023. Many of the significant cuts that had been made the previous year were ultimately not necessary and many budget line items were returned for the 2023 budget. Personnel cost highlights include a merit-based overall salary cost increase of 5.0% at January 1 and a market rate salary range increase of 5% on July 1 at an estimated cost of \$610,000. For 2023, new full-time positions included a special events coordinator.

Capital improvement projects completed during the 2023 year include the Wildridge Emergency Warning Sign, Avon Recreation Center HVAC upgrades, Avon Recreation Center remodel of the Sauna and Steam, and the West Beaver Creek Boulevard resurfacing between US Highway 6 and Avon Elementary. In addition, a total of forty-five projects were included in Construction in Progress at the end of the fiscal year.

At the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$41,923,804, an increase of \$3,984,797 from the prior year. Of this total, \$5,704,192 is restricted due to external limitations on its use such as legal restrictions, or intention

of grantors, donors, or trustees. A total of \$15,085,836 for Capital Improvements, \$224,901 for Exterior energy Offset Programs and \$94,062 for Waste Reduction Programs have been committed or assigned meaning there are limitations resulting from its intended use, such as construction of capital assets, community housing, and for other purposes. The remaining \$20,774,068 is unassigned and can be used for any lawful purpose.

General Fund. The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, the unassigned fund balance of the General Fund is \$20,774,068, while total fund balance is \$21,941,899. As a measure of the General Fund's liquidity, it is useful to compare the unassigned fund balance and total fund balance to total fund expenditures and other financing uses. Unassigned fund balance represents 94.68% of total fund expenditures and other financing uses, while total fund balance represents 95.3% of that same amount.

The fund balance of the General Fund increased by \$1,630,044, or 8.02%, in 2023. This increase is due primarily to the increases in taxes, licenses and permits, and charges for services realized in 2023 compared to the prior year.

The fund balance of the General Fund represents 86.8% of 2023 General Fund appropriations or the equivalent of almost 10 months of operations. The Town has felt it necessary to retain this level of fund balance because of its heavy reliance on sales tax revenues. The Town's position as a resort community also places a heavy reliance upon several other factors including weather, the national economy, and tourism in general. The Town's fund balance provides the resources necessary to be more adaptable to the short-term financial environment and limits the need for capital financing.

Avon Urban Renewal Fund. At the end of the current fiscal year, the Avon Urban Renewal Fund had an ending fund balance of \$285,495. This amount is restricted for use for urban renewal projects within the Town Center West Urban Renewal Plan Area. The fund transferred \$1,000,000 to the Capital Projects Fund to be used for Tract G projects in the future. Fund balances increased by \$108,448 in 2023 due to lower interest rate costs on tax increment revenue bonds from the bond refinancing in 2020.

Debt Service Fund. The Debt Service Fund has a fund balance at the end of the fiscal year of \$40,745, all of which is assigned for the payment of debt service. Fund balances increased by \$4,803 in 2023 due to an increase in the investment earnings.

Capital Projects Fund. The Capital Project Fund has an ending fund balance at the end of the fiscal year of \$15,508,980, an increase of \$1,490,206 from the prior year. Restricted fund balances represent escrowed monies for future asphalt repairs pursuant to a lawsuit settlement in the amount of \$423,144. The remaining amount of \$15,085,836 is committed entirely to capital improvement projects.

Non-major Funds. The aggregate non-major funds have a combined fund balance of \$4,146,685. The net increase in fund balance during the current fiscal year in the aggregate non-major funds was \$751,296. This increase was due to receipts of community enhancement funds, water tap fees,

short-term rental taxes, and exterior energy offset fees that remained largely unspent by the end of the fiscal year.

General Fund Budgetary Highlights

Salary Cost Increases: In 2022 the Town transitioned from a step salary system to merit-based salary increases which will follow annual performance evaluations. The Town shifted performance evaluations from the anniversary of an employee's hiring date to a unified schedule in the fall. This common schedule allows for training of directors and supervisors to conduct performance evaluations and the ability to include the cost of salary increase recommendations into the budget before final adoption in December of each year. Generally, the range will be 0-6 percent with the ability to consider increases above 6%.

The 2023 budget provided for a merit-based salary increase of 5% in order to establish an adequate budget for salary adjustments. An additional 5% salary adjustment was provided for in order to remain competitive due to lagging behind the Town's peer communities in ending the COVID-19 based salary freezes.

Equipment Replacement Fund. Staff has sought to eliminate "hold-over" vehicles wherever possible and formalize departmental vehicle need policies. The updating of fleet purchases includes requirements to consider vehicles which reduce greenhouse gas emissions. Hybrid vehicles and electric vehicles are budgeted for purchase in 2023 and 2024.

Capital Assets and Debt Administration

Capital assets. The Town of Avon's investment in capital assets for its governmental and business-type activities as of December, 31, 2023, amounts to \$94,326,380 (net of accumulated depreciation). This investment in capital assets includes land and land improvements, public art, water rights, deed restrictions, construction in progress, buildings, utilities, machinery and equipment, infrastructure, and right-to-use assets (see table below). The total increase in the Town's investment in capital assets for the current fiscal year was 2.21% (a 2.27% increase for governmental activities and a 1.86% increase for business-type activities).

Major capital assets events during the current fiscal year included the following:

- Governmental-type asset additions total \$11,239,345 in 2023. Business-type additions totaled \$1,139,111.
- Twenty-one projects began the year under Construction-in-Progress. Twenty-five projects were added during the year. Twenty-two of these projects were completed and capitalized at a total cost of \$4,211,371. The ending balance at December 31, 2022 was \$2,658,219.

- Capital improvement projects began and completed during the 2023 year included Avon Recreation Center remodel of the Sauna and Steam rooms, Culvert repairs, West Beaver Creek Blvd Asphalt overlay, and the Heat Recovery Controls Replacement.
- In Business-type activities, a bus purchased in the Mobility Fund at a cost of \$1,090,416 and electric car for \$48,695. The Fleet Maintenance Fund did not purchase any vehicles in 2023 but disposed of a truck at a loss of \$4,000.
- In the Equipment Replacement Fund a total of \$2,091,670 in equipment was capitalized including \$354,359 in new recreation equipment, \$1,504,371 in new various vehicles and \$110,076 in other equipment which include a tractor and lawn mower.

Town of Avon's Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Land	\$ 11,953,790	\$ 11,953,790	\$ 411,834	\$ 411,834	\$12,365,624	\$12,365,624
Public Art	1,391,400	1,361,400	-	-	1,391,400	1,361,400
Water Rights	1,792,959	1,792,959	-	-	1,792,959	1,792,959
Deed Restrictions	2,675,450	2,476,250	-	-	2,675,450	2,476,250
Construction in Progress	2,658,219	2,272,933	-	-	2,658,219	2,272,933
Depreciable Land Improv.	281,624	297,343	-	-	281,624	297,343
Buildings	16,901,779	17,081,957	10,297,070	10,734,476	27,198,849	27,816,433
Utilities	2,012,050	2,242,461	-	-	2,242,461	2,242,461
Mach. & Equip.	4,920,195	3,474,771	4,092,302	3,384,417	9,012,497	6,859,188
Infrastructure	34,696,383	34,401,541	-	-	34,401,541	34,401,541
Right-to-use Leased and Subscription Assets	<u>241,325</u>	<u>243,279</u>	<u>-</u>	<u>-</u>	<u>241,325</u>	<u>243,279</u>
Total	<u>\$79,525,174</u>	<u>\$77,598,684</u>	<u>\$14,801,206</u>	<u>\$14,530,727</u>	<u>\$94,261,949</u>	<u>\$92,129,411</u>

Additional information on the Town of Avon's capital assets can be found in Note 4 on pages 44-45 of this report.

Long-term debt. At the end of the current fiscal year, the Town of Avon had total long-term debt outstanding in the amount of \$12,790,123. Certificates of Participation which evidence assignments of proportionate interests in the right to receive payments pursuant to annually renewable lease agreements total \$8,681,000. The remainder of the Town's debt, \$4,109,123 represents bonds secured solely by specified revenue sources (i.e. revenue bonds).

Town of Avon's Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenue Bonds	\$ 4,109,123	\$ 4,743,299	\$ -	\$ -	\$ 4,109,123	\$ 4,743,299
Certificates of Participation	<u>7,380,000</u>	<u>8,114,000</u>	<u>1,301,000</u>	<u>1,480,000</u>	<u>8,681,000</u>	<u>9,594,000</u>
Total	<u>\$11,489,123</u>	<u>\$12,857,299</u>	<u>\$ 1,301,000</u>	<u>\$ 1,480,000</u>	<u>\$12,790,123</u>	<u>\$14,337,299</u>

Regular principal payments were made on bonded debt of \$1,547,176. No other new debt was issued in 2023.

The Avon Town Charter limits the amount of general obligation debt the Town may issue to 25% of assessed valuation of all taxable property within the Town, or \$15 million, whichever is greater. The current legal debt margin for the Town is \$79,858,505. The Town has no outstanding general obligation bonds outstanding as of December 31, 2023. Additional information on the Town's long-term debt can be found in Note 5 on pages 48-21 of this report.

Economic Factors and Next Year's Budget and Rates

2024 Budget Highlights

Salary Increases: The Town has transitioned from a step salary system to merit-based salary increases with annual performance evaluations. Performance evaluations are now given in a unified basis in late fall. This common schedule allows for training of directors and supervisors to conduct performance evaluations and the ability to include the cost of salary increase recommendations into the budget before final adoption in December of each year. The 2024 budget provides for an average 5% merit-based salary increase. Actual salary increases are determined on an individual basis based on the individual performance evaluation. The percentage increase is an overall budgetary amount that is estimated to cover the cumulative cost of all salary increases, not an indication of individual salary increases.

Personnel Changes: Town Council supported new positions in 2023 that would increase staff resources in the following areas:

- ***Special Events Coordinator:*** Position will focus on benchmarking and peer community research ensuring we are staying on top of trends, long term CASE strategic planning and new brand development for art/cultural/heritage activations.

Community Housing: Currently in the Vail Valley there is a shortage of affordable housing for the local workforce. The Community Housing fund has budgeted for the planning of several affordable housing projects in Avon. They are also looking into a plan for a potential Eagle County Regional Housing Authority.

Capital Improvements: The Capital Improvements Plan presents the projects staff believes is appropriate for maintenance of existing infrastructure and implementing projects identified by Council. The CIP fund balance for the next three years is very healthy with at least \$3 million. Avon's policy is to keep at least \$1 million in the CIP fund balance, so that leaves \$2 million not yet designated for Capital Projects.

GENERAL FUND: General Fund appropriated revenues (\$28,256,814) are estimated to exceed estimated expenditures (\$28,039,059) by \$217,755. Estimated beginning-of-year fund balances are \$19,424,911 and end-of-year fund balances are projected at \$19,642,666. The Town's budgetary policies require setting aside fund balance reserves of 22% of expenditures for operations and 3% for TABOR emergencies.

General Fund Revenues: Total tax revenues for 2024 are projected to increase for 2024. This is primarily due to the 40% increase in assessed values for property taxes. Investment earnings is projected to increase drastically as we continue to see good returns from our investments. All other revenues are projected to remain flat.

General Fund Expenditures: 2024 personnel cost highlights include a merit-based overall salary cost increase of 5% at January 1. As discussed above a new full-time Special Events Coordinator is expected for 2024. Overall personnel costs in the General Fund are budgeted to increase by 9.60% with full-time salaries and wages are increasing by 10.56% over the final revised 2023 budget.

General Fund Reserves: Reserves remain stable in the 2023 budget with a 3% Emergency Reserve required by TABOR (\$841,172); a 22% Minimum Operating Reserve per Budget Policies (\$6,168,593), and a remaining Undesignated amount (\$12,632,901), which results in a total fund balance of \$19,642,666, a 3.29% decrease from the original 2023 budget.

Requests for Information

This financial report is designed to provide a general overview of the Town of Avon's finances for all those with an interest in the Town's fiscal management. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Finance Officer, Town of Avon, Colorado, PO Box 975, Avon, CO 81620.

Paul Redmond
Chief Finance Officer

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TOWN OF AVON, COLORADO

STATEMENT OF NET POSITION DECEMBER 31, 2023

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 25,238,305	\$ 524,594	\$ 25,762,899
Investments	23,324,007	-	23,324,007
Receivables	10,354,784	1,222,503	11,577,287
Internal Balances	100,000	(100,000)	-
Prepaid Expenses	16,301	223,611	239,912
Inventory	-	559,054	559,054
Restricted Assets - Cash and Cash Equivalents	423,144	-	423,144
Capital Assets Not Being Depreciated/Amortized	20,471,818	411,834	20,883,652
Capital Assets, Net of Accumulated Depreciation / Amortization	59,053,357	14,389,372	73,442,729
Total Assets	138,981,716	17,230,968	156,212,684
DEFERRED OUTFLOW OF RESOURCES			
Deferred Charge on Refunding of Debt	92,899	12,585	105,484
LIABILITIES			
Accounts Payable	1,548,048	467,578	2,015,626
Accrued Liabilities	494,578	70,184	564,762
Retainages Payable	59,701	-	59,701
Accrued Interest Payable	23,081	1,516	24,597
Deposits and Reserves	2,497,043	-	2,497,043
Unearned Revenues	1,636,538	-	1,636,538
Noncurrent Liabilities:			
Due Within One Year	2,106,412	258,880	2,365,292
Due In More Than One Year	10,419,188	1,164,716	11,583,904
Total Liabilities	18,784,589	1,962,874	20,747,463
DEFERRED INFLOWS OF RESOURCES			
Deferred Revenue - Property Taxes	2,961,699	72,232	3,033,931
NET POSITION			
Net Investment in Capital Assets	67,538,798	13,432,704	80,971,502
Restricted For:			
Emergencies	1,167,831	-	1,167,831
Capital Improvements	423,144	-	423,144
Urban Renewal	285,495	-	285,495
Purposes of Grantors	3,827,722	-	3,827,722
Unrestricted	44,085,337	1,776,053	45,861,390
Total Net Position	\$ 117,328,327	\$ 15,208,757	\$ 132,537,084

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

TOWN OF AVON, COLORADO

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2023

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$ 7,399,224	\$ 81,956	\$ 521,728	\$ -
Community Development	925,098	212,229	638,122	-
Public Safety	5,804,502	32,033	44,705	-
Public Works and Utilities	11,447,522	624,048	-	-
Recreation	2,812,965	1,867,988	-	-
Mobility	91,785	-	-	-
Interest and Fiscal Charges on Long-term Debt	343,233	-	-	-
Total Governmental Activities	28,824,329	2,818,254	1,204,555	-
Business-type Activities:				
Mobility	3,009,782	213,257	386,913	838,719
Fleet Maintenance	2,150,931	1,930,012	13,650	-
Total Business-type Activities	5,160,713	2,143,269	400,563	838,719
Total Primary Government	\$ 33,985,042	\$ 4,961,523	\$ 1,605,118	\$ 838,719

General Revenues:
 Property Taxes
 Real Estate Transfer Taxes
 Sales and Accommodation Taxes
 Other Taxes
 Unrestricted Investment Earnings
 Grants and Contributions Not Restricted
 to Specific Programs
 Miscellaneous
 Transfers

Total General Revenues and Transfers

Increase (Decrease) in Net Position

Net Position - Beginning of Year

Net Position - End of Year

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

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-type Activities	Total
\$ (6,795,540)	\$ -	\$ (6,795,540)
(74,747)	-	(74,747)
(5,727,764)	-	(5,727,764)
(10,823,474)	-	(10,823,474)
(944,977)	-	(944,977)
(91,785)	-	(91,785)
(343,233)	-	(343,233)
(24,801,520)	-	(24,801,520)
-	(1,570,893)	(1,570,893)
-	(207,269)	(207,269)
-	(1,778,162)	(1,778,162)
(24,801,520)	(1,778,162)	(26,579,682)
4,001,831	46,696	4,048,527
6,529,287	-	6,529,287
16,419,000	-	16,419,000
2,554,707	-	2,554,707
2,338,345	-	2,338,345
1,376,087	-	1,376,087
1,585,596	-	1,585,596
(2,098,766)	2,098,766	-
32,706,087	2,145,462	34,851,549
7,904,567	367,300	8,271,867
109,423,760	14,841,457	124,265,217
<u>\$ 117,328,327</u>	<u>\$ 15,208,757</u>	<u>\$ 132,537,084</u>

TOWN OF AVON, COLORADO

BALANCE SHEET GOVERNMENTAL FUNDS DECEMBER 31, 2023

	General Fund	Avon Urban Renewal Fund	Debt Service Fund	Capital Projects Fund
ASSETS				
Cash and Cash Equivalents	\$ 13,906,460	\$ 267,893	\$ 40,745	\$ 5,288,030
Investments	9,215,132	-	-	10,906,890
Receivables:				
- Interest	15,896	-	-	15,309
- Taxes	5,808,474	-	-	624,987
- Accounts	-	-	-	-
- Intergovernmental	54,840	1,958	-	39,295
- Employees	56	-	-	-
Deferred Expense	657	15,644	-	-
Due from Other Funds	100,000	-	-	-
Restricted Assets - Cash and Cash Equivalents	-	-	-	423,144
Total Assets	\$ 29,101,515	\$ 285,495	\$ 40,745	\$ 17,297,655
LIABILITIES				
Accounts Payable	\$ 1,207,596	\$ -	\$ -	\$ 92,436
Accrued Liabilities	494,578	-	-	-
Retainages Payable	-	-	-	59,701
Unearned Revenue	-	-	-	1,636,538
Deposits and Reserves	2,495,743	-	-	-
Total Liabilities	4,197,917	-	-	1,788,675
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	2,961,699	-	-	-
Total Deferred Inflows of Resources	2,961,699	-	-	-
FUND BALANCES				
Restricted For:				
Emergencies	1,167,831	-	-	-
Water Projects	-	-	-	-
Community Enhancement	-	-	-	-
Community Housing	-	-	-	-
Capital Improvements	-	-	-	423,144
Urban Renewal Projects	-	285,495	-	-
Committed For:				
Capital Improvements	-	-	-	15,085,836
Exterior Energy Offset Programs	-	-	-	-
Waste Reduction Programs	-	-	-	-
Assigned For:				
Debt Service	-	-	40,745	-
Unassigned	20,774,068	-	-	-
Total Fund Balances	21,941,899	285,495	40,745	15,508,980
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 29,101,515	\$ 285,495	\$ 40,745	\$ 17,297,655

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

**RECONCILIATION OF TOTAL GOVERNMENTAL
FUND BALANCE TO NET POSITION OF
GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2023**

Other Governmental Funds	Total
\$ 3,890,691	\$ 23,393,819
-	20,122,022
-	31,205
-	6,433,461
180,557	180,557
91,103	187,196
-	56
-	16,301
-	100,000
-	423,144
<u>\$ 4,162,351</u>	<u>\$ 50,887,761</u>
 \$ 14,366	 \$ 1,314,398
-	494,578
-	59,701
-	1,636,538
1,300	2,497,043
<u>15,666</u>	<u>6,002,258</u>
 -	 2,961,699
<u>-</u>	<u>2,961,699</u>
 -	 1,167,831
348,877	348,877
430,706	430,706
3,048,139	3,048,139
-	423,144
-	285,495
-	15,085,836
224,901	224,901
94,062	94,062
-	40,745
-	20,774,068
<u>4,146,685</u>	<u>41,923,804</u>
 <u>\$ 4,162,351</u>	 <u>\$ 50,887,761</u>

Total Governmental Fund Balances

\$ 41,923,804

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

Capital assets used in governmental activities are not financial resources and therefore are not reported as an asset in the governmental funds.

- Capital assets	155,668,603
- Accumulated depreciation / amortization	<u>(81,063,624)</u>
	<u>74,604,979</u>

Some liabilities, including bonds, notes and leases payable, and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds.

- Tax Increment Revenue Bonds payable	(4,109,123)
- Certificates of Participation payable	(7,380,000)
- Lease liability	(232,469)
- Unamortized bond premium	(210,344)
- Compensated absences payable	<u>(539,222)</u>
	<u>(12,471,158)</u>

Long-term receivables which are not available to pay for current period expenditures and are not reported in the governmental funds.

3,522,309

Deferred outflows of resources are not available to pay for current period expenditures and therefore are deferred in the funds.

- Deferred Charge on Refunding of Debt	<u>92,899</u>
--	---------------

Accrued interest payable is recognized for governmental activities but is not due and payable in the current period and therefore is not reported as a liability in the governmental funds.

(23,081)

The internal service fund is used by management to charge the rental cost of certain vehicles and equipment to individual funds. The assets and liabilities of the internal service fund is included in governmental activities in the statement of net position.

9,678,575

Net Position of Governmental Activities

\$ 117,328,327

TOWN OF AVON, COLORADO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2023

	General Fund	Avon Urban Renewal Fund	Debt Service Fund	Capital Projects Fund
Revenues				
Taxes	\$ 20,021,772	\$ 1,912,402	\$ -	\$ 6,529,287
Licenses and Permits	601,671	-	-	-
Intergovernmental	1,215,554	-	-	601,877
Charges for Services	2,082,768	-	-	-
Fines and Forfeitures	44,705	-	-	-
Investment Earnings	1,760,550	2,385	4,873	422,670
Other Revenues	524,639	-	-	4,969
Total Revenues	26,251,659	1,914,787	4,873	7,558,803
Expenditures				
Current:				
General Government	6,682,849	56,903	-	-
Community Development	925,883	-	-	-
Public Safety	5,516,773	-	-	-
Public Works and Utilities	8,146,485	-	-	-
Recreation	2,450,098	-	-	-
Capital Improvements	-	-	-	4,818,789
Debt Service:				
Principal	-	639,810	734,000	53,190
Interest	-	109,226	222,992	2,529
Fiscal Charges	-	400	6,220	-
Total Expenditures	23,722,088	806,339	963,212	4,874,508
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,529,571</u>	<u>1,108,448</u>	<u>(958,339)</u>	<u>2,684,295</u>
Other Financing Sources (Uses)				
Lease Proceeds	-	-	-	-
Transfers In	600,473	-	963,142	2,209,085
Transfers Out	(1,500,000)	(1,000,000)	-	(3,403,174)
Total Other Financing Sources (Uses)	(899,527)	(1,000,000)	963,142	(1,194,089)
Net Change in Fund Balances	1,630,044	108,448	4,803	1,490,206
Fund Balances, Beginning of Year	20,311,855	177,047	35,942	14,018,774
Fund Balances, End of year	\$ 21,941,899	\$ 285,495	\$ 40,745	\$ 15,508,980

**RECONCILIATION OF THE STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023**

Other Governmental Funds	Total
\$ 1,041,364	\$ 29,504,825
36,451	638,122
-	1,817,431
735,486	2,818,254
-	44,705
-	2,190,478
140,234	669,842
<u>1,953,535</u>	<u>37,683,657</u>
346,320	7,086,072
23,832	949,715
-	5,516,773
113,141	8,259,626
-	2,450,098
244,732	5,063,521
-	1,427,000
-	334,747
-	6,620
<u>728,025</u>	<u>31,094,172</u>
<u>1,225,510</u>	<u>6,589,485</u>
-	-
734,871	4,507,571
(1,209,085)	(7,112,259)
<u>(474,214)</u>	<u>(2,604,688)</u>
751,296	3,984,797
<u>3,395,389</u>	<u>37,939,007</u>
<u>\$ 4,146,685</u>	<u>\$ 41,923,804</u>

Net change in fund balances - Total Governmental Funds \$ 3,984,797

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

Governmental funds report capital outlays as expenditures. However, for governmental activities, those capital outlays other than noncapitalizable items are shown in the Statement of Activities and the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

- Capital outlay	4,854,843
- Depreciation / Amortization	<u>(4,373,417)</u>
	<u>481,426</u>

Expenses reported in the Statement of Activities that do not require the use of current financial resources are not reported as expenditures in governmental funds.

- Change in compensated absences payable	15,949
- Change in accrued interest payable	7,977
- Amortization of bond premium	14,391
- Amortization of deferred charge on refunding	<u>(18,959)</u>
	<u>19,358</u>

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position.

- Proceeds from Lease Issuances	(101,475)
- Repayment of Tax Increment Revenue Bonds	634,175
- Repayment of Certificates of Participation	734,000
- Repayment of Lease liability	<u>98,533</u>
	<u>1,365,233</u>

The internal service fund is used by management to charge the rental cost of certain vehicles and equipment to individual funds. The decrease in net position of the internal service fund is included in governmental activities.

2,053,753

Change in Net Position of Governmental Activities

\$ 7,904,567

TOWN OF AVON, COLORADO

STATEMENT OF NET POSITION PROPRIETARY FUNDS DECEMBER 31, 2023

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Mobility Fund	Fleet Maintenance Fund	Totals	
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 154,895	\$ 369,699	\$ 524,594	\$ 1,844,486
Investments	-	-	-	3,201,985
Receivables:				
- Taxes	72,232	-	72,232	-
- Accounts	-	-	-	-
- Intergovernmental	869,078	281,193	1,150,271	-
Due from Other Funds	-	-	-	-
Deferred Expense	223,611	-	223,611	-
Inventory	-	559,054	559,054	-
Total Current Assets	1,319,816	1,209,946	2,529,762	5,046,471
Noncurrent Assets:				
Capital Assets:				
- Land	281,450	130,384	411,834	-
- Buildings	11,720,946	5,639,286	17,360,232	-
- Machinery and Equipment	6,858,368	314,836	7,173,204	9,610,738
- Accumulated Depreciation	(6,337,047)	(3,807,017)	(10,144,064)	(4,690,543)
Total Noncurrent Assets	12,523,717	2,277,489	14,801,206	4,920,195
Total Assets	13,843,533	3,487,435	17,330,968	9,966,666
DEFERRED OUTFLOW OF RESOURCES				
Deferred Charge on Refunding of Debt	-	12,585	12,585	-
Total Deferred Outflow of Resources	-	12,585	12,585	-

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

	Business-Type Activities - Enterprise Funds			Governmental
	Mobility	Fleet		Activities -
	Fund	Maintenance	Totals	Internal
		Fund		Service Fund
LIABILITIES				
Current Liabilities:				
Accounts Payable	293,158	174,420	467,578	233,650
Accrued Liabilities	40,703	29,171	69,874	-
Accrued Interest Payable	-	1,516	1,516	-
Compensated Absences Payable	17,006	25,503	42,509	-
Due to Other Funds	-	100,000	100,000	-
Certificates of Participation - Current	-	177,000	177,000	-
Capital Leases Payable - Current	39,371	-	39,371	54,441
Total Current Liabilities	390,238	507,610	897,848	288,091
Noncurrent Liabilities:				
Certificates of Participation	-	1,124,000	1,124,000	-
Capital Leases Payable	40,716	-	40,716	-
Total Noncurrent Liabilities	40,716	1,124,000	1,164,716	-
Total Liabilities	430,954	1,631,610	2,062,564	288,091
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	72,232	-	72,232	-
Total Deferred Inflows of Resources	72,232	-	72,232	-
NET POSITION				
Net Investment in Capital Assets	12,443,630	989,074	13,432,704	3,000,404
Unrestricted	896,717	879,336	1,776,053	6,678,171
Total Net Position	\$ 13,340,347	\$ 1,868,410	\$ 15,208,757	\$ 9,678,575

TOWN OF AVON, COLORADO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION PROPRIETARY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2023

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Mobility Fund	Fleet Maintenance Fund	Totals	
Operating Revenues:				
Charges for Services	\$ 213,257	\$ 1,930,012	\$ 2,143,269	\$ 1,223,835
Other Operating Revenues	102,130	13,650	115,780	21,073
Total Operating Revenues	315,387	1,943,662	2,259,049	1,244,908
Operating Expenses:				
Cost of Operations	2,290,366	1,978,089	4,268,455	31,494
Depreciation and Amortization	710,724	148,907	859,631	788,515
Total Operating Expenses	3,001,090	2,126,996	5,128,086	820,009
Operating Income (Loss)	(2,685,703)	(183,334)	(2,869,037)	424,899
Nonoperating Revenues (Expenses):				
Taxes	46,696	-	46,696	-
Operating Grants	284,783	-	284,783	-
Capital Grants	838,719	-	838,719	-
Investment Earnings	-	-	-	147,867
Gain (Loss) on Disposal of Capital Assets	(5,000)	(4,000)	(9,000)	80,384
Interest Expense	(3,692)	(19,935)	(23,627)	-
Total Nonoperating Revenues (Expenses)	1,161,506	(23,935)	1,137,571	228,251
Income (Loss) Before Contributions and Transfers	(1,524,197)	(207,269)	(1,731,466)	653,150
Capital Contributions and Transfers				
Contributed Capital In (Out)	-	-	-	894,681
Transfers In (Out)	1,500,000	598,766	2,098,766	505,922
Total Capital Contributions and Transfers	1,500,000	598,766	2,098,766	1,400,603
Change in Net Position	(24,197)	391,497	367,300	2,053,753
Net Position, Beginning of Year	13,364,544	1,476,913	14,841,457	7,624,822
Net Position, End of Year	\$ 13,340,347	\$ 1,868,410	\$ 15,208,757	\$ 9,678,575

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

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TOWN OF AVON, COLORADO

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2023

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Mobility Fund	Fleet Maintenance Fund	Totals	
Cash Flows From Operating Activities				
Cash Received from Customers and Users	\$ 213,257	\$ 1,170,245	\$ 1,383,502	\$ -
Cash Received from Interfund Services Provided	-	738,847	738,847	1,223,835
Cash Payments to Suppliers	(628,223)	(906,375)	(1,534,598)	(31,494)
Cash Payments to Employees	(1,106,728)	(982,923)	(2,089,651)	-
Cash Payments for Interfund Services Used	(387,919)	(27,310)	(415,229)	-
Other Operating Revenues	102,130	13,650	115,780	21,073
Net Cash Provided by (Used in) Operating Activities	(1,807,483)	6,134	(1,801,349)	1,213,414
Cash Flows From Noncapital Financing Activities				
Taxes Received	46,696	-	46,696	-
Grants Received	384,783	-	384,783	-
Transfers In (Out) from Other Funds	1,550,000	548,766	2,098,766	505,922
Net Cash Provided by Noncapital Financing Activities	1,981,479	548,766	2,530,245	505,922
Cash Flows From Capital Financing Activities				
Acquisition and Construction of Capital Assets	(1,139,110)	-	(1,139,110)	(407,260)
Sales of Capital Assets	-	-	-	109,568
Interest Paid on Long-term Debt	(3,692)	(18,204)	(21,896)	-
Principal Paid on Long-term Debt	(38,070)	(179,000)	(217,070)	-
Net Cash Used in Capital Financing Activities	(1,180,872)	(197,204)	(1,378,076)	(297,692)
Cash Flows From Investing Activities				
Acquisition Net of Maturities	-	-	-	(946,939)
Investment Earnings	-	-	-	147,867
Net Cash Used in Investing Activities	-	-	-	(799,072)
Net Increase (Decrease) in Cash and Cash Equivalents	(1,006,876)	357,696	(649,180)	622,572
Cash and Cash Equivalents, Beginning of Year	1,161,771	12,003	1,173,774	1,221,914
Cash and Cash Equivalents, End of Year	\$ 154,895	\$ 369,699	\$ 524,594	\$ 1,844,486

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

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Mobility Fund	Fleet Maintenance Fund	Totals	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES				
Operating Income (Loss)	<u>\$ (2,685,703)</u>	<u>\$ (183,334)</u>	<u>\$ (2,869,037)</u>	<u>\$ 424,899</u>
Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used in) Operating Activities				
Depreciation and Amortization	710,724	148,907	859,631	788,515
Change in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	-	-	-	-
(Increase) Decrease in Intergov. Receivable	-	(20,920)	(20,920)	-
(Increase) Decrease in Deferred Expense	(55,437)	-	(55,437)	-
(Increase) Decrease in Inventory	-	(29,853)	(29,853)	-
Increase (Decrease) in Accounts Payable	226,296	98,131	324,427	-
Increase (Decrease) in Accrued Liabilities	3,699	4,759	8,458	-
Increase (Decrease) in Compensated Absences	<u>(7,062)</u>	<u>(11,556)</u>	<u>(18,618)</u>	<u>-</u>
Total Adjustments	<u>878,220</u>	<u>189,468</u>	<u>1,067,688</u>	<u>788,515</u>
Net Cash Provided by (Used in) Operating Activities	<u><u>\$ (1,807,483)</u></u>	<u><u>\$ 6,134</u></u>	<u><u>\$ (1,801,349)</u></u>	<u><u>\$ 1,213,414</u></u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES				
Noncash Transactions Affecting Financial Position				
Contributions of Capital Assets from				
Governmental Activities	\$ -	\$ -	\$ -	\$ 841,490
Contributions of Capital Assets to				
Governmental Activities	-	-	-	-
Capital Assets Disposed	-	-	-	(46,166)
Principal on Capital Leases Paid from				
Governmental Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>53,191</u>
	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 848,515</u></u>

TOWN OF AVON, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023

The financial statements of the Town of Avon have been prepared in conformity with generally accepted accounting principles (“GAAP”) as applied to governmental entities. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting board for establishing governmental accounting and financial reporting principles. The following notes are an integral part of the Town’s Annual Financial Report.

Note 1. Summary of Significant Accounting Policies

A. Financial Reporting Entity

Primary Government. The Town of Avon, Colorado, was incorporated as a Town on April 24, 1978. On June 13, 1978, the citizenry voted to become a Home Rule City, as authorized by Article 20 of the Colorado State Constitution. The Town operates under a Council-Manager form of government and provides the following services as authorized by its charter: public safety, highways and streets, culture-recreation, public improvements, community development, planning and zoning, transportation, and general administrative services.

As required by generally accepted accounting principles, these financial statements present the Town of Avon (the primary government) and its component unit for which the Town is considered financially accountable. Financial accountability exists if the Town appoints a voting majority of an organization’s governing board and is able to impose its will on the organization, or if the organization provided benefits to, or imposes financial burdens upon the Town. Blended component units, although legally separate entities, are, in substance, part of the Town’s operations, so data from these units are combined with data of the Town.

The Town’s blended component units are –

Avon Urban Renewal Authority – The Avon Urban Renewal Authority (AURA) was created pursuant to Urban Renewal Law of the State of Colorado on June 26, 2007 by Town Resolution No. 07-20 for the purpose of undertaking certain urban renewal activities within the Town. The boundaries of the AURA are coterminous with the boundaries of the Town. The bylaws of the AURA provide that the members of the Avon Town Council shall constitute the Commissioners of the AURA and the Town Manager serves as the Executive Director and Secretary. While the AURA is a separate legal entity, for financial reporting purposes it is blended with the Town’s financial statements and is reported in a special revenue fund as a blended component unit. The Town has a “moral obligation” for the repayment of urban renewal authority bonds. The Town accounts for the collection of tax increment property tax revenues and maintains all accounting records. A separate budget is adopted by the AURA Commissioners.

Avon General Improvement District No. 1 – The Town of Avon General Improvement District No. 1 was organized on August 28, 2007, by adoption of Ordinance No. 07-07. The services to be provided within and for the District include transportation and recreation services and include the property known as Lots 1 and 2 of the final plat of the Chateau St. Claire

subdivision, now commonly known as the Ascent. The members of the Avon Town Council constitute the Board of the District. The District levies a property tax to be used for transportation operations. Because the governing body of the District is substantively the same as the Town and there is a financial benefit between the District and the Town, for financial reporting purposes the District is blended into the Town's financial statements and is reported in the Mobility enterprise fund as a blended component unit. Separate budgets and financial statements of the District are not adopted or issued.

B. Government-wide and Fund Financial Statements

Government-wide Financial Statements. The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) report information on all non-fiduciary activities of the Town (the primary government) and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which primarily rely on fees and charges for support. Generally, interfund activity has been eliminated from the government-wide financial statements except for interfund services provided and used.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or business segment are offset by program revenues and helps identify the extent to which each is self-financing or draws from the general revenues of the Town. Direct expenses are those that are clearly identifiable with a specific function or business segment. Program revenues include 1) charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and, 2) grants and contributions that are restricted to meeting the operational or capital requirements of a function or business segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements. Fund financial statements report detailed information about the Town with the focus on major funds rather than on reporting funds by type. Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column. The internal service fund is presented in a single column on the face of the proprietary fund statements.

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

Measurement Focus and Basis of Accounting. The government-wide financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements. Revenues are recognized when earned and expenses are recognized when the liability is incurred regardless of the timing of related cash flows. Depreciation is computed and recorded as an operating expense. Expenditures for property, plant and equipment are

TOWN OF AVON, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023

shown as increases in assets and redemption of bonds and notes are recorded as a reduction in liabilities.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period (60 days). The major sources of revenue which are susceptible to accrual are property taxes, accommodations and sales taxes, and certain intergovernmental revenues. Expenditures generally are recorded when the liability is incurred, as under full accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Financial Statement Presentation – Fund Accounting. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts which are segregated for the purpose of accounting for specific activities. The Town uses funds to report results of operations and financial position, and demonstrate compliance with legal, contractual and regulatory requirements.

The Town's funds are classified into two broad fund categories and six generic fund types for financial reporting purposes: Governmental funds include the general, special revenue, debt service, and capital projects funds. Proprietary funds include enterprise funds and an internal service fund.

The Town's major governmental funds are:

- *General Fund* – This is the Town's primary operating fund. It is used to account for all activities of the Town not required to be accounted for in some other fund.
- *Avon Urban Renewal Fund* – This fund is used to account for the receipt of tax increment revenues and the activities of redevelopment that are undertaken by the Avon Urban Renewal Authority, including issuing debt and constructing public improvements.
- *Debt Service Fund* – This fund is used to account for the accumulation of resources and payment of principal and interest on the Town's general obligation and sales tax revenue bonds.
- *Capital Projects Fund* – This fund is used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of all the Town's enterprise and internal service funds are charges to customers for sales and services. Operating expenses for enterprise and internal service funds include the cost of sales and services, administrative expenses, and depreciation on

capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Town's major proprietary funds are:

- *Mobility Fund* – This fund is used to account for the activities involved in operating the Town's transportation system.
- *Fleet Maintenance Fund* – This fund is used to account for the accumulation and allocation of costs associated with the maintenance of vehicles and rolling stock for the Town and certain other third-party governmental entities.

The Town's only internal service fund is the Equipment Replacement Fund. This fund is used to account for the rental of certain vehicles and equipment to other departments for the accumulation of funds for future replacement.

D. Budget Information

Budgets are adopted on a basis consistent with generally accepted accounting principles for all funds, except for proprietary funds which are budgeted on the modified accrual basis of accounting. According to the Town's Charter, all appropriations except for capital projects or special revenue funds lapse at fiscal year-end. However, as a matter of practice, the Town adopts annual budgets for all funds. During the year, changes may be made to budgets by adoption of supplemental amendments by resolution of the Town Council.

E. Assets, Liabilities, and Deferred Outflow/Inflows of Resources

Cash, Cash Equivalents, and Investments. The Town concentrates the cash resources of its various funds to facilitate the management of cash. The balance in this concentration account is available to meet the Town's current operating requirements. Cash resources more than current requirements are invested in various interest-bearing securities and disclosed as part of the Town's investments. Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within 3 months of the date acquired by the Town.

Town Charter and Colorado State statutes authorize the Town to invest its excess funds in direct U.S. Government treasury and agency securities, bonds and other obligations of states and political subdivisions, corporate bonds, and local government investment pools. Investments are stated at fair value. The change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

Inventories. Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of any governmental fund inventories are recorded as expenditures when consumed rather than when purchased.

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NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023

Restricted Assets. Restricted assets in the amount of \$423,144 are reported in the Capital Projects Fund. This consists of an escrow account with FirstBank for accumulating funds for asphalt overlay in the Village at Avon pursuant to the Town's lawsuit settlement agreement with Traer Creek Metropolitan District and the developer.

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

Capital Assets. Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. It is the Town's policy to capitalize expenditures with a cost greater than \$5,000 and an estimated useful life of more than one year. All purchased capital assets are stated at cost or estimated historical cost if actual historical records are not available. Donated capital assets and donated works of art and similar items are recorded at acquisition value at the date of contribution. Major outlays for capital improvement projects are capitalized as projects are completed.

Land, public art, water rights, deed restrictions and construction in progress are not depreciated/amortized. Infrastructure consists of streets and roads, bridges, storm drainage, water rights and storage, heat recovery system, irrigation ditches, bike paths, and public parking. The costs of normal maintenance and repair that do not add to the value of the asset or extend the estimated useful life are not capitalized but charged to operations as incurred. Depreciation of property, plant and equipment is computed using the straight-line method over the following estimated useful lives:

Buildings	10-50 years
Utilities	10-50 years
Machinery and Equipment	3-15 years
Infrastructure	10-100 years
Right-to-Use Leased and Subscription Assets	3-6 years

Deferred Outflow/Inflows of Resources. Deferred outflows of resources represent a consumption of net assets that applies to future periods that will not be recognized as an outflow of the resources (expenditure) until the future period. At the end of the current fiscal year, the Town had a deferred outflow of resources for unamortized deferred refunding losses. In the government-wide and proprietary funds statement of net position *deferred charge on refunding of debt* is the result of the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the life of the refunding bonds.

Deferred inflows of resources represent an acquisition of net assets that applies to future periods that will not be recognized as an inflow of resources (revenue) until that time. The Town has one item that qualifies for reporting in this category: unavailable revenue.

Unavailable revenue is reported in the government-wide and proprietary fund statement of net position and in the governmental funds balance sheet. The Town reports *unavailable revenue* from one source: property taxes: *unavailable revenue – property taxes* is reported in the government-wide and proprietary funds statement of net position and in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Deferred outflows of resources are presented below the total assets on the government-wide, proprietary, and governmental fund statements. Deferred inflows of resources are presented below the total liabilities on the government-wide, proprietary, and governmental fund statements.

Long-term Obligations. In the government-wide and proprietary fund statement of net position long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which approximates the interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported 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 actual debt proceeds are reported as debt service expenditures.

F. Property Taxes

Property taxes are levied by the Town Council. The levy is based on the assessed valuation of property located within the Town as determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners. The County Treasurer collects the property taxes during the ensuing calendar year and remits the taxes collected to the Town on a monthly basis.

Property taxes are payable in full by April 30, or if in two equal installments, by February 28 and June 15. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. Property taxes, net of estimated uncollectible taxes, are recorded as receivable in the year levied and offset to deferred inflows of resources as unavailable revenue since they typically do not meet the availability criterion.

G. Compensated Absences

It is the Town's policy to permit employees to accumulate earned but unused personal time off (a combination of vacation and holidays) and sick pay benefits. There is no liability for

TOWN OF AVON, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023

unpaid accumulated sick leave since the Town's policy is to not pay for accumulated sick leave when employees separate from service. The liability for compensated absences is recorded as a non-current liability in the government-wide financial statements.

The current portion of this debt is estimated based on historical trends. In the fund financial statements, governmental funds report a compensated liability payable only if it has matured, for example, as a result of employee resignations and retirements, while the proprietary funds report the liability as it is incurred. Within the governmental funds, the General Fund typically is used to liquidate any liabilities for compensated absences.

H. Fund Equity

The following fund balance classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance – amounts that are not in a spendable form (such as inventory or prepaid charges) or are required to be maintained intact;
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority. In Avon's case this is an ordinance adopted by the Town Council. To be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint;
- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or an official or body to which the governing body delegates the authority. As a general rule, assigned fund balances are established through the budget adoption process by the Town Council.
- Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

The Town establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund. Assigned fund balance is established by the Town Council through adoption or amendment of the budget as intended for a specific purpose (such as the purchase of capital assets, construction, debt service, or other purposes).

When fund balance resources are available for a specific purpose in more than one classification, it is the Town's policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed. The Town considers all unassigned fund balances to be "reserves" for future operations or capital replacement as defined within Article X, Section 20 of the Constitution of the State of Colorado (see Note 10).

I. Statements of Cash Flows

For purposes of the statement of cash flows, the Town considers all highly liquid investments with a maturity when purchased of three months or less and all local government investment pools to be cash equivalents.

J. Debt Costs

Unamortized premiums of \$210,344 are reflected in noncurrent liabilities. Premiums are amortized over the remaining lives of the related debt issues using the effective interest method.

Note 2. Legal Compliance – Budgets

No later than October 15th, the Town Manager submits to the Mayor and Town Council a proposed budget for the calendar year commencing the following January 1st. The budget is prepared by fund, department, program and project and includes information on the prior year, current estimates and requested appropriations and estimated revenues for the upcoming year.

The Town Council holds public hearings and may change appropriations except for expenditures required by law for debt service or for estimated cash deficits. No change to the budget may increase the authorized expenditures to any amount greater than the total amount of funds available. The Town Council must adopt the budget by resolution prior to December 15th. Once adopted, the Town Council may at any time, by resolution, amend the budget. In addition, the Town Manager may transfer part or all of any unencumbered appropriation balance among programs within a department. A department is defined by the Town as a distinct, principal, or specialized division (e.g., the Department of Public Works).

Expenditures may not legally exceed budgeted appropriations at the fund level. Budgetary comparisons in the accompanying combined financial statements and in the individual fund statements are presented at a lower-than-required level of control to facilitate detailed financial analysis. The Disposable Bag Fee Fund, Debt Service Fund and Avon Urban Renewal Authority Fund expenditures exceeded budgeted appropriations during 2023. This may be a violation of Colorado budget law.

TOWN OF AVON, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023

Note 3. Cash and Investments

Cash and investments as of December 31, 2023 are classified in the accompanying financial statements as follows:

Cash and Cash Equivalents	\$ 25,762,899
Investments	23,324,007
Restricted Assets - Cash and Cash Equivalents	<u>423,144</u>
Total	<u>\$ 49,510,050</u>

Cash and investments as of December 31, 2023 consist of the following:

Cash on Hand	\$ 4,925
Demand Deposits	3,652,761
Other Deposits with Financial Institutions	423,144
Local Government Investment Pools	35,958,983
Investments	<u>9,470,237</u>
Total	<u>\$ 49,510,050</u>

Investments Authorized by the Town of Avon Investment Policy

The table below identifies the investment types that are authorized for the Town by the Town's investment policy. The table also identifies certain provision of the Town's investment policy that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage Of Portfolio</u>	<u>Maximum Investment In One Issuer</u>
U.S. Government Treasury Securities	5 years	None	None
U.S. Government Agency Securities	5 years	None	None
Repurchase Agreements	180 days	None	None
Commercial Paper	270 days	20%	5%
General Obligation Debt	5 years	None	None
Revenue Obligation Debt	5 years	None	None
Local Government Investment Pools	N/A	None	None

Fair Value of Investments

The Town measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices; and,

- Level 3: Unobservable inputs.

At December 31, 2023, the Town had the following recurring fair value measurements:

<u>Investments Measured at Fair Value</u>	<u>Total</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
U.S. Government Treasury Securities	\$ 9,448,737	\$ 9,448,737	\$ -	\$ -
Colotrust Edge	<u>13,875,270</u>	<u>13,875,270</u>	-	-
Total	<u>\$23,324,007</u>	<u>\$23,324,007</u>	<u>\$ -</u>	<u>\$ -</u>

<u>Investments Measured at Net Asset Value</u>	<u>Total</u>
Colotrust Plus	<u>\$22,083,713</u>

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities. Debt and equity securities classified in Level 2 are valued using the following approaches:

- U.S. Government treasury securities, U.S. Government agency securities, and commercial paper: quoted prices for identical securities in markets that are not active;
- Corporate and municipal bonds: quoted prices for similar securities in active markets;
- Repurchase agreements, negotiable certificates of deposit, and collateralized debt obligations: matrix pricing based on the securities' relationship to benchmark quoted prices.

At December 31, 2023 unrealized losses were \$54,648 which reflects changes in the fair market value of investments.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The investment policy of the Town states that, to the extent possible, investments shall be matched with anticipated cash flow requirements and known future liabilities. Unless matched to a specific cash flow requirement, the Town will not invest in securities maturing more than five years from the date of purchase. In addition, the Town shall maintain at least 15% of its total investment portfolio in investments maturing in 120 days or less. At least 10% of the portfolio shall be invested in overnight investments or securities that can be sold to raise cash on one day's notice.

TOWN OF AVON, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023

Information about the sensitivity of the fair values of the Town's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Town's investments by maturity:

		Weighted Average Maturity (in Years)
U.S. Government Treasury Notes	\$ 9,448,737	1.74
Colotrust Edge	<u>13,287,270</u>	NA
Total	<u>\$ 23,324,007</u>	

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating, as required by the Town's investment policy, for investments of the Town as of December 31, 2023.

<u>Ratings</u> <u>Standard & Poor's</u>	<u>Investment</u>
AAAm	Colotrust
AA+	US Treasury
AA+	Government National Mortgage Assoc.
AA+	Federal Farm Credit Bank
AA+	Federal Home Loan Bank
AA+	Federal Home Loan Mortgage Corporation
AA+	Federal National Mortgage Corporation

Concentration of Credit Risk

Except for commercial paper investments, the investment policy of the Town contains no limitations on the amount that can be invested in any one issuer. Commercial paper issuers are limited to no more than 5% of the Town's portfolio. The Town had no direct investments in commercial paper at December 31, 2023.

The Town did not have any investments in any one issuer (other than U.S. Treasury obligations and local government investment pools) that represented 5% or more of total Town investments.

Custodial Credit Risk

Deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Town would not be able to recover its deposits or would not be able to recover collateral securities that are in the possession of an outside party.

The Town's deposits are entirely covered by federal depository insurance ("FDIC") or by collateral held under Colorado's Public Deposit Protection Act ("PDPA"). The FDIC insures the first \$250,000 of the Town's deposits at each financial institution. Deposit balances over \$250,000 are collateralized as required by PDPA. The Colorado Public Deposit Protection Act (PDPA) requires that cash be deposited in eligible public depositories and that deposits in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds with the Town being a named participant in the single institution collateral pool. The minimum pledging requirement is 102% of the uninsured deposits. The Colorado State Banking Board verifies the market value at least monthly. Bank assets (usually securities) are required by PDPA to be delivered to a third-party institution for safekeeping and pledged to the Colorado Division of Banking. Based on the above, the Colorado State Auditor has concluded that there is no custodial risk for public deposits collateralized under PDPA. The carrying amount of the Town's demand deposits was \$3,652,761 at year end.

Investments. Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, the Town would not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Town's investment policy provides that all investment securities, except certificates of deposit, local government investment pools, and money market funds purchased by the Town shall be settled on a delivery versus payment basis and will be delivered by either book entry or physical delivery and will be held in third-party safekeeping by the Town's approved custodian bank, its correspondent bank or the Depository Trust Company. An approved Safekeeping Agreement must be executed with each custodian bank prior to utilizing that bank's safekeeping services.

Local Government Investment Pools

Local government investment pools are trusts established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the trusts. A designated custodial bank serves as custodian pursuant to a custodian agreement. The custodian acts as safekeeping agent for the trusts' investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the trusts.

The Town of Avon invests its surplus funds in the Colorado Local Government Liquid Asset Trust's Colotrust Plus+ and Colotrust Edge funds. The Plus+ fund may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities as well as in certain obligations of U.S. government agencies, highest rated commercial paper

TOWN OF AVON, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023

and repurchase agreements collateralized by certain obligations of U.S. government agencies. The Plus+ fund is a stable \$1.00 net asset value (NAV) fund that offers daily liquidity. At December 31, 2023, the Town's investment in Colotrust Plus+ was 48.55% of the Town's investment portfolio. The Edge fund is an enhanced cash, variable rate NAV fund that is managed to approximate a \$10.00 per share and offers weekly liquidity. As of December 31, 2022, the Town's investment in Colotrust Edge was 30.51% of the Town's investment portfolio.

Note 4. Capital Assets

Capital asset activity for the year ended December 31, 2023 was as follows:

	Beginning Balance (Restated)	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Not Being Depreciated/Amortized:				
Land and Land Improvements	\$ 11,953,790	\$ -	\$ -	\$ 11,953,790
Public Art	1,361,400	30,000	-	1,391,400
Water Rights	1,792,959	-	-	1,792,959
Deed Restrictions	2,476,250	199,200	-	2,675,450
Construction in Progress	<u>2,272,933</u>	<u>4,596,657</u>	<u>(4,211,371)</u>	<u>2,658,219</u>
Total Capital Assets, Not Being Depreciated/Amortized	<u>19,857,332</u>	<u>4,825,857</u>	<u>(4,211,371)</u>	<u>20,471,818</u>
Capital Assets, Being Depreciated/Amortized:				
Depreciable Land Improvements	505,242	-	-	505,242
Buildings	29,492,898	918,102	-	30,411,000
Utilities	4,823,613	-	-	4,823,613
Machinery and Equipment	7,945,365	2,274,606	(609,233)	9,610,738
Infrastructure	95,823,407	3,220,780	-	99,044,187
Right-to-use Leased and Subscription Assets	<u>412,743</u>	<u>-</u>	<u>-</u>	<u>412,743</u>
Total Capital Assets, Being Depreciated/ Amortized	<u>139,003,268</u>	<u>6,413,488</u>	<u>(609,233)</u>	<u>144,807,523</u>
Less Accumulated Depreciation/Amortization:				
Depreciable Land Improvements	(207,899)	(15,719)	-	(223,618)
Buildings	(12,410,941)	(1,098,280)	-	(13,509,221)
Utilities	(2,581,152)	(230,411)	-	(2,811,563)
Machinery and Equipment	(4,470,594)	(788,515)	568,566	(4,690,543)
Infrastructure	(61,421,866)	(2,925,938)	-	(64,347,804)
Right-to-use Lease and Subscription Assets	<u>(67,989)</u>	<u>(103,429)</u>	<u>-</u>	<u>(171,418)</u>
Total Accumulated Depreciation/Amortization	<u>(81,160,441)</u>	<u>(5,162,292)</u>	<u>568,566</u>	<u>(85,754,166)</u>
Total Capital Assets, Being Depreciated/Amortized, Net	<u>57,842,827</u>	<u>1,251,196</u>	<u>(40,667)</u>	<u>59,053,357</u>
Governmental Activities Capital Assets, Net	<u>\$ 77,700,159</u>	<u>\$ 6,077,053</u>	<u>\$ (4,252,038)</u>	<u>\$ 79,525,174</u>

Business-type Activities:	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets, Not Being Depreciated:				
Land	\$ 411,834	\$ -	\$ -	\$ 411,834
Total Capital Assets, Not Being Depreciated	<u>411,834</u>	<u>-</u>	<u>-</u>	<u>411,834</u>
Capital Assets, Being Depreciated:				
Buildings	17,360,232	-	-	17,360,232
Machinery and Equipment	<u>6,320,162</u>	<u>1,139,111</u>	<u>(286,069)</u>	<u>7,173,204</u>
Total Capital Assets, Being Depreciated	<u>23,680,394</u>	<u>1,139,111</u>	<u>(286,069)</u>	<u>24,533,436</u>
Less Accumulated Depreciation:				
Buildings and Facilities	(6,625,756)	(437,414)	-	(7,063,170)
Machinery and Equipment	<u>(2,935,745)</u>	<u>(422,217)</u>	<u>277,068</u>	<u>(3,080,894)</u>
Total Accumulated Depreciation	<u>(9,561,501)</u>	<u>(859,631)</u>	<u>277,068</u>	<u>(10,144,064)</u>
Total Capital Assets, Being Depreciated, Net	<u>14,118,893</u>	<u>279,480</u>	<u>(9,001)</u>	<u>14,389,372</u>
Business-type Activities Capital Assets, Net	<u>\$ 14,530,727</u>	<u>\$ 279,480</u>	<u>\$ (9,001)</u>	<u>\$ 14,801,206</u>

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

Governmental Activities:	
General Government	\$ 571,740
Community Development	3,224
Public Safety	465,434
Public Works and Utilities, including general infrastructure assets	3,576,998
Recreation	453,111
Mobility	<u>91,785</u>
Total Depreciation/Amortization Expense – Governmental Activities	<u>\$ 5,162,292</u>
Business-type Activities:	
Transportation	\$710,724
Fleet Maintenance	<u>148,907</u>
Total Depreciation Expense – Business-type Activities	<u>\$ 859,631</u>

TOWN OF AVON, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023

Note 5. Leases

Operating Leases. The Town is lessee for noncancellable leases of various equipment. The Town recognizes a lease liability and an intangible right-to-use lease asset. The Town recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the Town initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. Key estimates and judgments related to leases include how the Town determines the following:

- **Discount Rate:** The Town uses the interest rate charged by the lessor as the discount rate to discount the expected lease payments to present value. When the interest rate charged by the lessor is not provided, the Town uses its incremental rate of borrowing.
- **Lease Term:** The lease term includes the noncancellable period of the lease and extended term(s) that the Town is reasonably certain to exercise.
- **Lease Payments:** Lease payments included in the measurement of the lease liability are composed of fixed payments along with purchase options that the Town is reasonably certain to exercise.

The Town monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the Statement of Net Position.

During the year ended December 31, 2023, the Town did not enter into any new long-term lease agreement as the lessee for the acquisition and use of equipment. As a result of the implementation of the GASB Statement No. 87, Leases, the Town now reports this as lease liabilities. As of December 31, 2023, the value of the lease liabilities was \$176,337. The Town is required to make annual principal and interest payments ranging from \$45,000 to \$60,000. The lease has an interest rate of 0.686%. The value of the right-to-use lease assets as of the end of the current fiscal year was \$311,268 and had accumulated amortization of \$128,809. The future principal and interest payments as of December 31, 2023, were as follows:

Year Ending December 31	Principal	Interest
2024	57,193	2,648
2025	58,054	1,787
2026	<u>61,090</u>	<u>910</u>
Total	<u>\$ 176,337</u>	<u>\$ 5,345</u>

Capital Lease Obligations. The following leases are renewable on an annual basis, at the option of the Town, for consecutive one-year periods. Upon final payment, title to the leased assets will pass to the Town.

- Lease obligation for equipment with a total cost of \$355,818 and a book value net of accumulated depreciation at December 31, 2023 of \$189,145. Due in seven annual installments of \$55,720 through November 2024. Amortization is based on an interest rate of 2.35%. The Town may terminate the lease by paying the applicable purchase option on any scheduled payment. Balance at December 31, 2023 is \$54,441.
- Lease obligation for equipment with a total cost of \$258,258 and a book value net of accumulated depreciation at December 31, 2023 of \$196,069. Due in fourteen semi-annual installments of \$20,877 through August 2025. Amortization is based on an interest rate of 3.39%. The Town may terminate the lease by paying the applicable purchase option on any scheduled payment. Balance at December 31, 2023 is \$80,087.

Annual debt service requirements to maturity for Capital Lease Obligations outstanding at December 31, 2023, are as follows:

Year Ending December 31	<u>Governmental Activities</u>		<u>Business Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 54,441	\$ 1,279	\$ 39,371	\$ 2,384
2025	<u>-</u>	<u>-</u>	<u>40,716</u>	<u>1,038</u>
Total	<u>\$ 54,441</u>	<u>\$ 1,279</u>	<u>\$ 80,087</u>	<u>\$ 3,422</u>

Note 6. Subscriptions

Subscription Leases. The Town is lessee for noncancellable leases of various subscriptions. The Town recognizes a lease liability and an intangible right-to-use lease asset. The Town recognizes lease liabilities with an initial, individual value of \$5,000 or more.

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

TOWN OF AVON, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023

life. Key estimates and judgments related to subscriptions include how the Town determines the following:

- **Discount Rate:** The Town uses the interest rate charged by the lessor as the discount rate to discount the expected lease payments to present value. When the interest rate charged by the lessor is not provided, the Town uses its incremental rate of borrowing.
- **Subscription Term:** The Subscription term includes the noncancellable period of the subscription and extended term(s) that the Town is reasonably certain to exercise.
- **Subscription Payments:** Subscription payments included in the measurement of the subscription liability are composed of fixed payments along with purchase options that the Town is reasonably certain to exercise.

The Town monitors changes in circumstances that would require a remeasurement of its subscription and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability. Subscription assets are reported with other capital assets and subscription liabilities are reported with long-term debt on the Statement of Net Position.

During the year ended December 31, 2023, the Town entered into a subscription agreement as the payee for the acquisition and use of the software. As a result of the implementation of the GASB Statement No. 96, Subscription, the Town now reports this as subscription liabilities. As of December 31, 2023, the value of the subscription liabilities was \$56,132. The Town is required to make annual payments ranging from \$5,000 to \$30,000. The subscriptions have an interest rate ranging from 0.321% to 3.238%. The value of the right-to-use subscription assets as of the end of the current fiscal year was \$101,475 and had accumulated amortization of \$42,609. The future principal and interest payments as of December 31, 2023, were as follows:

Year Ending <u>December 31</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 44,058	\$ 530
2025	<u>12,074</u>	<u>117</u>
Total	<u>\$ 56,132</u>	<u>\$ 647</u>

Note 7. Long-term Debt

Revenue Bonds and Loans – Avon Urban Renewal Authority. In 2013, the Avon Urban Renewal Authority issued Series 2013 Tax Increment Revenue Bonds to refinance outstanding obligations of the Authority and to finance certain capital improvements.

In 2017, the Avon Urban Renewal Authority issued Series 2017 Tax Increment Revenue Bonds to finance tenant improvements related to the future occupancy of a new Town Hall.

In 2020, the Avon Urban Renewal Authority issued its Series 2020 Tax Increment Revenue Refunding Loan in the amount of \$4,111,000 with an interest rate of 2.11%. This loan along with the release of the Series 2013 debt service reserve of \$628,240 was used to refund the outstanding Series 2013 Tax Increment Revenue Bonds in the aggregate principal amount of \$4,560,000. The refunding resulted in an economic gain of \$176,403 with a cash flow savings of \$883,089.

The 2017 Bonds and the 2020 Loan constitute a pledge of, and an irrevocable first lien (but not an exclusive first lien), on all pledged revenues. Pledged revenues include the portion of the ad valorem proprietary taxes produced by the levies at the rates fixed each year by the governing bodies of the various taxing jurisdictions within the Urban Renewal Project Area. The levies are assessed upon that portion of the valuation for assessment of all taxable property in excess of a defined property tax base amount. The pledged revenues are reduced by a) any County collection fee (b) tax increment revenues required to be remitted by the Authority to the Confluence Metropolitan District pursuant to the Avon Station/Confluence IGA; and (c) ad valorem property taxes produced by a mill levy of any special district formed after May 28, 2009. Revenue bonds and loans outstanding at December 31, 2023, are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
General Government – Avon Urban Renewal Authority	2.11% - 2.90%	<u>\$ 4,109,123</u>

Annual debt service requirements to maturity for revenue bonds outstanding at December 31, 2023, are as follows:

<u>Year Ending December 31</u>	<u>Avon Urban Renewal Authority</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 648,867	\$ 99,843
2025	664,728	84,466
2026	679,761	68,705
2027	695,974	52,575
2028	712,372	36,050
2029-2031	<u>707,420</u>	<u>38,828</u>
Total	<u>\$ 4,109,123</u>	<u>\$ 378,466</u>

Certificates of Participation. On November 16, 2010, the Town issued \$6,680,000 of Series 2010 Certificates of Participation with interest rates of 2% to 5%. The Certificates evidence a proportionate interest in the base rentals and other revenues under an annually renewable lease purchase agreement dated as of November 1, 2010, between UMB Bank, solely in its capacity as trustee under the Indenture, as lessor, and the Town of Avon, as lessee. These Certificates were used to refund the outstanding 1998 Certificates of Participation in the aggregate principal amount of \$3,990,000. The refunding resulted in an economic gain of \$43,298 with a cash flow savings of \$904,642. The remaining funds from the 2010 Certificates were used

TOWN OF AVON, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023

as matching funds for the construction of the Avon Regional Transit Facility, which was completed and placed into service in October 2013.

On January 14, 2015, the Town issued \$3,800,000 of Series 2014B Certificates of Participation with an interest rate of 3.03% to finance the cost of street improvements. The Certificates evidence a proportionate interest in the base rentals and other revenues under an annually renewable lease purchase agreement dated as of January 14, 2015, between UMB Bank, N.A., solely in its capacity as trustee under the Indenture, as lessor, and the Town of Avon, as lessee.

On May 3, 2016, the Town held a special election concerning the financing for a joint public safety facility in partnership with the Eagle River Fire Protection District. The election was successful and on August 2, 2016, the Town issued \$6,300,000 of Series 2016 Certificates of Participation with interest rates of 2% to 4%. The Certificates evidence a proportionate interest in the base rentals and other revenues under an annually renewable lease purchase agreement dated as of August 2, 2016, between UMB Bank, N.A., solely in its capacity as trustee under the Indenture, as lessor, and the Town of Avon, as lessee.

On September 2, 2020, the Town issued \$3,983,000 of Series 2020 Certificates of Participation with an interest rate of 1.23%. These Certificates, along with the release of the Series 2010 debt service reserve of \$508,700 were used to refund the outstanding 2010 Certificates of Participation in the aggregate principal amount of \$4,300,000. The refunding resulted in an economic gain of \$640,454 with a cash flow savings of \$1,227,703. The Certificates evidence a proportionate interest in the base rentals and other revenues under an annually renewable lease purchase agreement dated as of September 2, 2020, between UMB Bank, solely in its capacity as trustee under the Indenture, as lessor, and the Town of Avon, as lessee.

Certificates of Participation outstanding at December 31, 2023, are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
General Government – Refunding and Capital	1.23% - 4.0%	<u>\$8,681,000</u>

Annual debt service requirements to maturity for Certificates of Participation outstanding at December 31, 2023, are as follows:

Year Ending December 31	<u>Governmental Activities</u>		<u>Business Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 748,000	\$ 203,973	\$ 177,000	\$ 16,002
2025	770,000	184,605	180,000	13,825
2026	784,000	167,720	184,000	11,611
2027	802,000	150,534	187,000	9,348
2028	830,000	126,308	189,000	7,048
2029-2033	2,596,000	320,186	384,000	7,097
2034-2035	<u>850,000</u>	<u>38,400</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 7,380,000</u>	<u>\$ 1,191,726</u>	<u>\$ 1,301,000</u>	<u>\$ 64,932</u>

Changes in Long-term Liabilities. Long-term liability activity for the year ended December 31, 2023, was as follows:

	<u>Beginning Balance Restated</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds Payable:					
Revenue Bonds	\$ 4,743,299	\$ -	\$ 634,175	\$ 4,109,123	\$ 648,867
Certificates of Participation	<u>8,114,000</u>	<u>-</u>	<u>734,000</u>	<u>7,380,000</u>	<u>748,000</u>
	12,857,299	-	1,368,175	11,489,123	1,396,867
Bond Premium	<u>224,735</u>	<u>-</u>	<u>14,391</u>	<u>210,344</u>	<u>14,631</u>
Total Bonds Payable	13,082,034	-	1,382,566	11,699,467	1,411,498
Lease and Subscription Liabilities	334,161	-	101,692	232,469	101,251
Capitalized Leases Payable	107,632	-	53,191	54,441	54,441
Compensated Absences	<u>555,171</u>	<u>-</u>	<u>15,959</u>	<u>539,233</u>	<u>539,222</u>
Governmental Activity Long- term Liabilities	<u>\$14,078,988</u>	<u>\$ -</u>	<u>\$ 1,553,408</u>	<u>\$12,525,610</u>	<u>\$ 2,106,412</u>
Business-type Activities:					
Certificates of Participation	<u>\$ 1,480,000</u>	<u>\$ -</u>	<u>\$ 179,000</u>	<u>\$ 1,301,000</u>	<u>\$ 177,000</u>
Total Bonds Payable	1,480,000	-	179,000	1,301,000	177,000
Capitalized Leases Payable	118,157	-	38,069	80,087	39,371
Compensated Absences	<u>61,127</u>	<u>-</u>	<u>18,618</u>	<u>42,509</u>	<u>42,509</u>
Business-type Activity Long- term Liabilities	<u>\$ 1,659,284</u>	<u>\$ -</u>	<u>\$ 235,687</u>	<u>\$ 1,423,597</u>	<u>\$ 258,880</u>

TOWN OF AVON, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023

Conduit Debt Obligations. In prior years, the Town has sponsored the issuance of revenue bonds to provide financial assistance to private-sector entities for the acquisition and construction of facilities deemed to be in the public interest.

Eaglebend Dowd Affordable Housing Corporation. The Eaglebend Dowd Affordable Housing Corporation (Dowd) was formed on March 24, 1998, to help provide affordable housing within Eagle County. Dowd operates a 50-unit apartment project within Eagle County. The Town approved the formation and the issuance of the revenue bonds to finance the project and will obtain full legal title to the land, buildings, and equipment upon payment in full of the bonds.

In 2003, the Town approved the issuance by Dowd of \$9,520,000 in Series 2003 Refunding Revenue Bonds to defease the outstanding Series 1998A Revenue Bonds by placing the proceeds of the Series 2003 bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. In August 2013, Dowd issued \$8,450,000 in Series 2013 Multifamily Housing Project Refunding Revenue Bonds to refund the Series 2003 Bonds. In November 2014, Dowd issued \$8,850,000 of Multifamily Housing Project Refunding Revenue Bonds, Series 2014A to refund and defease the Series 2013 bonds. In November, 2022 the Public Finance Authority (“PFA”) issued Series 2022 Refunding Revenue Bonds in the amount of \$13,000,000 to refund and defease all the outstanding Series 2014A Multifamily Refunding Revenue Bonds and Series 1998 B&C Subordinate Revenue Bonds, and the finance a portion of the costs to complete project improvements to the project. The bonds are special limited obligations of Dowd and are payable solely from payments made by Dowd pursuant to the financing agreement. The bond holders have a lien on the assets of the project. The bonds do not constitute an obligation or liability of the State of Colorado, the Town, or any other political subdivision of the State of Colorado.

Accordingly, the PFA issued Series 2022 Refunding Revenue Bonds do not constitute conduit debt of the Town, nor are the bonds reported as liabilities in the accompanying general purpose financial statements. As of December 31, 2023, the Town has no conduit debt obligations outstanding.

Defeased Debt. Certain other bonds previously issued by the Town have been defeased by the issuance of refunding bonds. As of December 31, 2023, there are no amounts outstanding on any refunded bonds.

Note 8. Employee Retirement Plans

Full-time Employees. The Town maintains two single-employer, defined contribution pension plans for full-time employees: (1) the Town of Avon Police Officers Money Purchase Pension Plan of which there are 25 participants, and (2) the Town of Avon General Employee Money Purchase Pension Plan of which there are 115 participants as of December 31, 2023. Plan administration and recordkeeping of these plans is provided by The Principal Financial Group.

A defined contribution pension plan has terms that specify how contributions to an individual's account are to be determined rather than the amount of pension benefits the individual is to receive. In a defined contribution plan, the pension benefits a participant will receive depend only on the amount contributed to the participant's account, earnings on investments of those contributions, and forfeitures of other participant's benefits that may be allocated to the participant's account.

All full-time employees are required to participate in one of the above retirement plans upon employment with the Town. The type of plan that an employee participates in is dependent on the type of employee (police officer or general government employee). Town ordinance provides that both the employee and the Town will contribute an amount equal to 11% of the employee's base salary each month.

Employees hired prior to September 30, 1990, become vested in accordance with a vesting schedule which is dependent on the type of employee and hire date. All employees hired after September 30, 1990, start partial vesting after two years of service and are fully vested after five years of service. In addition, if an employee reaches normal retirement age, dies, or becomes totally and permanently disabled his account becomes fully vested regardless of length of service. Forfeitures by employees who leave employment before being fully vested are applied, first, to offset administrative expenses of the plans, and second, to reduce matching employer contributions. Forfeitures totaling \$32,176 were used in 2023 for administrative expenses. No forfeitures were used to reduce matching employer contributions. Contributions made by employees and the Town for the three years ended December 31, 2023, are as follows:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Employee Contributions	<u>\$1,038,814</u>	<u>\$ 883,828</u>	<u>\$ 792,164</u>
Town Contributions	<u>\$1,038,814</u>	<u>\$ 883,828</u>	<u>\$ 792,164</u>

Both the Town and the covered employees each made the required 11% contributions to the plans. There are no liabilities for benefits beyond the Town's matching payments. No changes in the various plan's provisions occurred in 2023.

Part-time, Temporary and Seasonal Employees. On October 14, 1997, the Town adopted a PTS Retirement Plan administered by the ICMA Retirement Corporation and established under Section 457 of the Internal Revenue Code that pertains to deferred compensation plans. Plan administration and recordkeeping of this plans was transferred to The Principal Financial Group in November 2017. The PTS plan is designed specifically for employees who are part-time, temporary, or seasonal, and is defined as a Social Security replacement retirement plan. The PTS plan allows participants to defer federal and state income taxes on savings until retirement. The PTS plan requires a minimum contribution of 7.5% of an employee's salary per plan year. This 7.5% may be the employee's contribution, the employer's contribution,

TOWN OF AVON, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023

or a combination of both. The Town elected to have 3.75% contributed by the employee and 3.75% matched by the Town. Employees also have the option to contribute additional amounts.

Upon separation of service, participants may withdraw the account balance in a lump-sum payment, roll the account balance over into another 457 plan, or continue to allow the account balance earn interest tax free. Taxes are paid when funds are withdrawn from the plan.

Contributions made by plan members and the Town for the three years ended December 31, 2023, are as follows:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Employees	<u>\$51,231</u>	<u>\$41,283</u>	<u>\$41,043</u>
Town	<u>\$46,412</u>	<u>\$35,001</u>	<u>\$35,359</u>

Both the Town and the covered employees each made the required 3.75% contributions to the plan. There are no liabilities for benefits beyond the Town's matching payments. As of December 31, 2023, there were 213 participants in this plan.

Note 9. 457 Deferred Compensation Plan

The Town offers its full-time employees an optional supplemental deferred compensation plan created in accordance with Internal Revenue Code Section 457. Plan administration and recordkeeping is provided by The Principal Financial Group. The 457 plan allows eligible participants the opportunity to accumulate additional retirement savings with certain tax advantages. Deposits into the 457 plan are not subject to state or federal income taxes at the time of deposit, and earnings on these deposits are deferred until withdrawn. As of December 31, 2023, there were 50 participants in the 457 plan.

Note 10. Employee Health Care

The Town has a self-insurance plan for employee health and dental care. A third-party administrator processes individual employee claims and negotiates excess stop-loss insurance policies. Excess stop-loss insurance policies are purchased to cover individual claims in excess of \$40,000 and aggregate total yearly claims in excess of \$2,028,308. Settled benefit claims did not exceed the aggregate total yearly claims for 2023. As of December 31, 2023, the Town held reserves for future claims in the amount of \$1,562,748.

The following represents the changes in the claims reserve for the Town for 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Claims Reserve for Future Claims, Beginning of Year	\$ 1,125,972	\$ 1,446,415
Current Year Deposits for Estimated Claims	1,284,691	1,441,715
Excess Stop Loss Refunds for Specific (Individual) Claims	296,117	304,443
Claim Payments	<u>(1,700,146)</u>	<u>(2,066,061)</u>
Claims Reserve for Future Claims, End of Year	<u>\$ 1,562,748</u>	<u>\$ 1,125,972</u>

Note 11. Interfund Receivables, Payables and Transfers

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are reported in the fund financial statements as “due to/from other funds”. These interfund receivables and payables are expected to be repaid within the next year. The composition of these interfund balances as of December 31, 2023, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Fleet Maintenance Fund	<u>\$ 100,000</u>

Interfund Transfers:

<u>Fund</u>	Transfers <u>In</u>	Transfers <u>Out</u>
Major Funds:		
General Fund	\$ 600,473	\$ 1,500,000
Urban Renewal Authority Fund	-	1,000,000
Debt Service	963,142	-
Capital Projects Fund	2,209,085	3,403,174
Mobility Enterprise Fund	1,500,000	-
Fleet Maintenance Enterprise Fund	598,766	-
Equipment Replacement Fund	505,922	-
Other Funds:		
Water Fund	-	1,089,085
Community Enhancement		120,000
Community Housing	<u>734,871</u>	<u>-</u>
Total	<u>\$ 7,112,259</u>	<u>\$ 7,112,259</u>

During the year, capital assets purchased in 2023 related to governmental funds, with a book values of \$894,681 were transferred to the internal service fund. In addition, capital lease principal payments of \$53,190 were made on behalf of the internal service fund. No amounts were reported in the governmental funds as the amounts did not involve the transfer of financial resources. However, the internal service fund reported contributed capital in for the capital resources received.

TOWN OF AVON, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023

Note 12. Commitments and Contingencies

Litigation. The Town is a party to various legal proceedings. Town management believes ultimate disposition of those subsequent pending claims and legal proceedings will not likely have a material adverse effect, if any, on the financial condition of the Town.

Construction Contract Commitments. As of December 31, 2023, the Town had one construction contract commitment outstanding in the amount of \$59,702.

Intergovernmental Agreement. The Town has entered into an Intergovernmental Agreement (IGA) with the Eagle River Fire Protection District (Fire District) for the ownership, construction, operation, and maintenance of a joint fire-police station facility. The IGA provides for many covenants and mutual agreements including the amendment and replacement of previous IGAs, conveyance of the real property interest, construction financing, waiver of building permit fees, construction, apportionment of costs, termination of existing leases, use and occupancy, and operation and maintenance of the joint public safety facility. The IGA continues in perpetuity until amended or terminated by either party.

Tax, Spending and Debt Limitations. Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR) contains tax, spending, revenue, and debt limitations which apply to the State of Colorado and all local governments. Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

In November 1997, voters within the Town passed a ballot issue which permanently authorizes the Town, without an election, to act on all spending and revenue raising measures which are limited by TABOR. In addition, voters authorized the Town to keep and spend all revenue collected by the Town regardless of any limitation contained in TABOR. The only exceptions are proposed sales or use tax rate increases and property tax rate increases which must be submitted to the voters, unless otherwise allowed by law.

Enterprises, defined as government-owned business authorized to issue revenue bonds and receiving less than 10 percent of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR. TABOR also requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. The Town has established an emergency reserve in the General Fund for the year ended December 31, 2023 in the amount of \$1,167,831.

Town management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

Note 13. Risk Management

The Town is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors or omissions; injuries to employees; and natural disasters.

The Town is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA). CIRSA is a joint self-insurance pool created by intergovernmental agreement of 279 municipalities and special districts to provide property, general and automobile liability and public officials coverage to its members. CIRSA is governed by a seven-member Board elected by and from its members.

Coverage is provided through pooling of self-insured losses and the purchase of excess insurance coverage. CIRSA has a legal obligation for claims against its members to the extent that funds are available in its annually established loss fund and that amounts are available from insurance providers under excess specific and aggregate insurance contracts.

Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members. CIRSA has indicated that the amount of any excess losses would be billed to members in proportion to their contributions in the year such excess occurs, although it is not legally required to do so. The Town's annual contribution to CIRSA amounted to \$300,139 for 2023. The Town has not been informed of any excess losses that may have been incurred by the pool.

The Town continues to carry commercial insurance coverage for other risks of loss including workers compensation. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

Note 14. Upper Eagle Regional Water Authority

The Town is a participant in the Upper Eagle Regional Water Authority. The Authority was formed pursuant to an establishing contract on September 18, 1984, by the following municipal and quasi-municipal corporations (Members) located in Eagle County, Colorado.

- Arrowhead Metropolitan District
- Beaver Creek Metropolitan District
- Berry Creek Metropolitan District
- Eagle-Vail Metropolitan District
- Edwards Metropolitan District
- Town of Avon

TOWN OF AVON, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023

The Authority also provides water services to the Cordillera and Bachelor Gulch developments through contracts with Members. The Authority was formed to make the best practicable use of the Members' joint resources in supplying water to the members and to further develop water resources and facilities in Eagle County. The Authority may not be terminated so long as bonds, notes or other obligations are outstanding, unless provision for full payment of such obligations has been made. At December 31, 2023, the Authority had debt with maturities through the year 2039.

The Town has a service contract with the Authority whereby the Authority provides and bills residents of the Town with water at a rate which is expected to cover its costs in providing water services and other functions. Such costs specifically include debt service requirements, depreciation, and operations and maintenance, including maintenance of the Town's water distribution system. As part of the agreement, the Town conveyed its water distributions facilities and leased its water rights, associated easements, and improvements to the Authority at no cost. In consideration, the Authority has agreed to maintain the associated improvements and to administer and protect the Town's plan for augmentation and water decrees at no cost. During 2023, the Authority collected \$169,614 in water surcharges for the Town.

Note 15. Tax Abatements

The Town has entered into various agreements in order to meet development goals within certain areas of the Town. The following areas have continuing development requirements or abatement agreements requiring disclosure.

<u>Development Area</u>	<u>Revenues Impacted</u>	<u>Governing Document</u>	<u>Amount</u>	<u>Requirements</u>
Village at Avon PUD	Sales Tax, Accommodation Tax, Real Estate Transfer Tax	Consolidated, Amended and Restated Annexation and Development Agreement	\$5,287,363	100% tax credit against sales, accommodations and real estate transfer taxes paid within the development area.
Riverfront PUD	Property Tax Increment	Intergovernmental Agreement	\$ 611,930	100% tax rebate of incremental property taxes received from Avon Station Metropolitan District, excluding Lot B.

Note 16. Major Taxpayers

For the year ended December 31, 2023 forty percent (40%) of the Town's sales tax revenues were received from the ten highest-paying companies.

Note 17. Financial Restatement

Effective January 1, 2023, the County implemented Statement No. 96, *Subscription-Based Information Technology Arrangements* (“GASB 96”), issued by the Governmental Accounting Standards Board. GASB 96 requires that the County report certain right-to-use subscription assets and liabilities and recognize inflows or outflows of resources based on the payment provisions of each such arrangement. The implementation of GASB 96 has been applied effective January 1, 2023, and did not result in changes in beginning net positions

TOWN OF AVON, COLORADO

REQUIRED SUPPLEMENTAL INFORMATION

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

(BUDGETARY BASIS) - BUDGET AND ACTUAL

FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Revenues				
Taxes	\$ 19,802,741	19,802,741	\$ 20,021,772	\$ 219,031
Licenses and Permits	378,450	378,450	601,671	223,221
Intergovernmental	1,254,455	1,302,573	1,215,554	(87,019)
Charges for Services	1,775,293	1,797,370	2,082,768	285,398
Fines and Forfeitures	38,700	38,700	44,705	6,005
Investment Earnings	480,000	1,500,000	1,760,550	260,550
Other Revenues	458,500	458,500	524,639	66,139
Total Revenues	<u>24,188,139</u>	<u>25,278,334</u>	<u>26,251,659</u>	<u>973,325</u>
Expenditures				
Current:				
General Government	6,911,320	7,361,146	6,682,849	678,297
Community Development	1,100,608	994,036	925,883	68,153
Public Safety	5,177,982	5,516,658	5,516,773	(115)
Public Works	8,169,475	8,585,003	8,146,485	438,518
Recreation	2,692,863	2,773,888	2,450,098	323,790
Total Expenditures	<u>24,052,248</u>	<u>25,230,731</u>	<u>23,722,088</u>	<u>1,508,643</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>135,891</u>	<u>47,603</u>	<u>2,529,571</u>	<u>2,481,968</u>
Other Financing Sources (Uses)				
Lease Proceeds				
Transfers In:	-	-	-	-
Capital Projects Fund	600,473	600,473	600,473	-
Transfers Out:				
Capital Projects Fund	-	-	-	-
Mobility Enterprise Fund	(1,300,000)	(1,300,000)	(1,300,000)	-
Fleet Maintenance Enterprise Fund	(200,000)	(200,000)	(200,000)	-
Total Other Financing Sources (Uses)	<u>(899,527)</u>	<u>(899,527)</u>	<u>(899,527)</u>	<u>-</u>
Net Change in Fund Balances	<u>(763,636)</u>	<u>(851,924)</u>	<u>1,630,044</u>	<u>2,481,968</u>
Fund Balances, Beginning of Year	<u>16,641,027</u>	<u>20,311,855</u>	<u>20,311,855</u>	<u>-</u>
Fund Balances, End of year	<u>\$ 15,877,391</u>	<u>\$ 19,459,931</u>	<u>\$ 21,941,899</u>	<u>\$ 2,481,968</u>

TOWN OF AVON, COLORADO

REQUIRED SUPPLEMENTAL INFORMATION AVON URBAN RENEWAL AUTHORITY FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (BUDGETARY BASIS) - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Revenues				
Taxes	\$ 1,834,772	\$ 1,834,772	\$ 1,912,402	\$ 77,630
Investment Earnings	-	-	2,385	2,385
Total Revenues	<u>1,834,772</u>	<u>1,834,772</u>	<u>1,914,787</u>	<u>80,015</u>
Expenditures				
Current:				
General Government	55,043	55,043	56,903	(1,860)
Debt Service:				
Principal	634,175	634,175	634,175	-
Interest	114,861	114,861	114,861	-
Fiscal Charges	400	900	400	500
Total Expenditures	<u>804,479</u>	<u>804,979</u>	<u>806,339</u>	<u>(1,360)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,030,293	1,029,793	1,108,448	78,655
Other Financing Sources (Uses)				
Transfers Out:				
Capital Project Fund	(1,000,000)	(1,000,000)	(1,000,000)	-
Net Change in Fund Balances	30,293	29,793	108,448	78,655
Fund Balances, Beginning of Year	<u>95,276</u>	<u>177,047</u>	<u>177,047</u>	<u>-</u>
Fund Balances, End of year	<u>\$ 125,569</u>	<u>\$ 206,840</u>	<u>\$ 285,495</u>	<u>\$ 78,655</u>

TOWN OF AVON, COLORADO

NOTES TO REQUIRED SUPPLEMENTAL INFORMATION DECEMBER 31, 2023

Note 1. Budgetary Information

An annual budget is legally adopted on a basis consistent with generally accepted accounting principles for all funds, with the exception of proprietary funds which are budgeted on the modified accrual basis of accounting. Appropriations lapse at fiscal year-end except for capital projects and special revenue funds which may have project-length budgets that carryover from year-to-year. However, as a matter of practice, the Town adopts annual budgets for all funds. The budget is prepared by fund, department, program, object and project. Expenditures may not legally exceed budgeted appropriations at the fund level.

The Town Council holds public hearings and may change appropriations except for expenditures required by law for debt service or for estimated cash deficits. No change to the budget may increase the authorized expenditures to any amount greater than the total amount of funds available. The Town Council must adopt the budget by resolution prior to December 15th. Once adopted, the Town Council may at any time, by resolution, amend the budget. In addition, the Town Manager may transfer part or all of any unencumbered appropriation balance among programs within a department. A department is defined by the Town as a distinct, principal or specialized division (e.g., the Department of Public Works).

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NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Water Fund – This fund is used to account for the cost of maintaining certain water-related assets and for the receipt of water surcharges and tap fees within the Town limits.

Community Enhancement Fund – This fund is used to account for revenues received from a franchisee and restricted for use for beautification projects, energy conservation projects, equipment and technology upgrades for schools, scholarship funds, acquisition of open space and/or park land and development thereof, sponsorship of special community events, and undergrounding of overhead electric and other utility lines.

Community Housing Fund – This fund is used to accumulate and account for resources received and restricted for use in the Town’s community housing program.

Exterior Energy Offset Fund – This fund is used to account for fees collected at building permit to create financial assistance, rebates, and incentives to promote energy efficient projects within the Town of Avon. Fees are established based on a formula using BTUs required for certain amenities over a 20-year period.

Disposable Paper Bag Fee Fund - This fund is used to account for fees received by the Town from retailers who are required to pay ten cents (\$0.10) for each disposable paper bag used during a retail purchase. Effective May 1, 2018 it became unlawful for retailers to provide plastic bags to customers at point of sale. The intent is to encourage the use of reusable bags. Fees are restricted for use to programs and education related to waste reduction, and for providing reusable bags to Town residents and guests.

TOWN OF AVON, COLORADO

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS DECEMBER 31, 2023

	Special Revenue Funds			
	Water Fund	Community Enhancement Fund	Community Housing Fund	Exterior Energy Offset Fund
ASSETS				
Cash and Cash Equivalents	\$ 386,865	\$ 257,774	\$ 2,918,511	\$ 235,302
Receivables:				
- Accounts	43,903	-	131,243	-
- Intergovernmental	-	91,103	-	-
Total Assets	<u>\$ 430,768</u>	<u>\$ 348,877</u>	<u>\$ 3,049,754</u>	<u>\$ 235,302</u>
LIABILITIES				
Accounts Payable	\$ 62	\$ -	\$ 315	\$ 10,401
Deposits and Reserves	-	-	1,300	-
Total Liabilities	<u>62</u>	<u>-</u>	<u>1,615</u>	<u>10,401</u>
FUND BALANCES				
Restricted For:				
Water Projects	430,706	-	-	-
Community Enhancement	-	348,887	-	-
Committed For:				
Exterior Energy Offset Programs	-	-	-	224,901
Waste Reduction Programs	-	-	-	-
Assigned For:				
Community Housing Programs	-	-	3,048,139	-
Total Fund Balances	<u>430,706</u>	<u>348,887</u>	<u>3,048,139</u>	<u>224,901</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 430,768</u>	<u>\$ 348,887</u>	<u>\$ 3,049,754</u>	<u>\$ 235,302</u>

<u>Disposable Paper Bag Fee Fund</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 92,239	\$ 3,890,691
5,411	180,557
-	91,103
<u>\$ 97,650</u>	<u>\$ 4,162,351</u>
\$ 3,588	14,366
-	1,300
<u>3,588</u>	<u>15,666</u>
-	348,877
-	430,706
-	224,901
94,062	94,062
-	3,048,139
<u>94,062</u>	<u>4,146,685</u>
<u>\$ 97,650</u>	<u>\$ 4,162,351</u>

TOWN OF AVON, COLORADO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2023

	Special Revenue Funds			
	Community Enhancement Fund	Water Fund	Community Housing Fund	Exterior Energy Offset Fund
Revenues				
Taxes	\$ -	\$ -	\$ 1,041,364	\$ -
Licenses and Permits	-	-	-	36,451
Charges for Services	-	624,048	78,015	-
Other Revenues	91,103	-	15,381	-
Total Revenues	91,103	624,048	1,134,760	36,451
Expenditures				
Current:				
General Government	-	-	205,200	-
Community Development	-	-	-	23,832
Public Works and Utilities	-	113,141	-	-
Capital Improvements	-	-	244,732	-
Total Expenditures	-	113,141	449,932	23,832
Excess (Deficiency) of Revenues Over (Under) Expenditures	91,103	510,907	684,828	12,619
Other Financing Sources (Uses):				
Transfers In:				
Capital Projects Fund	-	-	734,871	-
Transfers Out:				
Capital Projects Fund	(120,000)	(1,089,085)	-	-
Total Other Financing Sources (Uses)	(120,000)	(1,089,085)	734,871	-
Net Change in Fund Balances	(28,897)	(578,178)	1,419,699	12,619
Fund Balances, Beginning of Year	377,774	1,008,884	1,628,440	212,282
Fund Balances, End of year	\$ 348,877	\$ 430,706	\$ 3,048,139	\$ 224,901

<u>Disposable</u> <u>Paper Bag</u> <u>Fee</u> <u>Fund</u>	<u>Total</u> <u>Nonmajor</u> <u>Governmental</u> <u>Funds</u>
\$ -	\$ 1,041,364
-	36,451
33,423	735,486
<u>33,750</u>	<u>140,234</u>
67,173	1,953,535
141,120	346,320
-	23,832
-	113,141
<u>-</u>	<u>244,732</u>
<u>141,120</u>	<u>728,025</u>
<u>(73,947)</u>	<u>1,225,510</u>
-	734,871
<u>-</u>	<u>(1,209,085)</u>
<u>-</u>	<u>(474,214)</u>
(73,947)	751,296
<u>168,009</u>	<u>3,395,389</u>
<u>\$ 94,062</u>	<u>\$ 4,146,685</u>

TOWN OF AVON, COLORADO

COMMUNITY ENHANCEMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

BUDGET AND ACTUAL (BUDGETARY BASIS)

FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Revenues				
Other Revenues	\$ 82,000	\$ 82,000	\$ 91,103	\$ 9,103
Total Revenues	82,000	82,000	91,103	9,103
Expenditures				
Current:				
Public Works and Utilities	20,000	20,000	-	20,000
Total Expenditures	20,000	20,000	-	20,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	62,000	62,000	91,103	29,103
Other Financing Sources (Uses)				
Transfers Out:				
Capital Projects Fund	(120,000)	(120,000)	(120,000)	-
Net Change in Fund Balances	(58,000)	(58,000)	(28,897)	29,103
Fund Balances, Beginning of Year	377,774	377,774	377,774	-
Fund Balances, End of year	\$ 319,774	\$ 319,774	\$ 348,877	\$ 29,103

TOWN OF AVON, COLORADO

COMMUNITY HOUSING FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (BUDGETARY BASIS) FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Revenues				
Taxes:				
Short-term Rental Tax	\$ 1,030,000	\$ 1,030,000	\$ 1,041,364	\$ 11,364
Charges for Services:				
Rental Revenues - Employees	57,569	57,569	78,015	20,446
Other Revenues:				
Bond Issuance Fee	9,000	13,912	15,381	1,469
Total Revenues	<u>1,096,569</u>	<u>1,101,481</u>	<u>1,134,760</u>	<u>33,279</u>
Expenditures				
Current:				
General Government	1,800,000	2,079,950	205,200	1,874,750
Capital Improvements	795,000	821,743	244,732	577,011
Total Expenditures	<u>2,595,000</u>	<u>2,901,693</u>	<u>449,932</u>	<u>2,451,761</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,498,431)	(1,800,212)	684,828	2,485,040
Other Financing Sources (Uses)				
Transfers In:				
Capital Projects Fund	597,699	597,699	734,871	137,172
Net Change in Fund Balances	(900,732)	(1,202,513)	1,419,699	2,622,212
Fund Balances, Beginning of Year	<u>1,628,440</u>	<u>1,628,440</u>	<u>1,628,440</u>	<u>-</u>
Fund Balances, End of year	<u>\$ 727,708</u>	<u>\$ 425,927</u>	<u>\$ 3,048,139</u>	<u>\$ 2,622,212</u>

TOWN OF AVON, COLORADO

WATER FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (BUDGETARY BASIS) - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Revenues				
Charges for Services:				
Water Surcharges	\$ 170,000	\$ 170,000	\$ 169,614	\$ (386)
Tap Fees	592,000	592,000	454,434	(137,566)
Total Charges for Services	762,000	762,000	624,048	(137,952)
Total Revenues	762,000	762,000	624,048	(137,952)
Expenditures				
Current:				
Public Works and Utilities	131,231	218,731	113,141	105,590
Total Expenditures	131,231	218,731	113,141	105,590
Excess (Deficiency) of Revenues Over (Under) Expenditures	630,769	543,269	510,907	(32,362)
Other Financing Sources (Uses)				
Transfers Out:				
Capital Projects Fund	(756,250)	(1,089,085)	(1,089,085)	-
Net Change in Fund Balances	(125,481)	(545,816)	(578,178)	(32,362)
Fund Balances, Beginning of Year	1,008,884	1,008,884	1,008,884	-
Fund Balances, End of year	\$ 883,403	\$ 463,068	\$ 430,706	\$ (32,362)

TOWN OF AVON, COLORADO

EXTERIOR ENERGY OFFSET FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

BUDGET AND ACTUAL (BUDGETARY BASIS)

FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Revenues				
Licenses and Permits:				
Exterior Energy Offset Fee	\$ 25,000	\$ 25,000	\$ 36,451	\$ 11,451
Total Revenues	25,000	25,000	36,451	11,451
Expenditures				
Current:				
Community Development	41,000	41,000	23,832	17,168
Total Expenditures	41,000	41,000	23,832	17,168
Net Change in Fund Balances	(16,000)	(16,000)	12,619	28,619
Fund Balances, Beginning of Year	212,282	212,282	212,282	-
Fund Balances, End of year	\$ 196,282	\$ 196,282	\$ 224,901	\$ 28,619

TOWN OF AVON, COLORADO

DISPOSABLE PAPER BAG FEE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

BUDGET AND ACTUAL (BUDGETARY BASIS)

FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Revenues				
Other Revenues:				
Disposable Paper Bag Fee	\$ 55,000	\$ 55,000	\$ 33,423	\$ (21,577)
General Government	-	-	33,750	33,750
Total Revenues	<u>55,000</u>	<u>55,000</u>	<u>67,173</u>	<u>12,173</u>
Expenditures				
Current:				
General Government	<u>33,840</u>	<u>140,407</u>	<u>141,120</u>	<u>(713)</u>
Total Expenditures	<u>33,840</u>	<u>140,407</u>	<u>141,120</u>	<u>(713)</u>
Net Change in Fund Balances	21,160	(85,407)	(73,947)	11,460
Fund Balances, Beginning of Year	<u>168,009</u>	<u>168,009</u>	<u>168,009</u>	<u>-</u>
Fund Balances, End of year	<u>\$ 189,169</u>	<u>\$ 82,602</u>	<u>\$ 94,062</u>	<u>\$ 11,460</u>

TOWN OF AVON, COLORADO

DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (BUDGETARY BASIS) FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Revenues				
Investment Earnings	\$ -	\$ -	\$ 4,873	\$ 4,873
Total Revenues	-	-	4,873	4,873
Expenditures				
Debt Service:				
Principal	\$ 734,000	\$ 734,000	\$ 734,000	\$ -
Interest	222,992	222,992	222,992	-
Fiscal Charges	6,150	6,150	6,220	(70)
Total Expenditures	963,142	963,142	963,212	(70)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(963,142)	(963,142)	(958,339)	4,803
Other Financing Sources (Uses)				
Transfers In:				
Capital Projects Fund	963,142	963,142	963,142	-
Net Change in Fund Balances	-	-	4,803	4,803
Fund Balances, Beginning of Year	35,942	35,942	35,942	-
Fund Balances, End of year	\$ 35,942	\$ 35,942	\$ 40,745	\$ 4,803

TOWN OF AVON, COLORADO

CAPITAL PROJECTS FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (BUDGETARY BASIS) FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Revenues				
Taxes:				
Real Estate Transfer Tax	\$ 4,500,000	\$ 4,500,000	\$ 6,529,287	\$ 2,029,287
Intergovernmental	2,200,000	3,674,745	601,877	(3,072,868)
Investment Earnings	300,000	300,000	422,670	122,670
Other Revenues	-	3,500	4,969	1,469
Total Revenues	<u>7,000,000</u>	<u>8,478,245</u>	<u>7,558,803</u>	<u>(919,442)</u>
Expenditures				
Capital Projects:				
Facilities	3,911,000	5,403,044	1,188,718	4,214,326
Land and Land Improvements	215,000	1,571,958	54,921	1,517,037
Roads and Streets	8,924,748	10,539,147	2,360,061	8,179,086
Utility Projects	1,031,250	1,460,755	1,024,717	436,038
Planning and Consulting	175,000	318,456	165,294	153,162
Communications and Technology	229,338	375,683	25,077	350,606
Debt Service:				
Capital Leases	55,720	55,720	55,720	-
Total Expenditures	<u>14,542,056</u>	<u>19,724,763</u>	<u>4,874,508</u>	<u>14,850,255</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(7,542,056)</u>	<u>(11,246,518)</u>	<u>2,684,295</u>	<u>13,930,813</u>
Other Financing Sources (Uses)				
Transfers In:				
General Fund	-	-	-	-
Avon Urban Renewal Fund	1,000,000	1,000,000	1,000,000	-
Water Fund	756,250	1,089,085	1,089,085	-
Community Enhancement Fund	120,000	120,000	120,000	-
Transfers Out:				
General Fund	(600,473)	(600,473)	(600,473)	-
Community Housing Fund	(734,871)	(734,871)	(734,871)	-
Debt Service Fund	(963,142)	(963,142)	(963,142)	-
Mobility Fund	(200,000)	(200,000)	(200,000)	-
Equipment Replacement Fund	(470,004)	(505,922)	(505,922)	-
Fleet Maintenance Fund	(398,766)	(398,766)	(398,766)	-
Total Other Financing Sources (Uses)	<u>(1,491,006)</u>	<u>(1,194,089)</u>	<u>(1,194,089)</u>	<u>-</u>
Net Change in Fund Balances	<u>(9,033,062)</u>	<u>(12,440,607)</u>	<u>1,490,206</u>	<u>13,930,813</u>
Fund Balances, Beginning of Year	<u>10,327,090</u>	<u>14,018,774</u>	<u>14,018,774</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 1,294,028</u>	<u>\$ 1,578,167</u>	<u>\$ 15,508,980</u>	<u>\$ 13,930,813</u>

ENTERPRISE FUNDS

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the Town Council is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered through user charges; or where the Town Council has decided that periodic determination of net income is appropriate for accountability purposes.

Mobility Fund – This fund is used to account for the activities involved in operating the Town's transportation system.

Fleet Maintenance Fund – This fund is used to account for the accumulation and allocation of costs associated with the maintenance of vehicles and rolling stock for the Town and certain other third-party governmental entities.

TOWN OF AVON, COLORADO

MOBILITY FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (BUDGETARY BASIS) FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Revenues:				
Taxes	\$ 46,003	\$ 46,003	\$ 46,696	\$ 693
Intergovernmental	1,086,000	1,086,000	1,123,502	37,502
Charges for Services	309,452	309,452	213,257	(96,195)
Other Revenue	205,389	205,389	102,130	(103,259)
Total Revenues	1,646,844	1,646,844	1,485,585	(161,259)
Expenditures:				
Administration	335,363	384,638	385,666	(1,028)
Operations	2,799,132	2,825,060	2,505,693	319,367
Wash Bay	258,039	264,552	240,429	24,123
Mobility Programs	349,718	356,632	339,450	17,182
Total Expenditures	3,742,252	3,830,882	3,471,238	359,644
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,095,408)	(2,184,038)	(1,985,653)	198,385
Other Financing Sources (Uses):				
Transfers In:				
General Fund	1,500,000	1,500,000	1,500,000	-
Total Other Financing Sources (Uses)	1,500,000	1,500,000	1,500,000	-
Net Change in Fund Balances	(595,408)	(684,038)	(485,653)	198,385
Fund Balances, Beginning of Year	1,382,370	1,382,370	1,382,370	-
Fund Balances, End of Year	\$ 786,962	\$ 698,332	\$ 896,717	\$ 198,385

Fund Balances at December 31, 2023, is computed as follows:

Current Assets	\$ 1,319,816
Less: Current Liabilities and Deferred Inflows of Resources	(462,470)
Add: Current Portion of Capital Leases Payable	39,371
Fund Balances - December 31, 2023	\$ 896,717

**RECONCILIATION OF NET CHANGE IN FUND BALANCES (BUDGETARY BASIS)
TO CHANGE IN NET POSITION (GAAP BASIS)**

Net Change in Fund Balances (Budgetary Basis)	\$ (485,653)
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**Adjustments to Reconcile Budgetary
Basis to GAAP Basis**

Principal Paid on Capital Leases	38,069
Capitization of Capital Assets	1,139,111
Loss on Disposal of Capital Assets	(5,000)
Depreciation	<u>(710,724)</u>

Total Adjustments	<u>461,456</u>
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Change in Net Position (GAAP Basis)	<u><u>\$ (24,197)</u></u>
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TOWN OF AVON, COLORADO

FLEET MAINTENANCE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (BUDGETARY BASIS) FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Revenues:				
Charges for Services:				
Third-party Fleet Maintenance Charges	\$ 879,060	\$ 947,810	\$ 1,137,662	\$ 189,852
Departmental Fleet Maintenance Services	670,204	670,204	738,847	68,643
Fuel Mark-up	20,000	20,000	53,503	33,503
Other Revenues	806,250	806,250	29,258	(776,992)
Total Revenues	2,375,514	2,444,264	1,959,270	(484,994)
Expenditures:				
Fleet Maintenance	2,976,775	3,066,632	2,190,900	875,732
Total Expenditures	2,976,775	3,066,632	2,190,900	875,732
Excess (Deficiency) of Revenues Over (Under) Expenditures	(601,261)	(622,368)	(231,630)	390,738
Other Financing Sources (Uses):				
Transfers In:				
General Fund	200,000	200,000	200,000	-
Debt Service Fund	197,204	197,204	197,204	-
Capital Projects Fund	201,562	201,562	201,562	-
Total Other Financing Sources (Uses)	598,766	598,766	598,766	-
Net Change in Fund Balances	(2,495)	(23,602)	367,136	390,738
Fund Balances, Beginning of Year	429,071	512,200	512,200	-
Fund Balances, End of Year	\$ 426,576	\$ 488,598	\$ 879,336	\$ 390,738

Fund Balances at December 31, 2023, is computed as follows:

Current Assets	\$ 1,209,946
Less: Current Liabilities	(507,610)
Add: Current Portion of Certificates of Participation	177,000
Fund Balances - December 31, 2023	\$ 879,336

**RECONCILIATION OF NET CHANGE IN FUND BALANCES (BUDGETARY BASIS)
TO CHANGE IN NET POSITION (GAAP BASIS)**

Net Change in Fund Balances (Budgetary Basis)	\$ 367,136
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**Adjustments to Reconcile Budgetary
Basis to GAAP Basis**

Principal Paid on Certificates of Participation	179,000
Loss on Disposal of Capital Assets	(4,000)
Amortization of Deferred Charge on Refunding of Debt	(1,732)
Depreciation	<u>(148,907)</u>

Total Adjustments	<u>24,361</u>
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Change in Net Position (GAAP Basis)	<u>\$ 391,497</u>
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INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the Town and to other government units, on a cost reimbursement basis.

Equipment Replacement Fund – This fund is used to account for the rental of certain vehicles and equipment to other departments for the accumulation of funds for future replacement.

TOWN OF AVON, COLORADO

EQUIPMENT REPLACEMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

BUDGET AND ACTUAL (BUDGETARY BASIS)

FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Revenues:				
Charges for Services:				
Equipment Replacement Charges	\$ 1,223,835	\$ 1,223,835	\$ 1,223,835	\$ -
Investment Earnings	90,000	120,000	147,867	27,867
Other Revenues	-	-	21,073	21,073
Total Revenues	<u>1,313,835</u>	<u>1,343,835</u>	<u>1,392,775</u>	<u>48,940</u>
Expenditures:				
Capital Outlay:				
Fleet and Heavy Equipment	1,866,831	1,975,668	840,601	1,135,067
Recreation Center Equipment & Improvements	359,005	359,005	354,359	4,646
Computer and Office Equipment	78,815	108,087	145,258	(37,171)
Machinery and Equipment	-	12,000	112,910	(100,910)
Heat Recovery	87,500	87,500	-	87,500
Total Expenditures	<u>2,392,151</u>	<u>2,542,260</u>	<u>1,453,128</u>	<u>1,089,132</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(1,078,316)</u>	<u>(1,198,425)</u>	<u>(60,353)</u>	<u>1,138,072</u>
Other Financing Sources (Uses):				
Transfers In:				
Capital Projects Fund	470,004	505,922	505,922	-
Sales of Capital Assets	75,000	75,000	109,568	34,568
Total Other Financing Sources (Uses)	<u>545,004</u>	<u>580,922</u>	<u>615,490</u>	<u>34,568</u>
Net Change in Fund Balances	<u>(533,312)</u>	<u>(617,503)</u>	<u>555,137</u>	<u>1,172,640</u>
Fund Balances, Beginning of Year	<u>4,104,865</u>	<u>4,257,684</u>	<u>4,257,684</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 3,571,553</u>	<u>\$ 3,640,181</u>	<u>\$ 4,812,821</u>	<u>\$ 1,172,640</u>

Fund Balances at December 31, 2023, is computed as follows:

Current Assets	\$ 5,046,471
Less: Current Liabilities	(288,091)
Add: Current Portion of Capital Leases Payable	<u>54,441</u>
Fund Balances - December 31, 2023	<u>\$ 4,812,821</u>

**RECONCILIATION OF NET CHANGE IN FUND BALANCES (BUDGETARY BASIS)
TO CHANGE IN NET POSITION (GAAP BASIS)**

Net Change in Fund Balances (Budgetary Basis)	\$ 555,137
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Basis to GAAP Basis

Capitalization of Capital Assets	1,421,634
Book Value of Capital Assets Disposed	(29,184)
Transfers In of Non-financial Resources	894,681
Depreciation	<u>(788,515)</u>

Total Adjustments	<u>1,498,616</u>
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Change in Net Position (GAAP Basis)	<u>\$ 2,053,753</u>
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MISCELLANEOUS SCHEDULES

TOWN OF AVON, COLORADO

DEBT SCHEDULE DECEMBER 31, 2023

Purpose	Schedule of Indebtedness					Payments Due In 2024	
	Date Issued	Interest Rate	Maturity Date	Amount Issued	Amount Outstanding	Principal	Interest
Revenue Bonds:							
Series 2017, Avon URA Tax Increment Revenue Bonds	1/5/17	2.90%	12/1/31	\$ 3,000,000	\$ 1,757,123	\$ 197,867	\$ 50,216
Series 2020, Avon URA Tax Increment Revenue Loan	5/1/20	2.11%	12/1/28	4,111,000	2,352,000	451,000	49,627
Total Revenue Bonds				7,111,000	4,109,123	648,867	99,843
Certificates of Participation:							
Series 2014B, Certificates of Participation	1/14/15	3.03%	12/1/29	3,800,000	1,720,000	265,000	52,116
Series 2016, Certificates of Participation	8/2/16	2.00%-4.00%	12/1/35	6,300,000	4,385,000	305,000	136,175
Series 2020, Refunding Certificates of Participation	9/2/20	1.23%	12/1/30	3,983,000	2,576,000	355,000	31,685
Total Certificates of Participation				14,083,000	8,681,000	925,000	219,976
Capital Lease Obligations							
Master Lease-Purchase, Clayton Holdings	10/5/17	2.35%	11/27/24	355,818	54,441	54,441	55,720
Master Lease-Purchase, Clayton Holdings	8/24/18	3.39%	8/24/25	258,258	80,087	39,371	2,384
Total Capital Lease Obligations				614,076	134,528	93,812	58,104
Total Long-term Debt				\$ 21,808,076	\$ 12,924,651	\$ 1,667,679	\$ 377,923

TOWN OF AVON, COLORADO

DETAILED SCHEDULE OF GENERAL FUND EXPENDITURES (BUDGETARY BASIS) - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2023

Description	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
General Government:				
Mayor and Town Council	\$ 285,244	\$ 286,744	\$ 254,795	\$ 31,949
Town Attorney	245,000	245,000	202,010	42,990
Town Clerk	162,701	168,801	170,912	(2,111)
Municipal Court	228,333	235,999	215,414	20,585
Administrative Services	831,640	845,694	829,323	16,371
Human Resources	596,534	676,488	642,058	34,430
Community Relations	349,766	355,857	300,832	55,025
Economic Development	282,170	465,770	350,875	114,895
Special Events	1,247,371	1,282,040	1,195,872	86,168
Community Grants	120,250	121,250	119,000	2,250
Sustainability	191,212	268,926	187,275	81,651
Subtotal General Government	4,540,221	4,952,569	4,468,366	484,203
Finance and Information Technology:				
Finance	1,213,846	1,242,371	1,119,389	122,982
Information Systems	612,770	659,918	613,975	45,943
Nondepartmental	544,483	506,288	481,119	25,169
Subtotal Finance and Administration	2,371,099	2,408,577	2,214,483	194,094
Total General Government, Finance and Administration	6,911,320	7,361,146	6,682,849	678,297
Community Development:				
Boards and Commissions	17,093	17,093	12,201	4,892
Planning	580,727	581,643	584,375	(2,732)
Building Inspection	502,788	395,300	329,307	65,993
Total Community Development	1,100,608	994,036	925,883	68,153
Public Safety: Police				
Administration	998,762	1,019,027	1,069,447	(50,420)
Patrol	3,865,033	4,024,522	3,886,229	138,293
Investigations	314,187	320,972	396,012	(75,040)
Code Enforcement	-	152,137	165,085	(12,948)
Total Public Safety	5,177,982	5,516,658	5,516,773	(115)

Description	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Public Works				
Administration	\$ 355,469	\$ 416,904	\$ 429,434	\$ (12,530)
Engineering	758,538	872,667	654,521	218,146
Roads and Bridges	3,986,003	4,042,850	3,912,460	130,390
Parks and Grounds	1,040,806	1,132,102	1,030,176	101,926
Buildings and Facilities	2,028,659	2,120,480	2,119,894	586
Total Public Works	<u>8,169,475</u>	<u>8,585,003</u>	<u>8,146,485</u>	<u>438,518</u>
Recreation:				
Administration	237,923	275,616	275,898	(282)
Adult Programs	63,249	64,640	48,827	15,813
Aquatics	905,307	927,437	824,373	103,064
Fitness	310,386	314,108	297,560	16,548
Guest Services	594,290	612,986	590,377	22,609
Youth Programs	358,698	351,314	193,336	157,978
Community Swim Program	223,010	227,787	219,727	8,060
Total Recreation	<u>2,692,863</u>	<u>2,773,888</u>	<u>2,450,098</u>	<u>323,790</u>
TOTAL EXPENDITURES	<u>\$ 24,052,248</u>	<u>\$ 25,230,731</u>	<u>\$ 23,722,088</u>	<u>\$ 1,508,643</u>

TOWN OF AVON, COLORADO

DETAILED SCHEDULE OF GENERAL FUND REVENUES (BUDGETARY BASIS) - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2023

Description	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Taxes:				
General Property Tax	\$ 2,083,188	\$ 2,083,188	\$ 2,086,974	\$ 3,786
General Property Tax - Delinquent Collections	500	500	181	(319)
General Property Tax - Interest and Penalties	1,900	1,900	2,275	375
General Property Tax - Abatements	-	-	(1)	(1)
Specific Ownership Tax	130,000	130,000	137,110	7,110
Sales Tax	12,730,885	12,730,885	13,054,193	323,308
Utility Tax	120,000	120,000	154,918	34,918
Accommodations Tax	2,671,268	2,671,268	2,323,443	(347,825)
Penalties and Interest	50,000	50,000	64,548	14,548
Sales Tax Audit Assessments	50,000	50,000	13,300	(36,700)
VAA Retail Sales Fee	950,000	950,000	1,051,948	101,948
Cigarette Excise Tax	245,000	245,000	254,014	9,014
Tobacco Tax	330,000	330,000	374,120	44,120
Franchise Fees	440,000	440,000	504,749	64,749
Total Taxes	19,802,741	19,802,741	20,021,772	219,031
Licenses and Permits:				
Liquor Licenses	8,300	8,300	9,104	804
Business Licenses	150,000	150,000	228,125	78,125
Contractor's Licenses	18,625	18,625	23,280	4,655
Tobacco / Cigarette Retailers License	1,750	1,750	3,000	1,250
Booting/Towing Licenses	600	600	450	(150)
Building Permits	190,000	190,000	276,075	86,075
Road Cut Permits	9,000	9,000	60,937	51,937
Mobile Vendor Cart Permits	175	175	700	525
Total Licenses and Permits	378,450	378,450	601,671	223,221
Intergovernmental:				
<i>Federal:</i>				
Click It or Ticket	3,000	3,000	-	(3,000)
Bulletproof Vest Partnership Program	2,000	2,000	2,143	143
<i>State:</i>				
LEAF Grant	12,500	12,500	-	(12,500)
High Visibility Grants	20,000	20,000	27,777	7,777
Colorado POST Grants	20,000	30,821	3,441	(27,380)
Other State Grants	-	37,297	24,318	(12,979)
<i>Local Government/Other Agency</i>				
Other Local Grants	-	-	8,836	8,836

Description	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Intergovernmental:				
<i>State/County Shared Revenue:</i>				
Conservation Trust	\$ 80,000	\$ 80,000	\$ 84,408	\$ 4,408
Motor Vehicle Registration	26,000	26,000	23,746	(2,254)
Highway User's Tax	191,805	191,805	192,135	330
County Sales Tax	746,750	746,750	693,826	(52,924)
Road & Bridge Fund	150,000	150,000	153,591	3,591
State Severance Tax	2,400	2,400	1,333	(1,067)
Total Intergovernmental	1,254,455	1,302,573	1,215,554	(87,019)
Charges for Services:				
<i>General Government:</i>				
Photocopying Charges	100	100	-	(100)
License Hearing Fees	100	100	-	(100)
Other Fees and Charges	3,500	3,500	528	(2,972)
Credit Card and Paper Filing Fees	2,500	2,500	3,413	913
<i>Community Development:</i>				
Plan Check Fees	120,000	120,000	168,369	48,369
Design Review Fees	15,000	15,000	6,029	(8,971)
Animal Control Fees	150	150	-	(150)
Impact Fee Administrative Fees	1,500	1,500	4,408	2,908
<i>Public Safety:</i>				
Police Reports	1,000	1,000	811	(189)
Off-duty Police Employment	25,000	25,000	15,848	(9,152)
Fingerprinting Fees	500	500	830	330
VIN Inspection Fees	2,000	2,000	2,195	195
False Alarm Fees	75	75	30	(45)
DUI Reimbursement	15,000	15,000	12,319	(2,681)
<i>Avon Recreation Center:</i>				
Admission Fees	1,100,000	1,100,000	1,313,110	213,110
Program Fees	30,000	30,000	28,746	(1,254)
Facility Rentals	4,000	4,000	25,321	21,321
Merchandise Sales	10,000	10,000	9,471	(529)
Other Recreation Center Services	8,600	8,600	10,786	2,186
Fitness Program Revenues	40,000	40,000	53,696	13,696
Swim Team Revenue	55,000	55,000	55,186	186
Private Lessons	30,000	30,000	19,364	(10,636)

TOWN OF AVON, COLORADO

DETAILED SCHEDULE OF GENERAL FUND REVENUES (BUDGETARY BASIS) - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2023 (CONTINUED)

Description	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Charges for Services:				
<i>General Recreation:</i>				
Adult Program Revenues	\$ 11,000	\$ 19,000	\$ 28,765	\$ 9,765
Cabin Equipment Rentals	50,000	50,000	38,325	(11,675)
Athletic Field Rentals	240	240	220	(20)
Cabin Concessions	700	700	86	(614)
Youth Program Revenues	165,000	161,000	162,977	1,977
<i>Special Events:</i>				
Concession Sales	55,828	78,828	98,045	19,217
Sponsorships	10,000	-	1,350	1,350
Event Fees	13,500	15,800	15,573	(227)
Special Event Admission Fees	3,000	2,791	1,851	(940)
Pavillion Rentals	2,000	4,986	5,116	130
Total Charges for Services	1,775,293	1,797,370	2,082,768	285,398
Fines and Forfeitures:				
Court Fines - Traffic	23,000	23,000	18,945	(4,055)
Court Fines - Criminal	6,500	6,500	18,760	12,260
Court Fines - Parking	3,000	3,000	2,390	(610)
Court Costs	3,000	3,000	2,000	(1,000)
Jury Fees	100	100	-	(100)
Bond Forfeitures	100	100	-	(100)
Police Training Surcharge	3,000	3,000	2,610	(390)
Total Fines and Forfeitures	38,700	38,700	44,705	6,005
Investment Earnings	480,000	1,500,000	1,760,550	260,550
Miscellaneous Revenues:				
Recreational Amenity Fees	320,000	330,000	349,154	19,154
Lease of Town-owned Property	58,500	3,500	4,350	850
Miscellaneous Nonclassified Revenues	125,000	125,000	171,135	46,135
Total Miscellaneous Revenues	503,500	458,500	524,639	66,139
TOTAL REVENUES	\$ 24,233,139	\$ 25,278,334	\$ 26,251,659	\$ 973,325

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TOWN OF AVON, COLORADO

SCHEDULE OF CAPITAL PROJECT FUND PROJECT EXPENDITURES (BUDGETARY BASIS) - BUDGET AND ACTUAL FROM INCEPTION AND FOR THE YEAR ENDED DECEMBER 31, 2023

Project Description	Actual Amounts			Total Project Budget	Variance with Budget - Positive (Negative)
	Prior Years	Current Year	Total		
CAPITAL IMPROVEMENT PROJECTS					
Facilities:					
<i>General Government Facilities:</i>					
Utility Upgrades	\$ 483,673	\$ -	\$ 483,673	\$ 470,845	\$ (12,828)
New Town Hall 2nd & 3rd Floor Updates	90,508	12,096	102,604	130,000	27,396
Nottingham Park East Improvements	319,887	39,277	359,164	2,850,000	2,490,836
Office Furniture	96,619	84,574	181,193	203,184	21,991
Building Access Controls	-	52,311	52,311	70,000	17,689
Town Hall Front Entry ADA Access	13,225	5,545	18,770	25,000	6,230
511 Metcalf Road #G20	537,456	-	537,456	535,000	(2,456)
<i>Public Safety Facilities:</i>					
PSF Parking Lot Canopy Design	20,000	-	20,000	20,000	-
Wildridge Emergency Warning Siren	223,420	8,000	231,420	356,436	125,016
<i>Public Works Facilities:</i>					
Public Works Facilities Expansion Planning	14,774	235,623	250,397	600,000	349,603
<i>Fleet and Transportation Facilities:</i>					
Fleet Maintenance EPDM Roof Replacement	10,500	-	10,500	460,000	449,500
Bus Shelters	436,350	2,233	438,583	462,500	23,917
ARTF Roof Improvements / Snow	44,860	-	44,860	50,000	5,140
ARTF Roof Repair	75,701	1,000	76,701	90,000	13,299
ARFT - Overhead Door Replacement	-	63,572	63,572	105,000	41,428
ARTF - HVAC Separation	-	18,087	18,087	170,000	151,913
ARTF - Bus Wash Exit	-	20,330	20,330	125,000	104,670
<i>Cultural and Recreational Facilities:</i>					
Pavilion Deck Railing and Floor Replacement	415,314	-	415,314	425,600	10,286
Recreation Center Locker Replacement	330,439	-	330,439	330,439	-
Recreation Center HVAC Upgrade	52,445	252,303	304,748	250,000	(54,748)
Recreation Center ADA Parking	20,000	-	20,000	20,865	865
Recreation Center Pool Replastering	204,140	-	204,140	205,000	860
Recreation Center Aquatics Remodel Design	-	13,350	13,350	750,000	736,650
Water Slide Repair and Diving Board Replace.	33,070	8,300	41,370	45,788	4,418
Sauna / Steamroom Remodel	7,867	109,318	117,185	75,000	(42,185)
Public Art - "Mother's Pride"	-	30,000	30,000	30,000	-
<i>Other Facilities</i>					
EV Charging Stations	226,395	13,600	239,995	257,500	17,505
2120 Saddle Ridge Loop Window Replacement	-	25,850	25,850	40,000	14,150
Heat Recovery Controls Replacement	-	193,349	193,349	251,000	57,651
Land and Land Improvements:					
Nottingham Park West Courts Reconstruction	1,409,347	1,773	1,411,120	1,432,523	21,403
Wildland Fire Mitigation	40,000	40,000	80,000	40,000	(40,000)
Powerline Undergrounding	1,533	-	1,533	120,000	118,467
North Restrooms - Nottingham Lake Beach	59,754	-	59,754	540,000	480,246
Park Fountain Replacement	-	2,400	2,400	75,000	72,600
Eaglebend Park Improvements	-	10,748	10,748	550,000	539,252

Project Description	Actual Amounts			Total Project Budget	Variance with Budget - Positive (Negative)
	Prior Years	Current Year	Total		
CAPITAL IMPROVEMENT PROJECTS					
Roads and Streets:					
<i>Streetscape Improvements:</i>					
Mall Activation Elements	\$ 26,579	\$ 9,637	\$ 36,216	\$ 40,000	\$ 3,784
Avon Rd. / I70 Overpass Aesthetics Imp.	1,135,669	-	1,135,669	1,150,000	14,331
<i>Street Maintenance and Repair:</i>					
Retaining Wall Repairs - Nottingham and Swift	7,442	-	7,442	200,000	192,558
Avon Road Safety Improvements	69,196	51,567	120,763	150,000	29,237
Hurd Lane Intersection Improvements	9,957	-	9,957	20,000	10,043
West B/C Blvd. - US Hwy 6 to Avon Elem.	29,470	952,936	982,406	860,000	(122,406)
Buck Creek Repairs	582,985	-	582,985	800,000	217,015
Fawcett Rd. Asphalt Overlay	25,456	362,023	387,479	440,000	52,521
Metcalf Rd. Culvert Repair	43,820	440,720	484,540	450,000	(34,540)
Nottingham/Wildridge Culvert Repair		125,000	125,000	125,000	-
Metcalf Rd. Manhole Repair	15,055	-	15,055	14,000	(1,055)
Millie's Lane Asphalt overlay	42,683	-	42,683	46,523	3,840
East B/C Blvd. Repair Project	28,806	-	28,806	28,806	-
Annual Guardrail Repair	51,933	31,736	83,669	40,000	(43,669)
Asphalt Seal Coat Roadway & Parking Lots	-	111,610	111,610	100,000	(11,610)
Upper Buck Creek Repairs/Asphalt Overlay	-	5,040	5,040	1,292,748	1,287,708
River Bridge Deck Repairs Railing Upgrade	-	5,680	5,680	250,000	244,320
Avon Road Pedestrian Crosswalk Repairs	-	49,266	49,266	50,000	734
<i>Multi-Modal/Alternative Mobility:</i>					
US Hwy 6 & Stonebridge Rd. Roundabout	369,712	120,919	490,631	4,600,000	4,109,369
June Creek Emergency Access	8,918	10,505	19,423	110,000	90,577
<i>Recreational Trails Program:</i>					
Lee's Way Trail Rebuild	600	-	600	50,000	49,400
Recreation Trail Path Reconstruction	13,238	83,422	96,660	866,000	769,340
Water Projects:					
Nottingham Rd. Debris Flow Study and Imp.	554,140	32,438	586,578	600,810	14,232
Nottingham/Wildridge Culvert Repairs	-	125,000	125,000	125,000	-
Nottingham-Puder Ditch Piping	23,512	867,279	890,791	818,750	(72,041)
Planning and Consulting:					
Schematic Design / Final Design - West Main St	31,544	107,619	139,163	275,000	135,837
Facilities Reserve Study	-	57,675	57,675	75,000	17,325
Communications and Technology:					
Finance/Comm Dev. ERP System	187,875	(8,780)	179,095	275,290	96,195
Broadband	44,598	1,930	46,528	125,000	78,472
Mini-split NTH Data Center	12,070	-	12,070	20,000	7,930
Microsoft Teams Phone System Migration	38,547	12,808	51,355	64,413	13,058
Nottingham Park Wi-Fi Access	-	19,119	19,119	150,000	130,881
Surveillance NVR Server Consolidation	22,201	-	22,201	32,000	9,799
Total Capital Improvement Projects	\$ 8,543,283	\$ 4,818,788	\$ 13,362,071	\$ 26,406,020	\$ 12,504,697

LOCAL HIGHWAY FINANCE REPORT	STATE:	COUNTY:
	COLORADO	Avon
	YEAR ENDING (mm/yy): December 2023	
This Information From The Records Of:		Prepared By: Joel McCracken 970-748-4019

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
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	\$ 3,505,607.00
3. Other local imposts (from page 2)	\$ 137,111.00
4. Miscellaneous local receipts (from page 2)	\$ 2,078,994.00
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	\$ -
7. Total (1 through 6)	\$ 5,721,712.00
B. Private Contributions	
C. Receipts from State government (from page 2)	\$ 237,686.00
D. Receipts from Federal Government (from page 2)	\$ -
E. Total receipts (A.7 + B + C + D)	\$ 5,959,398.00

III. EXPENDITURES FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway expenditures:	
1. Capital outlay (from page 2)	\$ -
2. Maintenance:	\$ 3,967,901.00
3. Road and street services:	
a. Traffic control operations	\$ 103,095.00
b. Snow and ice removal	\$ 985,880.00
c. Other	
d. Total (a. through c.)	\$ 1,088,975.00
4. General administration & miscellaneous	
5. Highway law enforcement and safety	\$ 582,528.00
6. Total (1 through 5)	\$ 5,639,404.00
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	\$ 59,994.00
b. Redemption	\$ 260,000.00
c. Total (a. + b.)	\$ 319,994.00
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	\$ -
3. Total (1.c + 2.c)	\$ 319,994.00
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total expenditures (A.6 + B.3 + C + D)	\$ 5,959,398.00

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	\$ 1,980,000.00		\$ 260,000.00	\$ 1,720,000.00
1. Bonds (Refunding Portion)				\$ -
B. Notes (Total)				\$ -

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

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		\$ 5,959,398.00	\$ 5,959,398.00		\$ -

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: COLORADO	
		YEAR ENDING (mm/yy): December 2023	

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
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	\$ 137,111.00	g. Other Misc. Receipts	
6. Total (1. through 5.)	\$ 137,111.00	h. Other CIP	\$ 2,078,994.00
c. Total (a. + b.)	\$ 137,111.00	i. Total (a. through h.)	\$ 2,078,994.00
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes (from Item I.C.5.)	\$ 212,227.00	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	\$ 25,459.00	d. Federal Transit Administration	
d. DOLA Grant		e. U.S. Corps of Engineers	
e. Other		f. Other Federal ARPA	
f. Total (a. through e.)	\$ 25,459.00	g. Total (a. through f.)	\$ -
4. Total (1. + 2. + 3.f)	\$ 237,686.00	3. Total (1. + 2.g)	\$ -
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			\$ -
b. Engineering Costs			\$ -
c. Construction:			
(1). New Facilities			\$ -
(2). Capacity Improvements			\$ -
(3). System Preservation			\$ -
(4). System Enhancement And Operation			\$ -
(5). Total Construction (1)+(2)+(3)+(4)	\$ -	\$ -	\$ -
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)	\$ -	\$ -	\$ -
<i>(Carry forward to page 1)</i>			
Notes and Comments:			

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STATISTICAL SECTION

This section of the Town of Avon's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Town's overall financial health.

Financial Trends (Pages 98-106) – These schedules contain trend information to help readers understand how the Town's financial performance and well-being have changed over time.

Revenue Capacity (Pages 107-111) – These schedules contain information to help readers understand and assess the factors affecting the Town's ability to generate its own-source revenues, specifically property taxes.

Debt Capacity (Pages 112-115) – These schedules present information to help readers understand and assess the Town's debt burden and ability to issue additional debt.

Demographic and Economic Information (Pages 116-118) – These schedules offer demographic and economic information to help readers understand the environment in which the Town's financial activities take place and to provide information that facilitates comparisons of financial statement information over time and among other local governments.

Operating Information (Pages 119-121) – These schedules contain service and infrastructure information to help readers understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.

TOWN OF AVON, COLORADO

NET POSITION BY COMPONENT LAST TEN FISCAL YEARS

	Fiscal Year			
	2014	2015	2016	2017
Governmental Activities				
Net Investment in Capital Assets	\$ 64,112,399	\$ 60,000,945	\$ 58,088,785	\$ 56,693,531
Restricted For:				
Emergencies	598,376	552,335	664,805	688,786
Debt Service	1,136,228	1,157,629	1,169,163	1,175,301
Capital Improvements	3,386,451	6,198,817	5,921,087	3,373,917
Urban Renewal	305,379	404,048	555,167	717,740
Purposes of Grantors	929,226	1,106,628	142,100	192,173
Unrestricted	10,466,381	11,283,921	16,341,288	20,329,098
Total Governmental Activities Net Position	<u>\$ 80,934,440</u>	<u>\$ 80,704,323</u>	<u>\$ 82,882,395</u>	<u>\$ 83,170,546</u>
Business-type Activities				
Net Investment in Capital Assets	\$ 12,097,298	\$ 11,633,282	\$ 11,430,538	\$ 11,424,412
Unrestricted	843,503	859,368	908,749	710,428
Total Business-type Activities Net Position	<u>\$ 12,940,801</u>	<u>\$ 12,492,650</u>	<u>\$ 12,339,287</u>	<u>\$ 12,134,840</u>
Primary Government				
Net Investment in Capital Assets	\$ 76,209,697	\$ 71,634,227	\$ 69,519,323	\$ 68,117,943
Restricted	6,355,660	9,419,457	8,452,322	6,147,917
Unrestricted	11,309,884	12,143,289	17,250,037	21,039,526
Total Primary Government Net Position	<u>\$ 93,875,241</u>	<u>\$ 93,196,973</u>	<u>\$ 95,221,682</u>	<u>\$ 95,305,386</u>

Source: Town of Avon Finance Department

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 60,092,867	\$ 60,035,630	\$ 59,208,071	\$ 60,606,346	\$ 64,269,372	\$ 67,538,798
693,001	805,865	829,650	980,080	1,101,215	1,167,831
1,163,056	1,162,093	-	-	-	-
702,390	657,821	657,821	451,280	450,230	423,144
-	-	22,942	95,276	177,047	285,495
267,911	691,828	886,122	1,023,435	3,015,098	3,827,722
20,540,937	22,762,477	29,333,839	34,975,834	40,410,798	44,085,337
<u>\$ 83,460,162</u>	<u>\$ 86,115,714</u>	<u>\$ 90,938,445</u>	<u>\$ 98,132,251</u>	<u>\$ 109,423,760</u>	<u>\$ 117,328,327</u>
\$ 10,877,907	\$ 10,401,752	\$ 10,299,819	\$ 10,940,758	\$ 12,946,887	\$ 13,432,704
652,622	540,075	914,845	1,955,681	1,894,570	1,776,053
<u>\$ 11,530,529</u>	<u>\$ 10,941,827</u>	<u>\$ 11,214,664</u>	<u>\$ 12,896,439</u>	<u>\$ 14,841,457</u>	<u>\$ 15,208,757</u>
\$ 70,970,774	\$ 70,437,382	\$ 69,507,890	\$ 71,547,104	\$ 77,216,259	\$ 80,971,502
2,826,358	3,317,607	2,396,535	2,550,071	4,743,590	5,704,192
21,193,559	23,302,552	30,248,684	36,931,515	42,305,368	45,861,390
<u>\$ 94,990,691</u>	<u>\$ 97,057,541</u>	<u>\$ 102,153,109</u>	<u>\$ 111,028,690</u>	<u>\$ 124,265,217</u>	<u>\$ 132,537,084</u>

TOWN OF AVON, COLORADO

CHANGES IN NET POSITION LAST TEN FISCAL YEARS

	Fiscal Year			
	2014	2015	2016	2017
Expenses				
Governmental Activities:				
General Government	\$ 3,186,870	\$ 3,042,126	\$ 3,291,190	\$ 3,500,101
Community Development	463,821	1,341,706	1,202,097	1,617,329
Public Safety	2,792,174	3,039,333	3,214,680	3,703,871
Public Works and Utilities	7,179,132	8,458,218	9,656,808	9,026,700
Recreation and Culture	2,061,033	1,430,648	1,584,531	1,684,492
Mobility	-	-	-	-
Interest and Fiscal Charges on Long-term Debt	504,343	639,267	754,238	796,462
Total Governmental Activity Expenses	16,187,373	17,951,298	19,703,544	20,328,955
Business-type Activities:				
Transportation	1,686,778	1,979,505	1,963,223	2,253,558
Fleet Maintenance	1,609,134	1,506,138	1,623,046	1,655,774
Total Business-type Activity Expenses	3,295,912	3,485,643	3,586,269	3,909,332
Total Primary Government Expenses	\$ 19,483,285	\$ 21,436,941	\$ 23,289,813	\$ 24,238,287
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Government	\$ 163,429	\$ 219,364	\$ 239,199	\$ 294,431
Community Development	279,179	380,130	369,867	396,731
Public Safety	66,662	69,629	99,862	64,275
Public Works and Utilities	564,090	764,549	698,195	287,151
Recreation and Culture	1,092,276	1,238,395	1,334,056	1,519,254
Operating Grants and Contributions	52,151	11,713	104,217	84,761
Capital Grants and Contributions	1,027,911	61,779	1,816,456	31,237
Total Governmental Activity Program Revenues	3,245,698	2,745,559	4,661,852	2,677,840
Business-type Activities:				
Charges for Services	1,645,083	1,670,213	1,557,439	1,482,770
Operating Grants and Contributions	-	-	-	-
Capital Grants and Contributions	-	-	100,000	328,000
Total Business-type Activity Program Revenues	1,645,083	1,670,213	1,657,439	1,810,770
Total Primary Government Program Revenues	\$ 4,890,781	\$ 4,415,772	\$ 6,319,291	\$ 4,488,610
Net (Expense) Revenue				
Governmental Activities	\$ (12,941,675)	\$ (15,205,739)	\$ (15,041,692)	\$ (17,651,115)
Business-type Activities	(1,650,829)	(1,815,430)	(1,928,830)	(2,098,562)
Total Primary Government Net Expense	\$ (14,592,504)	\$ (17,021,169)	\$ (16,970,522)	\$ (19,749,677)

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 3,661,274	\$ 5,968,157	\$ 5,809,422	\$ 6,169,567	\$ 6,028,279	\$ 7,399,224
1,454,581	557,539	513,004	536,564	658,989	925,098
3,983,349	4,310,801	4,466,597	4,372,460	4,792,423	5,804,502
9,448,309	8,134,954	8,245,335	8,481,110	9,094,216	11,447,522
1,978,431	2,160,389	1,814,889	1,917,182	2,196,340	2,812,965
-	-	-	84,167	88,266	91,785
720,441	617,694	538,010	412,275	380,278	343,233
21,246,385	21,749,534	21,387,257	21,973,325	23,238,791	28,824,329
2,272,401	2,502,195	2,325,260	2,465,889	2,926,168	3,009,782
1,720,433	1,780,524	1,784,854	1,637,288	1,849,994	2,150,931
3,992,834	4,282,719	4,110,114	4,103,177	4,776,162	5,160,713
\$ 25,239,219	\$ 26,032,253	\$ 25,497,371	\$ 26,076,502	\$ 28,014,953	\$ 33,985,042
\$ 272,153	\$ 280,165	\$ 197,989	\$ 333,474	\$ 358,198	\$ 81,956
395,239	843,810	421,822	604,037	2,213,641	212,229
93,646	60,017	41,786	30,031	30,279	32,033
233,982	484,271	195,682	319,428	524,886	624,048
1,458,802	1,385,312	744,429	1,141,324	1,587,555	1,867,988
75,430	89,873	826,152	104,842	182,916	1,204,555
491,600	815	37,206	48,128	47,135	-
3,020,852	3,144,263	2,465,066	2,581,264	4,944,610	4,022,809
1,564,465	1,644,868	1,813,132	1,656,035	1,989,517	2,143,269
75,000	245,980	646,470	1,025,745	431,912	400,563
-	-	-	967,643	1,576,477	838,719
1,639,465	1,890,848	2,459,602	3,649,423	3,997,906	3,382,551
\$ 4,660,317	\$ 5,035,111	\$ 4,924,668	\$ 6,230,687	\$ 8,942,516	\$ 7,405,360
\$ (18,225,533)	\$ (18,605,271)	\$ (18,922,191)	\$ (19,392,061)	\$ (18,294,181)	\$ (24,801,520)
(2,353,369)	(2,391,871)	(1,650,512)	(453,754)	(778,256)	(1,778,162)
\$ (20,578,902)	\$ (20,997,142)	\$ (20,572,703)	\$ (19,845,815)	\$ (19,072,437)	\$ (26,579,682)

TOWN OF AVON, COLORADO

CHANGES IN NET POSITION (CONTINUED) LAST TEN FISCAL YEARS

	Fiscal Year			
	2014	2015	2016	2017
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Taxes:				
Property Taxes	\$ 2,873,055	\$ 2,904,509	\$ 3,315,020	\$ 2,876,177
Real Estate Transfer Taxes	3,764,526	2,369,314	3,497,602	4,411,530
Sales and Accommodation Taxes	8,089,010	8,754,673	9,540,260	9,437,658
Other Taxes	1,197,603	1,208,352	1,389,896	1,385,171
Unrestricted Investment Earnings	45,844	53,161	139,665	178,997
Grants and Contributions Not Restricted to Specific Programs	883,884	482,769	513,912	913,784
Miscellaneous	500,925	529,843	558,618	589,767
Capital Contributions	24,063,281	-	(150,215)	(103,403)
Transfers	(1,160,000)	(1,326,999)	(1,584,994)	(1,750,415)
Total Governmental Activities	40,258,128	14,975,622	17,219,764	17,939,266
Business-type Activities:				
Property Taxes	40,079	40,280	40,258	40,297
Capital Contributions	24,897	-	150,215	103,403
Transfers	1,160,000	1,326,999	1,584,994	1,750,415
Total Business-type Activities	1,224,976	1,367,279	1,775,467	1,894,115
Total Primary Government	\$ 41,483,104	\$ 16,342,901	\$ 18,995,231	\$ 19,833,381
Change in Net Position				
Governmental Activities	\$ 27,316,453	\$ (230,117)	\$ 2,178,072	\$ 288,151
Business-type Activities	(425,853)	(448,151)	(153,363)	(204,447)
Total Primary Government	\$ 26,890,600	\$ (678,268)	\$ 2,024,709	\$ 83,704

Source: Town of Avon Finance Department

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 3,260,557	\$ 3,226,470	\$ 3,727,486	\$ 3,672,627	\$ 3,996,579	\$ 4,001,831
3,621,125	5,001,145	5,998,950	7,354,186	5,971,192	6,529,287
10,595,905	11,438,117	11,303,195	13,820,404	16,868,418	16,419,000
641,144	990,898	996,839	2,120,037	2,345,389	2,554,707
398,998	549,998	288,927	(7,865)	452,949	2,338,345
932,146	968,549	918,375	1,052,084	1,173,123	1,376,087
772,766	847,185	2,392,866	667,854	949,072	1,585,596
-	(61,539)	-	-	-	-
(1,707,492)	(1,700,000)	(1,881,716)	(2,093,460)	(2,172,578)	(2,098,766)
18,515,149	21,260,823	23,744,922	26,585,867	29,584,144	32,706,087
41,566	41,630	41,633	42,069	46,707	46,696
-	61,539	-	-	-	-
1,707,492	1,700,000	1,881,716	2,093,460	2,676,567	2,098,766
1,749,058	1,803,169	1,923,349	2,135,529	2,723,274	2,145,462
\$ 20,264,207	\$ 23,063,992	\$ 25,668,271	\$ 28,721,396	\$ 32,307,418	\$ 34,851,549
\$ 289,616	\$ 2,655,552	\$ 4,822,731	\$ 7,193,806	\$ 11,289,963	\$ 7,904,567
(604,311)	(588,702)	272,837	1,681,775	1,945,018	367,300
\$ (314,695)	\$ 2,066,850	\$ 5,095,568	\$ 8,875,581	\$ 13,234,981	\$ 8,271,867

TOWN OF AVON, COLORADO

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

	Fiscal Year			
	2014	2015	2016	2017
Revenues				
Taxes	\$ 15,924,194	\$ 15,236,848	\$ 17,742,776	\$ 18,148,536
Licenses and Permits	210,636	335,741	259,997	374,311
Intergovernmental	1,963,946	989,546	2,868,277	1,029,782
Charges for Services	1,757,625	1,682,724	1,772,510	2,005,812
Fines and Forfeitures	131,513	129,356	91,014	94,311
Investment Earnings	45,827	53,158	139,665	178,997
Other Revenues	503,354	532,353	651,603	664,037
Total Revenues	20,537,095	18,959,726	23,525,842	22,495,786
Expenditures				
Current:				
General Government and Housing	3,084,616	2,916,095	3,119,007	3,379,282
Community Development	456,063	1,348,166	1,201,086	1,505,073
Public Safety	2,726,711	3,007,164	3,122,942	3,416,991
Public Works and Utilities	3,799,489	4,080,272	5,067,825	4,318,222
Recreation and Culture	1,654,078	1,147,149	1,293,277	1,436,483
Capital Improvements	7,927,709	3,284,852	8,864,565	6,721,147
Debt Service:				
Principal	1,491,042	1,264,966	1,382,506	1,239,743
Interest	453,883	503,269	473,674	746,385
Bond Issuance Costs	-	80,569	147,270	41,162
Fiscal Charges	51,007	41,289	54,071	81,625
Total Expenditures	21,644,598	17,673,791	24,726,223	22,886,113
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,107,503)	1,285,935	(1,200,381)	(390,327)
Other Financing Sources (Uses)				
Transfers In	4,888,511	4,361,441	2,819,319	5,508,421
Transfers Out	(6,048,511)	(5,138,440)	(4,404,313)	(7,258,836)
Debt/Lease Issuance Proceeds	-	3,800,000	6,300,000	3,080,204
Payments to Escrow Agent	-	-	-	-
Total Other Financing Sources (Uses)	(1,160,000)	3,023,001	4,715,006	1,329,789
Net Change in Fund Balances	\$ (2,267,503)	\$ 4,308,936	\$ 3,514,625	\$ 939,462
Debt Service as a Percentage of Noncapital Expenditures	12.95%	11.37%	10.95%	10.85%

Source: Town of Avon Finance Department

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 18,118,731	\$ 20,656,630	\$ 22,026,470	\$ 26,967,254	\$ 29,181,578	\$ 29,504,825
398,860	752,345	388,494	461,647	1,636,380	638,122
1,499,176	1,156,632	1,781,733	1,205,054	1,403,174	1,817,431
1,927,701	2,181,861	1,173,521	1,742,352	2,974,983	2,818,254
52,220	51,535	39,693	45,753	28,191	44,705
398,998	549,998	288,927	(8,035)	415,982	2,190,478
748,101	838,635	2,367,398	669,460	920,665	669,842
23,143,787	26,187,636	28,066,236	31,083,485	36,560,953	37,683,657
3,636,761	4,982,737	5,522,841	6,081,429	6,807,714	7,086,072
1,342,798	521,129	500,739	551,138	653,294	949,715
3,690,530	3,984,465	4,050,935	4,169,397	5,044,825	5,516,773
4,310,596	4,397,725	4,067,683	4,612,171	6,084,870	8,259,626
1,585,571	1,703,007	1,311,887	1,622,206	2,018,510	2,450,098
8,449,771	3,532,547	2,111,194	4,542,239	5,153,940	5,063,521
1,371,210	1,335,902	1,414,010	1,387,925	1,386,616	1,421,365
666,120	624,162	429,221	403,078	371,833	340,382
-	-	113,525	-	-	-
63,337	10,060	7,084	9,351	7,946	6,620
25,116,694	21,091,734	19,529,119	23,378,934	27,529,548	31,094,172
(1,972,907)	5,095,902	8,537,117	7,704,551	9,031,405	6,589,485
3,266,471	1,623,043	2,205,115	2,238,633	3,622,088	4,507,571
(5,016,471)	(3,323,043)	(4,086,831)	(4,607,093)	(5,805,869)	(7,112,259)
258,258	-	6,084,000	-	134,662	-
-	-	(6,850,698)	-	-	-
(1,491,742)	(1,700,000)	(2,648,414)	(2,368,460)	(2,049,119)	(2,604,688)
\$ (3,464,649)	\$ 3,395,902	\$ 5,888,703	\$ 5,336,091	\$ 6,982,286	\$ 3,984,797
10.65%	10.61%	10.07%	11.05%	8.23%	6.71%

TOWN OF AVON, COLORADO

FUND BALANCES, GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

	Fiscal Year				
	2014	2015	2016	2017	2018
General Fund					
Nonspendable	\$ -	\$ 13,061	\$ 86,136	\$ -	\$ -
Restricted	598,376	552,335	664,805	688,786	693,001
Assigned	325,000	47,878	-	-	-
Unassigned	3,540,922	5,046,651	5,312,950	5,125,805	5,611,041
Total General Fund	4,464,298	5,659,925	6,063,891	5,814,591	6,304,042
All Other Governmental Funds					
Nonspendable	270	-	-	-	-
Restricted	2,370,833	2,668,305	7,787,517	5,459,131	2,133,357
Committed	3,386,451	6,198,817	4,493,621	7,941,466	7,336,358
Assigned	513,594	517,335	516,183	585,486	716,549
Unassigned	-	-	-	-	(154,281)
Total All Other Governmental Funds	\$ 6,271,148	\$ 9,384,457	\$ 12,797,321	\$ 13,986,083	\$ 10,031,983

	Fiscal Year				
	2019	2020	2021	2022	2023
General Fund					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	805,865	829,650	980,080	1,101,215	1,167,831
Assigned	-	-	-	-	-
Unassigned	7,392,670	9,373,237	13,587,481	19,210,640	20,774,068
Total General Fund	8,198,535	10,202,887	14,567,561	20,311,855	21,941,899
All Other Governmental Funds					
Nonspendable	-	-	-	-	-
Restricted	2,511,742	1,566,885	1,569,991	3,642,375	5,704,192
Committed	8,218,307	11,657,356	13,479,429	13,948,835	15,404,799
Assigned	832,594	2,193,502	1,303,307	35,942	40,745
Unassigned	(29,251)	-	-	-	-
Total All Other Governmental Funds	\$ 11,533,392	\$ 15,417,743	\$ 16,352,727	\$ 17,627,152	\$ 21,149,736

Source: Town of Avon Finance Department

TOWN OF AVON, COLORADO

TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

Year	Property Tax				Specific Ownership
	General	Avon Urban Renewal Authority	Penalties, Interest & Abatements	Delinquent Taxes	
2014	2,039,463	784,986	(64,246)	6	112,848
2015	2,027,434	756,471	7,124	172	113,308
2016	2,284,282	1,026,248	4,491	-	119,483
2017	1,733,823	1,136,777	5,555	22	99,498
2018	1,829,624	1,428,646	1,106	181	105,234
2019	1,839,155	1,386,475	12	828	113,657
2020	2,041,834	1,568,090	3,128	-	114,434
2021	2,045,147	1,628,814	(1,635)	301	126,985
2022	2,154,594	1,887,132	1,422	138	130,201
2023	2,086,974	1,912,402	180	2,275	137,110

Year	Real Estate Transfer Tax	Sales Tax	Utility Tax	Accommodations Tax	Village at Avon Retail Sales Fee
2014	3,764,526	7,093,469	109,441	995,540	683,833
2015	2,369,314	7,622,097	106,786	1,132,576	697,924
2016	3,497,602	8,250,381	102,643	1,289,879	735,280
2017	4,448,666	8,104,582	102,279	1,333,939	763,915
2018	3,621,125	8,475,940	105,881	1,334,306	785,659
2019	5,001,145	9,146,851	107,293	1,486,842	804,424
2020	5,998,950	9,214,444	102,442	1,217,787	870,964
2021	7,354,186	11,608,048	115,387	2,212,356	877,862
2022	5,971,192	13,251,187	139,370	2,494,535	991,380
2023	6,529,287	13,054,193	154,918	2,323,443	1,051,948

Year	Cigarette Excise Tax	Tobacco Tax	Franchise Fees	Short-term Rental Tax	Total
2014	-	-	404,328	-	15,924,194
2015	-	-	403,642	-	15,236,848
2016	-	-	432,488	-	17,742,777
2017	-	-	419,479	-	18,148,536
2018	-	-	430,029	-	18,117,731
2019	189,305	146,016	434,627	-	20,656,630
2020	250,995	214,907	428,495	-	22,026,470
2021	258,573	301,631	439,599	-	26,967,254
2022	247,799	348,917	487,722	1,122,696	29,228,285
2023	254,014	374,120	504,749	1,041,364	29,426,977

Source: Town of Avon Finance Department

TOWN OF AVON, COLORADO

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY LAST TEN FISCAL YEARS

Levy Year	Collection Year	Vacant Land	Residential Property	Commercial Property	Other Property	Total Gross Assessed Value
2012	2013	15,456,680	102,328,980	71,704,020	3,441,730	192,931,410
2013	2014	16,403,340	90,703,150	67,157,140	4,576,530	178,840,160
2014	2015	15,183,630	92,056,060	66,419,690	4,280,110	177,939,490
2015	2016	14,261,780	121,724,600	70,940,420	3,929,820	211,061,910
2016	2017	13,201,140	123,870,280	69,822,570	4,310,460	211,204,450
2017	2018	12,927,680	129,786,330	79,660,040	4,387,310	226,761,360
2018	2019	11,625,280	131,277,920	83,581,320	3,901,750	230,386,270
2019	2020	12,669,770	146,905,210	89,774,540	3,291,140	252,640,660
2020	2021	10,282,760	151,345,100	89,159,320	3,212,590	253,999,770
2021	2022	10,934,940	166,148,630	83,772,920	3,374,840	264,255,860
2022	2023	12,368,560	251,848,650	119,133,440	3,475,630	386,826,280
Levy Year	Collection Year	Less TIF District Increment (1)	Total Net Assessed Value	Direct Tax Rate	Actual Taxable Value	Value as a Percentage of Actual Value
2012	2013	12,511,160	180,420,250	11.983	1,564,516,920	12.33%
2013	2014	12,105,380	166,734,780	12.258	1,406,594,920	12.71%
2014	2015	11,501,900	166,437,590	12.207	1,417,405,720	12.55%
2015	2016	16,476,380	194,585,530	11.765	1,806,178,690	11.69%
2016	2017	17,221,870	193,982,580	8.956	1,825,187,770	11.57%
2017	2018	21,857,430	204,903,930	8.956	2,104,646,220	10.77%
2018	2019	21,475,340	208,910,930	8.956	2,121,154,740	10.86%
2019	2020	24,201,100	228,439,560	8.956	2,389,931,130	10.57%
2020	2021	25,630,460	228,369,310	8.956	2,444,013,540	10.39%
2021	2022	29,317,470	232,517,570	8.956	2,662,039,710	9.93%
2022	2023	44,473,690	330,694,450	8.956	4,194,587,670	9.22%

Source: Eagle County Assessor's Office, Abstract of Assessments

Notes: Property tax rates are stated in mills per \$1,000 of assessed valuation. Other property includes state assessed, agricultural, and abatements and corrections.

(1) The Avon Urban Renewal Authority was established in August, 2007.

TOWN OF AVON, COLORADO

DIRECT AND OVERLAPPING PROPERTY TAX RATES LAST TEN FISCAL YEARS

Taxing Entity	Collection Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Town of Avon										
General Operating	8.956	8.956	8.956	8.956	8.956	8.956	8.956	8.956	8.956	8.956
General Obligation Debt Service	3.302	3.251	2.809	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Direct	12.258	12.207	11.765	8.956	8.956	8.956	8.956	8.956	8.956	8.956
Eagle County	8.499	8.499	8.499	8.499	8.499	8.499	8.499	8.499	8.499	8.399
Colleges and School Districts										
Colorado Mountain College	3.997	3.997	3.997	3.997	3.997	3.997	4.013	4.013	4.085	2.977
Eagle County School District RE-50J	20.826	21.517	20.331	25.209	24.912	25.115	24.240	24.069	24.532	22.317
Other Special Districts										
Eagle River Fire Protection District	9.238	9.392	8.205	9.740	9.828	10.226	9.766	10.023	10.624	7.742
Eagle Valley Library District	2.750	2.750	2.750	2.750	2.750	2.763	2.763	2.763	2.763	1.913
Eagle River Water and Sanitation District	0.946	0.954	0.852	0.849	0.816	0.815	0.766	0.766	0.765	0.610
Colorado River Water Conservancy District	0.254	0.253	0.243	0.253	0.254	0.256	0.235	0.502	0.501	0.500
Eagle County Health Services District	2.006	2.019	2.008	2.755	2.753	2.766	2.781	2.755	2.755	2.753
Metropolitan Districts										
Avon General Improvement District No. 1	17.557	17.557	14.077	14.005	14.005	14.005	15.186	15.186	15.640	15.640
Avon Station Metropolitan District	58.000	58.000	58.000	63.000	65.585	65.596	65.572	65.780	67.465	67.299
Confluence Metropolitan District	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	23.000	0.000
Mountain Vista Metropolitan District	25.000	25.000	25.000	25.000	26.155	26.354	26.354	9.250	9.250	8.200
The Village Metropolitan District	50.000	50.000	50.000	50.000	50.000	50.000	15.000	15.000	15.617	16.503

Source: Eagle County Assessor's Office, Abstract of Assessment

Notes: Property tax rates are stated in mills per \$1,000 of assessed valuation. The Town's general operating mill rate may be increased only by a majority approval of the Town's residents during a general election. Rates for debt service are set based on each year's debt service requirements.

TOWN OF AVON, COLORADO

PRINCIPAL PROPERTY TAX PAYERS CURRENT YEAR AND TEN YEARS AGO

Taxpayer	2023			2013		
	Taxable Assessed Value	Rank	Percentage of Total Town of Avon Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Town of Avon Assessed Value
CSB Properties Holdings LLC	\$ 11,486,470	1	2.87%			
BFG Colorado LLC	7,392,230	2	1.85%			
Avon MOB LLC	7,161,290	3	1.79%			
Beaver Creek Vacation Ownership Plan	6,309,020	4	1.58%			
Avon Piedmont LLC	6,232,010	5	1.56%			
Avon Wynfield LLC	5,662,920	8	1.42%	\$ 2,376,620	8	
Traer Creek-WMT LLC	5,404,230	7	1.35%	6,675,480	1	3.46%
Riverfront Village Hotel, LLC	5,353,700	6	1.34%	2,266,130	9	1.17%
Mountain Vista Condominium Assoc Inc.	4,321,310	9	1.08%	2,087,490	10	1.08%
Traer Creek-HD LLC	3,805,560	10	0.95%	4,720,350	2	2.45%
Christie Lodge Assoc Ltd	3,643,450	12	0.91%			0.00%
Points of Colorado	3,032,720	11	0.76%	3,413,280	4	1.77%
Dillon Real Estate Co, Inc	2,977,050	13	0.74%	1,635,990	13	0.85%
Chapel Square Ventures LP				4,449,750	3	2.31%
Avon Partners II, LLC				2,972,490	5	1.54%
Servco Inc.				2,797,110	6	1.45%
ARI Mountain Center LLC				2,519,450	7	1.31%
Traer Creek-L2 LLC				2,030,010	11	1.05%
Riverview Park Assoc, Inc				1,763,960	12	0.91%
Traer Creek-RP LLC				1,383,680	14	0.72%
East West Resort Dvlpmnt XIV LP LLLP				1,281,350	15	0.66%
Total Assessed Value of the Fifteen Largest Taxpayers	72,781,960		18.19%	42,373,140		21.96%
Total Gross Assessed Value of Other Taxpayers	327,253,960		81.81%	150,558,270		78.04%
Total Gross Assessed Value of All Taxpayers	\$ 400,035,920		100.00%	\$ 192,931,410		100.00%

Source: Eagle County Assessor's Office

TOWN OF AVON, COLORADO

PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN FISCAL YEARS

Levy Year	Collection Year	(1) Total Tax Levy	Current Tax Collections	Percent of Current Taxes Collected	(2) Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collections To Total Tax Levy
2012	2013	2,202,287	2,160,634	98.11%	875	2,161,509	98.15%
2013	2014	2,083,835	2,042,508	98.02%	6	2,042,514	98.02%
2014	2015	2,071,895	2,029,571	97.96%	172	2,029,743	97.97%
2015	2016	2,329,489	2,286,146	98.14%	-	2,286,146	98.14%
2016	2017	1,777,498	1,736,538	97.70%	22	1,736,560	97.70%
2017	2018	1,876,652	1,829,624	97.49%	181	1,829,805	97.50%
2018	2019	1,912,703	1,839,155	96.15%	828	1,839,983	96.20%
2019	2020	2,087,501	2,083,430	99.80%	-	2,083,430	99.80%
2020	2021	2,087,252	2,087,123	99.99%	301	2,087,424	100.01%
2021	2022	2,149,519	2,154,594	100.24%	138	2,154,731	100.24%
2022	2023	2,128,430	2,133,613	100.24%	239	2,133,852	100.25%

Source: Town of Avon Finance Department

Notes: (1) Taxes are due and payable on January 1 based on the prior year's assessed valuation.

(2) Information on outstanding delinquent taxes is not available.

TOWN OF AVON, COLORADO

RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities					
	General Obligation Bonds	Special Assessment Bonds	Revenue Bonds	Certificates of Participation	Loans	Capital Leases
2014	1,017,255	-	6,520,000	2,825,000	-	547,990
2015	520,860	-	6,200,000	6,280,000	-	438,024
2016	-	-	5,790,000	12,235,000	-	325,518
2017	-	-	8,225,362	11,675,000	-	566,231
2018	-	-	7,649,283	11,324,659	-	401,100
2019	-	-	7,053,286	10,661,468	-	311,195
2020	-	-	2,317,223	9,787,797	3,651,000	236,248
2021	-	-	2,135,945	9,067,886	3,227,000	159,601
2022	-	-	1,949,299	8,338,735	2,794,000	107,632
2023	-	-	1,757,123	7,380,000	2,352,000	54,441

Fiscal Year	Business-Type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	Certificates of Participation	Capital Leases			
2014	2,914,623	244,259	14,069,127	0.47%	2,314
2015	2,777,127	185,937	16,401,948	0.50%	2,724
2016	2,605,000	125,825	21,081,343	0.58%	3,530
2017	2,465,000	63,864	22,995,457	0.61%	3,890
2018	2,349,640	258,258	21,982,940	0.54%	3,774
2019	2,197,144	224,979	20,448,072	0.45%	3,544
2020	1,826,000	190,561	18,008,829	0.38%	2,665
2021	1,655,000	154,967	16,400,399	0.32%	2,557
2022	1,480,000	118,157	14,787,823	NA	2,463
2023	1,301,000	80,087	12,924,651	NA	2,153

Source: Town of Avon Finance Department

TOWN OF AVON, COLORADO

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT DECEMBER 31, 2023

Government Unit	Debt Outstanding	Estimated Percentage Applicable ^a	Estimated Share of Overlapping Debt
Debt Repaid With Property Taxes			
Confluence Metropolitan District	\$ 20,770,000	100.00%	\$ 20,770,000
Eagle County School District RE-50J	186,320,000	7.51%	13,987,690
Eagle River Fire Protection District	22,328,992	21.49%	4,798,442
The Village Metropolitan District	44,425,000	100.00%	44,425,000
Subtotal - Overlapping debt			83,981,131
Town of Avon Direct Debt			13,189,666
Total Direct and Overlapping Debt			<u>\$ 97,170,797</u>

Source: Various Governmental Entities, Eagle County Finance Department

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Town. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Avon. This process recognizes that, when considering the Town'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.

^a The basic approach to estimating the applicable percentage of overlapping debt was to divide the assessed value of the portion overlapping the Town to the total assessed value of the overlapping entity.

TOWN OF AVON, COLORADO

RATIO OF GENERAL BONDED DEBT OUTSTANDING AND LEGAL DEBT MARGIN LAST TEN FISCAL YEARS

	Fiscal Year			
	2014	2015	2016	2017
General Bonded Debt Outstanding General Obligation Bonds	\$ 1,005,000	\$ 515,000	\$ -	\$ -
Actual Taxable Property Value	1,406,594,920	1,417,405,720	1,806,178,690	1,825,187,770
Net Assessed Value	166,734,780	166,437,590	194,585,530	193,982,580
Percentage of General Bonded Debt Outstanding to Actual Taxable Property Value	0.07%	0.04%	0.00%	0.00%
Town of Avon Population	6,410	6,472	6,505	6,383
Per Capita	\$ 157	\$ 80	\$ -	\$ -
Legal Debt Limit	\$ 41,683,695	\$ 41,609,398	\$ 48,646,382	\$ 48,495,645
Total Debt Applicable to Limit	(1,005,000)	(515,000)	-	-
Legal Debt Margin	\$ 40,678,695	\$ 41,094,398	\$ 48,646,382	\$ 48,495,645
Total Debt Applicable to the Limit as a Percentage of Legal Debt Limit	2.41%	1.24%	0.00%	0.00%

Source: Eagle County Assessor's Office, State of Colorado Division of Local Governments

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2,104,646,220	2,121,154,740	2,389,931,130	2,444,013,540	2,639,103,550	4,033,949,340
204,903,930	208,910,930	228,439,560	228,369,310	234,872,120	319,434,020
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6,518	6,365	6,145	6,003	6,003	6,003
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 51,225,982	\$ 52,227,732	\$ 57,109,890	\$ 57,092,328	\$ 58,718,030	\$ 79,858,505
-	-	-	-	-	-
\$ 51,225,982	\$ 52,227,732	\$ 57,109,890	\$ 57,092,328	\$ 58,718,030	\$ 79,858,505
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

TOWN OF AVON, COLORADO

DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS

Year	Town of Avon Population	Eagle County Population	Eagle County Personal Income (In \$1,000's)	Eagle County Per Capita Personal Income	Eagle County Median Age	Eagle County RE-50J School Enrollment	Denver / Boulder Consumer Price Index	Eagle County Unemployment Rate
2013	6,080	52,262	2,951,287	56,471	36.00	6,549	230.8	5.20%
2014	6,021	52,398	3,224,573	61,540	36.20	6,713	237.2	4.75%
2015	5,972	52,780	3,568,192	67,605	36.50	6,546	240.0	2.10%
2016	5,911	53,041	3,667,573	69,146	36.70	6,901	246.6	2.81%
2017	5,825	53,724	3,987,664	74,225	35.60	6,959	254.9	2.22%
2018	5,769	54,205	4,437,818	81,871	39.00	6,882	261.9	2.59%
2019	6,758	54,819	4,673,484	85,253	36.50	6,902	267.4	2.25%
2020	6,144	55,624	4,887,792	87,872	37.81	6,931	272.2	5.10%
2021	6,058	55,687	5,769,133	103,440	37.70	6,694	281.8	4.30%
2022	6,003	55,852	6,282,742	113,643	34.68	6,623	304.4	2.80%
2023	5,921	54,381	N/A	N/A	38.30	6,687	320.3	2.50%

N/A - Information not available.

Information was compiled by the Demographic Section of the Colorado Division of Local Government, Bureau of Labor Statistics and U.S. Census Bureau. School Enrollment was obtained by Eagle County School District Administration Office based on June Enrollment. Per Capita Personal Income obtained from Bureau of Economic Analysis, Regional Economic Accounts.

TOWN OF AVON, COLORADO

PRINCIPAL EMPLOYERS CURRENT YEAR AND TEN YEARS AGO

Employer	2023		2013	
	Employees	Rank	Employees	Rank
East West Hospitality	550	1	NA	NA
Westin Riverfront Resort & Spa	430	2	267	1
Wal-Mart	225	3	253	2
CMM/Vail Health - Avon	134	6	NA	NA
Home Depot	133	5	226	3
City Market	131	4	132	5
Town of Avon	118	7	81	8
Eagle River Water & Sanitation	76	9	99	6
Slifer Smith & Frampton	76	8	NA	NA
Christie Lodge	63	10	79	9
Sheraton Mountain Vista	40	11	79	7
Vail Valley Foundation	35	12	NA	NA
Montana's Bar & Grill	NA	NA	25	10
Maya, Mexican Kitchen	NA	NA	218	4

Sources: Various Town of Avon businesses, Department of Labor

TOWN OF AVON, COLORADO

COMMERCIAL AND RESIDENTIAL CONSTRUCTION LAST TEN FISCAL YEARS

Year	Total Permits Issued	Total Building Construction Value	Sales Tax Collected On Construction Materials	Potential Use Tax On Construction Materials	Difference
2014	156	15,235,900		304,718	(304,718)
2015	153	21,306,000		426,120	(426,120)
2016	158	30,076,507		601,530	(601,530)
2017	167	48,228,121		964,562	(964,562)
2018	164	52,662,638		1,053,253	(1,053,253)
2019	177	76,109,352	432,065	1,522,187	(1,090,122)
2020	169	24,772,104	505,035	495,442	9,593
2021	208	33,425,048	455,802	668,501	(212,699)
2022	215	199,409,400	650,382	3,988,188	(3,337,806)
2023	179	24,707,764	272,500	494,155	(221,656)

Source: Town of Avon Community Development Department

TOWN OF AVON, COLORADO

COMMERCIAL AND RESIDENTIAL CONSTRUCTION LAST TEN FISCAL YEARS

Year	Total Permits Issued	Commercial Construction		Residential Construction		Total Building Construction Value
		Square Footage	Value	No. of Units	Value	
2013	159	217,293	27,121,876	12	9,027,760	36,149,636
2014	156	-	1,500,000	10	13,735,900	15,235,900
2015	153	114,614	14,336,000	10	6,970,000	21,306,000
2016	158	90,309	21,525,147	7	8,551,360	30,076,507
2017	167	60,043	29,298,052	6	18,930,069	48,228,121
2018	164	93,579	37,542,440	20	15,120,198	52,662,638
2019	177	23,276	11,851,054	278	64,258,298	76,109,352
2020	169	36,082	14,430,422	12	10,341,682	24,772,104
2021	208	7,900	1,957,878	20	31,467,170	33,425,048
2022	215	131,676	34,500,000	127	164,909,400	199,409,400
2023	179	4,425	1,487,642	12	9,810,000	24,707,764

Source: Town of Avon Community Development Department

TOWN OF AVON, COLORADO

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

	Full-time Equivalent Employees as of December 31				
	2014	2015	2016	2017	2018
General Government					
Administration	4.75	4.75	4.60	4.60	5.00
Special Events	1.00	1.00	1.00	2.00	2.00
Human Resources	2.00	3.00	3.00	3.00	3.75
Finance	8.00	8.00	8.00	8.00	9.00
Nondepartmental	1.00	1.00	1.00	1.00	1.00
Community Development	3.00	3.00	3.00	3.00	3.00
Police	20.00	20.00	20.40	20.40	21.50
Public Works:					
Engineering	2.00	2.00	2.00	2.00	2.00
Buildings and Facilities	3.00	4.00	4.00	5.00	5.00
Roads and Bridges, Parks	14.00	14.00	15.00	16.00	15.00
Mobility	4.00	6.00	6.00	6.00	8.00
Fleet Maintenance	8.00	8.00	8.00	8.00	8.00
Recreation	7.00	9.00	9.00	10.00	10.00
Total	77.75	83.75	85.00	89.00	93.25

	Full-time Equivalent Employees as of December 31				
	2019	2020	2021	2022	2023
General Government					
Administration	6.00	5.00	6.00	7.00	8.30
Special Events	2.00	1.00	1.00	2.00	2.00
Human Resources	3.75	3.75	3.00	4.00	4.00
Finance	9.00	8.50	7.50	9.00	7.00
IT					3.00
Nondepartmental	1.00	1.00	1.00	0.00	0.00
Community Development	3.75	3.00	3.00	4.00	7.00
Police	22.50	22.50	20.50	24.50	25.45
Public Works:					
Administration	0.00	0.00	0.00	2.00	2.00
Engineering	2.00	2.00	3.00	3.00	5.00
Buildings and Facilities	5.00	5.00	3.00	5.00	7.00
Roads and Bridges, Parks	16.00	15.00	12.00	16.00	18.00
Mobility	8.00	8.00	8.00	9.00	9.00
Fleet Maintenance	8.00	8.00	8.00	9.00	9.00
Recreation	10.00	9.50	10.00	11.00	12.00
Total	97.00	92.25	86.00	105.50	118.75

Source: Town of Avon Budget

TOWN OF AVON, COLORADO

OPERATING INDICATORS BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

	Fiscal Year	
	2013	2014
Town of Avon Facilities and Services:		
Miles of Streets	23.73	23.73
Number of Street Lights	632	613
Culture and Recreation:		
Miles of Bike/Pedestrian Paths	8.75	8.82
Miles of dirt, singletrack trails	0.00	11.00
Parks / Lakes	5/1	5/1
Park Acreage	672	672
Tennis/Volleyball /Basketball Courts/Pickleball Courts	4 / 2 / 3 / 2	4 / 2 / 3 / 2
Recreation Centers	1	1
Softball / Soccer Fields	1 / 2	1 / 2
Playgrounds	4	4
Performance Art Pavilion		1
Police Protection:		
Number of Stations	1	1
Number of Police Personnel and Officers	20	20
Number of Patrol Units	16	16
Number of Law Violations:		
General Ordinance Violations	207	438
Traffic Violations	285	372
Parking Violations	165	366
Facilities and Services Not Included in the Reporting Entity:		
Libraries:		
Number of Libraries / Volumes	1 / 79,405	1 / 80,239
Water System:		
Miles of Water Mains	24.99	24.99
Number of Service Connections	3,831	3,897
Daily Average Consumption in Gallons	675,728	706,833
Maximum Daily Capacity of Plant in Gallons	10MGD	10MGD
Sanitary Sewer System:		
Miles of Sanitary Sewers	33.44	33.44
Number of Treatment Plants	1	1
Number of Service Connections	3,969	4,038
Maximum Daily Capacity of Treatment Plant in Gallons	4.3MGD	4.3MGD
Education:		
Number of Elementary Schools / Instructors	1 / 27	1 / 25
Fire Protection:		
Number of Stations	5	5
Number of Fire Personnel and Officers	66	64
Number of Calls Answered	2,244	2,357
Number of Inspections Conducted	154	154

Fiscal Year				
2015	2016	2017	2022	2023
23.73	23.73	23.73	24	24
619	634	646	734	764
8.82	9.32	9.32	9.51	9.51
11.00	11.00	11.00	11.00	11.00
5/1	5/1	5/2	5/2	5/2
672	672	672	672	672
4 / 2 / 3 / 2	4 / 2 / 3 / 2	4 / 2 / 3 / 2	2 / 2 / 3 / 6	2 / 2 / 3 / 6
1	1	1	1	1
1 / 2	1 / 2	1 / 2	0 / 2	0 / 2
4	4	4	4	4
1	1	1	1	1
1	1	1	1	1
21	23	23	24.5	23.5
15	15	15	17	17
384	419	91	29	89
314	543	446	235	241
282	234	147	131	182
1 / 79,226	1 / 77,490	1 / 78,779	1 / 78,011	1 / 79,694
24.99	24.99	24.99	24.99	24.99
3,917	3,917	3,980	4,385	4,385
706,833	709,478	712,521	#	726,025
10MGD	10MGD	10MGD	10MGD	10MGD
33.44	33.44	33.44	33.4	33.4
1	1	1	1	1
4,086	4,086	4,118	4,511	4,511
4.3MGD	4.3MGD	4.3MGD	4.3MGD	4.3MGD
1 / 27	1 / 47	1 / 62	1 / 32	1 / 32
5	6	6	5	5
67	68	68	65	72
636	670	644	586	1,155
122	175	179	90	168

SINGLE AUDIT

TOWN OF AVON, COLORADO

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED DECEMBER 31, 2023

Note 1. General

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Town of Avon under programs of the federal government for the year ended December 31, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Town of Avon, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Town of Avon.

Note 2. Summary of Significant Accounting Policies

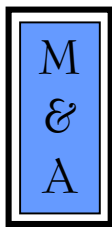
Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, whereas certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. Sub-recipients

The Town of Avon did not provide any federal funds listed in the Schedule of Expenditures of Federal Awards to sub-recipients.

Note 4. Indirect Facilities and Administration Costs

The Town of Avon did not elect to use the 10% de minimus cost rate allowed in Title 2 U.S. Code of Federal Regulations (CFR) Part 200.414, Indirect (F&A) costs.



McMAHAN AND ASSOCIATES, L.L.C.

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

**To the Honorable Mayor and Town Council
Town of Avon, Colorado**

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Avon, Colorado (the "Town") as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated July 26, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit on the financial statements, we considered the Town's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Town's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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INDEPENDENT AUDITOR'S REPORT
To the Town Council
Town of Avon, Colorado

Compliance and Other Matters

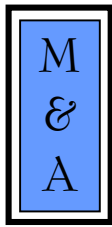
As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
Avon, Colorado
July 26, 2024



McMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

**To the Honorable Mayor and Town Council
Town of Avon, Colorado**

Opinion on Each Major Federal Program

We have audited Town of Avon, Colorado's (the "Town") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Town's major federal programs for the year ended December 31, 2023. The Town's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Town's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Town's federal programs.

Member: American Institute of Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT
To the Town Council
Town of Avon, Colorado

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Town's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Town's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charges with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

INDEPENDENT AUDITOR'S REPORT
To the Town Council
Town of Avon, Colorado

The purpose of this report in internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
Avon, Colorado
July 26, 2024

Town of Avon, Colorado
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2023

Part I – Summary of Auditor’s Results

Financial Statements:

Type of auditor’s report issued	Unmodified
Internal control over financial reporting:	
Material weakness identified	None noted
Significant deficiency identified	None noted
Noncompliance material to financial statements noted	None noted

Federal Awards:

Internal control over major programs:	
Material weakness identified	None noted
Significant deficiency identified	None noted
Type of auditor’s report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations Part 200	No
Major programs:	
Buses and Bus Facilities Formula, Competitive and Low or No Emissions Programs	ALN 20.526
Dollar threshold used to identify Type A from Type B programs:	\$750,000
Identified as low-risk auditee	Yes

Part II – Findings Related to Financial Statements

Findings related to financial statements as required by <i>Government Auditing Standards</i>	None noted
Auditor-assigned reference number	Not applicable

Part III – Findings Related to Federal Awards

Internal control findings	None noted
Compliance findings	None noted
Questioned costs	None noted
Auditor-assigned reference number	Not applicable

There were no findings for the fiscal year ended December 31, 2022.

TOWN OF AVON, COLORADO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2023

Program Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Expenditures	Clusters of Programs
<u>U.S. Department of Justice</u>				
<u>Direct Program:</u>				
Automatic License Plate Recognition	16.738		\$ -	
Total U.S. Department of Justice			-	
<u>U.S. Department of Transportation</u>				
<i>Passed Through Colorado Department of Transportation:</i>				
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	22-HTR-ZL-00194/491002873	25,803	
Formula Grants for Rural Areas and Tribal Transit Program	20.509	23-HTR-ZL-00113/491003162	122,990	
Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs	20.526	23-HTR-ZL-00046/491003077	840,000	
<i>Total - Federal Transit Cluster</i>				\$ 840,000
Total U.S. Department of Transportation			988,793	
Total Expenditures of Federal Awards			\$ 988,793	

The accompanying notes are an integral part of this schedule.