

TOWN OF FOXFIELD, COLORADO

BASIC FINANCIAL STATEMENTS

December 31, 2023

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FINANCIAL SECTION



JOHN CUTLER & ASSOCIATES

Honorable Mayor and Members of the Board of Trustees
Town of Foxfield
Foxfield, Colorado

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of the Town of Foxfield (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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Town of Foxfield as of December 31, 2023, and the respective changes in financial position, thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 of Foxfield, and to meet our 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.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement 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 of 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 of 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 judgement, 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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required budgetary and pension information on pages 18 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 (GASB) who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other 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 State Compliance information as listed in the table of contents, is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The State Compliance 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 auditing standards generally accepted in the United States of America. In our opinion, the State Compliance are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

John Luther & Associates, LLC

April 12, 2024

TOWN OF FOXFIELD, COLORADO

Management's Discussion and Analysis

As management of the Town of Foxfield, we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended December 31, 2023.

Financial Highlights

- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$2,599,813.
- At the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$1,959,920.
- At the end of the current fiscal year, unreserved, undesignated fund balance for the general fund was \$1,433,391.
- The Town committed funds of \$127,587 for future road maintenance.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains 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's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all the Town'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., uncollected taxes).

Both government-wide financial statements distinguish functions of the Town that are principally supported by taxes. The governmental activities of the Town include general government, public safety, public works, and parks, recreation and open space, and capital outlay.

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, 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 fiduciary 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 inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. 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 maintains four individual governmental funds. Information is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund. Data from the other governmental funds are combined with the activities of the General Fund for financial statement presentation.

The Town adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

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 immediately following the basic financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information and certain additional supplemental information*.

Government-Wide Financial Analysis

TOWN OF FOXFIELD
NET POSITION
As of December 31, 2023

	Governmental Activities	
	2022	2023
Current and other assets	1,705,589	2,137,144
Capital assets	815,217	639,893
Total Assets	2,520,806	2,777,037
Deferred Outflow of Resources	0	0
Total Assets and Deferred Outflows	2,520,806	2,777,037
Current liabilities	14,926	40,320
Long term liabilities	0	0
Total Liabilities	14,926	40,320
Deferred Inflow of Resources	117,085	136,904
Total Liabilities and Deferred Inflows	132,011	177,224
Invested in capital assets	815,217	639,893
Restricted	421,157	398,942
Unrestricted	1,152,421	1,560,978
Total net position	2,388,795	2,599,813

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, assets exceeded liabilities by \$2,599,813 at the close of the most recent fiscal year.

Twenty-five percent (25%) of the Town's total assets reflects its investment in capital assets (e.g., roads, open space). The remaining balance of *unrestricted net position* (\$1,560,978) may be used to meet the Town's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Town reports positive balances in all net positions.

STATEMENT OF ACTIVITIES
Year Ended December 31, 2023

	Governmental Activities	
	2022	2023
Revenues:		
Taxes	867,226	817,417
Franchise Fees	41,408	45,374
Operating Grants & Contributions	0	0
Capital Grants & Contributions	98,278	98,278
Charges for Services	38,691	121,932
Investment Income	28,092	88,813
Other	1,274	1,674
Total Revenues	1,074,969	1,173,488
Expenses:		
General Government	681,431	575,114
Public Safety	136,665	122,221
Public Works	171,377	248,057
Parks and Recreation	14,342	17,078
Interest on long-term debt	0	0
Total Expenses	1,003,815	962,470
Increase in net position	71,154	211,018
Net position - beginning	2,317,641	2,388,795
Net position - ending	2,388,795	2,599,813

The Town's net position increased by \$211,018 during the current fiscal year.

Governmental activities

Apart from property tax collected to provide law enforcement, the Town's major sources of revenue are sales tax, use tax, ownership tax, franchise taxes and traffic fines.

Financial Analysis of the Government's Funds

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the Town's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the Town's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$1,959,920 an increase of \$386,342 in comparison with the prior year.

The general fund is the chief operating fund of the Town. At the end of fiscal year 2023 unassigned fund balance of the general fund was \$1,433,391.

General Fund Budgetary Highlights

The Town's revenues were \$316,030 more than budgeted primarily due to increased sales tax, permits and interest.

Total expenditures were \$67,327 less than budgeted, primarily due to savings in general government.

Capital Asset and Debt Administration

Capital assets. The Town's main capital asset is the infrastructure for paving the streets which was completed in 2003. In 2014, one year ahead of schedule, the Town completed resurfacing all Town roads. In 2023 the depreciation on the infrastructure was \$150,278. More information can be found in Note 4.

Long-term debt. The Town does not currently have any long-term debt.

Request for information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to kproctor@townoffoxfield.com.

BASIC FINANCIAL STATEMENTS

TOWN OF FOXFIELD, COLORADO

STATEMENT OF NET POSITION

As of December 31, 2023

	GOVERNMENTAL ACTIVITIES	
	2023	2022
ASSETS		
Cash and Investments	\$ 1,583,529	\$ 1,137,887
Receivables		
Taxes	136,904	117,085
Accounts	50,469	56,160
Restricted Cash and Investments	366,242	394,457
Capital Assets, Not Depreciated	489,062	489,062
Capital Assets, Depreciated		
Net of Accumulated Depreciation	150,831	326,155
 TOTAL ASSETS	 <u>2,777,037</u>	 <u>2,520,806</u>
LIABILITIES		
Accounts Payable	40,320	13,612
Other Liabilities	-	1,314
 TOTAL LIABILITIES	 <u>40,320</u>	 <u>14,926</u>
DEFERRED INFLOW OF RESOURCES		
Deferred Property Taxes	136,904	117,085
 TOTAL LIABILITIES AND DEFERRED INFLOWS	 <u>177,224</u>	 <u>132,011</u>
NET POSITION		
Net Investment in Capital Assets	639,893	815,217
Restricted	398,942	421,157
Unrestricted	1,560,978	1,152,421
 NET POSITION	 <u>\$ 2,599,813</u>	 <u>\$ 2,388,795</u>

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

TOWN OF FOXFIELD, COLORADO

STATEMENT OF ACTIVITIES
Year Ended December 31, 2023

FUNCTIONS/PROGRAMS	Program Revenues			Net Revenues (Expenses) and Change in Net Position	
	Expenses	Charges for Services	Capital	Governmental Activities	
			Grants and Contributions	2023	2022
PRIMARY GOVERNMENT					
Governmental Activities					
General Government	\$ 575,114	\$ 118,597		\$ (456,517)	\$ (645,672)
Public Safety	122,221	3,335	-	(118,886)	(133,733)
Public Works	248,057	-	98,278	(149,779)	(73,099)
Parks and Recreation	17,078	-	-	(17,078)	(14,342)
Total Governmental Activities	\$ 962,470	\$ 121,932	\$ 98,278	(742,260)	(866,846)
			GENERAL REVENUES		
			Taxes	817,417	867,226
			Franchise Fees	45,374	41,408
			Interest	88,813	28,092
			Miscellaneous	1,674	1,274
			TOTAL GENERAL REVENUES	953,278	938,000
			CHANGE IN NET POSITION	211,018	71,154
			NET POSITION, Beginning	2,388,795	2,317,641
			NET POSITION, Ending	\$ 2,599,813	\$ 2,388,795

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

TOWN OF FOXFIELD, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2023

	TOTAL GOVERNMENTAL FUNDS	
	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and Investments	\$ 1,583,529	\$ 1,137,887
Restricted Cash and Investments	366,242	394,457
Property Taxes Receivable	136,904	117,085
Accounts Receivable	<u>50,469</u>	<u>56,160</u>
TOTAL ASSETS	<u>\$ 2,137,144</u>	<u>\$ 1,705,589</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND EQUITY		
Accounts Payable	\$ 40,320	\$ 13,612
Other Liabilities	-	1,314
TOTAL LIABILITIES	<u>40,320</u>	<u>14,926</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred Property Tax Revenue	<u>136,904</u>	<u>117,085</u>
FUND EQUITY		
Restricted for Emergencies	32,700	26,700
Restricted for Recreation and Open Space	269,288	234,576
Restricted for Grant Expenditures	96,954	159,881
Committed for Road Maintenance	127,587	46,851
Unassigned	<u>1,433,391</u>	<u>1,105,570</u>
TOTAL FUND EQUITY	<u>1,959,920</u>	<u>1,573,578</u>
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND EQUITY		
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 in the funds.	<u>639,893</u>	<u>815,217</u>
Net position of governmental activities	<u>\$ 2,599,813</u>	<u>\$ 2,388,795</u>

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

TOWN OF FOXFIELD, COLORADO

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended December 31, 2023

	TOTAL GOVERNMENTAL FUNDS	
	2023	2022
REVENUES		
Taxes	\$ 811,926	\$ 768,948
Franchise Fees	45,374	41,408
Licenses and Permits	136,425	45,659
Intergovernmental	80,115	87,123
Charges for Services	335	1,255
Fines	3,335	2,932
Interest	88,813	28,092
Grants	5,491	98,278
Miscellaneous	1,674	1,274
	<u>1,173,488</u>	<u>1,074,969</u>
TOTAL REVENUES		
EXPENDITURES		
General Government	279,182	229,107
Public Safety	122,221	136,665
Public Works	248,057	171,377
Parks and Recreation	17,078	14,342
Capital Outlay	120,608	277,000
	<u>787,146</u>	<u>828,491</u>
TOTAL EXPENDITURES		
NET CHANGE IN FUND BALANCES	386,342	246,478
FUND BALANCES, Beginning	<u>1,573,578</u>	<u>1,327,100</u>
FUND BALANCES, Ending	<u>\$ 1,959,920</u>	<u>\$ 1,573,578</u>

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

TOWN OF FOXFIELD, COLORADO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF POSITION
Year Ended December 31, 2023

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

Net Changes in Fund Balances - Total Governmental Funds	\$ 386,342
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of depreciation expense.	<u>(175,324)</u>
Change in Net Position of Governmental Activities	<u><u>\$ 211,018</u></u>

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

TOWN OF FOXFIELD, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Foxfield (Town) is a Colorado statutory town (a municipal corporation), incorporated in 1994 and is governed by a Mayor and six-member Board of Trustees elected by the residents. The Town provides public safety, public improvements, planning and zoning, municipal court and general administrative services to its residents.

The accounting policies of the Town of Foxfield, Colorado conform to generally accepted accounting principles as applicable to governments. Following is a summary of the more significant policies.

Reporting Entity

In accordance with governmental accounting standards, the Town of Foxfield has considered the possibility of inclusion of additional entities in its basic financial statements.

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

Based on the application of these criteria, the Town does not include additional organizations in its reporting entity.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of the given function or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment.

TOWN OF FOXFIELD, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

Property taxes, specific ownership taxes, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Town.

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

TOWN OF FOXFIELD, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

The *General Fund* is the Town's primary operating fund. It accounts for all financial resources of the Town, except those required to be accounted for in another fund.

Assets, Liabilities and Fund Balance/Net Position

Cash and Investments

Cash equivalents include investments with original maturities of three months or less. Investments are recorded at fair value.

Capital Assets

Capital assets, which include property and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property and equipment of the Town is depreciated using the straight-line method over the following estimated useful lives:

Infrastructure	5 - 20 years
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TOWN OF FOXFIELD, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Fund Balance/Net Position (Continued)

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

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 received, are reported as debt service expenditures.

Net Position

The government-wide financial statements utilize a net position presentation. Net position is categorized as investment in capital assets, restricted, and unrestricted.

Net Investment in Capital Assets includes the Town's capital assets (net of accumulated depreciation) reduced by the outstanding balances of bonds that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position includes assets that have third-party (statutory, bond covenant, or granting agency) limitations on their use. The Town typically uses restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use until a future project.

Unrestricted Net Position typically includes unrestricted liquid assets. The Town Board of Trustees has the authority to revisit or alter this designation.

TOWN OF FOXFIELD, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Fund Balance/Net Position (Continued)

Fund Balance Classification

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

- Nonspendable – This classification includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact. The Town does not report any balances in this category at December 31, 2023.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The Town has classified Emergency Reserves as being restricted because their use is restricted by State Statute for declared emergencies. In addition, the Town has classified amounts collected for recreation and open space and unspent grant proceeds as restricted.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Town’s Board of Trustees. These amounts cannot be used for any other purpose unless the Board of Trustees removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Town committed resources for road maintenance as of December 31, 2023.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The Town would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned fund balances.

TOWN OF FOXFIELD, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows/Inflows of Resources

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

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

Property Taxes

Property taxes are levied after December 10 and attach as an enforceable lien on property on January 1. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer's office collects property taxes and remits to the Town on a monthly basis.

Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred revenue are recorded at December 31. As the tax is collected in the succeeding year, the deferred revenue is recognized as revenue and the receivable is reduced.

Comparative Data

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the Town's financial position and operations. However, complete comparative data in accordance with generally accepted accounting principles has not been presented since its inclusion would make the financial statements unduly complex and difficult to read.

Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

TOWN OF FOXFIELD, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2023

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

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

- In October, the Town staff submits to the Town Board of Trustees a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally enacted through passage of a resolution.
- The Town Administration is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the Town Board of Trustees.
- Budgets are legally adopted for all funds of the Town. Budgets for the General Debt Service, and Agency Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).
- Budgeted amounts in the financial statements are as originally adopted or as amended by the Town Board of Trustees. All appropriations lapse at year end. Colorado governments may not exceed budgeted appropriations at the fund level.

NOTE 3: DEPOSITS AND INVESTMENTS

A summary of deposits and investments as of December 31, 2023 follows:

Governmental Activities - Unrestricted	\$ 57,178
Investments	<u>1,892,593</u>
Total	<u>\$ 1,949,771</u>

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

Governmental Activities - Unrestricted	\$ 1,583,529
Governmental Activities - Restricted	<u>366,242</u>
Total	<u>\$ 1,949,771</u>

TOWN OF FOXFIELD, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

Deposits

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. At December 31, 2023 State regulatory commissioners have indicated that all financial institutions holding deposits for the Town are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held.

The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The Town has no policy regarding custodial credit risk for deposits.

At December 31, 2023, the Town had deposits with financial institutions with a carrying amount of \$57,178. The bank balances with the financial institutions were \$79,672. All of these balances were covered by federal depository insurance.

Investments

Interest Rate Risk

There are many factors that can affect the value of investments, some of which are custodial credit risk, credit risk and interest rate risk. The Town is required to comply with State statutes, which specify investment instruments meeting defined rating, maturity, and concentration risk criteria in which local governments may invest. State statutes do not address custodial risk. The Town has not adopted an investment policy to address any of the risks mentioned above.

Credit Risk

Colorado statutes specify in which instruments the units of local government may invest which includes:

- Obligations of the United States and certain U.S. government agency securities
- General obligation and revenue bonds of U.S. local government entities
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

TOWN OF FOXFIELD, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

The above investments are authorized for all funds and fund types used by Colorado municipalities.

The Town had invested \$1,892,593 in the Colorado Government Liquid Asset Trust (ColoTrust) which has a credit rating of AAAm by Standard and Poor's. ColoTrust is an investment vehicle established for local government entities in Colorado to pool surplus funds and is regulated by the State Securities Commissioner. It operates similarly to a money market fund and each share is equal in value to \$1.00. Investments consist of U.S. Treasury and U.S. Agency securities, and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the entities.

ColoTrust is not a 2a7-like external investment pool. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. The government-investor does not "look through" the pool to report a pro rata share of the pool's investments, receivables, and payables.

Restricted Cash and Investments

At December 31, 2023, the Town's General Fund holds restricted cash and investments of \$366,242. Of this amount, \$22,951 is restricted for the Conservation Trust expenditures, \$246,337 is restricted for Open Space expenditures, and \$96,954 for grant expenditures.

TOWN OF FOXFIELD, COLORADO

NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 4: CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2023 is summarized below:

	Balances <u>12/31/22</u>	<u>Additions</u>	<u>Deletions</u>	Balances <u>12/31/23</u>
Governmental Activities				
Capital Assets, not depreciated				
Land	\$ 489,062	\$ -	\$ -	\$ 489,062
Capital Assets, depreciated				
Infrastructure	3,571,462	-	-	3,571,462
Machinery and Equipment	<u>175,324</u>	<u>-</u>	<u>-</u>	<u>175,324</u>
Total Capital Assets, depreciated	<u>3,746,786</u>	<u>-</u>	<u>-</u>	<u>3,746,786</u>
Less Accumulated Depreciation				
Infrastructure	3,389,323	150,278	-	3,539,601
Machinery and Equipment	<u>31,308</u>	<u>25,046</u>	<u>-</u>	<u>56,354</u>
Total Accumulated Depreciation	<u>3,420,631</u>	<u>175,324</u>	<u>-</u>	<u>3,595,955</u>
Total Capital Assets, depreciated, Net	<u>326,155</u>	<u>(175,324)</u>	<u>-</u>	<u>150,831</u>
Governmental Activities, Capital Assets, Net	<u>\$ 815,217</u>	<u>\$ (175,324)</u>	<u>\$ -</u>	<u>\$ 639,893</u>

Depreciation expense was charged to the public works program.

NOTE 5: PUBLIC ENTITY RISK POOL

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. For these risks of loss, the Town is involved with the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities as allowed by State statute.

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

It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability of loss, to the limit of the financial resources of CIRSA.

TOWN OF FOXFIELD, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 5: PUBLIC ENTITY RISK POOL (Continued)

It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverages at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members. CIRSA is a separate legal entity, and the Town does not approve budgets, nor does it have the ability to significantly affect the operations of CIRSA.

There were no significant reductions in insurance coverage from the 2017 program to the 2023 program. No settlements exceeded insurance coverage for covered claims the past three fiscal years. The CIRSA financial statements can be obtained by requesting them from the following address: 3665 Cherry Creek North Drive Denver, Colorado 80209.

NOTE 6: COMMITMENTS AND CONTINGENCIES

Intergovernmental Agreements

Arapahoe County Law Enforcement

The Town has an intergovernmental agreement with Arapahoe County to provide law enforcement services. For the year ended December 31, 2023, the Town paid \$117,085 for these services.

Tabor Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government. On November 5, 1996, voters within the Town approved the collection, retention and expenditure of the full revenues generated by the Town in 1996 and subsequent years for street improvement projects, capital projects, basic municipal services and/or lawful municipal purposes, notwithstanding the provisions of the Amendment.

The Town has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2023, the emergency reserve of \$32,700 was recorded in the General Fund.

TOWN OF FOXFIELD, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 7: CONSERVATION TRUST FUND

The Town annually receives funds through the State of Colorado that are restricted for use pursuant to Colorado Revised Statutes Article 21 of Title 29. Funds are to be utilized primarily for parks and recreation purposes. The following is a summary of the Town's Conservation Trust activity for the year ended December 31, 2023:

Balance 12/31/22	\$ 24,240
Receipts	10,489
Interest Earned	1,221
Expenditures	<u>(12,999)</u>
Balance 12/31/23	<u>\$ 22,951</u>

NOTE 8: SUBSEQUENT EVENTS

Subsequent Events have been evaluated through April 12, 2024, which is the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF FOXFIELD, COLORADO

GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2023

	2023			VARIANCE	2022 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Positive (Negative)	
REVENUES					
Taxes	\$ 714,185	\$ 714,185	\$ 811,926	\$ 97,741	\$ 768,948
Franchise Fees	35,300	35,300	45,374	10,074	41,408
Licenses and Permits	36,930	36,930	136,425	99,495	45,659
Intergovernmental	39,613	39,613	80,115	40,502	87,123
Charges for Services	100	100	335	235	1,255
Fines	1,500	1,500	3,335	1,835	2,932
Interest	7,580	7,580	88,813	81,233	28,092
Grants	-	-	5,491	5,491	98,278
Miscellaneous	22,250	22,250	1,674	(20,576)	1,274
TOTAL REVENUES	857,458	857,458	1,173,488	316,030	1,074,969
EXPENDITURES					
Current					
General Government	274,963	309,007	279,182	29,825	229,107
Public Safety	132,585	132,585	122,221	10,364	136,665
Public Works	317,832	385,481	248,057	137,424	171,377
Parks and Recreation	27,000	27,000	17,078	9,922	14,342
Capital Outlay	400	400	120,608	(120,208)	277,000
TOTAL EXPENDITURES	752,780	854,473	787,146	67,327	828,491
NET CHANGE IN FUND BALANCE	104,678	2,985	386,342	383,357	246,478
FUND BALANCE, Beginning	1,425,644	1,044,153	1,573,578	529,425	1,327,100
FUND BALANCE, Ending	\$ 1,530,322	\$ 1,047,138	\$ 1,959,920	\$ 912,782	\$ 1,573,578

See the accompanying independent auditors' report.

STATE COMPLIANCE

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

LOCAL HIGHWAY FINANCE REPORT		City or County: Town of Foxfield
		YEAR ENDING : December 2023
This Information From The Records Of : The Town of Foxfield	Prepared By: Phone:	Karen Proctor 303-905-9339

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES	III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES
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ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	0
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	196,439
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	1,548
2. General fund appropriations	159,526	b. Snow and ice removal	15,496
3. Other local imposts (from page 2)	13,440	c. Other	1,680
4. Miscellaneous local receipts (from page 2)	400	d. Total (a. through c.)	18,724
5. Transfers from toll facilities		4. General administration & miscellaneous	
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	215,163
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	173,366	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	41,796	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	215,163	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	
			215,163

IV. LOCAL HIGHWAY DEBT STATUS
(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		215,163	215,163		(0)

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	900	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	400
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	12,540	g. Other Misc. Receipts	
6. Total (1. through 5.)	12,540	h. Other	
c. Total (a. + b.)	13,440	i. Total (a. through h.)	400
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	36,603	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	5,194	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	5,194	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	41,796	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

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

Notes and Comments: