Town of Lochbuie, Colorado

Annual Financial Statements and
Independent Auditors' Report

For the year ended December 31, 2023

Haynie & Company

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Haynie & Company
Certified Public Accountants
& Management Consultants

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Independent Auditors' Report

Honorable Mayor and the Board of Trustees
Town of Lochbuie

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund, of the Town of Lochbuie, as of and for the year ended December 31, 2023 and the related notes to the financial statements, which collectively comprise the Town of Lochbuie'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, and each major fund, of the Town of Lochbuie, as of December 31, 2023 and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison schedule for the General Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Town of Lochbuie and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Lochbuie'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.

Auditors' Responsibility 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 auditors' 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Lochbuie'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 of Lochbuie'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 supplementary information as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Lochbuie's basic financial statements. The budgetary comparison schedules, debt service to maturity schedule, history of assessed valuation, and Local Highway Finance Report are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison schedules, debt service to maturity schedule, history of assessed valuation, and Local Highway Finance Report are fairly stated, in all material respects, in relation to the financial statements as a whole.

Haynie & Company

Littleton, Colorado
May 28, 2024

Town of Lochbuie, Colorado
Management's Discussion and Analysis
December 31, 2023

Town of Lochbuie, Colorado

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2023

This discussion and analysis of the Town of Lochbuie's (Town) financial statements for the year ended December 31, 2023 provides a narrative overview of the Town's financial activities. Please consider the information here in conjunction with the accompanying financial statements and notes to the financial statements.

The Town

The Town of Lochbuie is what is known as a Mayor-Board style statutory Town. This classification, in contrast to a home-rule town, limits the authority the Town exercises, primarily in the area of taxes and tax collection. The Town consists of an elected Mayor and six Town Board trustees. The Town also appoints a Town Treasurer and Town Clerk. The top three candidates for Board seats receive staggered 4-year terms, with the remaining 3 seats and the Mayor receiving a 2-year term. The Town Treasurer and Town Clerk are appointed to 2-year terms. The Town Board employs a Town Administrator to direct the daily activities and functions of the Town.

The Town is located in the northeast Denver metropolitan area and is located within Weld and Adams Counties. The Town is adjacent to the Cities and Towns of Brighton, Hudson, and Fort Lupton. The Town encompasses 5 square miles, or 16,000 acres, with approximately 8,088 residents and 2,675 households. The Town provides the majority of its core services by its own means through a Town controlled Wastewater Treatment Plant, Reverse Osmosis Plant and employs its own Police Department.

The primary sources of revenue for Towns in Colorado are sales and use taxes, as is true for Lochbuie. Property taxes are the next largest source of governmental revenues. Other sources of governmental revenue include miscellaneous fees generated through the Town's gas, electric and cable providers and other taxes and fees. The Town also records program-type revenues from court fines and fees, land use and permitting fees, and capital grants and contributions.

Financial Highlights

- Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $72,292,594 at December 31, 2023.

- Net position of governmental activities increased by $1,607,894, and net position of business-type activities increased by $6,279,776.

- Fund balance of the general fund increased by $1,535,809. This increase was primarily a result of increased sales tax collections, building permits, interest revenue, and lease proceeds.

Other Highlights

- The Town was awarded a DOLA Energy Impact Assistance Fund Grant to update the Comprehensive Plan in late 2022 for $100K. Work began in 2023 and will be completed in 2024.

- Construction of the Greenway Trail began in late 2023. The town received a CDOT grant for $450,000 with the Town matching $450,000 for design and construction of the trail from CR 37 to Stagecoach Ave.

- The Town purchased several new vehicles/pieces of equipment for Public Works and the Police Department – An F600, a John Deere tractor, a Crafco 43600 Super Shot diesel melter, and a new CSO vehicle. The F600 was financed. All other vehicles were cash purchases.

The Town provides its employees with pension and other postemployment benefits (OPEB) through two multiple employer cost-sharing defined benefit pension plans administered by the Colorado Fire and Police Pension Association (FPPA) and Colorado Public Employees' Retirement Association (PERA). It is important to note that the Town does not currently have to pay the amount shown as the Town's net pension and OPEB liabilities, nor will the Town benefit from any pension related assets. The Town's direct liability is limited to the annually required contributions established by the State Legislature. In addition, the Town does not have any control over the investment policies associated with PERA and FPPA investments. These responsibilities lie solely with the PERA and FPPA board and administration. Decisions regarding the plan benefit design and the funding policies lie solely with the State Legislature. Please refer to Notes 7, 9 and 10 within the Notes to Financial Statements section of this report.

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 are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains other required supplementary information and supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements
The G*overnment-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 S*tatement of Net Position* presents information on all of the Town's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference 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 reader of the financial statements should also consider other non-financial factors, such as changes in the composition or quality of the Town's sales tax base and perhaps the condition of the Town's infrastructure, to assess the overall health of the Town.

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

In the *Statement of Net Position* and S*tatement of Activities*, the Town is divided into two kinds of activities:

- Governmental activities – most of the Town's basic services are reported here including public safety, public works, municipal court and general administration. Sales and use taxes, property taxes, fees and charges from the court and franchise fees finance most of these activities. Governmental activities of the Town also include the financing, construction of, and maintenance of governmental infrastructure constructed or acquired by the Town during the current year.

- Business-type activities – the Town charges a fee to customers to cover all or most of the cost of certain services it provides.

Fund Financial Statements
A *fund* is a grouping of related accounts 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 are governmental or 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 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. In particular, *fund balance, whether assigned, committed, or unassigned,* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

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 two 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 each of the Town's major governmental funds, the General Fund and the Conservation Trust Fund.

The Town adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for this fund in the *basic financial statements* to demonstrate compliance with this budget.

Proprietary Funds
The proprietary fund financial statements provide the same type of information as shown in the government-wide financial statements, only these statements provide a more detailed level of information.

Enterprise funds, a type of proprietary fund, are used to report any activity for which a fee is charged to external users for goods and services. The Town utilizes two enterprise funds to account for water and sewer operations.

Notes to Financial Statements
The notes to the financial statements provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information
In addition to the basic financial statements and accompanying notes, the report also presents certain supplementary information which is required to be disclosed by the *Governmental Accounting Standards Board* and other supplemental information presented for legal compliance and additional analysis.

Government-wide Financial Analysis
At the close of 2023, total net position was $72,292,594. The largest portion of net position that is not unrestricted is the investment in capital assets of $27,628,137 (38% of net position). The amount reflects the investment of all capital assets (e.g. infrastructure, land, buildings and equipment), net of accumulated depreciation, less any debt used to acquire those assets that are still outstanding. The capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of debt, the resources needed to repay this debt must be provided from other sources since capital assets themselves cannot be used to liquidate those liabilities.

The following tables summarize the Town's governmental and business-type net positions:

	December 31, 2023		
	Governmental Activities	Business-Type Activities	Total Primary Government
Current & Other Assets	$ 10,977,572	$ 37,607,181	$ 48,584,753
Capital Assets	10,390,598	22,347,930	32,738,528
Total Assets	21,368,170	59,955,111	81,323,281
Deferred Outflows of Resources	901,521	378,580	1,280,101
Current & Other Liabilities	980,715	642,357	1,623,072
Non-Current Liabilities	4,731,769	3,333,396	8,065,165
Total Liabilities	5,712,484	3,975,753	9,688,237
Deferred inflows of resources	603,534	19,019	622,553
Net Position			
Net investment in capital assets	6,173,109	21,455,028	27,628,137
Restricted for Emergencies	206,140	-	206,140
Restricted for conservation trust	248,511	-	248,511
Restricted for capital asset purchase	391,552	-	391,552
Restricted for bond debt service	-	164,800	164,800
Restricted for capital projects from PIFs	-	7,815,859	7,815,859
Restricted for Grants	-	1,837,222	1,837,222
Unrestricted	8,934,362	25,066,010	34,000,372
Total Net Position	$ 15,953,674	$ 56,338,919	$ 72,292,594

	December 31, 2022		
	Governmental Activities	Business-Type Activities	Total Primary Government
Current & Other Assets	$ 10,001,417	$ 30,998,300	$ 40,999,717
Capital Assets	10,113,259	22,789,272	32,902,531
Total Assets	20,114,676	53,787,572	73,902,248
Deferred Outflows of Resources	438,144	160,392	598,536
Current & Other Liabilities	905,485	972,010	1,877,495
Non-Current Liabilities	3,875,019	2,402,580	6,277,599
Total Liabilities	4,780,504	3,374,590	8,155,094
Deferred inflows of resources	1,426,536	514,231	1,940,767
Net Position			
Net investment in capital assets	6,070,755	21,759,219	27,829,974
Restricted for Emergencies	186,932	-	186,932
Restricted for conservation trust	254,750	-	254,750
Restricted for capital asset purchase	147,744	-	147,744
Restricted for bond debt service	-	164,800	164,800
Restricted for capital projects from PIFs	-	6,244,233	6,244,233
Unrestricted	7,685,599	21,890,890	29,576,489
Total Net Position	$ 14,345,780	$ 50,059,143	$ 64,404,923

Changes in Net Position

The Town's net position increased by $7,887,671 in 2023 and $7,850,070 in 2022 for governmental and business-type activities. Beginning net position was restated as of January 1, 2022 related to historical depreciation adjustments in the water and sewer funds and reclassification of the ARPA funds from revenues to unearned revenue. The following tables summarizes the changes in net position.

	For the Year Ended December 31, 2023		
	Governmental Activities	**Business-Type Activities**	**Total Primary Government**
Revenues			
Program Revenues			
Charges for services	$ 1,431,813	$ 3,538,634	$ 4,970,447
Operating grants & contributions	203,324	-	203,324
Capital grants & contributions	364,881	4,222,710	4,587,591
General Revenues			
Taxes/Assessments	4,203,122	-	4,203,122
Interest Earnings	336,154	1,192,172	1,528,326
Interest Expense	-	(27,105)	(27,105)
Other	452,958	1,655,851	2,108,809
Total Revenues	6,992,252	10,582,262	17,574,514
Expenses			
General Government	809,945	-	809,945
Public Safety	1,786,396	-	1,786,396
Public Works	2,142,889	-	2,142,889
Trash Services	501,554	-	501,554
Interest on Long-Term Debt	143,574	-	143,574
Water	-	2,350,078	2,350,078
Sewer	-	1,952,408	1,952,408
Total Expenses	5,384,358	4,302,486	9,686,844
Change in Net Position	1,607,894	6,279,776	7,887,671
Beginning Net Position - as restated	14,345,780	50,059,143	64,404,923
Ending Net Position	$ 15,953,674	$ 56,338,919	$ 72,292,594

	For the Year Ended December 31, 2022		
	Governmental Activities	Business-Type Activities	Total Primary Government
Revenues			
Program Revenues			
Charges for services	$ 1,149,984	$ 3,527,428	$ 4,677,412
Operating grants & contributions	138,356	-	138,356
Capital grants & contributions	338,404	4,415,732	4,754,136
General Revenues			
Taxes/Assessments	4,096,448	-	4,096,448
Interest Earnings	90,325	293,090	383,415
Interest Expense	-	(30,387)	(30,387)
Other	523,121	1,309,949	1,833,070
Total Revenues	6,336,638	9,515,812	15,852,449
Expenses			
General Government	1,412,230	-	1,412,230
Public Safety	1,319,839	-	1,319,839
Public Works	1,003,244	-	1,003,244
Trash Services	438,183	-	438,183
Interest on Long-Term Debt	128,312	-	128,312
Water	-	1,877,625	1,877,625
Sewer	-	1,822,946	1,822,946
Total Expenses	4,301,808	3,700,571	8,002,379
Change in Net Position	2,034,830	5,815,241	7,850,070
Beginning Net Position - as restated	12,310,950	44,243,902	56,554,852
Ending Net Position	$ 14,345,780	$ 50,059,143	$ 64,404,922

Governmental Activities

Governmental activities increased Lochbuie's net position by $1,607,894. The increase in revenue from 2022 to 2023 of $655,614 (10%) was a result of an increase in sales and use taxes, building permits, interest earnings, and lease proceeds. Expenses increased by $1,082,550, or 25%, from 2022 to 2023, primarily due to increases in expenses related to salaries during 2023.

Business-type Activities

Business-type activities for the year resulted in an increase of net position by $6,279,776. Charges for services and other operating-related revenue decreased from 2022 to 2023 by $181,816, or 2%. Expenses increased by $601,915, or 16%, from 2022 to 2023, primarily due to increases in salaries and professional and tech service fees and changes in pension expense in the water fund.

Governmental Funds

As of the end of 2023, the Town's governmental funds reported a combined ending fund balance of $9,766,879.

The Town has two major governmental funds. They are the General and Conservation Trust Funds. The General Fund is the primary operating fund for the Town of Lochbuie and reports a fund balance of $9,518,368 as of December 31, 2023. General Fund departments consist of Legislative, Administration, Police, Judicial and Public Works.

The Conservation Trust Fund had a total fund balance at the end of 2023 of $248,511. This fund accounts for State of Colorado lottery funds and is to be used for parks and recreation services and capital investment.

Proprietary Fund
The Town's proprietary fund statements provide the same type of information found in the government-wide financial statements in more detail.

Capital Asset and Debt Administration
Capital Assets
The Town of Lochbuie's investment in capital assets for its governmental and business-type activities as of December 31, 2023 amounted to $32,738,528. The investment in capital assets includes land, buildings, Building improvements, and equipment and infrastructure, net of accumulated depreciation.

Long Term Debt
At the end of 2023, total bonded debt outstanding was $4,285,000. This debt represents $3,405,000 related to general governmental obligation bonds and $880,000 related to bonds secured solely by specific revenue sources (i.e., revenue bonds).

Economic Factors and Next Year's Budget and Rates

The 2023 Budget includes capital maintenance, funds to attract and retain a high-quality workforce and maintain high service levels.

As revenues are vulnerable to economic cycles, the Town maintains a conservative projection philosophy to ensure the fiscal stability of the Town and continue to maintain expected service levels.

Investments in infrastructure are being made in 2024 that are consistent with the Town's Capital Improvement Plan. The Town will be focused on adding additional sources of sustainable revenue to fund community services and amenities. The Town will encourage both retail and industrial development to generate both revenue and jobs as well as locations to shop in town.

The Town continues to focus on our mission of building a great community for families.

Administrative Services
Town Administrator – The Town Administrator serves at the pleasure of the Board of Trustees. The Administrator is charged with ensuring that policies of the Board of Trustees are implemented and functions as the Chief of Staff for the Town Departments as well as serving as the Director of Public Safety, Building Official and Town Attorney liaison.

Town Clerk – During 2023, the Town Clerk was the custodian of all the Town records, made a record of Town Board meetings, and fulfilled all the statutory duties of a Town Clerk and worked as the Office Manager. The clerk serves as an advisor to the Town Administrator and to the Board of Trustees. The Clerk supervised the Administrative Clerk and Utility Billing Specialist.

Town Treasurer - The Town Treasurer is responsible for maintaining the financial records of the Town, prepares or causes to be prepared the financial statements and annual budgets of the Town, maintains Town bank accounts and investment accounts, ensures that receivables and payables are transacted properly and advises the Town Administrator and the Board of Trustees as to the financial condition of the Town. The Treasurer oversees the work of the Accounts Payable, Purchasing and Payroll Departments and assists with the annual audit.

Human Resources – This department is responsible for advertising open positions, interviewing, hiring, new employee orientations, administration of benefits, updating and maintaining employee files, management of the Town's general liability and worker's compensation insurance policies, and ensuring the Town is in compliance with all federal and state employment laws.

Municipal Court – Lochbuie Municipal Court is a court of record. During 2023, Court was conducted on the 4th Tuesday of each month beginning at 8:30 am. Additional sessions of court are conducted as necessary based on case load or extraordinary circumstances. The court is presided over by a judge appointed to a two-year term as a part-time judge. The judge is relieved by an alternate judge in his absence. The judge is assisted by a Court Clerk, whose job is part-time. When Court is in session a bailiff is provided by the police department. One or more of the Administrative staff members assist in court sessions in various duties to assist the Clerk, the prosecutor and the judge. The Town employs a law firm to serve as prosecutors. Translation services are routinely provided by a part-time translator and by bi-lingual, Spanish speaking staff members.

Building Department – The Town employs a Community Development Director to manage the planning department including review of all proposed development, proposed zoning changes, master plan development and review, parks & recreation planning, and traffic planning. The Director works closely with Town engineering, legal counsel and building inspection consultants.

By ordinance of the Board of Trustees, the Town does not have a separate planning commission. Instead, the functions classically performed by a planning commission -- review of all proposed development, proposed zoning changes, master plan development and review, parks and recreation planning, traffic planning, and general municipal engineering matters –are performed by the Board of Trustees.

Public Works – The Public Works Director supervises the Public Works Department. The department manages all storm water, streets and parks functions. The operation of the water and wastewater facilities and all required services for the operation thereof are managed by an Operator in Responsible Charge (ORC).

Police – The Police Department is staffed by a full-time Chief, one lieutenant, two sergeants, seven patrol officers a records supervisor, and a court clerk. The Town employs a community service officer to perform code enforcement and animal control functions for the Town.

Fire Protection – Fire protection is provided by the Hudson and Greater Brighton Fire Protection Districts.

The Hudson FPD is currently a combination fire department supplemented by volunteers and the Brighton FPD is a career department.

Emergency Medical Services – Ambulance service is provided by Platte Valley Ambulance, based at Brighton's Platte Valley Medical Center and secondary EMS transport is provided by Weld County Paramedics. The ambulance is supported by the appropriate fire department.

Trash Service – Solid waste management is provided by the Town through a contract trash hauling company. Fees for this service are collected with the utility bills.

Request for Information
This financial report is designed to provide a general overview of the Town of Lochbuie's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in the report or requests for additional financial information should be addressed to:

Denise Rademacher, Finance Director
Town of Lochbuie
703 WCR 37
Lochbuie, CO 80603

Roster of Town Officials
Appointed Officials
Heather Meierkort– Town Clerk
Denise Rademacher – Town Treasurer

Elected Officials
Michael Mahoney – Mayor
Jamie Jeffery – Mayor Pro Tem
May Wescott – Trustee
Dawn Coen – Trustee
Jacklyn White – Trustee
Kat Bristow- Trustee
Peggy Tapey - Trustee

Basic Financial Statements

Town of Lochbuie
Statement of Net Position
December 31, 2023

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and investments	$ 9,152,319	$ 27,001,322	$ 36,153,641
Cash and investments - restricted	729,270	9,817,881	10,547,151
Cash held by county treasurer	40,630	-	40,630
Accounts receivable	478,436	787,978	1,266,414
Property taxes receivable	576,917	-	576,917
Capital assets, not being depreciated	590,526	1,160,172	1,750,698
Capital assets, net of accumulated depreciation	9,800,072	21,187,758	30,987,830
TOTAL ASSETS	21,368,170	59,955,111	81,323,282
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	882,282	357,822	1,240,104
Deferred outflows related to OPEB	19,239	20,758	39,997
TOTAL DEFERRED OUTFLOWS OF RESOURCES	901,521	378,580	1,280,101
LIABILITIES			
Accounts payable and other liabilities	633,777	504,875	1,138,652
Accrued interest payable	10,108	2,482	12,590
Unearned revenue	-	1,835,858	1,835,858
Noncurrent liabilities:			
Net pension liability	721,950	660,535	1,382,485
Net OPEB liability	41,382	44,650	86,032
Accrued compensated absences	87,778	34,451	122,229
Due within one year	336,830	135,000	471,830
Due in more than one year	3,880,659	757,902	4,638,561
TOTAL LIABILITIES	5,712,484	3,975,753	9,688,237
DEFERRED INFLOWS OF RESOURCES			
Deferred property taxes	576,917	-	576,917
Deferred inflows related to pensions	12,043	3,293	15,336
Deferred inflows related to OPEB	14,574	15,726	30,300
TOTAL DEFERRED INFLOWS OF RESOURCES	603,534	19,019	622,553
NET POSITION			
Net investment in capital assets	6,173,109	21,455,028	27,628,137
Restricted			
Emergency reserve	206,140	-	206,140
Conservation trust	248,511	-	248,511
Capital asset	391,552	-	391,552
Bond debt service	-	164,800	164,800
Capital projects - PIF collections	-	7,815,859	7,815,859
Grants	-	1,837,222	1,837,222
Unrestricted	8,934,362	25,066,010	34,000,372
TOTAL NET POSITION	$ 15,953,674	$ 56,338,919	$ 72,292,594

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

Town of Lochbuie

Statement of Activities

For the Year Ended December 31, 2023

FUNCTIONS / PROGRAMS	EXPENSES	PROGRAM REVENUES: CHARGES FOR SERVICES	PROGRAM REVENUES: OPERATING GRANTS AND CONTRIBUTIONS	PROGRAM REVENUES: CAPITAL GRANTS AND CONTRIBUTIONS	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION: GOVERNMENTAL ACTIVITIES	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION: BUSINESS-TYPE ACTIVITIES	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION: TOTAL
Primary Government							
Governmental activities:							
General government - Legislative	$ 147,469	$ -	$ -	$ -	$ (147,469)	$ -	$ (147,469)
General government - Judicial	50,466	79,436	-	-	28,970	-	28,970
General government - Administrative	612,010	810,708	92,601	-	291,299	-	291,299
Public safety - Police	1,786,396	-	-	-	(1,786,396)	-	(1,786,396)
Public works- Streets	970,385	-	-	364,881	(605,504)	-	(605,504)
Public works - Parks	261,706	-	110,723	-	(150,984)	-	(150,984)
Public works - Community Development	910,798	-	-	-	(910,798)	-	(910,798)
Trash service	501,554	541,669	-	-	40,115	-	40,115
Interest on long-term debt	143,574	-	-	-	(143,574)	-	(143,574)
Total Governmental Activities	5,384,358	1,431,813	203,324	364,881	(3,384,340)	-	(3,384,340)
Business-Type Activities:							
Water	2,350,078	2,399,126	-	1,857,871	-	1,906,919	1,906,919
Sewer	1,952,408	1,139,508	-	2,364,839	-	1,551,939	1,551,939
Total Business-Type Activities	4,302,487	3,538,634	-	4,222,710	-	3,458,858	3,458,858
Total Primary Government	$ 9,686,844	$ 4,970,447	$ 203,324	$ 4,587,591	$ (3,384,340)	$ 3,458,858	$ 74,518

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
General Revenues (Expenses):			
Taxes:			
Property taxes	$ 561,560	$ -	$ 561,560
Specific Ownership Taxes	24,318	-	24,318
Sales and Use Taxes	3,097,250	-	3,097,250
Franchise taxes	219,899	-	219,899
Highway user taxes	230,686	-	230,686
Other taxes	69,409	-	69,409
Earnings on investments	336,154	1,192,172	1,528,326
Interest expense	-	(27,105)	(27,105)
Other	452,958	1,655,851	2,108,809
Total general revenues	4,992,234	2,820,918	7,813,153
Change in net position	1,607,894	6,279,776	7,887,671
NET POSITION, BEGINNING	14,345,780	50,059,143	64,404,923
NET POSITION, ENDING	$ 15,953,674	$ 56,338,919	$ 72,292,594

Town of Lochbuie
Balance Sheet
Governmental Funds
December 31, 2023

ASSETS	GENERAL FUND	CONSERVATION TRUST FUND	TOTAL GOVERNMENTAL FUNDS
Cash, and cash equivalents	$ 9,152,319	$ -	$ 9,152,319
Restricted cash and cash equivalents	391,552	337,718	729,270
Cash held by county treasurer	40,630	-	40,630
Accounts receivable	478,436	-	478,436
Property taxes receivable	576,917	-	576,917
TOTAL ASSETS	$ 10,639,854	$ 337,718	$ 10,977,572
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable and accrued liabilities	$ 544,569	$ 89,208	$ 633,777
TOTAL LIABILITIES	544,569	89,208	633,777
DEFERRED INFLOWS OF RESOURCES			
Deferred property taxes	576,917	-	576,917
TOTAL DEFERRED INFLOWS OF RESOURCES	576,917	-	576,917
FUND BALANCES			
Restricted for:			
Emergencies	206,140	-	206,140
Capital asset	391,552	-	391,552
Conservation trust	-	248,511	248,511
Committed for:			
School building	416,906	-	416,906
Assigned for:			
Community development	1,305,379	-	1,305,379
Unassigned	7,198,391	-	7,198,391
TOTAL FUND BALANCES	9,518,368	248,511	9,766,879
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 10,639,854	$ 337,718	$ 10,977,572

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

Town of Lochbuie
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
For the Year Ended December 31, 2023

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

Total fund balances - governmental funds	$	9,766,879
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds:		
Capital assets		14,828,641
Less: Accumulated depreciation		(4,438,043)
Net capital assets		10,390,598
Pension and OPEB liabilities and assets and related deferred inflows and deferred outflows of resources are not current financial resources and, therefore, are not reported in the fund financial statements.		
Deferred outflows of resources relating to pensions		882,282
Deferred inflows of resources relating to pensions		(12,043)
Net pension liability		(721,950)
Net OPEB liability		(41,382)
Deferred outflows of resources relating to OPEB		19,239
Deferred inflows of resources relating to OPEB		(14,574)
Long-term liabilities are not due and payable from current financial resources, and therefore, are not reported as liabilities on the fund financial statements.		
Accrued interest payable		(10,108)
Accrued compensated absences		(87,778)
Bonds and leases payable - net		(4,217,489)
Total net position - governmental activities	$	15,953,674

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

Town of Lochbuie
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2023

	GENERAL FUND	CONSERVATION TRUST FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES:			
Property taxes	$ 561,560	$ -	$ 561,560
Specific ownership taxes	24,318	-	24,318
Sales and use taxes	3,097,250	-	3,097,250
Franchise taxes	219,899	-	219,899
Highway user taxes	230,686	-	230,686
Other taxes	69,409	-	69,409
Intergovernmental	-	110,723	110,723
Licenses, permits and fees	810,708	-	810,708
Fines and Forfeitures	79,436	-	79,436
Grants	92,601	-	92,601
Developer reimbursements	364,881	-	364,881
Interest earned	325,945	10,209	336,154
Trash service	541,669	-	541,669
Other revenue	452,958	-	452,958
TOTAL REVENUES	6,871,320	120,932	6,992,252
EXPENDITURES:			
General and Operating:			
General Government - Legislative	145,048	-	145,048
General Government - Judicial	49,726	-	49,726
General Government - Administration	511,232	-	511,232
Public Safety - Police	1,751,747	-	1,751,747
Public works - Streets	630,555	-	630,555
Public works - Parks	191,833	-	191,833
Public works - Community Development	904,215	-	904,215
Trash services	501,554	-	501,554
Debt Service:			
Principal	292,396	-	292,396
Interest	126,434	-	126,434
Capital outlay	703,987	127,171	831,158
TOTAL EXPENDITURES	5,808,727	127,171	5,935,898
EXCESS OF REVENUES OVER EXPENDITURES	1,062,593	(6,240)	1,056,353
OTHER FINANCING SOURCES			
Leases	473,216	-	473,216
TOTAL OTHER FINANCING SOURCES	473,216	-	473,216
NET CHANGE IN FUND BALANCES	1,535,809	(6,240)	1,529,570
FUND BALANCES, BEGINNING OF YEAR	7,982,559	254,750	8,237,309
FUND BALANCES, END OF YEAR	$ 9,518,368	$ 248,511	$ 9,766,879

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

Town of Lochbuie

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

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

Total net change in fund balances - governmental funds	$ 1,529,570
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are capitalized in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which capital outlay exceeded depreciation during the period.	
Capital outlay	831,158
Depreciation expense	(553,819)
Governmental funds report lease revenue from the inception of lease agreements as other financing sources and the repayments of principal on bonds and payments on lease obligations as expenditures, whereas the statement of activities recognizes these amounts as increases and decreases in the associated liabilities. Interest expense is recognized as an expenditure in the governmental funds when it is due, while interest expense is recognized when incurred in the statement of activities. Interest expense reported in the statement of activities also includes amortization of bond premiums which are recognized in the governmental funds in the period incurred. The net effect of these differences in the treatment of long-term liabilities and related expenditures is as follows:	
Principal payments on debt obligations	292,396
Lease revenue	(473,216)
Change in accrued interest	(1,718)
Amortization of bond premium	8,028
Increase in accrued compensated absences liability is reflected as an expense on the statement of activities and not reflected as an expense on the governmental fund statement of revenues, expenditures and changes in fund balances until paid.	(25,348)
Changes in the Town's net pension asset, liability, net OPEB liability, deferred outflows of resources and deferred inflows of resources related to the Town's pension and OPEB plans for the current year do not require the use of current financial resources, and therefore, are not reported as income in the governmental fund financial statements.	843
Change in net position of governmental activities	$ 1,607,894

Town of Lochbuie

General Fund
Statement of Revenues, Expenditures
and Change in Fund Balances—Budget and Actual
For the Year Ended December 31, 2023

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Taxes			
Property taxes	$ 560,101	$ 561,560	$ 1,459
Specific ownership taxes	45,000	24,318	(20,682)
Sales and use taxes	2,218,000	3,097,250	879,250
Franchise fees	216,200	219,899	3,699
Highway user taxes	222,508	230,686	8,178
Other taxes	68,750	69,409	659
Licenses, permits and fees	666,337	810,708	144,371
Fines and Forfeitures	75,350	79,436	4,086
Grants	1,466,500	92,601	(1,373,899)
Developer reimbursements	300,000	364,881	64,881
Interest earned	156,000	325,945	169,945
Trash service	545,600	541,669	(3,931)
Other revenue	288,463	452,958	164,495
TOTAL REVENUES	6,828,809	6,871,320	42,511
EXPENDITURES			
General Government - Legislative	158,362	145,048	13,314
General Government - Judicial	58,186	49,726	8,460
General Government - Administration	571,410	511,232	60,178
Public Safety - Police	1,829,098	1,751,747	77,351
Public works - Streets	1,193,214	630,555	562,659
Public works - Parks	248,889	191,833	57,056
Public works - Community Development	935,791	904,215	31,576
Trash services	497,500	501,554	(4,054)
Debt Service			
Principal	308,025	292,396	15,629
Interest and other charges	127,000	126,434	566
Capital outlay	2,721,000	703,987	2,017,013
TOTAL EXPENDITURES	$ 8,648,475	$ 5,808,727	$ 2,839,748
Excess (deficiency) of revenues over expenditures	(1,819,666)	1,062,593	2,882,259
OTHER FINANCING SOURCES			
Leases	-	473,216	473,216
TOTAL OTHER FINANCING SOURCES	-	473,216	473,216
NET CHANGE IN FUND BALANCE	$ (1,819,666)	$ 1,535,809	$ 3,355,475
FUND BALANCES, BEGINNING OF YEAR	7,478,695	7,982,559	503,864
FUND BALANCES, END OF YEAR	$ 5,659,029	$ 9,518,368	$ 3,859,339

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

Town of Lochbuie
Enterprise Funds
Statements of Net Position
December 31, 2023

ASSETS Current Assets	Water Fund	Sewer Fund	Total
Cash and investments	$ 18,123,545	$ 8,877,777	$ 27,001,322
Cash and investments - restricted	2,002,022	7,815,859	9,817,881
Accounts receivable	222,081	565,897	787,978
Total Current Assets	20,347,648	17,259,533	37,607,181
Capital Assets			
Nondepreciable	831,561	328,611	1,160,172
Depreciable, net	9,657,971	11,529,787	21,187,758
Total Capital Assets	10,489,532	11,858,398	22,347,930
TOTAL ASSETS	30,837,180	29,117,931	59,955,111
DEFERRED OUTFLOWS OF RESOURCES			
Pension related deferred outflow	206,589	151,233	357,822
OPEB related deferred outflow	11,972	8,786	20,758
Total Deferred Outflows of Resources	218,561	160,019	378,580
LIABILITIES			
Current Liabilities:			
Accounts payable and other liabilities	421,801	83,074	504,875
Accrued interest payable	2,482	-	2,482
Compensated absences	20,262	14,189	34,451
Current portion - bonds	135,000	-	135,000
Unearned revenue	1,835,858	-	1,835,858
Total Current Liabilities	2,415,403	97,263	2,512,666
Long-Term Liabilities:			
Net pension liability	381,361	279,174	660,535
Net OPEB liability	25,752	18,898	44,650
Bonds and notes payable	757,902	-	757,902
Total Non-Current Liabilities	1,165,015	298,072	1,463,087
TOTAL LIABILITIES	3,580,418	395,335	3,975,753
DEFERRED INFLOWS OF RESOURCES			
Pension related deferred inflow	1,901	1,392	3,293
OPEB related deferred inflow	9,070	6,656	15,726
TOTAL DEFERRED INFLOWS OF RESOURCES	10,971	8,048	19,019
NET POSITION			
Net investment in capital assets	9,596,630	11,858,398	21,455,028
Restricted:			
Bonded debt service	164,800	-	164,800
Capital projects - PIF collections	-	7,815,859	7,815,859
Grants	1,837,222	-	1,837,222
Unrestricted	15,865,700	9,200,310	25,066,010
TOTAL NET POSITION	$ 27,464,352	$ 28,874,567	$ 56,338,919

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

Town of Lochbuie

Enterprise Funds
Statements of Revenues, Expenses and Changes in Net Position
For the Year Ended December 31, 2023

	Water Fund	Sewer Fund	Total
OPERATING REVENUES			
Charges for services	$ 2,399,126	$ 1,139,508	$ 3,538,634
Other	547,357	1,108,494	1,655,851
TOTAL OPERATING REVENUES	2,946,483	2,248,002	5,194,485
OPERATING EXPENSES			
Operating expenses	1,164,120	934,521	2,098,641
Administrative expenses	763,848	422,604	1,186,452
Depreciation expense	422,110	595,283	1,017,393
TOTAL OPERATING EXPENSES	2,350,078	1,952,408	4,302,487
OPERATING INCOME	596,405	295,594	891,999
NON-OPERATING REVENUES (EXPENSES)			
Interest earnings	662,968	529,204	1,192,172
Interest expense	(27,105)	-	(27,105)
TOTAL NON-OPERATING REVENUES (EXPENSES)	635,863	529,204	1,165,067
INCOME BEFORE CAPITAL CONTRIBUTIONS	1,232,268	824,798	2,057,066
CAPITAL CONTRIBUTIONS			
Tap fees/PIFS	1,857,871	2,364,839	4,222,710
TOTAL CAPITAL CONTRIBUTIONS	1,857,871	2,364,839	4,222,710
CHANGES IN NET POSITION	3,090,139	3,189,637	6,279,776
NET POSITION, BEGINNING OF YEAR	24,374,213	25,684,930	50,059,143
NET POSITION, END OF YEAR	$ 27,464,352	$ 28,874,567	$ 56,338,919

Town of Lochbuie

Enterprise Funds
Statements of Cash Flows
For the Year Ended December 31, 2023

	Water Fund	Sewer Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	$ 2,379,984	$ 768,372	$ 3,148,356
Receipts from others	547,357	1,108,494	1,655,851
Payments to suppliers for goods and services	(1,301,021)	(1,077,081)	(2,378,102)
Payments to and on behalf of employees	(486,278)	(338,296)	(824,574)
NET CASH FROM OPERATING ACTIVITIES	1,140,042	461,489	1,601,531
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Tap fees/PIFS	1,857,871	2,364,839	4,222,710
Acquisition of capital assets	(368,044)	(208,008)	(576,052)
Principal paid on long-term debt	(135,000)	-	(135,000)
Interest paid on long-term debt	(27,105)	-	(27,105)
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES	1,327,722	2,156,831	3,484,553
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	660,817	529,204	1,190,021
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES	660,817	529,204	1,190,021
NET CHANGE IN CASH AND CASH EQUIVALENTS	3,128,580	3,147,524	6,276,104
CASH AND CASH EQUIVALENTS			
Beginning of Year	16,996,987	13,546,112	30,543,099
End of Year	$ 20,125,567	$ 16,693,636	$ 36,819,203
CASH IS REFLECTED ON THE STATEMENT OF NET POSITION AS FOLLOWS:			
Cash and investments	$ 18,123,545	$ 8,877,777	$ 27,001,322
Cash and investments - restricted	2,002,022	7,815,859	9,817,881
Total cash	$ 20,125,567	$ 16,693,636	$ 36,819,203
RECONCILIATION OF OPERATING INCOME TO NET CASH FROM OPERATING ACTIVITIES			
Operating income	$ 596,405	$ 295,594	891,999
Adjustments to reconcile operating income to net cash flows from operating activities			
Depreciation	422,110	595,283	1,017,393
(Increase) decrease in operating assets:			
Accounts receivable	(19,142)	(371,136)	(390,278)
Net pension and OPEB balances	(92,893)	(92,132)	(185,025)
(Increase) decrease in operating liabilities:			
Accounts payable and other liabilities used for operations	136,267	(60,630)	75,637
Net pension and OPEB balances	95,576	93,779	189,355
Accrued payroll liabilities	1,719	731	2,450
NET CASH FROM OPERATING ACTIVITIES	$ 1,140,042	$ 461,489	$ 1,601,531

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

1. Definition of Reporting Entity

Reporting Entity

The Town was organized as a statutory Town in Colorado by court order in 1974. The Town provides general government, public works (roads, streets and parks), police, water, and sewer for the geographical area organized as the Town.

The Town follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

The Town is not financially accountable for any other organization, nor is the Town a component unit of any other primary governmental entity.

2. Summary of Significant Accounting Policies

The more significant accounting policies of the Town are described as follows:

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the activities of the 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 net position reports all financial and capital resources of the Town. The difference between the assets and deferred outflows of resources, and liabilities and deferred inflows of resources of the Town is reported as net position.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to 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 and enterprise funds are reported as separate columns in the fund financial statements.

2. Summary of Significant Accounting Policies (continued)

Measurement focus, basis of accounting and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Depreciation is computed and recorded as an operating expense. Expenditures for property, equipment and infrastructure are shown as increases in assets, and redemptions of bonds are recorded as a reduction in liabilities.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the enterprise funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues, rather than as program revenues. Likewise, general revenues include all taxes.

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 collectible 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. The major sources of revenue susceptible to accrual are property taxes, sales taxes and franchise fees. All other revenue items are considered to be measurable and available only when cash is received by the Town.

The Town reports the following major governmental funds:

General Fund - The General Fund is the Town's primary operating fund. It accounts for all financial resources of the general government except those required to be accounted or in another fund, which include the following departments: Legislative, Judicial, Administrative, Public Safety-Police, Public Works and Community Development.

Conservation Trust Fund – The Conservation Trust Fund accounts for State of Colorado lottery funds to be used for parks and recreation services and capital investment.

The Town reports the following major proprietary funds:

Water Fund – The Water Fund was established to account for the acquisition, operation and maintenance of the Town's water facilities and infrastructure.

Sewer Fund – The Sewer Fund was established to account for the acquisition, operation and maintenance of the Town's sewer facilities and infrastructure.

2. Summary of Significant Accounting Policies (continued)

Proprietary funds are used to account for ongoing activities that are financed and operated in a manner similar to private business enterprises. Proprietary funds distinguish operating revenues and expenses from non-operating 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 are charges to customers for water and sewer service. Operating expenses include the costs of the services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses or capital contributions. Tap fees and plant investment fees are generally recorded as capital contributions when received.

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

Pooled Cash and Investments

The Town follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based on each fund's average equity balance in total cash.

Cash Equivalents

For the purpose of the statement of cash flows of the proprietary funds, cash and cash equivalents include operating and restricted cash deposits and highly liquid investments with original maturities of three months or less from the date of acquisition.

Accounts receivable, allowance for doubtful accounts

User fees and tap fees constitute a perpetual lien on or against property served until paid. Such liens may be foreclosed upon as provided by the State of Colorado. Therefore, no provision for uncollectible receivables has been made in the financial statements.

Capital Assets

Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capitalized assets are defined by the Town as assets that have a useful life of one or more years and for which the initial, individual value equals or exceeds the following dollar amounts:

Asset Class	Dollar Value
Land	No Minimum
Buildings	No Minimum
Buildings & other improvements	$ 5,000
Furniture and Equipment	$ 5,000
Infrastructure	$ 5,000

2. Summary of Significant Accounting Policies (continued)

All purchased assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated assets are valued at acquisition value on the date received. The cost of normal maintenance and repairs that does not add to the value of an asset or materially extend asset life is not capitalized.

Depreciation expense is included in program expense in the government-wide statement of activities. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Asset Class	Useful Life
Buildings	40 years
Building and Other Improvements	20 years
Water and Sewer Systems	25 - 35 years
Furniture and Equipment	3 – 30 years
Infrastructure	15 – 40 years

Public domain assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are examples of infrastructure assets. Infrastructure assets are distinguished from other capitalized assets since their useful life often extends beyond most other capital assets and are stationary in nature. General infrastructure assets are those associated with or arising from governmental activities.

Compensated absences

It is the Town’s policy to permit employees to accumulate earned, but unused, vacation and sick pay benefits. These benefits accrue together as Paid Time Off (PTO). PTO accrues to a maximum of 240 hours, depending on length of employment. Compensated absences are recorded as current salary cost when paid in government funds and is accrued in the enterprise fund.

Property taxes

Property taxes are levied by the Town's Board of Trustees. The levy is based on assessed valuations 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 to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or if in equal installments, at the taxpayer’s election, in February and June.

Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the Town.

2. Summary of Significant Accounting Policies (continued)

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflows of resources in the year they are levied and measurable. The deferred inflows are recorded as revenue in the year they are available or collected.

Deferred Outflows/Inflows of resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. The separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town has certain items that relate to its pension and other post-employment benefit plans that qualify for reporting in this category. Accordingly, these items are deferred and will be recognized as an outflow of resources in the period the resource is required for use.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Town has certain items that relate to its pension and other post-employment benefits and property tax revenue that qualify for this category. Accordingly, these items are deferred and will be recognized as an inflow of resources in the period that the amount becomes available.

Pensions

The Town participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado ("PERA").

In addition, the Town participates in the Statewide Defined Benefit Plan (SWDB), a cost sharing multi-employer defined benefit pension plan administered by the Fire and Police Pension Association of Colorado (FPPA) that provides retirement benefits for members and beneficiaries.

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

2. Summary of Significant Accounting Policies (continued)

Postemployment benefits other than pensions (OPEB)

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

FPPA administers the Statewide Death & Disability Plan discussed in Note 8, which qualifies as a cost sharing multiple-employer defined benefit OPEB plan under the standard. This plan covers substantially all active full-time (and some part-time) employees of fire and police departments in Colorado. As it pertains to the requirements in Statement No. 75 regarding the FPPA Statewide Death & Disability Plan and the Town, FPPA concluded that because all contributions to the plan are considered member contributions (and not employer), the employers' proportionate share of any Net OPEB liability (asset) is $0.

Fund balances

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: non-spendable, restricted, committed, assigned and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

Non-spendable fund balance – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid items or inventory) or is legally or contractually required to be maintained intact.

Restricted fund balance – The portion of fund balance constrained to being used for a specific purpose by external parties (such as grantors or bondholders), constitutional provisions or enabling legislation.

Committed fund balance – The portion of fund balance constrained for specific purposes according to limitations imposed by the Town's highest level of decision-making authority, the Board of Trustees. The constraint may be removed or changed only through formal action of the Town's Board of Trustees.

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

2. Summary of Significant Accounting Policies (continued)

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

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

At December 31, 2023, the Town had $206,140 restricted by legislation (for emergencies), $248,511 restricted for parks and recreation (Conservation Trust), and $391,552 restricted for a capital asset purchase.

At December 31, 2023, the Town had $416,906 committed for a future school building.

At December 31, 2023, the Town had $1,305,379 assigned for community development.

The remaining fund balance is considered by the Town to be unassigned. At December 31, 2023, the Town had an unassigned fund balance in the general fund of $7,198,391.

Budgets

The Town follows these procedures in establishing the budgetary data reflected in the supplementary information:

- By October 15, the Town Administrator submits to the Board of Trustees, a proposed operating budget for the fiscal year beginning the following January 1. The operating budget includes proposed expenditures and the means of financing them. The appropriation is at the total fund expenditures level.
- A public hearing is conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally enacted through passage of a resolution.
- Any budget revisions that alter the total expenditures of any fund must be approved by the Board of Trustees through passage of a resolution.
- The Town legally adopts budgets for all of the funds. The budget includes each fund on its basis of accounting unless otherwise indicated.
- Budgeted amounts in the financial statements are as originally adopted or as amended by the Board of Trustees. All appropriations lapse at year end.

The Town's Board of Trustees can modify the budget by line item within the total appropriation without notification. The total appropriation can only be modified upon completion of notification and publication requirements.

Reclassifications

Certain prior year amounts have been adjusted to conform to the current year presentation. These reclassifications did not have an impact on the Town's net position.

2. Summary of Significant Accounting Policies (continued)

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires that the Town's management make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Lease obligations

The Town determines if an arrangement is a lease at inception. Leases are included in capital assets and noncurrent liabilities in the statement of net position.

Lease assets represent the Town's control of the right to use an underlying asset for the lease term, as specified in the contract, in an exchange or an exchange-like transaction. Lease assets are recognized at the commencement date based on the initial measurement of the lease obligation, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. Lease assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Lease obligations represent the Town's obligation to make lease payments arising from the lease. Lease obligations are recognized at the commencement date based on the present value of expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term. The lease term may include options to extend or terminate the lease when it is reasonably certain that the Town will exercise that option.

The Town recognizes payments for short-term leases with an initial lease term of 12 months or less as expenses as incurred, and these leases are not included as lease obligations or intangible right-of-use lease assets on the statement of net position.

For individual lease contracts where information about discount rate implicit in the lease is not included, the Town has elected to use the Prime Rate to calculate the present value of expected lease payments.

New Accounting Pronouncements

In 2023, the Town implemented Governmental Accounting Standards Board (GASB) Statement No. 96, Subscription-Based Information Technology Arrangements. GASB Statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset, and intangible asset, and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The implementation of GASB Statement No. 96 had no effect on the net position as reported December 31, 2022. At December 31, 2023, this standard did not have a material impact on the Town's financial statements.

3. Cash and Investments

Cash and investments are reflected on the December 31, 2023 Statement of Net Position as follows:

Cash and investments	$ 36,153,641
Cash and investments - restricted	10,547,151
Cash with county treasurer	40,630
Total cash and investments	$ 46,741,422

A summary of cash and investments as of December 31, 2023 consist of the following:

Petty cash	$ 950
Bank deposits	5,017,287
Investments	41,723,185
Total	$ 46,741,422

At December 31, 2023, the Town's cash deposits had bank balances of $5,127,233 and carrying balances of $5,017,287.

Deposits with financial institutions

The Colorado Public Deposit Protection Act, (PDPA) requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. Amounts on deposit in excess of federal insurance levels must be collateralized. As of December 31, 2023, the federal insurance limit was $250,000. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

Custodial credit risk - deposits

Custodial credit risk is the risk that in the event of a bank failure, the Town’s deposits may not be returned to it. The Town’s cash deposit and investment policy adopts state statutes regarding custodial credit risk for deposits. As of December 31, 2023, the Town’s bank balances and carrying balances were insured or collateralized as follows:

Bank balances	
Federally insured	$ 469,663
Collateralized	4,657,570
Total bank balances	$ 5,127,233

3. Cash and Investments (continued)

Carrying balances	
Federally insured	$ 469,663
Collateralized	4,547,624
Total bank balances	$ 5,017,287

Investments

The Town adopted an approved investment policy during 2020. The objectives of the policy are to provide safety, liquidity and yield while ensuring effective and judicious fiscal management of the Town's funds. The policy allows the Board of Trustees to authorize the Town Treasurer to invest all or any part of funds in securities which are authorized for investment by state law.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Trustees. Such actions are generally associated with a debt service reserve or sinking fund requirements. Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- Obligations of the United States, certain U.S. government agency securities
- General obligation and revenue bonds of U.S. local government entities
- Certain certificates of participation
- Certain securities lending agreements
- Certificates of deposit
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools. These trusts are supervised by participating governments and must comply with the same restrictions on cash deposits and investments. These trusts are "Colotrust", "CSAFE" and "CSIP".

As of December 31, 2023, the Town had the following investments:

Investment	
Colorado Liquid Asset Trust (Colotrust)	$ 8,821,445
Colorado Surplus Asset Safe Trust (CSAFE) – Colorado CORE	8,220,347
Colorado Statewide Investment Program (CSIP)	8,203,492
J.P. Morgan Securities	7,915,549
Chase - Certificates of Deposit	8,562,352
Total Investments	$ 41,723,185

3. Cash and Investments (continued)

COLOTRUST

The Town has invested $8,821,445 in the Colorado Local Government Liquid Asset Trust (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commission administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to $1. The Trust offers shares in threes portfolios, COLOTRUST PRIME, COLOTRUST PLUS+ and COLOTRUST EDGE. COLOTRUST PRIME and COLOTRUST PLUS+, which operate similarly to a money market fund and each share is equal in value to $1.00, offer daily liquidity. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

COLOTRUST EDGE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a $10.00 transactional share price. COLOTRUST EDGE may invest in securities authorized by Section 24-75-601.1, C.R.S., including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, and highest rated commercial paper.

A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's 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 Trust. COLOTRUST PRIME and COLOTRUST PLUS+ are rated AAAm by Standard & Poor's. COLOTRUST EDGE is rated AAAf/S1 by FitchRatings. COLOTRUST records its investments at fair value and the Town records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period. As of December 31, 2023, 100% of the COLOTRUST investments were in the COLOTRUST PLUS+ portfolio.

CSAFE

At December 31, 2023, the Town had invested $8,220,347 in Colorado Surplus Asset Fund Trust (CSAFE) Colorado Core (CORE). As an investment pool, CSAFE operates under the Colorado Revised Statutes (24-75-701) and is overseen by the Colorado Securities Commissioner. CSAFE invests in securities that are specified by the Colorado Revised Statutes (24-75-601). CORE authorized securities primarily include highly rated commercial paper and corporate bonds, bank deposits (collateralized through PDPA) and other Colorado LGIP funds inclusive of other funds offered by CSAFE as allowed. CORE operates similarly to a money market fund and each share is equal in value to $2.00. CORE measures all of its investments at amortized cost with a weighted average maturity of 180 days or less. CORE is rated AAAf/S1 by Fitch Ratings. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

3. Cash and Investments (continued)

CSIP

At December 31, 2023, the Town had invested $8,203,492 in Colorado Statewide Investment Program (CSIP) Liquid Portfolio (Portfolio). As an investment pool, CSIP operates under the Colorado Revised Statutes (24-75-701) and is overseen by the Colorado Securities Commissioner. CSIP invests in securities that are specified by the Colorado Revised Statutes (24-75-601). The Portfolio authorized securities primarily include bank deposits (collateralized through PDPA), commercial paper, repurchase agreements, corporate securities, asset-backed securities and other Colorado LGIP funds inclusive of other funds offered by CSIP as allowed. The Portfolio operates similarly to a money market fund and each share is equal in value to $1.00. CSIP records its investments at fair value and the Town records its investment in the Portfolio using the net asset value as determined by fair value. The Portfolio is rated AAAm by Standard & Poor's. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

FAIR VALUE MEASUREMENTS

At December 31, 2023, the Town had invested $16,477,901 in J.P. Morgan Chase Securities LLC and J.P. Morgan Chase, and this balance is generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the Town categorize fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that a government can access at the measurement date; Level 2 inputs are significant other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; Level 3 inputs are significant unobservable inputs for an asset or a liability.

The Town investments subject to fair value measurements are as follows:

Investments Type	Value as of December 31 2023	Level 1	Level 2	Level 3
Debt Securities				
Certificates of Deposit	$ 8,562,352	$ 8,562,352	$ -	$ -
U.S. Treasury Obligations	4,900,864	4,900,864	-	-
Corporate Bonds	3,014,685	3,014,685	-	-
Total Investments Measured at Fair Value	$ 16,477,901	$ 16,477,901	$ -	$ -

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Mutual funds are not subject to interest rate risk. Per the Town's Investment Policy, interest rate risk shall be limited by structuring the investment portfolio such that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and by investing operating funds in short-term securities such as investment pools.

3. Cash and Investments (continued)

The following table categorizes interest rate risk and concentration of credit risk for the Town:

Investment Category	Market Value	Maturity Less Than 1 Year	Maturity 1-5 Years	Concentration of Credit Risk	S&P Rating
Certificates of Deposit	$ 8,562,352	$ 8,562,352	$ -	20.52%	NR
U.S. Treasury Obligations	4,900,864	4,900,864	-	11.75%	AA+
Corporate Bonds	3,014,685	-	3,014,685	7.23%	AA+
Government Investment Pool	25,245,284	25,245,284	-	60.51%	N/A
Total	$ 41,723,185	$ 38,708,500	$ 3,014,685	100%	

As of December 31, 2023, cash is restricted as follows:

Restriction	
Series 2012 Water Revenue Refunding and Improvement Bonds Reserve	$ 164,800
American Rescue Plan Act - ARPA Funds	1,837,222
Sewer fund cash restricted for Facility Expansion and retiring PIF credits	7,815,859
Escrow agreement related to purchase	391,552
Conservation trust proceeds restricted for parks and recreation expenditures	337,718
Total	$ 10,547,151

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4. Capital Assets

Governmental capital assets activity for the year ended December 31, 2023 was as follows:

	Balance December 31, 2022	Additions	Retirements	Balance December 31, 2023
Governmental Activities				
Capital assets, *not being depreciated*:				
Land	$ 116,698	$ -	$ -	$ 116,698
Construction in Process	146,395	327,433	-	473,828
Total capital assets, *not being depreciated*	263,093	327,433	-	590,526
Capital assets, being depreciated/amortized:				
Buildings	2,775,750	-	-	2,775,750
Parks	391,555	10,500	-	402,055
Streets	9,337,792	-	-	9,337,792
Infrastructure	191,919	28,000	-	219,919
Equipment	1,130,564	374,256	(93,190)	1,411,630
Intangible right-of-use asset, lease equipment	-	90,969	-	90,969
Total capital assets, being depreciated/amortized	13,827,580	503,725	(93,190)	14,238,115
Less accumulated depreciation/amortization for				
Buildings	(520,875)	(67,107)	-	(587,982)
Parks	(335,577)	(19,666)	-	(355,243)
Streets	(2,292,705)	(311,260)	-	(2,603,965)
Infrastructure	(118,831)	(6,553)	-	(125,384)
Equipment	(709,426)	(124,040)	93,190	(740,276)
Intangible right-of-use asset, lease equipment	-	(25,193)	-	(25,193)
Accumulated Depreciation	(3,977,414)	(553,819)	93,190	(4,438,043)
Total capital assets, *being depreciated*, net	9,850,166	(50,094)	-	9,800,072
Total governmental activities capital assets, net	$ 10,113,259	$ 277,339	$ -	$ 10,390,598

Depreciation expense of Governmental Activities was charged to the following activities:

General government - administrative	$ (90,923)
Public safety - police	(59,565)
Public works - streets	(335,150)
Public works - parks	(24,699)
Maintenance	(42,921)
Community Development	(560)
Total	$ (553,819)

4. Capital Assets (continued)

Business-type activity for the year ended December 31, 2023 was as follows:

	Balance December 31, 2022	Additions	Retirements	Balance December 31, 2023
Business-Type Activities				
Capital assets, *not being depreciated*:				
Land	$ 334,564	$ -	$ -	$ 334,564
Water rights	509,688	-	-	509,688
Construction in progress	54,034	261,886	-	315,920
Total capital assets, *not being depreciated*	898,286	261,886	-	1,160,172
Capital assets, being depreciated:				
Building	2,289,236	-	-	2,289,236
Plant	25,839,712	190,028	-	26,029,740
Line and connections	4,026,782	-	-	4,026,782
Equipment	682,789	117,968	-	800,757
Meters	351,120	-	-	351,120
Vehicles	21,371	-	-	21,371
Software	103,473	6,169	-	109,642
Total capital assets, being depreciated	33,314,483	314,165	-	33,628,648
Accumulated Depreciation				
Building	(411,428)	(57,079)	-	(468,507)
Plant	(9,018,629)	(766,070)	-	(9,784,696)
Line and connections	(1,248,910)	(103,189)	-	(1,352,099)
Equipment	(573,993)	(58,797)	-	(632,790)
Meters	(58,256)	(19,524)	-	(77,780)
Vehicles	(21,371)	-	-	(21,371)
Software	(90,910)	(12,734)	-	(103,644)
	(11,423,497)	(1,017,393)	-	(12,440,887)
Total capital assets, *being depreciated*, net	21,890,986	(703,228)	-	21,187,758
Total business-type activities capital assets, net	$ 22,789,272	$ (441,342)	$ -	$ 22,347,930

Depreciation expense of business-type activities was charged to the following activities:

Water operations	$ (422,110)
Sewer operations	(595,283)
	$ (1,017,393)

5. Long-Term Debt

The following is a summary of the changes in long-term liabilities of the Town for the year ended December 31, 2023:

Governmental activities	Balance at December 31, 2022	Additions	Payments	Balance at December 31, 2023	Due Within One Year
Bonds					
2018 Limited Tax G.O. Bonds	$ 3,595,000	$ -	$ 190,000	$ 3,405,000	$ 195,000
Other					
Bond premium	128,444	-	8,028	120,416	8,028
Financed purchases	319,060	379,045	73,552	626,746	117,673
Leases	-	86,143	20,816	65,327	16,129
Compensated absences	62,430	25,348	-	87,778	-
Total	$ 4,104,934	$ 490,536	$ 292,396	$ 4,305,267	$ 336,830

Business-type activities	Balance at December 31, 2022	Additions	Payments	Balance at December 31, 2023	Due Within One Year
Bonds					
Revenue bonds					
2012 Water	$ 1,015,000	$ -	$ 135,000	$ 880,000	$ 135,000
Other					
Bond premium	15,053	-	2,151	12,902	2,151
Compensated Absences	32,001	2,450	-	34,451	-
Total	$ 1,062,054	$ 2,450	$ 137,151	$ 927,353	$ 137,151

Bonds Payable

General Obligation Bonds, Series 2018, dated April 18, 2018

The bonds, in the original amount of $4,500,000, mature on December 1, 2037, and require principal payments due on each December 1 with mandatory sinking fund redemption beginning in 2031. Interest at rates ranging from 3% to 4% is payable on June 1 and December 1 each year. The bonds are subject to redemption prior to maturity, at the option of the Town, on December 1, 2026 and on any date thereafter, without redemption premium. The bonds were issued to fund general capital projects.

Financed Purchases

During 2020, the Town entered into a financing agreement for the purchase of police vehicles. The agreement was for the purchase of equipment totaling $106,809. The obligation is due in payment of principal and interest of $22,472 on November 20 through 2024. The obligation bears an interest rate of 2.60%.

5. Long-Term Debt (continued)

During 2021, the Town entered into a financing agreement for the purchase of police vehicles. The agreement was for the purchase of equipment totaling $53,327. The obligation is due in annual payments of principal and interest of $11,303 on June 11 through 2025. The obligation bears an interest rate of 2.99%.

In November 2021, the Town entered into a financing agreement for the purchase of a public works vehicle during the ensuing year. The agreement was for the purchase of equipment totaling $63,515. The obligation is due in annual payments of principal and interest of $13,304 on July 8 through 2026. The obligation bears an interest rate of 4.75%.

In April 2022, the Town entered into a financing agreement for the purchase of a public works vehicle. The agreement was for the purchase of equipment totaling $146,553. The obligation is due in annual payments of principal and interest of $24,024 on June 1 through 2029. The obligation bears an interest rate of 4.85%.

In July 2022, the Town entered into a financing agreement for the purchase of police vehicles. The agreement was for the purchase of equipment totaling $61,483. The obligation is due in annual payments of principal and interest of $13,304 on July 8 through 2025. The obligation bears an interest rate of 4.10%.

In March 2023, the Town entered into a financing agreement for the purchase of a public works vehicle during the ensuing year. In connection with the agreement, an Acquisition Fund was established to invest the purchase price of $379,045 until the earlier of 1) a payment request and acceptance certificate for the leased equipment, 2) twelve months from the commencement date of the escrow agreement or 3) written notification by the Lessor that the lease has been terminated. The Town expects delivery and acceptance of the vehicle in 2024. The obligation bears an interest rate of 4.55%.

Lease Obligations

In October 2022, the Town entered into a lease obligation for police equipment. The first payment was due on October 1 of principal and interest of $6,900, followed by annual payments of principal and interest of $6,900 on January 1, 2023, through 2026. There was no stated interest rate on the lease, therefore the Town used an incremental borrowing rate equal to the prime rate at the time the lease was initiated to calculate the initial present value.

In January 2023, the Town entered into a lease obligation for police equipment. The lease is due in annual payments of principal and interest of $14,204 on January 1 through 2027. There was no stated interest rate on the lease, therefore the Town used an incremental borrowing rate equal to the prime rate at the time the lease was initiated to calculate the initial present value.

5. Long-Term Debt (continued)

Water Revenue Refunding Bonds, Series 2012, dated November 20, 2012

The bonds, in the original amount of $2,180,000, mature annually on December 1 through December 1, 2029. Interest at the initial and current rate of 2% to 3% is payable on June 1 and December 1 each year. The bonds are subject to redemption prior to maturity, at the option of the Town, at any time on and after December 1, 2020, at the redemption price, plus accrued interest. The bonds were issued to refund the Series 1997 and 2007 Revenue and Improvement Bonds.

The bonds require the Town to maintain a reserve in the amount of $164,800. At December 31, 2023, the cash restricted for the bond reserve was $164,800.

Debt maturities

The bond obligations of the governmental activities mature as follows:

Year ending December 31,	Principal	Interest and Servicing Fees	Total
2024	$ 195,000	$ 121,300	$ 316,300
2025	200,000	115,450	315,450
2026	205,000	109,450	314,450
2027	210,000	103,300	313,300
2028	220,000	97,000	317,000
2029-2033	1,215,000	374,250	1,589,250
2034-2037	1,160,000	118,000	1,278,000
Total	$ 3,405,000	$ 1,038,750	$ 4,443,750

The financed purchases of the governmental activities mature as follows:

Year ending December 31,	Principal	Interest	Total
2024	$ 117,673	$ 32,962	$ 150,635
2025	106,802	21,361	128,163
2026	99,750	17,110	116,860
2027	76,624	13,024	89,647
2028	79,871	9,776	89,647
2029-2030	146,026	9,245	155,271
Total	$ 626,746	$ 103,477	$ 730,223

5. Long-Term Debt (continued)

The lease obligations of the governmental activities mature as follows:

Year ending December 31,	Principal	Interest	Total
2024	$ 16,129	$ 4,975	$ 21,104
2025	17,351	3,753	21,104
2026	18,666	2,438	21,104
2027	13,181	1,023	14,204
Total	$ 65,327	$ 12,189	$ 77,517

The obligations of the business-type activities mature as follows:

Year ending December 31,	Principal	Interest	Total
2024	$ 135,000	$ 25,713	$ 160,713
2025	140,000	22,000	162,000
2026	145,000	18,150	163,150
2027	150,000	13,800	163,800
2028	150,000	9,300	159,300
2029	160,000	4,800	164,800
Total	$ 880,000	$ 93,763	$ 973,763

Debt authorization

As of December 31, 2023 the Town had no authorized but unissued debt.

6. Net Position

The Town has net position consisting of three components – net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, loans, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

As of December 31, 2023, the Town had net investment in capital assets as follows:

	Governmental Activities	Business-type Activities
Capital assets, net	$ 10,390,598	$ 22,347,930
Current portion of long-term debt	(336,830)	(135,000)
Long-term debt due in more than one year	(3,880,659)	(757,902)
Net investment in capital assets	$ 6,173,109	$ 21,455,028

6. Net Position (continued)

Restricted net position includes net position that is restricted for use either externally imposed by creditors, government grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. As of December 31, 2023, the Town had restricted net position as follows:

	Governmental Activities	Business-type Activities
Emergency reserves (see Note 14)	$ 206,140	$ -
Conservation Trust	248,511	-
Capital asset	391,552	-
Capital projects – PIF Collections	-	7,815,859
Grants	-	1,837,222
Bond debt service (see Note 5)	-	164,800
Restricted net position	$ 846,203	$ 9,817,881

As of December 31, 2023, the Town had an unrestricted net position of $8,934,362 in governmental activities and unrestricted net position in business-type activities of $25,066,010.

7. State Fire and Police Pension Plan (FPPA)

Plan description

The Plan is a cost-sharing multiple-employer defined benefit pension plan covering substantially all full-time employees of participating fire or police departments in Colorado hired on or after April 8, 1978 (New Hires), provided that they are not already covered by a statutorily exempt plan. As of August 5, 2003, the Plan may include clerical and other personnel from fire districts whose services are auxiliary to fire protection. The Plan became Effective January 1, 1980.

As of January 1, 2023, Statewide Defined Benefit Plan and the Statewide Hybrid Plan have merged to form the Statewide Retirement Plan (SRP) and the Statewide Defined Benefit Plan becomes the Defined Benefit Component of the Statewide Retirement Plan.

The SWDB Plan assets are included in the Fire & Police Members' Benefit Investment Fund and assets. Assets from the Deferred Retirement Option Plan (DROP), Money Purchase Component, and Separate Retirement Account assets from eligible retired members are in the Fire & Police Members' Self-Directed Investment Fund.

Colorado statutes assign the authority to establish benefit provisions to the state legislature. FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for both the Statewide Defined Benefit Plan and the Statewide Death and Disability Plan. FPPA issues a publicly available annual comprehensive financial report that can be obtained on FPPA's website at http://www.fppaco.org.

7. State Fire and Police Pension Plan (FPPA) (continued)

Description of Benefits

A member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55. Effective January 1, 2021, a member may also qualify for a normal retirement pension if the member's combined years of service and age equals at least 80, with a minimum age of 50 (Rule of 80).

The annual normal retirement benefit is 2.0 percent of the average of the member's highest three years' pensionable earnings for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. Effective January 1, 2007, members currently covered under Social Security will receive half the benefit when compared to the Statewide Defined Benefit Plan ("SWDB Plan"). Benefit adjustments paid to retired members are evaluated annually and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).

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

Contributions

Contribution rates for employers and members may be increased equally by the FPPA Board of Directors upon approval through an election by both the employers and members.

In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates increased 0.5 percent annually through 2022 to a total of 12 percent of pensionable earnings. Employer contributions increase 0.5 percent annually beginning in 2021 through 2030 to a total of 13 percent of pensionable earnings. In 2022, members of the SWDB plan and their employers are contributing at the rate of 12.0 percent and 9.0 percent, respectively, of pensionable earnings for a total contribution rate of 21.0 percent. In 2023, members of the SWDB plan and their employers are contributing at the rate of 12.0 percent and 9.5 percent, respectively, of pensionable earnings for a total contribution rate of 21.5 percent. Contributions to the Plan from the Town were $82,138 for the year ended December 31, 2023.

7. State Fire and Police Pension Plan (FPPA) (continued)

Contributions from members and employers of departments reentering the system are established by resolution and approved by the FPPA Board of Directors. The member and employer contribution rates will increase through 2030 as described above for the non-reentering departments. Effective January 1, 2021, reentry departments may submit a resolution to the FPPA Board of Directors to reflect the actual cost of reentry by department, Each reentry department is responsible to remit contributions to the plan in accordance with their most recent FPPA Board of Directors approved resolution.

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

At December 31, 2023, the Town reported a liability of $71,713 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was based upon the January 1, 2023 actuarial valuation. The Town's proportion of the net pension liability was based on the Town's share of contributions to the pension plan relative to the contributions of all participating entities. At December 31, 2022, the Town's proportion was 0.08079 percent, which was a decrease of 0.01652 percent from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the Town recognized pension expense of $59,660. At December 31, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 155,233	$ 8,802
Changes of assumptions or other inputs	91,874	-
Net difference between projected and actual earnings on pension plan investments	162,284	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	38,509	-
Contributions subsequent to the measurement date	82,138	-
Total	$ 530,038	$ 8,802

$82,138 in total reported as deferred outflows of resources related to pension resulting from Town contributions subsequent to measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

7. State Fire and Police Pension Plan (FPPA) (continued)

Year ended December 31,		Amount
2024	$	40,630
2025		71,482
2026		101,026
2027		139,680
2028		33,151
Thereafter		53,128
Total	$	439,097

Actuarial Assumptions

The actuarial valuations for the plan were used to determine the actuarially determined contributions for the fiscal year ending December 31, 2022. The valuations used the following actuarial assumption and other inputs:

Actuarial Valuation Date	January 1, 2022
Actuarial Method	Entry Age Normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 Years
Long-term investment rate of return	7.0%
Projected salary increases	4.25 – 11.25 percent
Cost of Living Adjustment	0%
Inflation	2.5%

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the Pub-2010 Safety Healthy Annuitant Mortality Tables projected with the ultimate values of the MP-2020 projection scale. The pre-retirement off-duty mortality tables are adjusted to 60% of the MP-2020 mortality tables for active employees. The on-duty mortality rate is 0.00015.

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

7. State Fire and Police Pension Plan (FPPA) (continued)

At least every five years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2022 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2023. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent).

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

Asset Class	Target Allocation	Long Term Expected Rate of Return
Global Equity	35.00%	8.93%
Equity Long/Short	6.00%	7.47%
Private Markets	34.00%	10.31%
Fixed Income - Rates	10.00%	5.45%
Fixed Income - Credit	5.00%	6.90%
Absolute Return	9.00%	6.49%
Cash	1.00%	3.92%
Total	100.00%	

Discount rate

The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the FPPA Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWDB plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

7. State Fire and Police Pension Plan (FPPA) (continued)

Projected benefit payments are required to be discounted to their actuarial present values using a single discount rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 4.05 percent (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.00 percent.

Sensitivity of the Town's Proportionate Share of the Net Pension Liability (Asset) to changes in the Discount Rate

The following presents the Town's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.00 percent, as well as what the Town's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1- percentage-point higher (8.00 percent) than the current rate:

	1.00 % Decrease (6.00%)	Current Discount Rate (7.00%)	1.00% Increase (8.00%)
Proportionate Share of the Net Pension Liability / (Asset)	$ 494,378	$ 71,713	$ (278,391)

Pension Plan Fiduciary Net Position

Detailed information about the SWDB's fiduciary net position is available in FPPA's annual comprehensive financial report, which can be obtained at http://www.fppaco.org.

8. Fire and Police Pension Association (FPPA) – 457 Plan

Employees of the Town who are members of the FPPA Statewide Defined Benefit Plan may voluntarily contribute to the FPPA 457 Deferred Compensation Plan (FPPA 457 Plan), an Internal Revenue Code Section 457 defined contribution plan administered by FPPA. Plan participation is voluntary, and contributions are separate from others made to FPPA. FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for the 457 Plan. That report may be obtained by writing to FPPA of Colorado, 5290 DTC Parkway, Suite 100, Englewood, Colorado 80111 or by calling FPPA at 1-800-332-FPPA (3772).

8. Fire and Police Pension Association (FPPA) – 457 Plan (continued)

The FPPA 457 Plan is funded by voluntary member contributions of up to a maximum limit set by the IRS, with catch-up contributions allowed for participants who had attained the age of 50 before the close of the plan year. Plan member pre- tax contributions to the 457 Plan were $1,560 for 2023.

9. Defined Benefit Pension Plan – PERA, Non-Police Staff

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

Benefits Provided as of December 31, 2023
PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714. The lifetime retirement benefit for all eligible retiring employees under the PERA Benefit Structure is the greater of the:

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

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

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

9. Defined Benefit Pension Plan – PERA, Non-Police Staff (continued)

As of December 31, 2021, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S., once certain criteria are met. Pursuant to SB 18-200, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007 will receive an annual increase of 1.25 percent unless adjusted by the automatic adjustment provision (AAP) pursuant to C.R.S. § 24-51-413. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007 will receive the lesser of an annual increase of 1.25 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the LGDTF. The AAP may raise or lower the aforementioned annual increase by up to 0.25 percent based on the parameters specified in C.R.S. § 24-51-413.

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

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

Contribution provisions of December 31, 2023

Eligible employees and the Town are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, et seq. and § 24-51-413. Employee contribution rates for the period 1/1/2023 through 12/31/2023 are summarized in the table below:

	January 1, 2023 through June 30, 2023	July 1, 2023 through December 31, 2023
Employee contribution	9.00%	9.00%

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9. Defined Benefit Pension Plan – PERA, Non-Police Staff (continued)

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

	January 1, 2023 through December 31, 2023
Employer Contribution Rate*	11.00%
Amount of Employer Contribution Apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)*	(1.02)%
Amount Apportioned to LGDTF*	9.98%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411*	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411*	1.50%
Defined Contribution Supplement as specified in C.R.S. § 24-51-415	0.06%
Total Employer Contribution Rate to the LGDTF*	**13.74%**

* Rates are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the Town is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the Town were $157,333 for the year ended December 31, 2023.

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

At December 31, 2023, the Town reported a liability of $1,310,772 for its proportionate share of the net pension liability. The net pension liability for the LGDTF was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll-forward the total pension liability to December 31, 2022.

The Town’s proportion of the net pension liability was based on the Town’s contributions to the LGDTF for the calendar year 2022 relative to the total contributions of participating employers to the LGDTF. At December 31, 2022, the Town’s proportion was 0.13074 percent, which was an increase of 0.00152 percent from its proportion measured as of December 31, 2021.

9. Defined Benefit Pension Plan – PERA, Non-Police Staff (continued)

For the year ended December 31, 2023, the Town recognized a pension expense of $185,684. At December 31, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 6,534
Changes of assumptions or other inputs	-	-
Net difference between projected and actual earnings on pension plan investments	535,119	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	17,613	-
Contributions subsequent to the measurement date	157,333	-
Total	$ 710,065	$ 6,534

$710,066 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as an increase of the net pension liability in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31,	Amortization
2024	$ (42,651)
2025	79,426
2026	195,879
2027	313,544
	$ 546,198

9. Defined Benefit Pension Plan – PERA, Non-Police Staff (continued)

Actuarial assumptions

The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial Cost Method	Entry Age
Price Inflation	2.30%
Real Wage Growth	0.70%
Wage Inflation	3.00%
Salary Increases, Including Wage Inflation	3.20 – 11.30%
Long-Term Investment Rate of Return, Net of Pension Plan Investment Expenses, Including Price Inflation	7.25%
Discount Rate	7.25%
Future Post Retirement Benefit Increases:	
PERA Benefit Structure Hire Prior to January 1, 2007 and DPS Benefit Structure (Automatic)	1.00% Compounded Annually
PERA Benefit Structure Hire After December 31, 2006 (Ad Hoc, Substantively Automatic)	Finance by the Annual Increase Reserve

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

The total pension liability as of December 31, 2022, measurement date, was adjusted to reflect the disaffiliation, as allowable under C.R.S. § 24-51-313, of Tri-County Health Department (Tri-County Health), effective December 31, 2022. As of the close of the 2022 fiscal year, no disaffiliation payment associated with Tri-County Health was received, and therefore no disaffiliation dollars were reflected in the fiduciary net position as of the December 31, 2022, measurement date.

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

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

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

9. Defined Benefit Pension Plan – PERA, Non-Police Staff (continued)

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

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

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

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

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

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

The actuarial assumptions used in the December 31, 2021, valuation were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting.

The long-term expected return on plan assets is reviewed as part of regularly scheduled experience studies performed at least every five years, and asset/liability studies, performed every three to five years for PERA. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

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

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

9. Defined Benefit Pension Plan – PERA, Non-Police Staff (continued)

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

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

Discount rate

The discount rate used to measure the total pension liability was 7.25%. The basis for the projection of liabilities and the fiduciary net position used to determine the discount rate was an actuarial valuation performed as of December 31, 2021, and the financial status of the LGDTF as of the prior measurement date (December 31, 2021). In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.0 percent.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year and the required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the required adjustments resulting from the 2018 and 2020 AAP assessments. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103 percent, at which point the AED and SAED will each drop 0.50 percent every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.

9. Defined Benefit Pension Plan – PERA, Non-Police Staff (continued)

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

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

Sensitivity of the Town's proportionate share of the net pension liability to changes in the discount rate

The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25 percent as of the measurement date, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1.00 % Decrease (6.25%)	Current Discount Rate (7.25%)	1.00% Increase (8.25%)
Proportionate Share of the Net Pension Liability	$ 2,200,456	$ 1,310,772	$ 565,959

Pension plan fiduciary net position

Detailed information about the LGDTF's fiduciary net position is available in PERA's annual comprehensive financial report, which can be obtained at www.copera.org/investments/pera-financial-reports.

Total pension balances presented in Notes 7 and 9 above related to FPPA and PERA are presented in the aggregate on the financial statements as follows:

	Governmental Activities			Business-Type Activities			Total Primary Government		
	Net Pension Liability	Deferred Outflows	Deferred Inflows	Net Pension Liability	Deferred Outflows	Deferred Inflows	Net Pension Liability	Deferred Outflows	Deferred Inflows
FPPA	$ 71,713	$ 530,038	$ 8,802	$ -	$ -	$ -	$ 71,713	$ 530,038	$ 8,802
PERA	650,237	352,243	3,241	660,535	357,822	3,293	1,310,772	710,065	6,534
Total	**$ 721,950**	**$ 882,282**	**$ 12,043**	**$ 660,535**	**$ 357,822**	**$ 3,293**	**$1,382,485**	**$1,240,104**	**$ 15,336**

10. Postemployment Benefits Other Than Pensions

General Information about the OPEB Plan

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

Plan Description

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

Benefits Provided

The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit. For members who retire having service credit with employers in the Denver Public Schools (DPS) Division and one or more of the other four Divisions (State, School, Local Government and Judicial), the premium subsidy is allocated between the HCTF and the Denver Public Schools Health Care Trust Fund (DPS HCTF). The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

10. Postemployment Benefits Other Than Pensions (continued)

C.R.S. § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure and all retirees under the DPS benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare.

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

PERA Benefit Structure

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

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

Contributions

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the Town is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the Town were $10,932 for the year ended December 31, 2023.

10. Postemployment Benefits Other Than Pensions (continued)

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

At December 31, 2023, the Town reported a liability of $86,032 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2022. The Town's proportion of the net OPEB liability was based on the Town's contributions to the HCTF for the calendar year 2022 relative to the total contributions of participating employers to the HCTF.

At December 31, 2022, the Town's proportion was 0.01054 percent, which was a decrease of 0.00049 percent from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the Town recognized an OPEB expense of $8,547. At December 31, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 11	$ 20,806
Changes of assumptions or other inputs	1,382	9,495
Net difference between projected and actual earnings on pension plan investments	5,255	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	22,417	-
Contributions subsequent to the measurement date	10,932	-
Total	$ 39,997	$ 30,301

$10,932 reported as deferred outflows of resources related to OPEB resulting from Town contributions subsequent to the measurement date will be recognized as a reduction in the net OPEB liability in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

10. Postemployment Benefits Other Than Pensions (continued)

Year ended December 31,	Amortization
2024	$ (2,062)
2025	(2,624)
2026	1,854
2027	2,800
2028	(912)
Thereafter	(292)
	$ (1,236)

Actuarial assumptions

The December 31, 2021, valuation used the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial Cost Method	Entry age
Price Inflation	2.30%
Real Wage Growth	0.70%
Wage Inflation	3.00%
Salary Increases, including wage inflation:	3.20%-11.30%
Long-term investment rate of return, net of OPEB investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates:	
Service-based Premium Subsidy	0.0%
PERACare Medicare Plans	6.50 % in 2022, gradually decreasing to 4.50% in 2030
Medicare Part A Premiums	3.75% for 2022, gradually increasing to 4.50% in 2029

The total OPEB liability for the HCTF, as of the December 31, 2022, measurement date, was adjusted to reflect the disaffiliation, allowable under C.R.S. § 24-51-313, of Tri-County Health Department (Tri-County Health), effective December 31, 2022. As of the close of the 2022 fiscal year, no disaffiliation payment associated with Tri-County Health was received, and therefore no disaffiliation dollars were reflected in the fiduciary net position as of the December 31, 2022, measurement date.

10. Postemployment Benefits Other Than Pensions (continued)

Beginning January 1, 2022, the per capital health care costs are developed by plan option; based on 2022 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, the UnitedHealthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors are then applied to estimate individual retiree and spouse costs by age, gender, and health care cost trend. This approach applies for all members and is adjusted accordingly for those not eligible for premium-free Medicare Part A for the PERA benefit structure.

AGE-RELATED MORBIDITY ASSUMPTIONS

Participant Age	Annual Increase (Male)	Annual Increase (Female)
65-69	3.0%	1.5%
70	2.9%	1.6%
71	1.6%	1.4%
72	1.4%	1.5%
73	1.5%	1.6%
74	1.5%	1.5%
75	1.5%	1.4%
76	1.5%	1.5%
77	1.5%	1.5%
78	1.5%	1.6%
79	1.5%	1.5%
80	1.4%	1.5%
81 and older	0.0%	0.0%

	MAPD PPO #1 with Medicare Part A Retiree/Spouse		MAPD PPO #2 with Medicare Part A Retiree/Spouse		MAPD HMO (Kaiser) with Medicare Part A Retiree/Spouse	
Sample Age	Male	Female	Male	Female	Male	Female
65	$ 1,704	$ 1,450	$ 583	$ 496	$ 1,923	$ 1,634
70	$ 1,976	$ 1,561	$ 676	$ 534	$ 2,229	$ 1,761
75	$ 2,128	$ 1,678	$ 728	$ 575	$ 2,401	$ 1,896

	MAPD PPO #1 without Medicare Part A Retiree/Spouse		MAPD PPO #2 without Medicare Part A Retiree/Spouse		MAPD HMO (Kaiser) without Medicare Part A Retiree/Spouse	
Sample Age	Male	Female	Male	Female	Male	Female
65	$ 6,514	$ 5,542	$ 4,227	$ 3,596	$ 6,752	$ 5,739
70	$ 7,553	$ 5,966	$ 4,901	$ 3,872	$ 7,826	$ 6,185
75	$ 8,134	$ 6,425	$ 5,278	$ 4,169	$ 8,433	$ 6,657

10. Postemployment Benefits Other Than Pensions (continued)

The 2022 Medicare Part A premium is $499 (actual dollars) per month.

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

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2021, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

Year	PERACare Medicare Plans	Medicare Part A Premiums
2022	6.50%	3.75%
2023	6.25%	4.00%
2024	6.00%	4.00%
2025	5.75%	4.00%
2026	5.50%	4.25%
2027	5.25%	4.25%
2028	5.00%	4.25%
2029	4.75%	4.50%
2030+	4.50%	4.50%

Mortality assumptions used in the December 31, 2021, valuation as shown below, reflect generational mortality and were applied, as applicable, in the December 31, 2021, valuation but developed on a headcount-weighted basis. Affiliated employers participate in the HCTF.

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

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

10. Postemployment Benefits Other Than Pensions (continued)

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

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

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

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

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

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

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

- Per capita health care costs in effect as of the December 31, 2021, valuation date for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits have been updated to reflect costs for the 2022 plan year.

- The December 31, 2021, valuation utilized premium information as of January 1, 2022, as the initial per capita health care cost. As of that date, PERACare health benefits administration is performed by UnitedHealthcare. In that transition, the costs for the Medicare Advantage Option #2 decreased to a level that is lower than the maximum possible service-related subsidy as described in the plan provisions.

- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in those premium. Medicare Part A premiums continued with the prior valuation trend pattern.

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

Effective for the December 231, 2022, measurement date, the timing of the retirement decrement was adjusted to middle-or-year within the valuation programming used to determine the total OPEB liability, reflecting a recommendation from the 2022 actuarial audit report, dated October 14, 2022, summarizing the results of the actuarial audit performed on the December 31, 2021, actuarial valuation.

10. Postemployment Benefits Other Than Pensions (continued)

The actuarial assumptions used in the December 31, 2021, valuations were based on the 2020 experience analysis dated October 28, 2020, and November 4, 2020, for the period January 1, 2016, through December 31, 2019. Revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020.

The long-term expected return on plan assets is reviewed as part of regularly scheduled experience studies performed at least every five years for PERA. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

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

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

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

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

Sensitivity of the Town's proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates

The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

10. Postemployment Benefits Other Than Pensions (continued)

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare Trend Rate	5.25%	6.25%	7.25%
Ultimate PERACare Medicare Trend Rate	3.50%	4.50%	5.50%
Initial Medicare Part A Trend Rate	3.00%	4.00%	5.00%
Ultimate Medicare Part A Trend Rate	3.50%	4.50%	5.50%
Proportionate Share of the Net OPEB Liability	$83,597	$86,032	$88,681

Discount Rate

The discount rate used to measure the total OPEB liability was 7.25 percent. The projection of liabilities and the fiduciary net position used to determine the discount rate was an actuarial valuation performed as of December 31, 2021, and the financial status of the HCTF as of the prior measurement date (December 31, 2021). In addition, the following methods and assumptions were used in the projection of cash flows:

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2022, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00 percent.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

10. Postemployment Benefits Other Than Pensions (continued)

Sensitivity of the Town's proportionate share of the net OPEB liability to changes in the discount rate

The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1.00 % Decrease (6.25%)	Current Discount Rate (7.25%)	1.00% Increase (8.25%)
Proportionate Share of Net OPEB Liability	$99,736	$86,032	$74,310

OPEB plan fiduciary net position

Detailed information about the HCTF's fiduciary net position is available in PERA's ACFR, which can be obtained at www.copera.org/investments/pera-financial-reports.

11. Defined Contribution Plan

The Town offers to employees to participate in the Town of Lochbuie Section 457(b) Deferred Compensation Plan (457 Plan), an Internal Revenue Code Section 457 defined contribution plan. Nationwide Life Insurance Company is contracted to manage contributions and maintain participant accounts. Plan participation is voluntary.

The 457 Plan is funded by voluntary member contributions of up to maximum limit set by the IRS ($22,500 for 2023). Catch-up contributions of up to $7,500 are allowed for participants who had attained the age of 50 before the close of the plan year. Plan member pre-tax contributions to the 457 Plan were $15,189 and post-tax Roth contributions were $21,020 for 2023.

12. Intergovernmental Agreements

Beebe Draw Wastewater Service Agreement

Effective August 14, 2009 the Town entered into the First Amended and Restated Beebe Draw Wastewater Service Agreement with the City of Brighton (Brighton) and the South Beebe Draw Metropolitan District (SBDMD). Under the terms of the agreement, the Town will maintain its wastewater treatment plant capacity to serve the Beebe Draw service area to full development.

12. Intergovernmental Agreements (continued)

The expansion required to achieve the capacity is funded by special charges in the form of Plant Investment Fees (PIFs) which are to be collected and remitted to an income-producing escrow account. The escrow account was governed by an Escrow Agreement executed by the Town and Brighton. The Town is the owner, operator and manager of the treatment plant. PIFs in the escrow account are for the development, acquisition and construction of future facility expansions to serve property in the Beebe Draw Service Area.

In June 2021, the Town with the City of Brighton and the South Beebe Draw Metropolitan District entered into The First Amendment to the First Amended and Restated Beebe Draw Wastewater Service Agreement. The amendment replaced certain parts of the 2009 agreement. The Town is required to deposit the PIFs collected by the Town and Brighton in a segregated income-producing account with funds disbursed solely for the purposes set forth in the agreement. The PIF was set at a rate of $4,830 per sewer tap effective January 1, 2018. Funds are submitted to the account on a monthly basis by the Town and Brighton. As of December 31, 2023, the PIF account had a balance of $7,815,859.

13. Risk Management

The Town is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a joint self-insurance pool created by intergovernmental agreement of over 200 municipalities 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 among 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 those amounts 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 any excess losses would be billed to members in proportion to their contributions in the year such excess occurs, although it is not required to do so.

The Town has not been informed of any excess losses that may have been incurred by the pool for the past three years.

14. Tax, Spending and Debt Limitation

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.

Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR. The Town's management believes the Enterprise funds of the Town qualify for this exclusion.

Spending and revenue limits are determined based on the prior year's fiscal year spending as adjusted for allowable increases for inflation and local growth. Fiscal year spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenues in excess of the fiscal year spending limit must be refunded unless retention of such revenue has been approved by the voters.

TABOR 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 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 and qualification as an Enterprise will require judicial interpretation.

The Town passed a ballot question on November 5, 1996. The ballot question permitted the Town to collect, retain and expend, without imposing any new taxes or increases in its present mill levy on general property or its sales and use tax rates, the full revenues generated by the Town's sales and use tax, non-federal grants, its existing mill levy and any other excess revenues, commencing January 1, 1995, and each subsequent year, notwithstanding any state restrictions of Article X, Section 20, of the Colorado Constitution, and spend as a voter-approved change and exception to the limits which would otherwise apply for: (a) street construction, repair, and maintenance; (b) capital improvements; (c) parks and recreation; (d) police protection; (e) storm drainage; (f) snow removal; (g) street sweeping; and (h) other municipal services. In 2016, the Town received notification from the State of Colorado Department of Local Affairs that they have determined that the ballot question language is not sufficient to remove the Town from the statutory property revenue tax limitation of 5.5%.

15. Commitments and Contingencies

Claims and Judgments

The Town participates in a number of federal, state, and county programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Town may be required to reimburse the grantor government. As of December 31, 2023, grant expenditures had not been audited, but the Town believes that any future audits will not discover disallowed expenditures that would have a material effect on any of the individual governmental funds or the overall financial position of the Town.

16. Subsequent Events

In May 2024, the Town expects to issue two loans with the Colorado Water Resources & Power Development Authority for the construction of a new elevated water storage tank. A leverage loan in the amount of $6.1 million bearing an interest rate of 2.98% will be issued. Additionally, a direct loan in the amount of $1.6 million bearing an interest rate of 3.25% will be issued. $1 million of principal of the direct loan is identified in the agreement as Up-Front Principal Forgiveness and will be forgiven at closing, provided the Town has met each of its obligations and covenants necessary to effect closing. Each loan will be repaid over the next 20 years.

Town of Lochbuie

Required Supplementary Information

Town of Lochbuie
Conservation Trust Fund
Schedule of Revenues, Expenditures
And Changes in Fund Balance—Budget and Actual
For the Year Ended December 31, 2023

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Intergovernmental	$ 95,000	$ 110,723	$ 15,724
Interest earnings	1,500	10,209	8,709
TOTAL REVENUES	96,500	120,932	24,433
EXPENDITURES			
Parks, recreation and improvements	305,005	127,171	177,833
TOTAL EXPENDITURES	305,005	127,171	177,833
NET CHANGE IN FUND BALANCE	$ (208,505)	$ (6,240)	$ 202,266
FUND BALANCE, BEGINNING OF YEAR	208,505	254,750	46,245
FUND BALANCE, END OF YEAR	$ -	$ 248,511	$ 248,511

Town of Lochbuie

Required Supplementary Information

Schedule of Employer Contributions - FPPA

For the Year Ended December 31, 2023

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

Colorado FPPA- Pension

Plan Measurement Date	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Net Pension Liability as a Percentage of Member Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability
12/31/2013	0.06857%	$ (61,317)	$ 297,842	-20.6%	105.8%
12/31/2014	0.07385%	(83,344)	332,133	-25.1%	106.8%
12/31/2015	0.08131%	(1,433)	393,362	-0.4%	100.1%
12/31/2016	0.09421%	34,042	482,150	7.1%	100.1%
12/31/2017	0.09054%	(130,260)	559,800	-23.3%	106.3%
12/31/2018	0.08927%	112,856	406,175	27.8%	95.2%
12/31/2019	0.09181%	(51,926)	676,691	-7.7%	95.2%
12/31/2020	0.09051%	(196,502)	726,997	-27.0%	106.7%
12/31/2021	0.09732%	(527,394)	785,158	-67.2%	116.2%
12/31/2022	0.08079%	71,713	702,911	10.2%	97.6%

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

Period Ended	Actuarially Required Contributions	Actual Contributions	Contribution Excess/(Deficiency)	Actual Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2014	$ 26,571	$ 26,571	$ -	$ 332,133	8%
12/31/2015	31,534	31,534	-	393,262	8%
12/31/2016	38,572	38,572	-	482,150	8%
12/31/2017	44,784	44,784	-	559,880	8%
12/31/2018	32,494	32,494	-	406,175	8%
12/31/2019	54,135	54,135	-	676,691	8%
12/31/2020	58,160	58,160	-	726,997	8%
12/31/2021	66,591	66,591	-	785,158	8%
12/31/2022	63,262	63,262	-	702,911	9%
12/31/2023	82,138	82,138	-	864,613	9%

Town of Lochbuie

Required Supplementary Information - PERA
For the Year Ended December 31, 2023

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

Colorado PERA - Pension

Plan Measurement Date *	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Net Pension Liability as a Percentage of Member Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability
12/31/2013	0.06416%	$ 527,985	$ 322,098	163.92%	77.66%
12/31/2014	0.05878%	526,867	351,416	149.93%	80.72%
12/31/2015	0.06695%	737,491	457,823	161.09%	76.90%
12/31/2016	0.08113%	1,095,488	594,660	184.22%	73.65%
12/31/2017	0.09646%	1,073,973	550,481	195.10%	79.40%
12/31/2018	0.01019%	1,281,573	578,304	221.61%	75.96%
12/31/2019	0.10185%	744,945	687,567	108.35%	86.26%
12/31/2020	0.11674%	608,379	833,121	73.02%	90.88%
12/31/2021	0.12922%	(110,792)	953,307	-11.62%	101.49%
12/31/2022	0.13074%	1,310,772	1,062,650	123.35%	82.99%

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

Schedule of Employer Contributions

Year Ending	Statutorily Required Contributions	Actual Employer Contributions	Contribution Excess/(Deficiency)	Actual Covered Member Payroll	Contributions as a Percentage of Covered Payroll
12/31/2014	$ 44,559	$ 44,559	$ -	$ 351,416	12.68%
12/31/2015	58,052	58,052	-	457,823	12.68%
12/31/2016	75,403	75,403	-	594,660	12.68%
12/31/2017	69,801	69,801	-	550,481	12.68%
12/31/2018	73,329	73,329	-	578,304	12.68%
12/31/2019	87,183	87,183	-	687,567	12.68%
12/31/2020	107,688	107,688	-	833,121	12.93%
12/31/2021	127,006	127,006	-	953,307	13.32%
12/31/2022	144,153	144,153	-	1,062,650	13.57%
12/31/2023	157,333	157,333	-	1,071,801	14.68%

Town of Lochbuie

Required Supplementary Information - OPEB
For the Year Ended December 31, 2023

Schedule of Proportionate Share of the OPEB Liability and Related Ratios

Colorado PERA - OPEB

Plan Measurement Date *	Proportion of the Net OPEB Liability	Proportionate Share of the Net OPEB Liability	Covered Payroll	OPEB Liability as a Percentage of Member Payroll	Fiduciary Net Position as a Percentage of Total OPEB Liability
12/31/2016	0.0062%	$ 80,743	$ 594,660	13.58%	16.72%
12/31/2017	0.0075%	97,406	550,481	17.69%	17.53%
12/31/2018	0.0079%	107,458	578,304	18.58%	17.03%
12/31/2019	0.0078%	87,679	687,567	12.75%	24.49%
12/31/2020	0.0089%	84,684	833,121	10.16%	32.78%
12/31/2021	0.0100%	86,622	953,307	9.09%	39.40%
12/31/2022	0.0105%	86,032	1,062,650	8.10%	38.57%

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

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

Schedule of Town Contributions

Year Ending	Statutorily Required Contributions	Actual Employer Contributions	Contribution Excess/(Deficiency)	Actual Covered Member Payroll	Contributions as a Percentage of Covered Payroll
12/31/2016	$ 6,065	$ 6,065	$ -	$ 594,660	1.02%
12/31/2017	6,207	6,207	-	550,481	1.13%
12/31/2018	5,903	5,903	-	578,304	1.02%
12/31/2019	7,013	7,013	-	687,567	1.02%
12/31/2020	8,498	8,498	-	833,121	1.02%
12/31/2021	9,724	9,724	-	953,307	1.02%
12/31/2022	10,839	10,839	-	1,062,650	1.02%
12/31/2023	10,932	10,932	-	1,071,801	1.02%

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

Town of Lochbuie

Other Supplementary Information

Town of Lochbuie

Enterprise Fund - Water
Schedule of Revenues, Expenses
And Changes in Fund Balance—Budget and Actual (Non-GAAP Basis)
For the Year Ended December 31, 2023

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Charges for services	$ 2,500,000	$ 2,399,126	$ (100,874)
Other operating	126,200	387,404	261,204
Earnings on investments	324,000	662,968	338,968
Tap fees/PIFs	1,126,750	1,857,871	731,121
Other revenue	57,700	159,953	102,253
TOTAL REVENUES	4,134,650	5,467,322	1,332,671
EXPENDITURES			
Operating expenses	2,377,105	1,164,120	1,212,985
General administration	824,942	763,848	61,094
Debt service			
Principal	135,000	135,000	-
Interest	29,256	27,105	2,151
Capital outlay	8,192,500	368,044	7,824,456
TOTAL EXPENDITURES	11,558,803	2,458,117	9,100,686
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(7,424,153)	3,009,205	10,433,357
OTHER FINANCING SOURCES AND (USES)			
Bond / Loan proceeds	5,000,000	-	(5,000,000)
TOTAL OTHER FINANCING SOURCES AND (USES)	5,000,000	-	(5,000,000)
CHANGE IN FUND BALANCE	(2,424,153)	3,009,205	5,433,357
FUNDS AVAILABLE - BEGINNING OF YEAR	17,675,931	11,490,498	(6,185,433)
FUNDS AVAILABLE - END OF YEAR	$ 15,251,779	$ 14,499,703	$ (752,076)
ADJUSTMENTS FROM BUDGETARY BASIS TO GAAP BASIS			
Principal		135,000	
Capital outlay		368,044	
Depreciation		(422,110)	
CHANGE IN NET POSITION - GAAP BASIS		3,090,139	
NET POSITION, BEGINNING OF YEAR		24,374,213	
NET POSITION, END OF YEAR		$ 27,464,352	

Town of Lochbuie

Enterprise Fund - Sewer
Schedule of Revenues, Expenses
And Changes in Fund Balance—Budget and Actual (Non-GAAP Basis)
For the Year Ended December 31, 2023

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Charges for services	$ 1,078,000	$ 1,139,508	$ 61,508
Other operating	1,020,300	1,106,881	86,581
Earnings on investments	252,000	529,204	277,204
Tap fees/PIFs	1,832,750	2,364,839	532,089
Other revenue	1,000	1,613	613
TOTAL REVENUES	4,184,050	5,142,045	957,995
EXPENDITURES			
Operating expenses	2,081,585	934,521	1,147,064
General administration	465,293	422,604	42,689
Capital outlay	1,584,000	208,008	1,375,992
TOTAL EXPENDITURES	4,130,878	1,565,133	2,565,745
CHANGE IN FUND BALANCE	53,172	3,576,912	3,523,740
FUNDS AVAILABLE - BEGINNING OF YEAR	13,334,485	11,490,498	(1,843,987)
FUNDS AVAILABLE - END OF YEAR	$ 13,387,657	$ 15,067,410	$ 1,679,753
ADJUSTMENTS FROM BUDGETARY BASIS TO GAAP BASIS			
Capital outlay		208,008	
Depreciation		(595,283)	
CHANGE IN NET POSITION - GAAP BASIS		3,189,637	
NET POSITION, BEGINNING OF YEAR		25,684,930	
NET POSITION, END OF YEAR		$ 28,874,567	

Town of Lochbuie
Schedule of Debt Service Requirements to Maturity
December 31, 2023

Year Ended December 31,	$4,500,000 Limited Tax General Obligation Bonds Series 2018 Dated June 1, 2017 Principal Due December 1 Interest Rate 2% to 4% Payable June 1 and December 1			$2,180,000 Water Revenue Bonds Series 2012 Dated June 1, 2017 Principal Due December 1 Interest Rate 2% to 3% Payable June 1 and December 1			Total		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2024	$ 195,000	$ 121,300	$ 316,300	$ 135,000	$ 25,713	$ 160,713	$ 330,000	$ 147,013	$ 477,013
2025	200,000	115,450	315,450	140,000	22,000	162,000	340,000	137,450	477,450
2026	205,000	109,450	314,450	145,000	18,150	163,150	350,000	127,600	477,600
2027	210,000	103,300	313,300	150,000	13,800	163,800	360,000	117,100	477,100
2028	220,000	97,000	317,000	150,000	9,300	159,300	370,000	106,300	476,300
2029	225,000	90,400	315,400	160,000	4,800	164,800	385,000	95,200	480,200
2030	235,000	83,650	318,650	-	-	-	235,000	83,650	318,650
2031	245,000	76,600	321,600	-	-	-	245,000	76,600	321,600
2032	250,000	66,800	316,800	-	-	-	250,000	66,800	316,800
2033	260,000	56,800	316,800	-	-	-	260,000	56,800	316,800
2034	275,000	46,400	321,400	-	-	-	275,000	46,400	321,400
2035	285,000	35,400	320,400	-	-	-	285,000	35,400	320,400
2036	295,000	24,000	319,000	-	-	-	295,000	24,000	319,000
2037	305,000	12,200	317,200	-	-	-	305,000	12,200	317,200
	$ 3,405,000	$ 1,038,750	$ 4,443,750	$ 880,000	$ 93,763	$ 973,763	$ 4,285,000	$ 1,132,513	$ 5,417,513

Town of Lochbuie

Summary of Assessed Valuation
Mill Levy and Property Taxes Collected
December 31, 2023

Levy Year / Collection Year	Weld County	Adams County	Total Assessed Valuation	Percent Change
2012/2013	$ 18,463,420	$ 199,310	$ 18,662,730	
2013/2014	17,008,537	223,580	17,232,117	-7.67%
2014/2015	16,957,900	191,260	17,149,160	-0.48%
2015/2016	22,984,210	132,630	23,116,840	34.80%
2016/2017	24,756,620	127,890	24,884,510	7.65%
2017/2018	34,280,430	160,280	34,440,710	38.40%
2018/2019	38,033,630	97,900	38,131,530	10.72%
2019/2020	51,880,640	351,970	52,232,610	36.98%
2020/2021	76,745,480	100,100	76,845,580	47.12%
2021/2022	69,105,590	402,430	69,508,020	-9.55%
2022/2023	87,683,830	3,596,850	91,280,680	31.32%
2023/2024	86,197,180	5,683,110	91,880,290	0.66%

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

Financial Planning 02/01
Form # 350-050-36

LOCAL HIGHWAY FINANCE REPORT		City or County: Lochbuie YEAR ENDING : December 2023
This Information From The Records Of (example - City of _ or County of Town of Lochbuie	Prepared By: Phone:	Denise Rademacher 303-990-5775

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. Other local imposts (from page 2)	984,501
4. Miscellaneous local receipts (from page 2)	46,380
5. Transfers from toll facilities	0
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	0
b. Bonds - Refunding Issues	0
c. Notes	0
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	1,030,882
B. Private Contributions	0
C. Receipts from State government (from page 2)	257,395
D. Receipts from Federal Government (from page 2)	0
E. Total receipts (A.7 + B + C + D)	1,288,277

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	198,221
2. Maintenance:	519,037
3. Road and street services:	
a. Traffic control operations	13,935
b. Snow and ice removal	31,730
c. Other	18,966
d. Total (a. through c.)	64,632
4. General administration & miscellaneous	171,866
5. Highway law enforcement and safety	0
6. Total (1 through 5)	953,756
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	127,000
b. Redemption	190,000
c. Total (a. + b.)	317,000
2. Notes:	
a. Interest	0
b. Redemption	0
c. Total (a. + b.)	0
3. Total (1.c + 2.c)	317,000
C. Payments to State for highways	0
D. Payments to toll facilities	0
E. Total disbursements (A.6 + B.3 + C + D)	1,270,756

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	3,708,925	0	190,000	3,518,925
1. Bonds (Refunding Portion)				
B. Notes (Total)		0	0	0

V. LOCAL ROAD AND STREET FUND BALANCE

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
1,069,713	1,288,277	1,270,756	1,087,234	0

Notes and Comments:

In 2020, the Town completed two large road improvement projects expending over $4M from the General Fund. In 2023, new projects were started a expenditures will increase greatly in the years to come. The Town does not have a dedicated Road and Street Fund. It is a Department within the Ge As such, it has no beginning and ending fund balance. Having a positive "ending fund balance" this year does not reflect the $4M contribution from t beginning and ending fund balance. Having a positive ending "fund balance" this year does not reflect the $4M contribution from the General in 2020 or large General Fund appropriation in previous years.

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT
A.3. Other local imposts:	
a. Property Taxes and Assessments	317,000
b. Other local imposts:	
1. Sales Taxes	553,702
2. Infrastructure & Impact Fees	50,876
3. Liens	0
4. Licenses	0
5. Specific Ownership &/or Other	62,924
6. Total (1. through 5.)	667,501
c. Total (a. + b.)	984,501
	(Carry forward to page 1)

ITEM	AMOUNT
A.4. Miscellaneous local receipts:	
a. Interest on investments	0
b. Traffic Fines & Penalities	0
c. Parking Garage Fees	0
d. Parking Meter Fees	0
e. Sale of Surplus Property	0
f. Charges for Services	46,380
g. Other Misc. Receipts	0
h. Other	0
i. Total (a. through h.)	46,380
	(Carry forward to page 1)

ITEM	AMOUNT
C. Receipts from State Government	
1. Highway-user taxes	230,686
2. State general funds	
3. Other State funds:	
a. State bond proceeds	
b. Project Match	
c. Motor Vehicle Registrations	26,710
d. Other (Specify) - DOLA Grant	0
e. Other (Specify)	0
f. Total (a. through e.)	26,710
4. Total (1. + 2. + 3.f)	257,395

ITEM	AMOUNT
D. Receipts from Federal Government	
1. FHWA (from Item I.D.5.)	
2. Other Federal agencies:	
a. Forest Service	0
b. FEMA	0
c. HUD	0
d. Federal Transit Admin	0
e. U.S. Corps of Engineers	0
f. Other Federal	0
g. Total (a. through f.)	0
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	0
b. Engineering Costs		0	0
c. Construction:			
(1). New Facilities		0	0
(2). Capacity Improvements		170,221	170,221
(3). System Preservation		28,000	28,000
(4). System Enhancement & Operation		0	0
(5). Total Construction (1) + (2) + (3) + (4)	0	198,221	198,221
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	198,221	198,221
			(Carry forward to page 1)

Notes and Comments: