



2023 ANNUAL COMPREHENSIVE FINANCIAL REPORT




Town of
TIMNATH
ESTABLISHED 1882

***Timanth,
Colorado***

*Fiscal Year Ended
December 31, 2023*

This Page Left Intentionally Blank



TIMNATH, COLORADO

ANNUAL COMPREHENSIVE
FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2023

This Page Left Intentionally Blank

TOWN OF TIMNATH, COLORADO
ANNUAL COMPREHENSIVE FINANCIAL STATEMENT AUDIT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023
TABLE OF CONTENTS

INTRODUCTORY SECTION	PAGE
Letter of Transmittal	1
List of Principal Officials	7
Elected Town Council	9
Organizational Chart	11
 FINANCIAL SECTION	
Independent Auditor's Report	17
Management's Discussion and Analysis	21
 Basic Financial Statements	
Statement of Net Position	35
Statement of Activities	36
Balance Sheet – Governmental Funds	37
Statement of Revenues, Expenditures, and Changes in Fund Balances	
Governmental Funds	38
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund	
Balances of the Governmental Funds to the Statement of Activities	39
Notes to the Financial Statements	43
 Required Supplementary Information	
Budgetary Comparison Schedule – General Fund	89
Budgetary Comparison Schedule – Timnath Development Authority (TDA) Fund	91
Schedules of the Town's Proportionate Share of the Net Pension Liability	93
Schedule of the Town's Proportionate Share of the OPEB Liability	94
Notes to the Required Supplementary Information	95
 Combining and Individual Fund Statements and Schedules – Governmental Funds	
Combining Balance Sheet – Nonmajor Governmental Funds	99
Combining Statement of Revenues, Expenditures and Changes in Fund Balances -	
Nonmajor Governmental Funds	100
Budgetary Comparison Schedule – Grants Fund	101
Budgetary Comparison Schedule – Timnath Landing	
General Improvement District (GID) – Special Revenue Fund	102
Budgetary Comparison Schedule – Timnath Landing	
General Improvement District (GID) – Capital Projects Fund	103

TOWN OF TIMNATH, COLORADO
ANNUAL COMPREHENSIVE FINANCIAL STATEMENT AUDIT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023
TABLE OF CONTENTS

Other Financial Schedules

Schedule of Impact Fees	107
Schedule of Debt Service Requirements to Maturity	108
Local Highway Finance Report	109

STATISTICAL SECTION

Financial Trends

Net Position by Component	115
Changes in Government-wide Net Position	116
Fund Balances, Governmental Funds	117
Change in Fund Balances, Governmental Funds	118

Revenue Capacity Information

Taxable Sales	119
Direct and Overlapping Sales Tax Rates	120
Property Tax Levies and Collections	121
Direct and Overlapping Property Tax Rates	122
Assessed Value and Estimated Real Market Value of Taxable Property	123
Principal Property Taxpayers	124

Debt Capacity Information

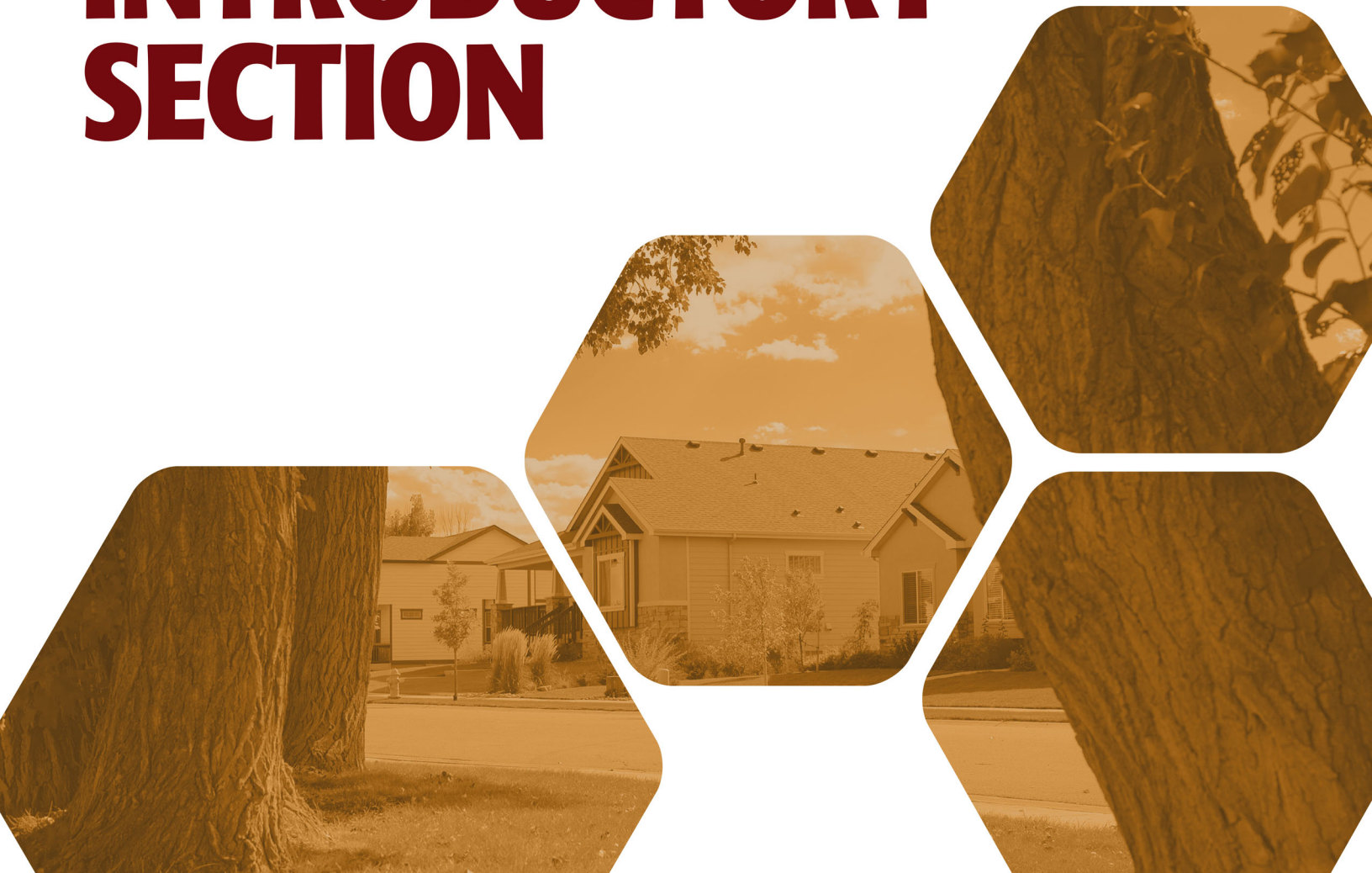
Ratios of Outstanding Debt by Type	125
Legal Debt Margin Information	126
Pledged Revenue Coverage – Timnath Development Authority	127

Demographic, Economic & Operating Information

Demographic and Economic Statistics	128
Principal Employers	129
Full-Time Equivalent Town Government Employees by Function	130
Operating Indicators by Function	131
Capital Assets by Function	132



INTRODUCTORY SECTION



This Page Left Intentionally Blank

INTRODUCTORY SECTION

Letter of Transmittal

Town Organizational Chart

List of Principal Officials

Elected Town Council

This Page Left Intentionally Blank



May 31, 2024

TO THE RESIDENTS OF THE TOWN OF TIMNATH, COLORADO

We are pleased to present the Annual Comprehensive Financial Report for the calendar year ending December 31, 2023. Town staff have worked diligently to prepare this report, and we are committed to promoting financial transparency, accountability, and compliance with accounting standards.

ABOUT THIS REPORT

The Town's Annual Comprehensive Financial Report (Financial Report) was prepared by the Finance Department of the Town of Timnath (the Town). The Financial Report represents the culmination of all budgeting and accounting activities engaged in by management during the year, covering all Town funds and financial transactions. The Town assumes full responsibility for the completeness and reliability of the information contained in the report.

The Town of Timnath has established a comprehensive internal control framework designed to protect the Town's assets from loss, theft, or misuse and compile sufficient reliable information to prepare the Town's financial statements. Because the costs of internal controls should not outweigh the benefits, the Town's internal control framework is designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. To our knowledge, the enclosed information is complete and reliable in all material respects.

An introduction, overview, and analysis, referred to as the "Management's Discussion and Analysis" (MD&A), accompanies the basic financial statements. Please read the MD&A in conjunction with this letter of transmittal, as it is intended to complement it. The MD&A immediately follows the independent auditors' report in the Financial Section.

This Financial Report includes all activities for which the Town Council is accountable to the Town constituents, financially or by state statute. All applicable funds and departments are included in the financial statements as part of the "primary government" of the Town of Timnath. Also, the Town has two legally separate entities that have significant operational or financial relationships with the Town. These include the Timnath Development Authority and the Timnath Landings General Improvement District. The Town's financial statements also incorporate these entities.

INDEPENDENT AUDIT

Colorado law requires that the Town's financial statements within the Financial Report be audited by an independent firm of certified public accountants licensed to practice in Colorado. The auditors' report must be submitted to the local government within six months after the fiscal year's close, and to the State, within seven months. The Adams Group LLC has audited the Town's 2023 financial statements. The auditors issued an unmodified (clean) opinion on the Town's financial statements for the year ended December 31, 2023. This type of opinion indicates that the audited financial statements are free from material misstatement. The independent auditors' report is in the front of this report's Financial Section.

PROFILE OF THE TOWN

The Town was incorporated on June 29, 1920. The Town became a home rule municipality on November 7, 2006, through an electoral vote. The Town operates under a Council-Manager form of government. The elected Town Council consists of the mayor and four Council Members. The Town Council, including the mayor, serve four-year staggered terms. The Town Manager is the Town's chief executive officer, responsible for overall management and administration of the Town.

Location and Demographics. The Town of Timnath is located within northern Colorado and is within the eastern boundaries of Larimer County, with a western boundary of I25, in the northern part of the State. With a population of just over 10,000, the Town offers small-town charm with big-city access. The surrounding major cities include Windsor, Fort Collins, and Loveland. The Town is within 60 miles of Denver as well as Cheyenne, Wyoming.

The Town features beautiful parks, safe neighborhoods, a quaint downtown, and welcoming community events. Nestled along the front range, the Town is near many recreational areas including Rocky Mountain National Park, several trails along the Poudre River and is home for the Timnath Reservoir where town residents and visitors have boating, fishing, and day-use access.

Town Services. The Town provides essential municipal services to the citizens of Timnath under the direction of the Town Manager. The Town operates its own police department, parks and recreation programs, municipal court, street operations, planning, engineering, and building.

Other services, such as fire, utilities, and library services, are provided through Special districts. The Poudre Fire District provides fire and emergency services to the community. The Poudre Library provides library services with programming at the Town hall and drop-off book receptacles. Town residents can visit the library branch in Fort Collins.

Website. For additional information on the Town’s services, the community should visit the website at www.timnath.org where extensive information about the Town is available. Visitors to the site can access information on council meetings, development activity, budgets, financial statements, sales tax information, purchasing solicitations, job postings, and much more.

Budgeting. The council adopts a budget annually for all governmental funds. The Town conducts periodic citizen surveys to understand the community’s needs and perceptions of Town services. The Town Council uses this data to determine their strategic priorities for the budget.

The Finance staff prepares financial and revenue forecasts for the budget. Concurrently, each Department submits proposed budgets including personnel, operating, and capital budgets reflecting the Town Council strategic priorities.

Per the Town Charter, the total of proposed expenditures and provision for contingencies shall not exceed the total of estimated revenues and reserves. Except as otherwise provided by the Charter, the proposed budget must be prepared in accordance with the Town charter, state statutes establishing local government budget laws and the local government uniform accounting laws. A public hearing is required and two readings of applicable budget ordinances, followed by a majority “yes” vote by Town Council present with at least a quorum in attendance and a second reading with a majority “yes” vote adopts the budget, setting the appropriation for the year at the fund level. Any supplemental appropriations must be approved by the Town Council using the same procedures as when the budget was first adopted.

Local Economy. The Town has seen significant population growth over the past 10 years. Even in a market where interest rates are high, the Town continues to see a high demand for residential buildings. The number of households within the Town has increased by 93.9% between 2018 and 2022. During 2023 an additional 327 new residential building permits were issued. The median home price at the end of 2023 was \$665,000, a 1.9% increase over 2022. The Town has not increased its property tax mill levy since 2006. The current mill levy of 6.688 has remained since 2016.

The primary source of revenue for the Town continues to be sales tax. Three retailers in Town make up 75% of the Town’s total sales tax base. With more commercial acreage along the State’s major interstate of I-25 that was annexed in 2023, the Town will see diversification and strengthening of the Town’s sales tax base in future years.

LONG-TERM FINANCIAL PLANNING

The Town utilizes a five-year projection model annually that forecasts revenue and expenditures and available fund balance to ensure the financial resiliency of the Town. Departments project personnel, operating, and capital expenditures. Finance staff projects available revenue and fund balance over the same five-year timeframe. This projection is used during the budget preparation process and presented to the Town Council as key decisions are made around the expenditure of funds. The Town is also continuously monitoring its long-term debt obligations that coincide with the timing of the expiration of the Timnath Development Authority.

MAJOR INITIATIVES

The Town has many projects underway that are a result of citizen input and the Town's strategic plan. Below are some of the highlighted activities from 2023.

Public Safety Building. In January 2023, the new public safety building for the police department was completed. The \$13.4 million construction project was funded from impact fees and general fund reserves. The department is planning to hire additional officers in 2024 with a goal to provide 24/7 police coverage to the Town. This coverage will amend the Larimer County Sheriff intergovernmental agreement by reducing the after-hours coverage for the Town.

Broadband. In August 2023, the Town Council approved allocating funding to bring high-speed internet services to its residents through other municipal and county partnerships. The Town also approved an intergovernmental agreement with the City of Loveland Pulse as a partner to provide broadband services to the Town. The Town has appropriated \$8.8 million in 2024 and has allocated an additional \$14 million in future years towards this project.

Master Planning Studies. The Town utilizes master planning studies to guide the services and efforts of the Town. Each of these studies are evaluated occasionally to reflect updated priorities and changes in the Town. In early 2024, Town Council approved updates to the transportation master plan, which provides guidance on how to strategically plan the transportation network to accommodate expected growth. The Town also appropriated funds in 2024 to towards a facilities master plan as well as a parks, recreation, open space, and trails master plan. These studies will be utilized for funding priorities over the next several years.

AWARDS AND ACKNOWLEDGEMENTS

The Town's 2023 Annual Comprehensive Financial Report was prepared following the guidelines recommended by the Government Finance Officers Association of the United States and Canada. GFOA awards Certificates of Achievement for Excellence in Financial Reporting to governmental units that publish an easily readable and efficiently organized report that satisfies all legal requirements and conforms to accounting principles generally accepted in the

United States of America. This is the first year the Town of Timnath will submit for the certificate. Each certificate is valid for a one-year period. We believe our current report conforms to the certificate program requirements and are submitting it to GFOA to determine its eligibility.

The preparation of this Annual Comprehensive Financial Report would not have been possible without the skill, effort, and dedication of the entire staff of the Finance Department. Additionally, we extend our gratitude to all other departments and Town employees for their cooperation and assistance in matters relating to the financial affairs of the Town and the preparation of this report. Finally, we want to thank the Mayor and Town Council and Finance Committee for their continued support.

Respectfully submitted,

A handwritten signature in cursive script that reads "Lisa Gagliardi".

Lisa Gagliardi, CGFM
Finance Director

A handwritten signature in cursive script that reads "Bonnie Dennis".

Bonnie Dennis, MBA
Accounting Manager

This Page Left Intentionally Blank

TOWN OF TIMNATH, COLORADO
LIST OF PRINCIPAL OFFICIALS
AS OF DECEMBER 31, 2023

Town Council

<u>Elected Officials</u>	<u>Term Expires</u>
Mark Soukup, Mayor	April, 2024
Brett Hansen	April, 2024
Lisa Laake	April, 2024
Robert Axmacher	April, 2026
Luke Wagner	April, 2026

Appointed Officials

<u>Appointed Officials</u>	<u>Position</u>
Aaron Adams	Town Manager
Carolyn Steffl (<i>contracted</i>)	Town Attorney
Stewart Olive	Municipal Court Judge

Executive Leadership Team

<u>Director</u>	<u>Position</u>
Matt Blakely (<i>contracted</i>)	Community Development Director
Tom Casal	Parks & Recreation Director
Lisa Gagliardi	Finance Director
Terry Jones	Police Chief
Milissa Peters-Garcia	Town Clerk
Justin Stone	Public Works Director

This Page Left Intentionally Blank

TIMNATH TOWN COUNCIL

(As of 12/31/2023)



Mark Soukup

Mayor



Brett Hansen

Mayor Pro Tem



Lisa Laake

Council Member



Robert Axmacher

Council Member



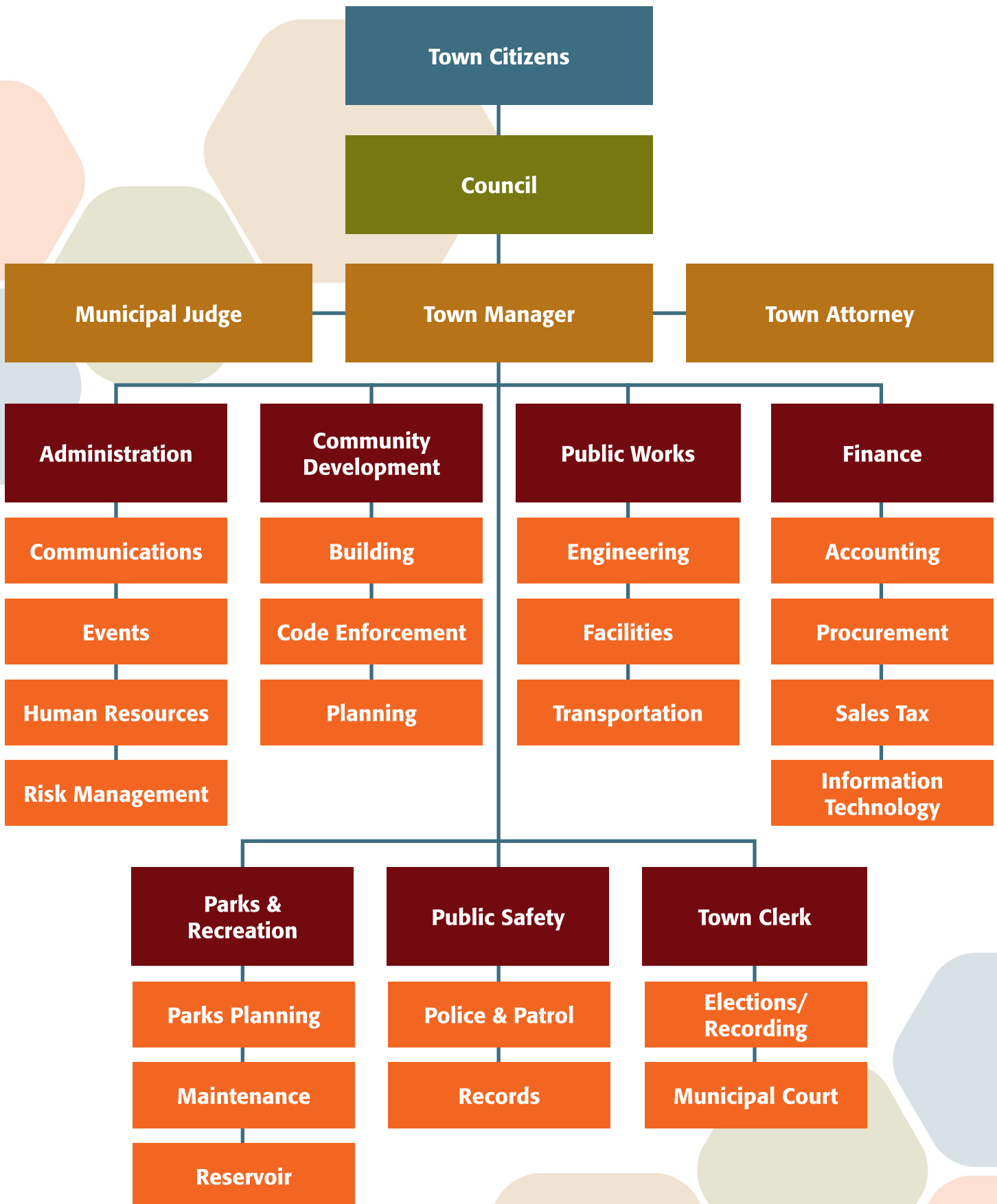
Luke Wagner

Council Member

This Page Left Intentionally Blank

TIMNATH ORGANIZATIONAL CHART

(As of 12/31/2023)



This Page Left Intentionally Blank



FINANCIAL SECTION



This Page Left Intentionally Blank

FINANCIAL SECTION

Independent Auditor's Report

Management's Discussion and Analysis

Basic Financial Statements

Required Supplementary Information

Other Supplementary Information

Other Financial Schedules

This Page Left Intentionally Blank



INDEPENDENT AUDITORS' REPORT

Town Council
Town of Timnath
Timnath, Colorado

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Timnath, Colorado, as of December 31, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, the local highway finance report, and other schedules as listed in the table of contents 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 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary comparison schedules, the local highway finance report, and other schedules as listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

The Adams Group, LLC

Greenwood Village, Colorado
May 30, 2024

This Page Left Intentionally Blank

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis (MD&A) is presented to facilitate financial analysis and provide an overview of the financial activities of the Town of Timnath (Town) for the year ended December 31, 2023. Readers are encouraged to read the MD&A in conjunction with the basic financial statements and notes to the financial statements contained in this report.

Financial Highlights

- The Town's assets totaled \$153.9 million on December 31, 2023 consisting of \$89.5 million in capital assets, \$23.7 million in restricted cash and investments, \$24.4 million in unrestricted cash and investments, \$13.8 million in receivables, and \$2.5 million in other assets. Total assets increased by \$11.3 million (8%) from the previous fiscal year.
- The Town's liabilities totaled \$63.2 million on December 31, 2023 consisting of \$59.0 million in long-term liabilities, \$4.4 million in pension liabilities, \$2.3 million in lease and subscription based technology agreement liabilities, \$4.2 million in accounts payable and other liabilities. Total liabilities decreased by \$1.6 million (2%) from the previous fiscal year.
- The assets and deferred outflows of resources exceeds liabilities and deferred inflows of resources by \$81.6 million at the close of fiscal year 2023.
- The Town's governmental funds reported combined ending fund balances of \$46.2 million at the close of the fiscal year. Of this amount, \$5.6 million is restricted for debt service, capital projects, parks, grants, and emergencies.
- Total net position increased by \$14.4 million or 21%, mainly attributable to the increase from the sale of capital assets and contributed capital of \$1.2 million (212%), investment earnings increase of \$1.4 million (207%) and increases in tax revenues of \$856 thousand (19%). The increases in revenues are offset by the increase in expenses of \$2.6 million (13%) when compared to prior year. Expense increases are attributable to capital improvements and operating costs of new public safety building.

Overview of the Financial Statements

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-wide Financial Statements

The government-wide statements are designed to provide readers with a broad overview of the Town's finances using accounting methods similar to a private-sector business.

The *Statement of Net Position* presents information on all Town assets, liabilities and deferred inflows/outflows 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. To assess the overall health of the Town, additional nonfinancial factors such as changes in the Town's property tax base relative to growth and the diversification of the Town's sales tax base must be considered.

The *Statement of Activities* presents information on how the Town's net position changed during the fiscal year. All changes in the net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, some revenues and expenses reported in this statement will result in cash flows in future fiscal period (e.g., uncollected taxes and earned but unused paid time off) and as such, are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both the *Statement of Net Position* and the *Statement of Activities* distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (*Governmental Activities*). The *Governmental Activities* of the Town include general government, community development, highways and streets, parks and recreation, and public safety.

Fund Financial Statements

A *fund* is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The governmental funds are used to account for 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 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

The Town maintains five governmental funds in two categories between major and non-major. The major funds of the Town are the General Fund and the Timnath Development Authority (TDA) Fund, which is a blended component unit. The non-major funds include the Grants Fund and the General Improvement District special revenue and capital projects fund. Each fund has an annually adopted appropriated budget by the Town council for the General and Grant funds, by the Timnath Development Authority board for the TDA fund, and by the Timnath Landing General Improvement District board for the two general improvement district funds. A budgetary comparison schedule for each nonmajor fund has been provided within this report as supplementary information to demonstrate compliance with the budget.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements can be found starting on page 43 of this report.

Statement of Net Position

Net position serves as a useful indicator of a government's financial position. The Town has continued to see assets exceeding liabilities. At the close of fiscal year 2023, assets and deferred outflows of resources exceeds liabilities and deferred inflows of resources by \$81.6 million.

By far the largest portion of the town's net position (53%) reflects its investment in capital assets (e.g., land, buildings, vehicles, equipment, and infrastructure); less any related debt outstanding used to acquire those assets. The town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the town's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves either cannot or are not expected to be used or liquidated to repay these liabilities.

MANAGEMENT'S DISCUSSION AND ANALYSIS

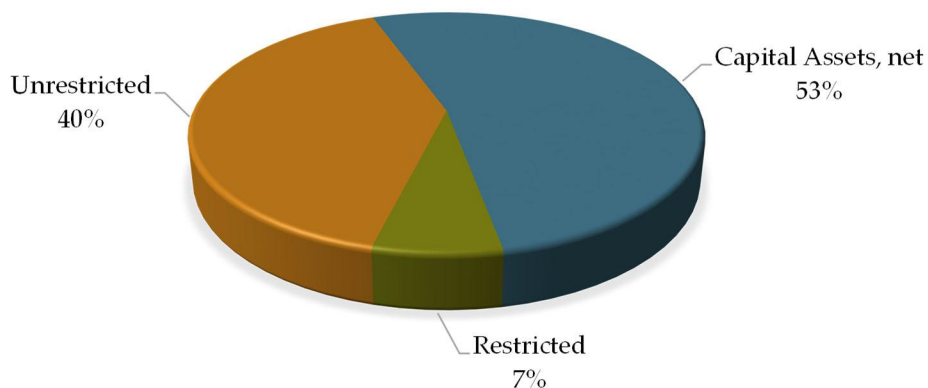
Restricted net position of 7% represents resources that are subject to restrictions as to how they can be used and are not currently available for the Town's ongoing obligations (e.g. emergency/TABOR reserve, conservation trust funds, grants, debt service, and capital projects). The remaining 40% of the Town's net position is unrestricted and may be used to meet the Town's future expenditures. As of December 31, 2023, the Town had positive balances in all three categories of net position. Below is the combined net position of the Town of Timnath on December 31, 2023 and 2022 was as follows.

Statement of Net Position

(in thousands)

	Governmental Activities		Total \$	Total %
	2023	2022	of Change	of Change
Current and other assets	\$ 64,447	\$ 56,078	\$ 8,369	15%
Capital assets	89,469	86,579	2,890	3%
Total assets	153,915	142,657	11,258	8%
Deferred outflows of resources	2,782	1,249	1,533	123%
Long-term liabilities	59,077	61,406	(2,329)	-4%
Other liabilities	4,194	3,383	811	24%
Total liabilities	63,271	64,789	(1,518)	
Deferred inflows of resources	11,861	11,971	(110)	-1%
Net position:				
Net Investment in capital assets	42,902	36,683	6,219	17%
Restricted for:				
Emergencies (TABOR)	697	660	37	6%
Parks and open space (Conservation Trust)	480	360	120	33%
Capital projects	4,446	7,543	(3,097)	-41%
Unrestricted	33,041	21,899	11,142	51%
Total net position	\$ 81,566	\$ 67,145	\$ 14,421	21%

Classification of Net Position for Year Ended 2023



MANAGEMENT'S DISCUSSION AND ANALYSIS

Statement of Activities Changes in Net Position (in thousands)

	Governmental Activities		Total \$	Total %
	2023	2022	of Change	of Change
Revenues				
Program Revenues:				
Charges for services	\$ 5,918	\$ 6,106	\$ (187)	-3%
Operating grants and contributions	614	418	196	47%
Capital grants and contributions	1,738	557	1,181	212%
General revenues:				
Property tax	385	392	(7)	-2%
Sales & use tax	16,112	15,427	685	4%
Tax increment financing	8,949	8,812	137	2%
Franchise	429	391	38	10%
Other taxes	82	79	2	3%
Investment earnings	2,072	674	1,398	207%
Total revenues	<u>36,299</u>	<u>32,856</u>	<u>3,443</u>	10%
Expenses				
Governmental activities:				
General government	4,533	3,777	756	20%
Community development	2,551	2,216	335	15%
Highways and streets	6,644	6,618	26	0%
Parks and recreation	1,709	1,148	561	49%
Public safety	4,248	2,937	1,311	45%
Interest on long-term debt	2,194	2,600	(406)	-16%
Total expenses	<u>21,879</u>	<u>19,296</u>	<u>2,583</u>	13%
Change in net position	<u>14,421</u>	<u>13,560</u>	<u>861</u>	6%
Net position - beginning	<u>67,146</u>	<u>53,586</u>	<u>13,560</u>	25%
Net position - ending	<u>\$ 81,567</u>	<u>\$ 67,146</u>	<u>\$ 14,421</u>	21%

Governmental activities in the net position increased by \$14.4 million (21%) during the current fiscal year. Several key highlights of the *Statement of Activities* for the fiscal year are as follows:

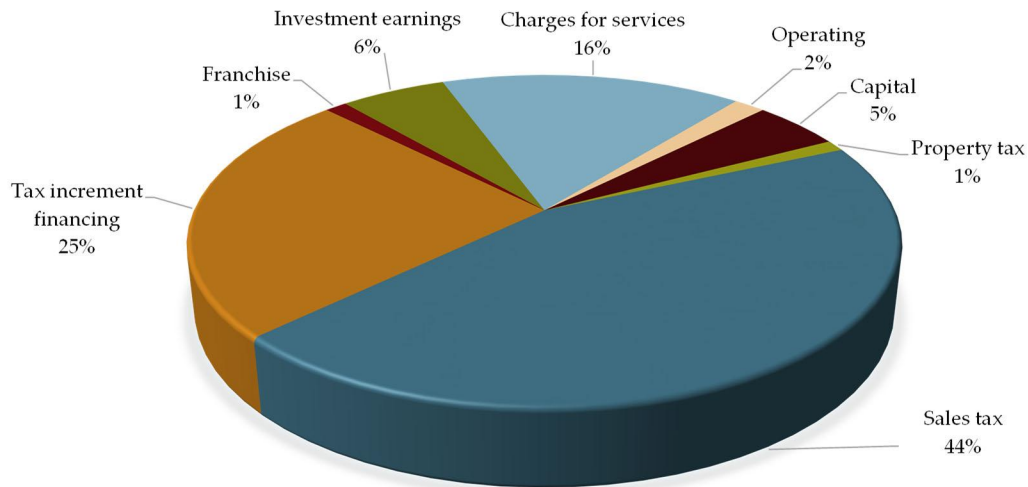
- Charges for services decreased by \$188 thousand (3%) from the prior fiscal year. This decrease is related to a decrease in commercial building permits with a valuation of 47.8 per square foot assessed in 2023 compared to 111.5 per square foot assessed in 2022.
- Total taxes increased by \$856 thousand (19%). This is attributed to increases in sales tax growth from local and online retailers.

MANAGEMENT'S DISCUSSION AND ANALYSIS

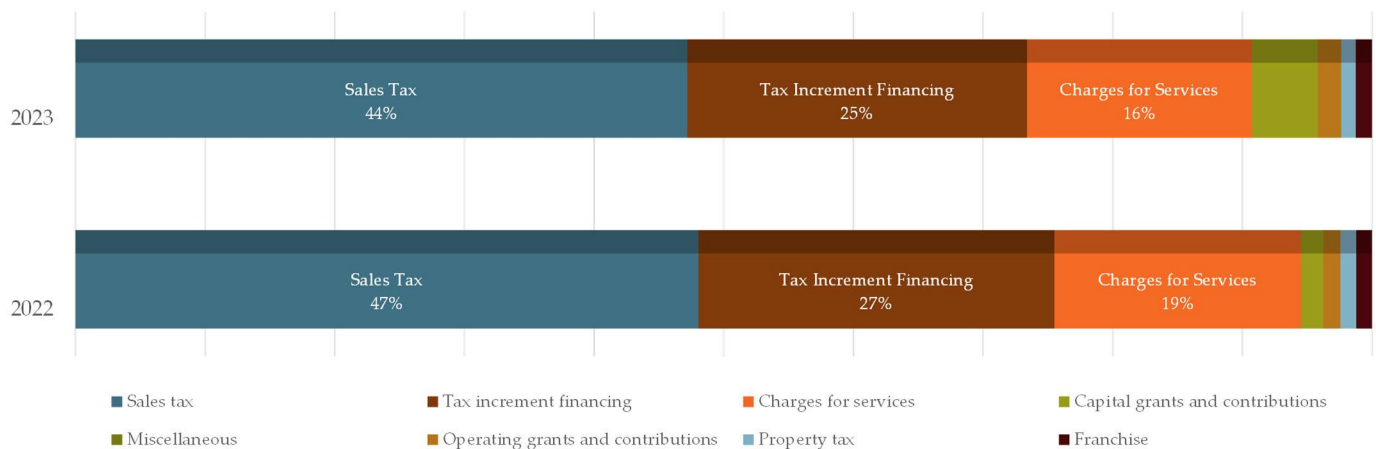
- Expenses increased by 13% as compared to the prior year related to operating the new public safety building, added positions for parks and recreation and increases in general government related to new positions and increased costs for events.

The revenues in the following pie chart include all program and general revenues for governmental activities including sales taxes, property taxes, franchise taxes, charges for services, operating and capital grants/contributions, and miscellaneous revenues. Sales taxes continue to be the major source of revenue for the Town's governmental activities.

Revenues by Source – Governmental Activities



% of Total Revenue Comparison – Governmental Activities



MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS

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

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$46.2 million. Of this amount, \$13.4 million constitutes unassigned fund balances, which are available for spending at the Town's discretion.

General Fund

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, committed and assigned fund balance of the General Fund was \$27.2 million and restricted was \$3.6 million out of a total fund balance of \$44.2 million.

The fund balance of the Town's General Fund increased by \$8.5 million during the current fiscal year due increases in sales and use tax revenue as well as higher than anticipated investment earnings.

Timnath Development Authority (TDA) Fund

The TDA Fund reported a fund balance of \$1.9 million, which is restricted for future debt service payments and capital improvement expenditures. The fund decreased by \$3.0 million related to capital transfers to the General Fund.

Other Governmental Funds

The other governmental funds are considered as nonmajor funds which include the Grants and Timnath Landing General Improvement District (GID) special revenue and capital projects funds. The funds had a combined fund balance of zero as the revenues for the Grants fund were transferred to the General Fund and revenues and expenses are offset from each other in the GID funds. These transfers can be found in the notes to the financial statements starting on page 43.

General Fund Budgetary Highlights

The Town prepares its budget on the modified accrual basis of accounting to recognize the fiscal impact of debt issuance, sale of assets, and debt repayments, as well as capital outlay, in addition to operations and non-operating revenue and contributions. Capital contributions and depreciation are not reflected on the budget since they do not affect "funds available." This budgetary accounting is required by state statutes.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The original General Fund budget for as of December 31, 2023 was \$23.1 million. There was one supplemental budget appropriation and several miscellaneous transfers to the originally adopted budget in the General Fund. The supplemental budget reduced the beginning fund balance by \$936 thousand to offset additional capital outlay costs (\$474 thousands), vehicles for public works (\$382 thousand) and broadband capital (\$80 thousand). Other transfers were for various town needs and within the General Fund departments and did not require a supplemental budget hearing. This supplemental and transfers reallocate budget authority to the departments and allow for previously unanticipated expenditures.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of December 31, 2023, the Town had invested \$91.9 million in capital assets, net of depreciation and amortization as reflected in the following table that demonstrates a net increase (additions, deductions and depreciation/amortization) of \$2.8 million in the year.

Capital Assets, Net of Accumulated Depreciation (in thousands)

	Governmental Activities		Total \$	Total %
	2023	2022	of Change	of Change
Land and easements	\$ 7,545	\$ 7,849	\$ (304)	-4%
Buildings and improvements	22,619	9,485	13,134	58%
Infrastructure	37,751	39,295	(1,544)	-4%
Parks and recreation	13,900	12,146	1,754	13%
Right-to-use leased assets	2,266	2,518	(251)	-11%
Right-to-use subscription assets	206	-	206	100%
Vehicles and equipment	1,719	1,124	595	35%
Construction in progress	5,935	16,679	(10,745)	-181%
Capital assets, net	<u>\$ 91,941</u>	<u>\$ 89,097</u>	<u>\$ 2,844</u>	3%

The following table reconciles the change in capital assets for the fiscal year. Expenditures for construction projects in progress at fiscal year-end are included in additions. Reductions are for capital asset dispositions and transfers of construction projects completed during the fiscal year.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Change in Capital Assets (in thousands)

	Governmental Activities	
	2023	2022
Beginning balance	\$ 89,097	\$ 77,151
Additions	24,259	20,574
Reductions and transfers	(17,309)	(4,953)
Depreciation/Amortization	(4,106)	(3,675)
Ending balance	<u>\$ 91,941</u>	<u>\$ 89,097</u>

Debt Outstanding

As of December 31, 2023, the Town and TDA Funds had \$52.0 million in outstanding long-term debt; a decrease from the prior year by \$6.4 million due to debt repayments. More detailed information about the Town's long-term debt obligations is presented in the Notes to the Basic Financial Statements, beginning on page 43.

Outstanding Long-term Debt Obligations as of December 31, 2023

	Governmental Activities (in thousands)		Total \$ of Change	Total % of Change
	2023	2022		
Urban Renewal Redevelopment Loans (TDA)	41,195	\$ 46,975	\$ (5,780)	-12.3%
Certificate of Participation - Town Hall	5,947	6,644	(697)	-10.5%
Developer Advances	4,953	4,953	-	0.0%
Total	<u>\$ 52,095</u>	<u>\$ 58,572</u>	<u>\$ (6,477)</u>	<u>-11.1%</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Town Council approved and adopted the 2024 budget on December 12, 2023 appropriating \$54.6 million in general fund expenditures. The objective of the budget is to be fiscally responsible by ensuring forecasted revenues exceed operational costs, with restricted reserve funds being utilized for capital projects and maintaining an adequate working capital reserve.

The appropriation includes \$33.6 million in capital outlay related to roads, buildings and parks and recreation. The largest capital projects budgeted for 2024 include road improvements to Parkway and Main Street, the planning and development of broadband services within the Town, and park improvements for Timnath Reservoir Trail and Park

MANAGEMENT'S DISCUSSION AND ANALYSIS

and Wildwing Park. The Town also prioritized the need to evaluate current facilities for future staff and creating a master plan. Lastly, the Town Council also increased impact fees in 2024 relative to these capital projects.

The TDA has appropriated a total of \$19.8 million, including \$7.7 million in debt service payments, and \$11.3 million transfers to the Town, related to TDA capital project costs anticipated to be completed during 2024 and excess sales tax.

The Town has shown resilience in forecasted revenue as commercial and residential development continue to grow. Although the Town is experiencing some inflationary pressures related to the cost of services, materials and labor, there is also more development on the horizon that will increase sales and use tax as well as property taxes.

REQUEST FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Town's finances and to demonstrate the Town's accountability for the resources it receives and expends. Questions about this report, or if additional financial information is needed, can be directed to the Finance Director of the Town of Timnath located at 4750 Signal Tree Drive, Timnath, Colorado 80547.



BASIC FINANCIAL STATEMENTS



This Page Left Intentionally Blank

BASIC FINANCIAL STATEMENTS

Statement of Net Position

Statement of Activities

Combining Financial Statements

Notes to Basic Financial Statements

This Page Left Intentionally Blank

TOWN OF TIMNATH, COLORADO
STATEMENT OF NET POSITION
DECEMBER 31, 2023

	Governmental Activities
ASSETS	
Cash and Investments	\$ 24,489,046
Restricted cash and investments	23,677,133
Receivables:	
Property taxes	11,744,311
Sales tax	1,359,110
Other	704,869
Capital assets, not being depreciated:	
Land and easements	7,545,208
Construction in process	5,934,605
Capital assets, net of accumulated depreciation:	
Buildings and improvements	22,618,881
Infrastructure	37,751,183
Parks and recreation	13,899,825
Vehicles and equipment	1,718,824
Right to use lease assets, net of amortization	2,266,202
Right to use subscription based asset, net of amortization	205,880
TOTAL ASSETS	153,915,077
DEFERRED OUTFLOWS OF RESOURCES:	
Related to pension	2,558,274
Related to Other Post Employment Benefits (OPEB)	224,119
TOTAL DEFERRED OUTFLOWS OF RESOURCES	2,782,393
LIABILITIES	
Accounts payable	2,371,827
Retainage payable	81,392
Deposits payable	321,579
Accrued interest payable	162,876
Unearned revenue	1,256,246
Noncurrent liabilities:	
Lease obligations	2,078,768
Subscription-Based-Technology obligations	166,553
Long-term obligations, due within one year	7,117,240
Long-term obligations, due in more than one year	40,345,300
Developer advances, due in more than one year	4,952,676
Net pension liability	4,144,056
Net OPEB liability	272,051
TOTAL LIABILITIES	63,270,564
DEFERRED INFLOWS OF RESOURCES:	
Deferred revenue - property taxes	11,744,311
Related to pension	20,659
Related to OPEB	95,817
TOTAL DEFERRED INFLOWS OF RESOURCES	11,860,787
NET POSITION	
Net Investment in capital assets	42,901,995
Restricted for:	
Emergencies (TABOR)	697,000
Parks and open space (Conservation Trust)	479,519
Capital projects	4,446,259
Unrestricted	33,041,346
TOTAL NET POSITION	\$ 81,566,119

The notes to basic financial statements are an integral part of this statement.

TOWN OF TIMNATH, COLORADO
STATEMENT OF ACTIVITIES
FOR YEAR ENDED DECEMBER 31, 2023

FUNCTION / PROGRAM	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
General government	\$ 4,533,437	\$ 1,171,811	\$ 74,568	\$ 469,163	\$ (2,817,895)
Community development	2,551,089	2,104,883	-	-	(446,206)
Highways and streets	6,643,767	1,043,719	309,361	742,048	(4,548,639)
Parks and recreation	1,709,416	1,302,172	-	526,806	119,562
Public safety	4,246,705	295,818	230,324	-	(3,720,563)
Interest on long-term debt	2,194,422	-	-	-	(2,194,422)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 21,878,836	\$ 5,918,403	\$ 614,253	\$ 1,738,017	(13,608,163)

GENERAL REVENUES

Taxes / Fees:	
Sales and Use	16,111,919
Tax increment financing (TIF)	8,949,096
Franchise	428,541
Property, levied for general purposes	385,490
Other	81,708
Investment earnings	2,072,047
TOTAL GENERAL REVENUES	28,028,801
CHANGE IN NET POSITION	14,420,638
NET POSITION - beginning	67,145,481
NET POSITION - ending	\$ 81,566,119

The notes to basic financial statements are an integral part of this statement.

TOWN OF TIMNATH, COLORADO

BALANCE SHEET

DECEMBER 31, 2023

	General Fund	Timnath Development Authority Fund	Other Funds	Total Governmental Funds
ASSETS				
Cash and Investments	\$ 24,489,046	\$ -	\$ -	\$ 24,489,046
Restricted cash and investments	21,698,302	1,978,831	-	23,677,133
Receivables:				
Property taxes	688,473	11,055,838	-	11,744,311
Sales tax	1,359,110	-	-	1,359,110
Other	704,869	-	-	704,869
TOTAL ASSETS	48,939,800	13,034,669	-	61,974,469
LIABILITIES:				
Accounts payable	2,351,428	20,399	-	2,371,827
Retainage payable	81,392	-	-	81,392
Deposits payable	321,579	-	-	321,579
Unearned revenue	1,256,246	-	-	1,256,246
TOTAL LIABILITIES	4,010,645	20,399	-	4,031,044
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue - property taxes	688,473	11,055,838	-	11,744,311
	688,473	11,055,838	-	11,744,311
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	4,699,118	11,076,237	-	15,775,355
FUND BALANCES:				
Restricted	3,664,347	1,958,431	-	5,622,778
Committed	18,414,258	-	-	18,414,258
Assigned	8,769,209	-	-	8,769,209
Unassigned	13,392,869	-	-	13,392,869
TOTAL FUND BALANCES	44,240,683	1,958,431	-	46,199,114
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 48,939,801	\$ 13,034,668	\$ -	

Amounts reported for Governmental Activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in funds. 89,468,526

Other assets are not available to pay for current-period expenditures and are therefore deferred in the funds:

Leased assets, net	2,266,202	
SBITA assets, net	205,880	
Deferred outflows of resources - pensions	2,558,274	
Deferred outflows of resources - OPEB	224,119	5,254,475

Liabilities, including lease payable, accrued interest and compensated absences payables, pension, OPEB, and debt payable, are not due and payable in the current period, therefore, are not reported in the funds:

Accrued compensated absences payable	(320,540)	
Accrued interest payable	(162,876)	
Net pension liability	(4,144,056)	
Net OPEB liability	(272,051)	
Lease payables	(2,078,768)	
Subscription payables	(166,553)	
Deferred inflows of resources - pensions	(20,659)	
Deferred inflows of resources - OPEB	(95,817)	
Long-term debt obligations	(52,094,676)	(59,355,996)

Net position of governmental activities \$ 81,566,119

The notes to basic financial statements are an integral part of this statement.

TOWN OF TIMNATH, COLORADO
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2023

	General Fund	Timnath Development Authority Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes and fees:				
Sales and use tax	\$ 8,093,985	\$ 8,017,934	\$ -	\$ 16,111,919
Property tax	385,490	8,949,096	-	9,334,586
Franchise	428,541	-	-	428,541
Other	81,708	-	-	81,708
Fines and forfeitures	130,689	-	-	130,689
Charges for services	3,373,262	-	-	3,373,262
Intergovernmental	977,198	-	17,345	994,543
Investment earnings	1,791,977	280,070	-	2,072,047
Licenses and permits	2,161,341	-	-	2,161,341
Miscellaneous	186,648	-	-	186,648
TOTAL REVENUES	17,610,839	17,247,100	17,345	34,875,284
EXPENDITURES				
Current:				
General government	3,116,776	509,588	1,797	3,628,161
Community development	2,527,497	-	-	2,527,497
Highways and streets	3,825,593	-	-	3,825,593
Parks and recreation	881,488	-	-	881,488
Public safety	3,825,593	-	-	3,825,593
Debt service:				
Principal	1,099,006	5,780,000	-	6,879,006
Interest	359,977	1,857,470	-	2,217,447
Capital outlay	6,363,908	-	-	6,363,908
TOTAL EXPENDITURES	21,999,838	8,147,058	1,797	30,148,693
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(4,388,999)	9,100,042	15,548	4,726,591
OTHER FINANCING SOURCES (USES):				
Lease financing	71,893	-	-	71,893
Subscription based technology agreement financing	212,979	-	-	212,979
Sale of Asset	397,270	-	-	397,270
Transfers from other funds	12,213,732	-	1,797	12,215,529
Transfers to other funds	(1,797)	(12,196,387)	(17,345)	(12,215,529)
TOTAL OTHER FINANCING SOURCES (USES)	12,894,077	(12,196,387)	(15,548)	682,142
NET CHANGE IN FUND BALANCES	8,505,078	(3,096,345)	-	5,408,733
FUND BALANCE - beginning	35,735,605	5,054,776	-	40,790,381
FUND BALANCE - ending	\$ 44,240,683	\$ 1,958,431	\$ -	\$ 46,199,114

The notes to basic financial statements are an integral part of this statement.

TOWN OF TIMNATH, COLORADO

RECONCILIATION OF 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:

Net change in fund balances - total governmental funds	\$	5,408,733
--	----	-----------

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay was greater than depreciation.

Capital outlay	6,363,908	
Depreciation expense	(3,857,028)	
Amortization expense - leases	(242,119)	
Amortization expense - SBITAs	(7,099)	
	2,257,662	2,257,662

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations, and transfers) is to increase net position.		749,187
---	--	---------

The issuance of long-term debt (e.g., bonds, capital leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount represents the scheduled principal payments on existing debt.

Long-term debt principal repayments	6,477,300	6,477,300
-------------------------------------	-----------	-----------

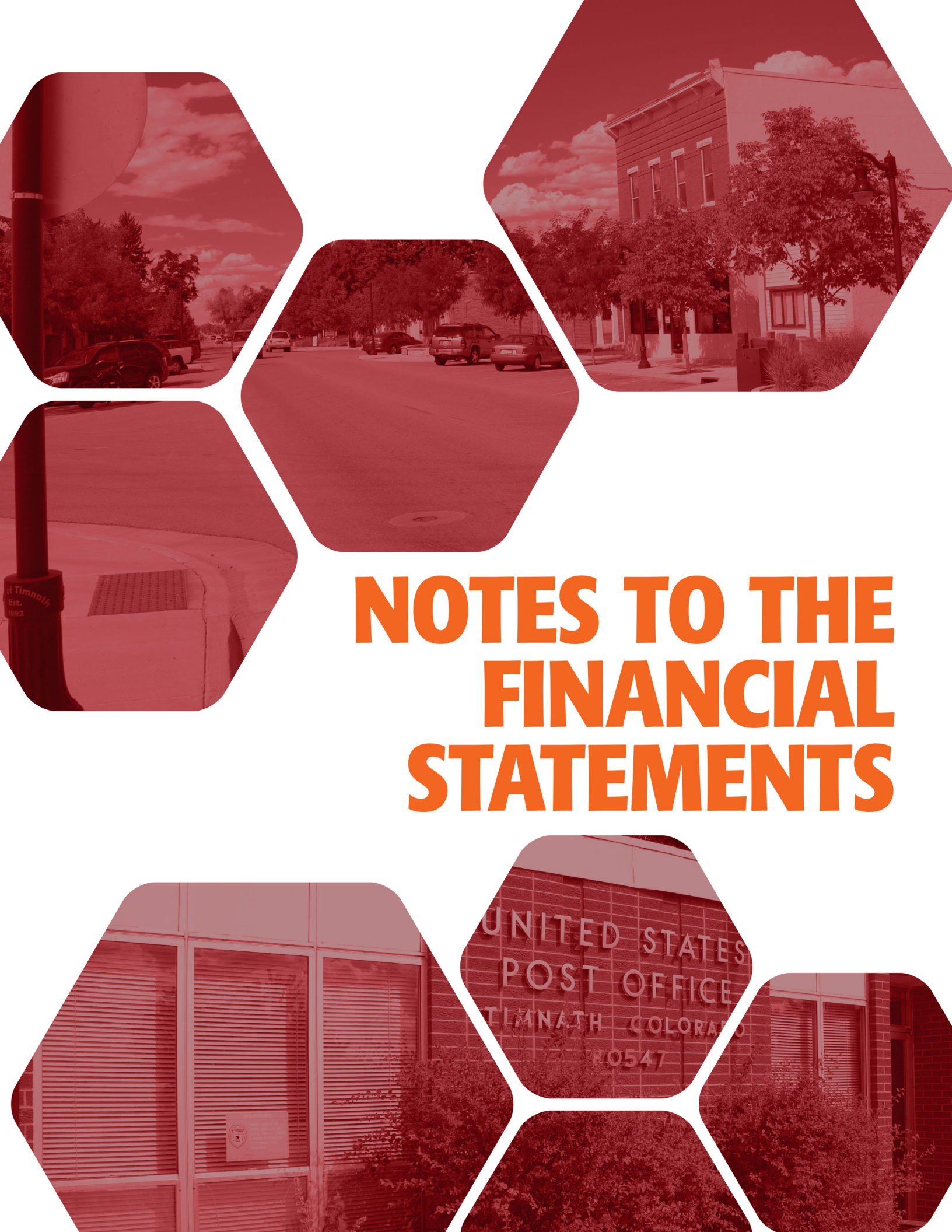
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Net pension liability and related deferrals	(364,534)	
Net OPEB liability and related deferrals	(119)	
Accrued interest payable	(23,025)	
Accrued compensated absences payable	(84,566)	
	(472,244)	(472,244)

Change in net position of governmental activities	\$	14,420,638
---	----	------------

The notes to basic financial statements are an integral part of this statement.

This Page Left Intentionally Blank



NOTES TO THE FINANCIAL STATEMENTS



This Page Left Intentionally Blank

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Town of Timnath (Town) have been prepared in accordance with generally accepted accounting principles (GAAP) as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the Town's significant accounting policies applied in the preparation of these financial statements.

Reporting Entity

The Town is a municipal corporation, incorporated on June 29, 1920. The electorate voted to become a home rule municipality on November 7, 2006, under the provisions of Article XX of the Constitution of the state of Colorado. The Town operates under a Council-Town Manager form of government and provides the following services as authorized by its charter: public safety, public works, parks and recreation and general government activities including administration, finance, and municipal court.

Blended Component Unit

As required by generally accepted accounting principles (GAAP), these financial statements present the Town (the primary government) and its blended component units.

The Timnath Development Authority (TDA) was established in 2004 under the Colorado Revised Statutes for the purpose of curing blighted areas within the Town and its growth management areas. The Town Council serves as the governing board of the TDA. The TDA is presented as a blended component unit because the governing board and the Town Council are the same, and the TDA derives a financial benefit from the Town. The TDA does not issue separate financial statements.

The Timnath Landing General Improvement District (GID), a public improvement district and a quasi-municipal corporation, was duly organized pursuant to Part 6, Article 25, Title 31, Colorado Revised Statutes (C.R.S) and Ordinance of the Town of Timnath (the "Town") on August 27, 2019. The GID was created to reimburse the Developer for extraordinary improvements including public streets, park and recreation, water, sanitation, and safety. The Town Council constitutes the Board of Directors of the GID and thereby the GID is included as a blended component unit of the Town. The GID does issue separate financial statements.

The Town is not a component unit of any other primary governmental entity.

NOTES TO BASIC FINANCIAL STATEMENTS, *Continued*

Basis of Presentation – Government-Wide Financial Statements

The government-wide financial statements include the *Statement of Net Position* and the *Statement of Activities*. These financial statements report all of the activities of the Town and its blended component units. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by revenues from property taxes, sales taxes, intergovernmental and charges for service.

The *Statement of Net Position* reports all financial and capital resources of the Town. The difference between the sum of assets and deferred outflows and the sum of liabilities and deferred inflows 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 as general revenues.

Basis of Presentation – Fund Financial Statements

Fund financial statements display information at the individual fund level. Each fund is considered to be a separate accounting entity. Funds are generally classified and summarized as governmental, proprietary, or fiduciary. Currently, the Town has only governmental type funds. Major individual governmental funds are reported as separate columns in the fund financial statements. Nonmajor funds are reported in the aggregate.

The Town reports the following major governmental funds:

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 for in another fund.

Timnath Development Authority Fund accounts for tax increment revenues received within the TDA boundaries to be used for urban renewal projects and/or related project indebtedness.

The Town reports the following non-major governmental funds:

GID Special Revenue Fund is used to account for the financial resources to be used for the general operations related to the GID.

NOTES TO BASIC FINANCIAL STATEMENTS, *Continued*

GID Capital Projects Fund is used to account for financial resources to be used for the acquisition and construction of capital equipment and facilities related to the GID.

Grants Fund accounts for grants received by the Town intended to be used for specific projects.

Measurement Focus and Basis of Accounting

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 related cash flows.

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 a reasonable period (typically within 60 days) following the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes, sales taxes, and intergovernmental revenues. All other revenue items are considered to be measurable and available only when cash is received by the Town. Expenditures, other than interest on long-term obligations, are generally recorded when a liability is incurred.

Cash and Investments

The Town follows the practice of pooling cash and investments of all funds to maximize interest earnings. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

Property Taxes

Property taxes are levied by the Town Council. The levy is based on assessed valuations on January of each calendar year as determined by the Larimer County Assessor. The levy is set by December 15 by certification to the Larimer County Commissioners to put the tax lien on the property as of January 1 of the following year. Larimer County bills and collects taxes for the Town. At the option of the taxpayer, property taxes may be paid in either one installment on April 30, or two installments on February 28 and June 15. The County remits the taxes collected monthly to the Town. Delinquent taxpayers are notified in August, and generally, sale of the tax liens on delinquent properties are held in November or December.

NOTES TO BASIC FINANCIAL STATEMENTS, *Continued*

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

Capital Assets

Capital assets, including infrastructure assets (e.g., roads, bridges, sidewalk), are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at acquisition cost or estimated acquisition cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable. Depreciation expense has been computed using the straight-line method over the estimated economic useful lives:

	Useful Lives (<u>in years</u>)
Buildings and Improvements	25 – 75 years
Infrastructure (Roads, etc.)	15 – 25 years
Parks and Recreation	15 – 25 years
Vehicles and Equipment	5 – 15 years

Leases

The Town determines if an arrangement is a lease at inception. Lease assets are included in capital assets and lease 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 specific in the contract, in an exchange or exchange like transaction.

Lease assets are recognized at the commencement date based on the initial measurement of the lease liability, plus any payment 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 useful life of the underlying asset.

Subscription Based IT Agreements (SBITAs)

The Town obtains the right to use vendor's information technology software through various long-term contracts. The Town recognizes a subscription liability and an intangible right-to-use subscription asset in the applicable governmental activities column in the government-wide financial statements. At the commencement of a subscription, the Town initially measures the

NOTES TO BASIC FINANCIAL STATEMENTS, *Continued*

subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of the subscription payments made. The right-to-use asset is initially measured as the initial amount of the subscription liability adjusted for subscription payments made at or before the subscription commencement date, plus certain initial implementation costs as needed. Right-to-use subscription assets useful lives are determined by the length of the subscription period and are amortized using the straight-line method. Key estimates and judgments include how the Town determines the discount rate and subscription term it uses to discount the expected subscription payments to present value. The Town uses the market rate of interest at the subscription's inception as the discount rate. The subscription's term includes the noncancelable period of the subscription. Subscription payments included in the measurement of the subscription payable are composed of fixed payments as outlined in the subscription.

Accrued Compensated Absences

It is the Town's policy to permit employees to accumulate earned but unused compensated absences. Compensated absences are accrued when incurred in the government-wide financial statements. As compensated absences are due and payable on demand, they are considered due within one year. A liability for this amount is reported in the governmental funds only if they have matured, for example, as a result of termination or retirement.

Long-Term Obligations

Long-term debt and other long-term obligations are reported as noncurrent liabilities in the governmental activities column of the government-wide statement of net position.

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants received before the eligibility requirements are met are recorded as unearned revenue.

Pension Asset and Other Postemployment Benefits (OPEB) Liability

The Town's net pension liability and OPEB liability, deferred inflows and outflows related to pensions and OPEB, and pension/OPEB expense have been determined on the basis reported by the Colorado Public Retirement Account (PERA).

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This 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 that time. The Town has two

NOTES TO BASIC FINANCIAL STATEMENTS, *Continued*

items that qualify for reporting in this category. Accordingly, the items, which are all related to pensions and OPEB and are reflected in the statement of net position, are deferred and recognized as outflows of resources in the period that the amounts are incurred.

In addition to liabilities, the statement of net position reports 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(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has two items that qualify for reporting in this category. Accordingly, these items, property taxes revenue and Pension/OPEB related items, are deferred and recognized as inflows of resources in the period that the amounts become available.

Fund Balance / Net Position

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

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

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

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

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

NOTES TO BASIC FINANCIAL STATEMENTS, *Continued*

Unassigned Fund Balance – The residual portion of fund balance that does not meet any of the criteria described above in the general fund.

GASB Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions* requires the highest legal authority to approve authorized commitments of fund balance and to approve who can authorize making assignments of fund balance. If more than one classification of fund balances is available for use when an expenditure is incurred, it is the Town's practice to use the most restrictive classification first.

NOTE 2. CASH AND INVESTMENTS

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

Cash and Investments	\$	24,489,046
Restricted cash and investments		23,677,133
Total cash and investments	\$	48,166,179

Cash on hand	\$	200
Deposits		10,085,695
Investments		38,080,284
Total cash and investments	\$	48,166,179

Deposits with Financial Institutions

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is 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 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.

At December 31, 2023, the town's cash deposits had a bank balance of \$10,166,183 and carrying balance of \$10,085,695.

NOTES TO BASIC FINANCIAL STATEMENTS, *Continued*

Investments

The Town has adopted a formal investment policy. The Town generally limits its concentration of investments to the local government investment pool as there is minimal credit and interest rate risk, as well as no foreign currency risk. Additionally, the Town is not subject to concentration risk or investment custodial risk disclosure requirements for investments that are in the possession of another party.

Colorado Revised Statutes limit investment maturities to five years or less unless formally approved by the Town Council. 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 includes:

- Obligations of the United States, certain U.S. government agency securities, and securities of the World Bank
- General obligation and revenue bonds of U.S. local government entities
- Certain certificates of participation
- Certain securities lending agreements
- 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

COLOTRUST

The Authority invested in the Colorado Local Government Liquid Asset Trust (ColoTrust or the Trust), which is an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing ColoTrust.

ColoTrust offers shares in three portfolios, ColoTrust PRIME, ColoTrust Plus+, and ColoTrust EDGE. ColoTrust PRIME invests only in U.S. Treasury securities and government agencies and each share is equal in value to \$1. ColoTrust PLUS+ can invest in U.S. Treasury securities, government agencies, and in the highest-rated commercial paper and each share is equal to \$1. ColoTrust EDGE can invest in U.S. Treasury securities, repurchase agreements collateralized by

NOTES TO BASIC FINANCIAL STATEMENTS, *Continued*

U.S. Treasury securities, certain obligations of U.S. government agencies, and highest rated commercial paper and is managed to approximate a \$10 transactional share price.

A designated custodial bank serves as custodian for ColoTrust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for ColoTrust'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. The Authority's investments are measured under GASB Statement No. 72. The Trust is rated AAAM by Standard and Poor's and is measured at net asset value. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

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

Investment	Maturity	Amount
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted average under 60 days	<u>\$ 38,080,284</u>

NOTE 3. FUND BALANCE CLASSIFICATION

Governmental fund balances were classified as follows as of December 31, 2023:

	General Fund	Timnath Development Authority Fund	Total Governmental Funds
Restricted			
Emergencies (TABOR reserve)	\$ 697,000	\$ -	\$ 697,000
Conservation trust	479,519	-	479,519
Capital projects	2,487,828	-	2,487,828
Debt service	-	1,630,049	1,630,049
Urban renewal revitalization	-	328,382	328,382
Total	<u>3,664,347</u>	<u>1,958,431</u>	<u>5,622,778</u>
Committed			
Capital projects	14,505,258	-	14,505,258
Working capital reserve	3,909,000	-	3,909,000
Total	<u>18,414,258</u>	<u>-</u>	<u>18,414,258</u>
Assigned			
Prior year carry-over excess	8,769,209	-	8,769,209
Unassigned	13,392,869	-	13,392,869
Total fund balance	<u>\$ 44,240,683</u>	<u>\$ 1,958,431</u>	<u>\$ 46,199,114</u>

NOTES TO BASIC FINANCIAL STATEMENTS, *Continued*

NOTE 4. INTERFUND TRANSFERS

The town reports interfund balances that are representative of lending/borrowing arrangements between funds in the fund financial statements as due to/from other funds. The interfund balances have been eliminated in the government-wide statements. The following interfund transfers occurred during the year for the purposes of reimbursing the Town for related infrastructure, expenses and administrative costs or as required per IGA as shown below:

		Transfers In		
		General Fund	Timnath Landings GID	Total
<u>Transfers Out :</u>				
General Fund	\$	-	\$	1,797
Timnath Development Authority (TDA)		8,912,410	-	8,912,410
Timnath Development Authority (TDA Capital)		3,283,977	-	3,283,977
Grants Fund		17,345	-	17,345
Total	\$	<u>12,213,732</u>	\$	<u>12,215,529</u>

NOTES TO BASIC FINANCIAL STATEMENTS, *Continued*

NOTE 5. CAPITAL ASSETS

The following is an analysis of the change in the Town's capital assets for the year ended December 31, 2023:

	Balance as of December 31, 2022	Additions and Transfers	Reductions and Transfers	Balance as of December 31, 2023
Governmental activities:				
Capital assets not being depreciated or amortized:				
Land	\$ 7,848,912	\$ -	\$ (303,704)	\$ 7,545,208
Construction in progress	16,679,430	5,093,941	(15,838,766)	5,934,605
Total capital assets not being depreciated or amortized	24,528,342	5,093,941	(16,142,470)	13,479,813
Capital assets being depreciated or amortized:				
Buildings and improvements	10,479,664	13,830,784	(395,590)	23,914,858
Infrastructure	59,142,712	1,619,843	(697,302)	60,065,253
Parks and recreation	14,204,330	2,433,305	-	16,637,635
Right-to-use assets - Leases	2,763,192	71,893	(140,731)	2,694,354
Right-to-use assets - Subscription	-	212,979	-	212,979
Vehicles and equipment	2,610,050	995,979	(63,585)	3,542,444
Total capital assets being depreciated or amortized	89,199,948	19,164,783	(1,297,208)	107,067,523
Less accumulated depreciated or amortization for:				
Buildings and improvements	(994,676)	(333,078)	31,777	(1,295,977)
Infrastructure	(19,847,427)	(2,502,445)	35,802	(22,314,070)
Parks and recreation	(2,058,162)	(679,648)	-	(2,737,810)
Right-to-use assets - Leases	(245,629)	(242,120)	59,597	(428,152)
Right-to-use assets - Subscription	-	(7,099)	-	(7,099)
Vehicles and equipment	(1,485,753)	(341,855)	3,988	(1,823,620)
Total accumulated depreciation and amortization	(24,631,647)	(4,106,245)	131,164	(28,606,728)
Total capital assets being depreciated or amortized, net	64,568,301	15,058,537	(1,166,044)	78,460,795
Total Governmental Activities capital assets, net	\$ 89,096,643	\$ 20,152,478	\$ (17,308,514)	\$ 91,940,608

NOTES TO BASIC FINANCIAL STATEMENTS, *Continued*

Depreciation and amortization expense were charged to functions/programs for governmental activities as follows:

	Governmental Activities
General government	\$ 170,195
Parks & recreation	817,109
Public safety	370,131
Public works	2,748,810
Depreciation expense	<u>\$ 4,106,245</u>

NOTE 6. LEASE PAYABLE

The Town recognizes a lease payable for the following contracts in which the Town, acting as a lessee, is granted the right to use the asset of another entity. The following leases are:

	Balance as of December 31, 2022	Additions	Reductions	Balance as of December 31, 2023
Governmental activities				
Reservoir	1,617,543	-	(58,625)	1,558,918
Police vehicles	720,219	-	(267,447)	452,772
Copier equipment	24,393	71,893	(29,208)	67,078
Total Lease Payable	<u>\$ 2,362,155</u>	<u>\$ 71,893</u>	<u>\$ (355,280)</u>	<u>\$ 2,078,768</u>

Reservoir

On December 7, 2016, the Town entered into an Agreement for Lease of Real Property (Lease) with Cache La Poudre Reservoir Co. for the use of certain property within the Town. The Lease is an operating lease with a term of 15 years starting on December 7, 2016 (Original Term). At the Town's sole discretion, the lease may be extended up to two times, each extension being for a term of five years, commencing concurrently after the original term. The Lease Payment is \$110,489 per year, increased annually by CPI published by US Department of Labor/Bureau of Labor Statistics. The annual payment is due in 12 equal installments payable on or before the 15th day of the month for which such payment is due. Additionally, the Town agrees to pay up to \$10,000 annually to the lessor for the annual premium payment on lessor's insurance policy. Outflow of resources for this lease is in the General Fund.

NOTES TO BASIC FINANCIAL STATEMENTS, *Continued*

Police Vehicles

On August 24, 2020 the Town entered into a lease agreement with GM Financial to acquire one (1) police vehicle. The lease bears an annual interest rate of 4.77%, and requires an annual payment of \$11,669 starting August 24, 2020 and last payment on August 24, 2023.

On October 21, 2020 the Town entered into a lease agreement with GM Financial to acquire three (3) police vehicles. The lease bears an annual interest rate of 4.16%, and requires an annual payment of \$48,152 starting October 21, 2020 and last payment on October 21, 2023.

On May 17, 2022, the Town entered into a lease agreement with GM Financial to acquire fourteen (14) police vehicles. The lease bears an annual interest rate of 5.09%, and requires an annual payment of \$243,806 starting on May 17, 2022 and the last payment on May 17, 2025.

Outflow of resources for this lease is in the General Fund. Events of default on behalf of the Town include (i) failure to pay any rental payment (ii) failure to perform any condition of the agreement or remedy condition after a period of 30 days after written notice (iii) make any false representation (iii) provide false or misleading statements (iv) institute bankruptcy, insolvency or reorganization proceedings. Remedies of default from lessor include making all rental payments due and immediately payable and/or take possession of leased equipment.

Copier Equipment

On May 10, 2019 the Town entered into a lease agreement with All Copy Products for copiers and printers for Town office buildings. Additional copiers were added on March 1, 2023. The cumulative annual lease payment is \$34,654 and due in monthly installments. The cost of the lease includes the use of equipment and accessories, maintenance and consumable parts and supplies. The lease term is for 60 months, and the Town has the option to purchase the equipment or renew the lease at the end of the lease term. The outflow of resources for this lease is in the General Fund.

NOTE 7. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The Town is involved in various Subscription-Based Information Technology Arrangements (SBITAs) for software and underlying subscription assets which are subscribed mainly from commercial software vendors. In accordance with GASB Statement No. 96, effective for the fiscal year ended December 31, 2023, all existing and newly acquired subscriptions during the current fiscal year were analyzed and classified as either qualified or non-qualified SBITAs. With this implementation, a subscription payable is recognized.

NOTES TO BASIC FINANCIAL STATEMENTS, *Continued*

The Town entered into one qualified SBITA agreement as the subscriber for software.

	Balance as of December 31, 2022	Additions	Reductions	Balance as of December 31, 2023
Governmental activities				
Police vehicle software	-	212,979	(46,426)	166,553
Total SBITA Payable	\$ -	\$ 212,979	\$ (46,426)	\$ 166,553

Police Vehicle Software

The subscription liability for software used in conjunction with cameras in police vehicles was issued on November 1, 2023 and includes a 60-month term due in 2027. Total annual principal and interest payments are \$46,426 and an interest rate of 4.5%. The outflow of resources for this subscription is in the General Fund.

NOTE 8. LONG-TERM DEBT

The following is an analysis of the changes in the Town's long-term obligations for the year ended December 31, 2023:

	Balance as of December 31, 2022	Additions	Reductions	Balance as of December 31, 2023	Due within one year
Governmental activities - Direct borrowings:					
2018 Town Hall Certificates of Participation, refinanced interest rate of 3.90%, original amount \$9,120,000, due 2030	\$ 6,644,300	\$ -	\$ (697,300)	\$ 5,947,000	\$ 731,700
Component Units:					
<i>Timnath Development Authority:</i>					
2015 Development Loan Payable, 2022 refinanced interest rate of 3.90%, original amount of \$50,000,000, due 2029	29,975,000	-	(3,735,000)	26,240,000	3,900,000
2018 Development Loan Payable, 2022 refinanced interest rate of 3.90%, original amount of \$20,000,000, due 2029	17,000,000	-	(2,045,000)	14,955,000	2,165,000
<i>Timnath Landing General Improvement District:</i>					
Developer Advances	4,952,676	-	-	4,952,676	-
Total Notes Payable	58,571,976	-	(6,477,300)	52,094,676	6,796,700
Other Liabilities					
Compensated absences	235,974	429,896	(345,330)	320,540	320,540
Total	\$ 58,807,950	\$ 429,896	\$ (6,822,630)	\$ 52,415,216	\$ 7,117,240

NOTES TO BASIC FINANCIAL STATEMENTS, *Continued*

Certificates of Participation

On July 17, 2018, the Town issued Certificates of Participation (the Certificates) totaling \$9,120,000 for construction of the new Town Center with an initial interest rate of 4.89% payable semi-annually on June 1 and December 1 commencing December 1, 2018. In 2022, the Town refinanced the debt reducing the interest rate to 3.90%. Principal related payments on the Certificates are due beginning December 1, 2019. The Certificates mature on December 1, 2030. Principal and interest payments are subject to annual appropriation.

Per the refinancing loan agreement, the certificates are not subject to redemption prior to maturity, in whole or in part, at the option of the Town.

The occurrence of any one or more of the following events by the Town shall constitute an event of default:

- failure to pay any base or additional rentals, which have been appropriated by the Town within 5 business days after the date on which they are due;
- failure to vacate or surrender possession of the property by March 1 of any renewal term in which the Town fails to appropriate annual rental payments; or
- failure to observe and perform any covenant, condition or agreement for a period of 30 days after written notice, unless the Trustee agrees in writing to extension.

In the event of default, the Trustee may do as follows: (i) terminate the lease (ii) sell, lease or sublease the property (iii) recover from the Town any appropriated rental fees during which the Town occupies the property and will be entitled to any escrow funds related to this agreement. On December 31, 2023, the Town had \$123 in escrow related to this agreement.

TDA Loans Payable

On April 1, 2011, the TDA entered into a loan agreement and promissory note (2011 Note) to borrow \$24,500,000 for the purpose of refunding its Variable Rate Tax Increment Revenue Bonds, Series 2007 (Refunded Bonds), fund a debt service reserve fund, and to pay the costs of issuance. The 2011 Note is a special revenue obligation payable from and secured by pledged property tax revenue, pledged sales tax revenue, and investment earnings on the funds in established accounts.

On February 10, 2012, the 2011 loan agreement was amended to loan the TDA up to a maximum of \$2,400,000. The purpose of the amendment is to provide additional funding for certain costs identified for urban renewal capital projects.

NOTES TO BASIC FINANCIAL STATEMENTS, *Continued*

On February 26, 2014, the TDA refinanced its 2011 Note (as amended in 2012) and entered into an Amended and Restated Loan Agreement (2014 Note) to borrow \$36,725,000.

On September 29, 2015, the TDA refinanced its 2014 Note (the 2015 Loan). The 2015 Loan has a principal amount of \$50,000,000 with a fixed interest rate of 4.44% paid semi-annually on June 1 and December 1. The 2015 Loan matures on December 1, 2029. In 2022, the Town refinanced the debt reducing the interest rate to 3.90%. The purposes of the 2015 Loan were as follows: a) refunding of prior loan; b) funding of TDA capital projects; c) funding of Debt Service Reserve; and d) paying costs of issuance.

On November 20, 2018 the TDA issued a \$20,000,000 loan. The 2018 Loan has a fixed interest rate of 4.99% paid semi-annually on June 1 and December 1. The 2018 Loan matures on December 1, 2029. In 2022, the Town refinanced the debt reducing the interest rate to 3.90%. The purposes of the 2018 Loan were as follows: (a) funding of TDA capital projects; and (b) paying costs of issuance.

Together with the issuance of the 2018 Loan, the original 2015 Loan Agreement was combined into a new Loan Agreement (Loan Agreement) that includes both the 2015 Loan and the 2018 Loan. Per the refinancing loan agreement, the loans are not subject to prepayment prior to maturity at the option of the Town.

The occurrence of any one or more of the following events by the Town shall constitute an event of default:

- failure to pay the principal or interest on the loan when due;
- failure to deposit any pledged revenue as required to the lender; or
- failure to observe and perform any covenant, agreement or conditions of the note and fails to remedy any condition to the satisfaction of the lender within 45 days after the occurrence;
- failure to replenish the reserve fund to the reserve requirement;
- provide financial information to the borrower that proves to be untrue or misleading in any material aspect and shall not be corrected and communicated to lender within 30 days;
- have an outstanding final judgement in excess of \$10,000 that is unpaid 30 days following payment deadline;
- commence any bankruptcy, insolvency, reorganization or relief of debtors;
- change in financial or operating conditions that will have a materially adverse impact on the ability of the Town to generate revenues sufficient to satisfy the obligations under this agreement and fails to cure condition within 45 days;
- any funds or investments on deposit in escrow become subject to any writ, judgement, warrant or attachment;

NOTES TO BASIC FINANCIAL STATEMENTS, *Continued*

- any determination, decision, or decree by the IRS, or by any court that the interest payable on the loan is includable in the gross income for federal income tax purposes of the lender, if determination is not being appealed or contested by the Town; or
- defaults in the performance of any of the covenants, agreements or conditions of the financing documents and fails to remedy to the satisfaction of the lender within 30 days;

In the event of default, the lender may accelerate and declare all amounts immediately due and will be entitled to all pledged revenue accounts held at the time of default. Pledged revenue as described in the loan document includes the revenue fund, loan payment fund, 2018 Project fund, and reserve fund. On December 31, 2023, pledged revenue account balances totaled \$1,978,756.

Developer Advances – Timnath Landings General Improvement District

The Town and CAC Timnath, LLC (the “Developer” entered into a certain Amended and Restates Master Subdivision Improvement Agreement for the Timnath Landing, dated October 24, 2017 (“SIA”). Pursuant to the SIA, the Town and Developer agreed to cooperate to organize a general improvement district for the purpose of reimbursing the Developer for its share of the extraordinary improvements described in the SIA and associated with the project known as Timnath Landing. The costs of organizing and administering the Timnath Landing General Improvement District (the “District”) are reimbursed to the Town on a first priority basis, followed by reimbursement of the Developer share of extra-ordinary costs. The Developer’s reimbursed share consists of the actual amount contributed by the Developer. The Developer is not entitled to interest on these reimbursed amounts.

Annual debt service requirements for the Notes Payable and Certificates of Participation as follows:

December 31,	General Fund		Timnath Development Authority		Governmental Activities	
	Certificate of Participation, Series 2018		Loan Combined, Series 2015 & 2018		TOTAL	
	(\$9,120,000)		(\$70,000,000)			
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 731,700	\$ 231,934	\$ 6,065,000	\$ 1,633,382	\$ 6,796,700	\$ 1,865,316
2025	767,900	203,396	6,365,000	1,389,099	7,132,900	1,592,495
2026	805,800	173,448	6,670,000	1,137,416	7,475,800	1,310,864
2027	845,600	142,022	7,000,000	873,673	7,845,600	1,015,695
2028	887,400	109,044	7,370,000	598,517	8,257,400	707,561
2029	931,200	74,436	7,725,000	305,459	8,656,200	379,895
2030	977,400	38,118	-	-	977,400	38,118
	<u>\$ 5,947,000</u>	<u>\$ 972,398</u>	<u>\$ 41,195,000</u>	<u>\$ 5,937,546</u>	<u>\$ 47,142,000</u>	<u>\$ 6,909,944</u>

NOTES TO BASIC FINANCIAL STATEMENTS, *Continued*

NOTE 9. NET POSITION

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

The restricted component of net position consists of assets restricted for use by external parties such as creditors, grantors, or contributors, or as imposed by laws or regulations of other governments, or as imposed through constitutional provisions or enabling legislation.

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of the net investment in capital asset component and the restricted component of net position.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, capital leases, and other borrowings that are attributable to the acquisition, construction, or improvements of those assets. As of December 31, 2023, the Town had net investment in capital assets calculated as follows:

	Amounts
Capital Assets, net of accumulated depreciation	\$ 91,940,608
Long-term debt related to acquisition of capital assets	(49,387,321)
Unspent proceeds of long-term debt related to the acquisition of capital assets	348,708
Net Investment in Capital Assets	\$ 42,901,995

NOTE. 10 COMMITMENT

As of December 31, 2023, the Town had unexpended commitments from major construction contracts for the Weitzel Park and Parkway Phase 1 totaling \$961,360. Of this amount, \$81,392 was recorded as retainage payable.

NOTES TO BASIC FINANCIAL STATEMENTS, *Continued*

NOTE 11. EMPLOYEE RETIREMENT PENSION PLANS

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

The Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: Concerning Modifications To the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years. The bill was signed into law by Governor Hickenlooper on June 4, 2018. SB 18-200 made changes to certain benefit provisions.

General Information about the Pension Plan

Plan description.

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

Benefits provided

PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

The lifetime retirement benefit for all eligible retiring employees under the PERA benefit structure is the greater of the:

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit.

NOTES TO BASIC FINANCIAL STATEMENTS, *Continued*

- The value of the retiring employee's member contribution account plus a 100% match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

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

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

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

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. For State Troopers whose disability is caused by an on- the-job injury, the five-year service requirement is waived and they are immediately eligible to apply for disability benefits. The disability benefit amount is based on the lifetime retirement benefit formula(s) shown above considering a minimum 20 years of service credit, if deemed disabled.

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

NOTES TO BASIC FINANCIAL STATEMENTS, *Continued*

Contributions

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

	January 1, 2023 Through <u>December 31, 2023</u>
Employee contribution	9.00%

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

	January 1, 2023 Through <u>December 31, 2023</u>
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 the 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%

Contribution Rates for the LGDTF 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 the Town were \$580,690 for the year ended December 31, 2023.

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

The net pension liability for the LGDTF was measured as of December 31, 2022, and the total pension liability (TPL) 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 TPL 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.

NOTES TO BASIC FINANCIAL STATEMENTS, *Continued*

At December 31, 2023 the Town reported a liability of \$4,144,056 for its proportionate share of the net pension liability.

At December 31, 2022, the Town's proportion was .41335%, which was an increase of 0.061% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023 the Town's pension expense of \$504,215. At December 31, 2023 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
Difference between Expected and Actual Experience	\$ -	\$ 20,659
Changes of Assumptions or other Inputs	-	-
Net Difference between Projected and Actual		
Earnings on Pension Plan Investments	1,691,801	-
Changes in Proportion and Differences between		
Contributions Recognized and Proportionate Share		
of Contributions	285,783	-
Contributions Subsequent to the Measurement Date	580,690	-
Total	<u>\$ 2,558,274</u>	<u>\$ 20,659</u>

The \$580,690 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. 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,	Amount
2024	\$ 64,778
2025	281,585
2026	619,279
2027	991,283
2028 and thereafter	-

NOTES TO BASIC FINANCIAL STATEMENTS, *Continued*

Actuarial assumptions

The TPL 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%
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (compounded annually)	1.00%
PERA benefit structure hired after 12/31/06 ¹	Financed by the AIR

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

The TPL for the LGDTF, as of the 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 FNP 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 for members were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019.

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

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

NOTES TO BASIC FINANCIAL STATEMENTS, *Continued*

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

The 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 regular experience studies prepared 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%.

NOTES TO BASIC FINANCIAL STATEMENTS, *Continued*

Discount rate

The discount rate used to measure the TPL was 7.25%. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above.

In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the required adjustments resulting from the 2018 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%, at which point the AED and SAED will each drop 0.50% 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.
- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP 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, the LGDTF's FNP was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on pension plan investments was applied to all periods of projected benefit payments to determine the TPL. 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.

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

NOTES TO BASIC FINANCIAL STATEMENTS, *Continued*

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension	\$ 6,956,827	\$ 4,144,056	\$ 1,789,301

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

Voluntary Investment Program (PERAPlus 401(k) Plan)

Plan Description

Employees of the Town that are also members of the LGDTF may voluntarily contribute to the Voluntary Investment Program (PERAPlus 401(k) Plan), an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available ACFR which includes additional information on the PERAPlus 401(k) Plan. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy

The PERAPlus 401(k) Plan is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended.

NOTE 12. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

The Town 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.

NOTES TO BASIC FINANCIAL STATEMENTS, *Continued*

General Information about the OPEB Plan

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, and 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 by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided

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

C.R.S. § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure and all retirees under the DPS benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare. Upon the death of a DPS benefit structure retiree, no further subsidy is paid.

Enrollment in the PERACare health benefits program 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.

NOTES TO BASIC FINANCIAL STATEMENTS, *Continued*

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% 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 Town were \$43,108 for the year ended December 31, 2023.

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 \$272,051 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 (TOL) 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 TOL to December 31, 2022. The Town 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.

NOTES TO BASIC FINANCIAL STATEMENTS, *Continued*

At December 31, 2022, the Town's proportion was .0333%, which was an increase of .0059% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023 the Town recognized OPEB expense of \$9,807. 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
Difference between Expected and Actual Experience	\$ 35	\$ 65,791
Changes of Assumptions or other Inputs	4,373	30,026
Net Difference between Projected and Actual		
Earnings on OPEB Plan Investments	16,616	-
Changes in Proportion and Differences between		
Contributions Recognized and Proportionate Share		
Share of Contributions	159,987	-
Contributions Subsequent to the Measurement Date	43,108	-
Total	<u>\$ 224,119</u>	<u>\$ 95,817</u>

The \$43,108 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended December 31,</u>	<u>Amount</u>
2024	\$ 14,179
2025	14,148
2026	26,317
2027	23,290
2028	6,243
Thereafter	1,017
	<u>\$ 85,194</u>

Actuarial assumptions

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

NOTES TO BASIC FINANCIAL STATEMENTS, *Continued*

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.20%–11.30%
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	6.50% in 2022
	Gradually decreasing to 4.50% in 2030
Medicare Part A premiums	3.75% in 2022,
	Gradually increasing to 4.50% in 2029

The TOL 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 (TriCounty 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 FNP as of the December 31, 2022, measurement date.

Beginning January 1, 2022, the per capita 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.

NOTES TO BASIC FINANCIAL STATEMENTS, *Continued*

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%

Sample Age	MAPD PPO #1 with Medicare Part A		MAPD PPO #2 with Medicare Part A		MAPD HMO (Kaiser) with Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	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	\$1,681	\$728	\$575	\$2,401	\$1,896

Sample Age	MAPD PPO #1 without Medicare Part A		MAPD PPO #2 without Medicare Part A		MAPD HMO (Kaiser) without Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	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

NOTES TO BASIC FINANCIAL STATEMENTS, *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 used to measure the TOL are summarized in the table below:

	PERACare	Medicare Part A
Year	Medicare Plans	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 for the determination of the total pension liability for each of the Division Trust Funds as shown below, reflect generational mortality and were applied, as applicable, in the determination of the TOL for the HCTF, but

NOTES TO BASIC FINANCIAL STATEMENTS, *Continued*

developed on a headcount-weighted basis. Affiliated employers of the State, School, Local Government and Judicial Divisions participate in the HCTF.

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

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

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

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

The 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 be age 65 and older 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 utilizes 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 applicable to health care premiums were revised to reflect the then current expectation of future increases in those premiums. Medicare Part A premiums continued with the prior valuation trend pattern.

NOTES TO BASIC FINANCIAL STATEMENTS, *Continued*

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 31, 2022, measurement date, the timing of the retirement decrement was adjusted to middle-of-year within the valuation programming used to determine the TOL, 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.

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 regular experience studies prepared 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.

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
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%	

NOTES TO BASIC FINANCIAL STATEMENTS, *Continued*

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:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate ¹	5.25%	6.25%	7.25%
Ultimate PERACare Medicare trend	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%
Net OPEB Liability	\$264,350	\$272,051	\$280,429

¹For the January 1, 2023, plan year.

Discount Rate

The discount rate used to measure the TOL was 7.25%. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. 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%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the 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.

NOTES TO BASIC FINANCIAL STATEMENTS, *Continued*

Based on the above assumptions and methods, the HCTF's FNP was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on OPEB plan investments was applied to all periods of projected benefit payments to determine the TOL. 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.

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 one-percentage-point lower (6.25%) or one-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$ 315,387	\$ 272,051	\$ 234,984

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

NOTE 13. DEFERRED COMPENSATION PLAN – ASSETS IN TRUST

The Town has a deferred compensation plan (the plan) created in accordance with Internal Revenue Code (IRC) Section 457. The plan is administered by Mission Square Retirement Corporation. The plan is voluntary for all employees and allows a participant to invest a portion of their earnings tax deferred for the plan year.

NOTE 14. MAJOR TAXPAYERS

For the year ending December 31, 2023, approximately 82% of the Town's sales tax revenue was received from five taxpayers, and of those five taxpayers, two taxpayers constituted approximately 72% of the total sales tax revenue.

NOTES TO BASIC FINANCIAL STATEMENTS, *Continued*

NOTE 15. AGREEMENTS

Timnath Development Authority

On November 10, 2004, the Town of Timnath adopted a resolution forming an Urban Renewal Authority to be known as the Timnath Development Authority (the TDA). On December 15, 2004, the Town of Timnath approved the Urban Renewal Plan which was prepared pursuant to the provisions of the Urban Renewal Law of the State of Colorado, Paragraph 1 of Article 25 of Title 31, C.R.S., as amended. The plan was modified in March of 2007 and October of 2015. The general objective of the plan was to facilitate the planning, construction, and funding of public infrastructure necessary to serve the residents of the Town and allow development within the Town, so that the Town will be financially viable for the long term.

The Urban Renewal Law allows the Town to include within its Urban Renewal Plan a provision that a portion of the incremental property taxes and municipal sales taxes collected within the Plan Area can be utilized to pay financial debts and financial obligations of the TDA. Such tax incremental revenues may be used for a period not to exceed the statutory requirement, which is presently twenty-five years after the effective date of the adoption of the plan.

Property tax increment (property tax TIF) represent the portion of property taxes which are produced by the levy at the rate fixed each year by or for each public body upon the valuation for assessment of taxable property in the Plan Area in excess of the amount certified on or before November 15, 2004. This amount is allocated to and, when collected, paid to the TDA to pay the principal and interest in connection with any bonds or loans of the TDA.

Sales tax increment (sales tax TIF) represents 82% of the sales taxes collected within the boundaries of the Plan Area that are in excess of the amount collected in the twelve-month period ending on February 28, 2007.

The TDA has arrangements with certain local governments to share back a portion of the property tax TIF paid from the incremental revenues of those local governments. The TDA returns 100% of property tax TIF to metropolitan districts within the TDA. The TDA returns a percentage of property tax TIF to Larimer County as follows: 2007-2009 – 0%, 2010-2014 – 15%, 2015-2019 – 30%, 2020-2024 – 45%, and 2025-2029 – 60%. The TDA returns 100% of the property tax TIF derived from the Poudre Valley Fire Protection District for payment of a new fire station located within the Town (see below).

Poudre Valley Fire Protection District

On July 20, 2005, the Town entered into an intergovernmental agreement (IGA) with Poudre Valley Fire Protection District (Fire District), whereby the Town designated the Fire District as

NOTES TO BASIC FINANCIAL STATEMENTS, *Continued*

the fire service provider for the Town. The Town agreed to require landowners who seek annexation of their lands into the Town to concurrently petition to be included in the Fire District. The Fire District agreed to construct a new fire station within the Town. Prior to 2015, the TDA held all property tax TIF attributable to the Fire District in a restricted account in anticipation of an amendment of an IGA between the TDA, the Town, the Fire District, and the Poudre Fire Authority whereby the Town would remit these funds to the Fire District to help fund the construction of the new fire station. On November 18, 2015, the IGA was amended to, among other matters, clarify the sharing of property tax TIF revenues. The TDA now remits funds to the Fire District to pay capital and operating expenses associated with the fire station.

Boxelder Basin Regional Stormwater Authority

Boxelder Basin Regional Stormwater Authority (BBRSA) was formed by an intergovernmental agreement in 2008 for the purpose of funding and implementing regional stormwater improvements. BBRSA members include the City of Fort Collins, the Town of Wellington, and Larimer County. The TDA is a financial partner pursuant to a separate intergovernmental agreement with BBRSA.

Regional stormwater projects, with a final total cost of \$12,171,499 (including the cost of the project acquisition settlement), have been completed. BBRSA has received low interest loans from the Colorado Water Conservation Board (CWCB) that can be used for property acquisition, design, and construction of these regional stormwater projects.

City of Fort Collins, and Larimer County have also entered into a related agreement to fund a portion of the costs associated with improvements at County Road 52. The parties have agreed to share equally the cost of these improvements with the final total costs being \$1,801,381.

In 2009, the Town and the City of Fort Collins entered into an intergovernmental agreement, of which one of the items addressed is the Boxelder Split Flow floodplain through the Town. In 2014, a sixth amendment to this agreement was signed to fund projects on the west side of Interstate 25 that, in conjunction with the BBRSA projects, would remove the floodplain from the Town. The Town and the City of Fort Collins have agreed to share equally the cost of these improvements, which are completed with the final shared costs being \$4,000,000.

In 2021, the BBRSA started a groundwater mitigation project due to exposed ground water from the original East Side Detention Facility construction. The first phase of this project was completed in 2022 and the BBRSA is monitoring to determine if additional mitigation will be required. Overall project cost is been estimated to be \$2,000,000 if all mitigation construction is needed. These costs would be shared between Timnath, Larimer County, and City of Fort Collins.

NOTES TO BASIC FINANCIAL STATEMENTS, *Continued*

Boxelder Basin “B” Dams

In the early 1900’s, a number of major floods along the Boxelder Creek watershed lead to the construction of 5 floodwater retardation structures (called B-2 thru B-6) to the north and west of Wellington in the 1970s and 80s. The structures were funded by multiple agencies, including the USDA Natural Resources Conservation Service (NRCS), with maintenance the responsibility of the North Poudre Irrigation Company (NPIC).

In 2013, the NRCS and State Engineers Office determined that due to development downstream, the dams were raised from “Significant” to “High” hazard class, and therefore did not meet current safety requirements. The NRCS and NPIC started a study of the dams and what improvements would be needed to bring them into compliance. Around 2018, NPIC notified BBRSA that they could not fund the required improvements, and that if funding could not be found, they were prepared to breach the dams as required by NRCS. As breaching the dams would cause the improvements (below B-2 thru B-6) just completed by BBRSA to become irrelevant, and negate the floodplain in reductions thru all communities, the members of the BBRSA formed a separate workgroup in 2019 to review the NRCS findings and come up with a solution to fix the dams.

The State Engineer’s Office also recently changed the State’s Dam Safety Rules, which impacts the findings by the NRCS in 2009. The Town along with Larimer County, City of Fort Collins, and Town of Wellington, are currently working with the State Engineer’s office to apply the new rules to the “B” dam structures, to determine what improvements are now required. The study is continuing on all of the structures to determine a final solution, with input and concurrence from the State.

As of 2023, the final report is pending approval from the State Engineer’s Office for the required updates. The communities involved are also working on an IGA regarding the funding of the improvements and long-term maintenance requirements.

Lower Poudre Augmentation Plan

On October 13, 2020, the Town entered into an agreement with the Lower Poudre Augmentation Company to enter the two wells at the Timnath Reservoir into the Lower Poudre Augmentation Plan. The terms of the agreement stipulate that the Town will pay an up-front fee for a proportional share of costs incurred by the Lower Poudre Augmentation Company for the development of the augmentation decree. In addition, the Town agrees to pay court proceeding fees associated with the final decree. Annual fees will be paid by the Town for legal and engineering associated with the Plan, costs of obtaining permits, metering and monitoring and all other administration and operation of the Plan, including expenses related to purchase

NOTES TO BASIC FINANCIAL STATEMENTS, *Continued*

and/or lease of water rights or structures and purchase of construction of capital improvements to operate the Plan.

City of Fort Collins – I-25 Interchange

On May 20, 2019, the Town entered into an intergovernmental agreement with the City of Fort Collins (Fort Collins), related to the reconstruction of the interchange at Interstate Highway 25 and Prospect Road. The interchange is owned by the State of Colorado and the Colorado Department of Transportation (CDOT) estimates the total cost of the interchange project to be \$31,000,000, of which CDOT is funding \$12,000,000. CDOT asked Fort Collins to fund the remaining \$19,000,000, of which the Town's portion is \$2,500,000 or approximately 13% of the project based on estimated current volumes of traffic and long-term growth. During 2019, Fort Collins issued Certificates of Participation (COPs) for a term of 20 years related to the project. To repay its portion of the COPs, the Town will make annual payments starting in March, 2020 through 2039 of \$168,346 to Fort Collins.

Timnath Landing General Improvement District

On December 10, 2019, the Town entered into an intergovernmental agreement with the Timnath Landing General Improvement District (GID) wherein the Town agrees to loan to the GID sums of money not to exceed \$50,000 per year for five years, up to \$250,000 for the GID's annual operating costs. The GID agrees to reimburse the Town for such advances prior to any advances to be reimbursed to the GID's Developer. As of December 31, 2023, the total advance from the Town was \$76,157.

NOTE 16. CONTINGENCIES

The Town has been named in threatened litigations or claims. The ultimate outcome/resolution of the matters are not known at this time. The Town is monitoring the progress of these matters and has referred them to the Town's Attorney for consultation and representation. Claims are insured and representation is provided by Colorado intergovernmental Risk Sharing Agency.

NOTE 17. RISK MANAGEMENT

The Town is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA). CIRSA is a joint self-insurance pool created by intergovernmental agreement to provide property, liability, and workers' compensation coverage to its members. CIRSA is governed by a seven-member Board elected by and from its members.

NOTES TO BASIC FINANCIAL STATEMENTS, *Continued*

Coverage is provided through pooling of self-insured losses and the purchase of excess insurance coverage. CIRSA has a legal obligation for claims against its members to the extent that funds are available in its annually established loss fund and that amounts are available from insurance providers under excess specific and aggregate insurance contracts. Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members. CIRSA has indicated that the amount of any excess losses would be billed to members in proportion to their contributions in the year such excess occurs, although it is not legally required to do so. Settled claims have not exceeded insurance coverage in the last three years.

NOTE 18. TAX, SPENDING AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue. The Town voters approved an election question to remove limits on the amount of revenue the Town is allowed to collect, spend, and retain.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). At December 31, 2023, the Town reserved \$697,000 of the General Fund's fund balance in accordance with this requirement. Local governments are not allowed to use the Emergency Reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

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

NOTE 19. NEW PRONOUNCEMENTS

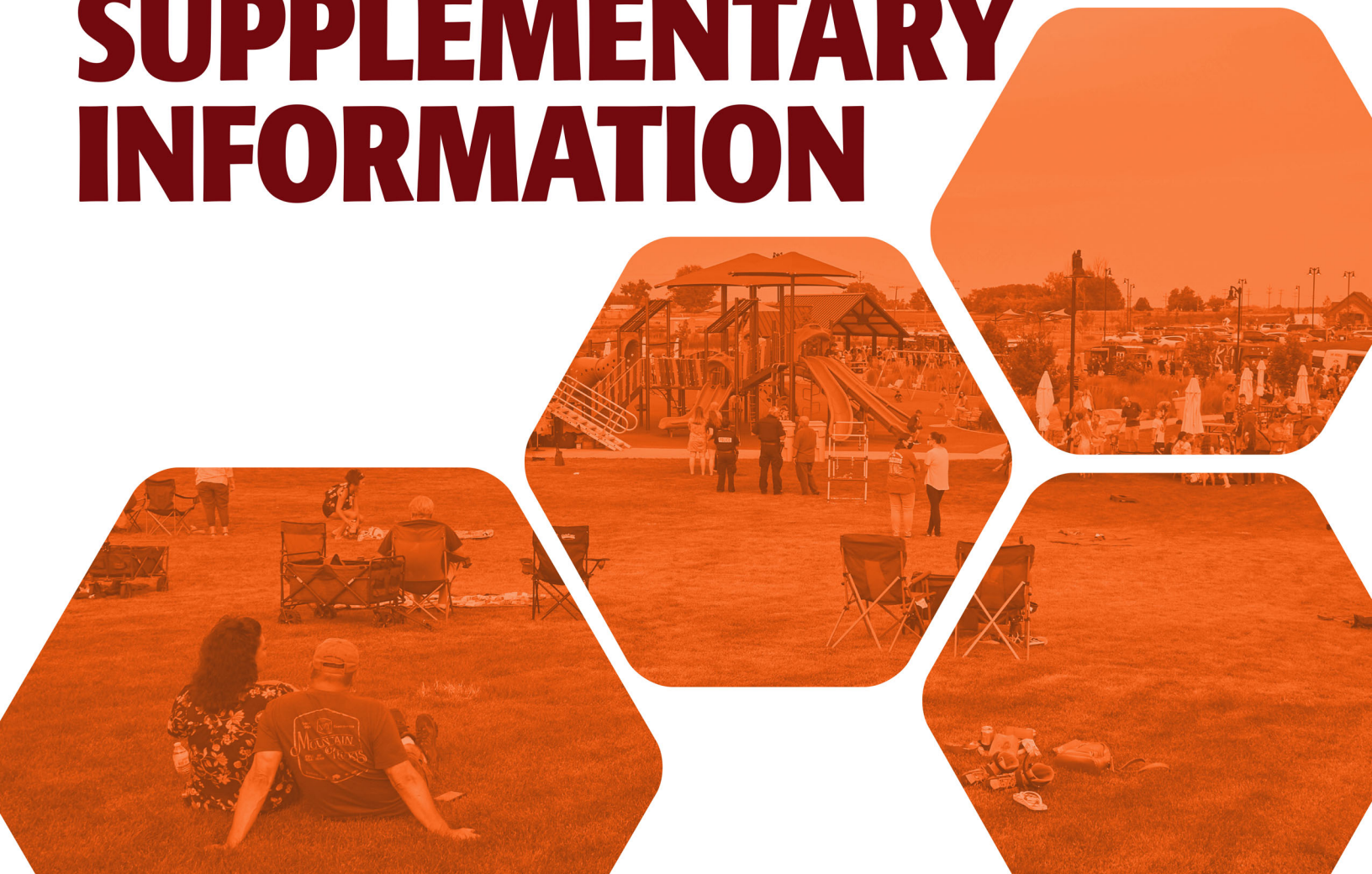
During the fiscal year ended December 31, 2023, the Town implemented GASB Statement No. 96, Subscription-based Information Technology Arrangements. This statement defines a SBITA;

NOTES TO BASIC FINANCIAL STATEMENTS, *Continued*

establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; provides the capitalization criteria for outlays other than subscription payments, including implementation costs; and requires note disclosures regarding a SBITA.



REQUIRED SUPPLEMENTARY INFORMATION



This Page Left Intentionally Blank

REQUIRED SUPPLEMENTARY INFORMATION

General Fund

Timnath Development Authority Fund

Schedule of the Town's Proportionate Share of the Net Pension Liability

Schedule of the Town's Proportionate Share of the OPEB Liability

Notes to the Required Supplementary Information

This Page Left Intentionally Blank

TOWN OF TIMNATH, COLORADO

GENERAL FUND

**SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING
SOURCES (USES), AND CHANGES IN FUND BALANCES**

BUDGET AND ACTUAL FOR YEAR ENDED DECEMBER 31, 2023

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
REVENUES:				
Taxes:				
Sales and use	\$ 7,638,392	\$ 7,638,392	\$ 8,093,985	\$ 455,593
Property	397,920	397,920	385,490	(12,430)
Franchise	396,033	396,033	428,541	32,508
Other	80,850	80,850	81,708	858
Charges for services	4,658,069	4,658,069	3,373,262	(1,284,807)
License and permits	2,573,157	2,573,157	2,161,341	(411,816)
Intergovernmental	916,383	916,383	977,198	60,815
Investment earnings	664,919	664,919	1,791,977	1,127,058
Fines and forfeitures	138,493	138,493	130,689	(7,804)
Miscellaneous	110,000	110,000	186,648	76,648
TOTAL REVENUES	17,574,216	17,574,216	17,610,839	36,623
EXPENDITURES:				
Departments				
Administrative	4,428,378	4,425,878	3,758,246	667,632
Community Development	2,829,602	2,829,602	2,527,497	302,105
Municipal Court	45,200	45,200	21,872	23,328
Parks and Recreation	10,364,752	10,599,752	881,488	9,718,264
Public Safety	4,634,101	4,635,851	3,825,593	810,258
Public Works	3,745,190	4,127,829	3,162,251	965,578
Capital Outlay	15,102,048	15,420,548	6,363,908	9,056,640
Debt Service				
Principal	907,467	907,467	1,099,006	(191,539)
Interest	372,259	372,259	359,977	12,282
TOTAL EXPENDITURES	42,428,997	43,364,386	21,999,838	21,364,548
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(24,854,781)	(25,790,170)	(4,388,999)	21,401,171
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of capital assets	350,000	350,000	397,270	47,270
Lease financing	-	-	71,893	71,893
SBITA financing	-	-	212,979	212,979
Transfers from other funds	14,425,232	14,425,232	12,213,732	(2,211,500)
Transfers to other funds	(50,000)	(50,000)	(1,797)	48,203
TOTAL OTHER FINANCING SOURCES (USES)	14,725,232	14,725,232	12,894,077	(1,831,155)
NET CHANGE IN FUND BALANCE	(10,129,549)	(11,064,938)	8,505,078	19,570,016
FUND BALANCES - beginning	33,245,950	32,310,561	35,735,605	3,425,044
FUND BALANCES - ending	\$ 23,116,401	\$ 21,245,623	\$ 44,240,683	\$ 22,995,060

This Page Left Intentionally Blank

TOWN OF TIMNATH, COLORADO

TIMNATH DEVELOPMENT AUTHORITY FUND

**SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING
SOURCES (USES), AND CHANGES IN FUND BALANCES**

BUDGET AND ACTUAL FOR YEAR ENDED DECEMBER 31, 2023

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
REVENUES:				
Taxes:				
Property	\$ 8,872,515	\$ 8,872,515	\$ 8,949,096	\$ 76,581
Sales	9,250,000	9,250,000	8,017,934	(1,232,066)
Investment earnings	15,000	15,000	280,070	265,070
TOTAL REVENUES	18,137,515	18,137,515	17,247,100	(890,415)
EXPENDITURES:				
Materials and services	269,991	269,991	509,588	(239,597)
Debt Service				
Principal	5,780,000	5,780,000	5,780,000	-
Interest	1,857,470	1,857,470	1,857,470	-
TOTAL EXPENDITURES	7,907,461	7,907,461	8,147,058	(239,597)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	10,230,054	10,230,054	9,100,042	(1,130,012)
OTHER FINANCING SOURCES (USES):				
Transfers to other funds	(13,390,373)	(13,390,373)	(12,196,387)	1,193,986
TOTAL OTHER FINANCING SOURCES (USES)	(13,390,373)	(13,390,373)	(12,196,387)	1,193,986
NET CHANGE IN FUND BALANCE	(3,160,319)	(3,160,319)	(3,096,345)	63,974
FUND BALANCES - beginning	4,695,319	4,695,319	5,054,776	359,457
FUND BALANCES - ending	\$ 1,535,000	\$ 1,535,000	\$ 1,958,431	\$ 423,431

This Page Left Intentionally Blank

TOWN OF TIMNATH, COLORADO

REQUIRED SUPPLEMENTARY INFORMATION (PENSIONS)

YEAR ENDED DECEMBER 31, 2023

Schedule of the Town's Proportionate Share of the Net Pension Liability

Fiscal Year	2023	2022	2021	2020	2019	2018	2017	2016	2015
Plan Measurement Date	December 31, 2022 December 31, 2021 December 31, 2020 December 31, 2019 December 31, 2018 December 31, 2017 December 31, 2016 December 31, 2015								
Town's Proportion of the Net Pension Liability	0.41335%	0.35225%	0.27366%	0.18841%	0.17750%	0.16912%	0.14354%	0.10242%	0.09677%
Town's Proportionate Share of the Net Pension Liability	\$ 4,144,056	\$ (302,012)	\$ 1,426,127	\$ 1,377,990	\$ 2,231,496	\$ 1,882,987	\$ 1,938,325	\$ 1,128,221	\$ 867,395
Town's Covered Payroll	\$ 3,271,632	\$ 2,719,283	\$ 1,256,997	\$ 1,189,966	\$ 1,066,854	\$ 870,052	\$ 581,655	\$ 530,278	\$ 414,377
Town's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	126.7%	(11.1%)	113.5%	115.8%	209.2%	216.4%	333.2%	212.8%	209.3%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.99%	101.49%	90.88%	86.26%	75.96%	79.37%	73.60%	76.90%	80.70%

Schedule of the Town's Contribution

Fiscal Year	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	\$ 580,690	\$ 441,009	\$ 358,945	\$ 162,455	\$ 150,888	\$ 135,277	\$ 110,323	\$ 73,754	\$ 67,239	\$ 52,543
Contributions in Relation to the Contractually Required Contribution	580,690	441,009	358,945	162,455	150,888	135,277	110,323	73,754	67,239	52,543
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's Covered Payroll	\$ 4,226,274	\$ 3,271,632	\$ 2,719,283	\$ 1,256,997	\$ 1,189,966	\$ 1,066,854	\$ 870,052	\$ 581,655	\$ 530,278	\$ 414,377
Contributions as a Percentage of Covered Payroll	13.74%	13.48%	13.20%	12.92%	12.68%	12.68%	12.68%	12.68%	12.68%	12.68%

TOWN OF TIMNATH, COLORADO

REQUIRED SUPPLEMENTARY INFORMATION (OPEB)

YEAR ENDED DECEMBER 31, 2023

Schedule of the Town's Proportionate Share of the OPEB Liability

Fiscal Year	2023	2022	2021	2020	2019	2018
Plan Measurement Date	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017
Town's Proportion (Percentage) of the Collective Net OPEB Liability	0.033332%	0.02738%	0.02086%	0.01443%	0.01375%	0.01314%
Town's Proportionate Share of the Collective Net OPEB Liability	\$ 272,051	\$ 236,127	\$ 198,184	\$ 162,190	\$ 187,108	\$ 170,781
Covered payroll	\$ 3,271,632	\$ 2,719,283	\$ 1,256,997	\$ 1,189,966	\$ 1,066,853	\$ 870,055
Town's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	8.32%	8.68%	15.77%	13.63%	17.54%	19.63%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	38.57%	39.40%	32.78%	24.49%	17.03%	17.53%

* The amounts presented for each fiscal year were determined as of December 31 based on the measurement date of the Plan. Information earlier than 2017 was not available.

Schedule of the Town's OPEB Contribution and Related Ratio's

Fiscal Year	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	\$ 43,108	\$ 33,420	\$ 27,737	\$ 12,815	\$ 12,138	\$ 10,882	\$ 8,875	\$ 5,933
Contributions in Relation to the Contractually Required Contribution	43,108	33,420	27,737	12,815	12,138	10,882	8,875	5,933
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's Covered Payroll	\$ 4,226,274	\$ 3,271,632	\$ 2,719,283	\$ 1,256,997	\$ 1,189,966	\$ 1,066,854	\$ 870,052	\$ 581,655
Contributions as a Percentage of Covered Payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

TOWN OF TIMNATH, COLORADO

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

NOTE A. BUDGETARY INFORMATION

The Town adopts an annual budget for all governmental funds on a basis consistent with general accepted accounting principles and Colorado Local Budget Law.

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

Prior to October 1, the Town Manager submits to the Town Council at a work session a proposed operating budget by fund and department for the fiscal year commencing the following January 1.

During October, the draft budget is made available on the Town website and comments gathered via email.

At the first reading of the budget in November, a notice is published indicating that the proposed budget will be open for public hearing in December

Prior to December 15th, Town Council holds a public hearing and the budget is legally adopted by Town Council with the second reading of the ordinance. All operating budget appropriations lapse at year-end, although unexpended appropriations may be re-appropriated for the next year. The legal level of budgetary control is exercised at the department level.

Department directors, with approval of the town manager and finance director, may reallocate the department budget between line-item expenditures and/or approve transfers between departments within the same fund.

The Town Council may modify the budget by transferring appropriations between funds and by adopting supplemental budgets. For the fiscal year ended December 31, 2023, one supplemental budget ordinance was approved.

This Page Left Intentionally Blank

SUPPLEMENTARY INFORMATION

Non-major Fund Statements

This Page Left Intentionally Blank

TOWN OF TIMNATH, COLORADO
COMBINING BALANCE SHEET – NON-MAJOR FUNDS
DECEMBER 31, 2023

	Special Revenue		Capital Projects	Total
	Grants	Timnath Landings	Timnath Landings	Non-Major
	Fund	GID*	GID*	Funds
ASSETS				
Restricted cash and investments	\$ -	\$ -	\$ -	\$ -
TOTAL ASSETS	-	-	-	-
FUND BALANCES:				
Restricted	-	-	-	-
TOTAL FUND BALANCES	-	-	-	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ -	\$ -	\$ -	\$ -

*General Improvement District

TOWN OF TIMNATH, COLORADO

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – NON-MAJOR FUNDS**

YEAR ENDED DECEMBER 31, 2023

	Special Revenue		Capital Projects	Total
	Grants	Timnath Landings	Timnath Landings	Non-Major
	Fund	GID*	GID*	Funds
REVENUES				
Intergovernmental Grants	\$ 17,345	\$ -	\$ -	\$ 17,345
TOTAL REVENUES	17,345	-	-	17,345
EXPENDITURES				
Materials and services	-	1,797	-	1,797
TOTAL EXPENDITURES	-	1,797	-	1,797
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	17,345	(1,797)	-	15,548
OTHER FINANCING SOURCES (USES):				
Transfers from other funds	-	1,797	-	1,797
Transfers to other funds	(17,345)	-	-	(17,345)
TOTAL OTHER FINANCING SOURCES (USES)	(17,345)	1,797	-	(15,548)
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCE - beginning	-	-	-	-
FUND BALANCE - ending	\$ -	\$ -	\$ -	\$ -

*General Improvement District

TOWN OF TIMNATH, COLORADO

GRANTS FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN

FUND BALANCE – BUDGET AND ACTUAL

YEAR ENDED DECEMBER 31, 2023

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
REVENUES:				
Federal grants	\$ 1,424,859	\$ 1,424,859	\$ 17,345	\$ (1,407,514)
Other grants	10,000	10,000	-	(10,000)
TOTAL REVENUES	<u>1,434,859</u>	<u>1,434,859</u>	<u>17,345</u>	<u>(1,417,514)</u>
EXPENDITURES:				
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,434,859</u>	<u>1,434,859</u>	<u>17,345</u>	<u>(1,417,514)</u>
OTHER FINANCING SOURCES (USES):				
Transfers to other funds	<u>(1,434,859)</u>	<u>(1,434,859)</u>	<u>(17,345)</u>	<u>1,417,514</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,434,859)</u>	<u>(1,434,859)</u>	<u>(17,345)</u>	<u>1,417,514</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF TIMNATH, COLORADO

GENERAL FUND – TIMNATH LANDING GID

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN

FUND BALANCE – BUDGET AND ACTUAL

YEAR ENDED DECEMBER 31, 2023

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
REVENUES:				
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES:				
Materials and services	50,000	50,000	1,797	48,203
TOTAL EXPENDITURES	50,000	50,000	1,797	48,203
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(50,000)	(50,000)	(1,797)	48,203
OTHER FINANCING SOURCES (USES):				
Transfer from other funds	50,000	50,000	1,797	(48,203)
TOTAL OTHER FINANCING SOURCES (USES)	50,000	50,000	1,797	(48,203)
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCES - beginning	-	-	-	-
FUND BALANCES - ending	\$ -	\$ -	\$ -	\$ -

TOWN OF TIMNATH, COLORADO

CAPITAL PROJECTS FUND – TIMNATH LANDING GID

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN

FUND BALANCE – BUDGET AND ACTUAL

YEAR ENDED DECEMBER 31, 2023

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
TOTAL REVENUES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

This Page Left Intentionally Blank

OTHER FINANCIAL SCHEDULES

Schedule of Impact Fees

Schedule of Future Debt Service
Requirements

Local Highway Finance Report

This Page Left Intentionally Blank

TOWN OF TIMNATH, COLORADO

SCHEDULE OF IMPACT FEES

YEAR ENDED DECEMBER 31, 2023

Impact Fee	Balance at December 31, 2022	Additions ¹	Reductions for Capital Expenditure	Balance at December 31, 2023
Transportation	\$ 5,759,487	\$ 1,107,715	\$ -	\$ 6,867,202
Parks	4,119,814	1,415,639	(609,487)	4,925,965
Public Buildings	-	191,462	-	191,462
Stormwater	1,395,222	261,722	-	1,656,944
Police	-	229,355	(229,355)	-
Total	\$ 11,274,523	\$ 3,205,893	\$ (838,842)	\$ 13,641,574

¹ Additions include fees collected plus interest earned less administrative fees.

TOWN OF TIMNATH, COLORADO

SCHEDULE OF FUTURE DEBT SERVICE REQUIREMENTS

YEAR ENDED DECEMBER 31, 2023

Principal Payments

	General Fund		Timnath Development Authority	
	2018		2015	2018
	Certificate of Participation		Loan	Loan
December 31,	(\$9,120,000)		(\$50,000,000)	(\$20,000,000)
2024	\$ 731,700	\$	3,900,000	\$ 2,165,000
2025	767,900		4,080,000	2,285,000
2026	805,800		4,265,000	2,405,000
2027	845,600		4,460,000	2,540,000
2028	887,400		4,660,000	2,710,000
2029	931,200		4,875,000	2,850,000
2030	977,400		-	-
	\$ 5,947,000	\$	26,240,000	\$ 14,955,000

Interest Payments

	General Fund		Timnath Development Authority	
	2018		2015	2018
	Certificate of Participation		Loan	Loan
December 31,	(\$9,120,000)		(\$50,000,000)	(\$20,000,000)
2024	\$ 231,934	\$	1,040,416	\$ 592,966
2025	203,396		883,361	505,738
2026	173,448		722,031	415,385
2027	142,022		553,386	320,288
2028	109,044		378,063	220,454
2029	74,436		192,766	112,694
2030	38,118		-	-
	\$ 972,398	\$	3,770,022	\$ 2,167,524

Combined Debt Service Payments

	General Fund		Timnath Development Authority	
	2018		2015	2018
	Certificate of Participation		Loan	Loan
December 31,	(\$9,120,000)		(\$50,000,000)	(\$20,000,000)
2024	\$ 963,634	\$	4,940,416	\$ 2,757,966
2025	971,296		4,963,361	2,790,738
2026	979,248		4,987,031	2,820,385
2027	987,622		5,013,386	2,860,288
2028	996,444		5,038,063	2,930,454
2029	1,005,636		5,067,766	2,962,694
2030	1,015,518		-	-
	\$ 6,919,398	\$	30,010,022	\$ 17,122,524

TOWN OF TIMNATH, COLORADO

LOCAL HIGHWAY FINANCE REPORT

YEAR ENDED DECEMBER 31, 2023

Form Approved
OMB No. 2125-0032

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

LOCAL HIGHWAY FINANCE REPORT		STATE: COLORADO	
		YEAR ENDING (mm/yy): 12/23	
This Information From The Records Of: TOWN OF TIMNATH		Prepared By: DEZIRE SANCHEZ	
I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE			
ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes
D. Receipts from Federal Highway Administration			
1. Total receipts available			
2. Minus amount used for collection expenses			
3. Minus amount used for nonhighway purposes			
4. Minus amount used for mass transit			
5. Remainder used for highway purposes			
II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. EXPENDITURES FOR ROAD AND STREET PURPOSES	
ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway expenditures:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	\$ 2,220,323.54
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	\$ 1,846,187.99
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	\$ 126,630.59
2. General fund appropriations	\$ 2,612,754.11	b. Snow and ice removal	\$ 653,519.42
3. Other local imposts (from page 2)	\$ 2,391,073.95	c. Other	
4. Miscellaneous local receipts (from page 2)	\$ 302,374.05	d. Total (a. through c.)	\$ 780,150.01
5. Transfers from toll facilities		4. General administration & miscellaneous	\$ 309,847.11
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	\$ 5,156,508.65
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes	\$ 832,903.52	1. Bonds:	
d. Total (a. + b. + c.)	\$ 832,903.52	a. Interest	
7. Total (1 through 6)	\$ 6,139,105.63	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	\$ -
C. Receipts from State government		2. Notes:	
(from page 2)	\$ 293,462.71	a. Interest	
D. Receipts from Federal Government		b. Redemption	
(from page 2)	\$ -	c. Total (a. + b.)	\$ -
E. Total receipts (A.7 + B + C + D)	\$ 6,432,568.34	3. Total (1.c + 2.c)	\$ -
		C. Payments to State for highways	\$ 168,345.53
		D. Payments to toll facilities	
		E. Total expenditures (A.6 + B.3 + C + D)	\$ 5,324,854.18
IV. LOCAL HIGHWAY DEBT STATUS (Show all entries at par)			
	Opening Debt	Amount Issued	Closing Debt
A. Bonds (Total)			\$ -
1. Bonds (Refunding Portion)			
B. Notes (Total)			\$ -
V. LOCAL ROAD AND STREET FUND BALANCE			
	A. Beginning Balance	B. Total Receipts	C. Total Disbursements
	\$ 5,759,487.42	\$ 6,432,568.34	\$ 5,324,854.18
		D. Ending Balance	E. Reconciliation
		\$ 6,867,201.58	\$ -
Notes and Comments:			

FORM FHWA-536 (Rev.06/2000)

PREVIOUS EDITIONS OBSOLETE
page 1

Excel

(Next Page)

TOWN OF TIMNATH, COLORADO

LOCAL HIGHWAY FINANCE REPORT

YEAR ENDED DECEMBER 31, 2023

LOCAL HIGHWAY FINANCE REPORT		STATE: COLORADO	
		YEAR ENDING (mm/yy): 12/23	

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A3. Other local imposts:		A4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	\$ 283,325.00
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	\$ 1,489,355.52	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	\$ 824,810.43	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	\$ 3,151.00
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	\$ 76,908.00	g. Other Misc. Receipts	
6. Total (1. through 5.)	\$ 2,391,073.95	h. Other	\$ 15,898.05
c. Total (a. + b.)	\$ 2,391,073.95	i. Total (a. through h.)	\$ 302,374.05
(Carry forward to page 1)		(Carry forward to page 1)	
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes (from Item I.C.5.)	\$ 263,309.71	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	\$ 30,153.00	d. Federal Transit Administration	
d. DOLA Grant		e. U.S. Corps of Engineers	
e. Other (ie. ARPA)		f. Other Federal	
f. Total (a. through e.)	\$ 30,153.00	g. Total (a. through f.)	\$ -
4. Total (1. + 2. + 3.f)	\$ 293,462.71	3. Total (1. + 2.g)	\$ -
(Carry forward to page 1)		(Carry forward to page 1)	

III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A1. Capital outlay:			
a. Right-Of-Way Costs			\$ -
b. Engineering Costs		\$ 129,831.70	\$ 129,831.70
c. Construction:			
(1). New Facilities	\$ -		\$ -
(2). Capacity Improvements		\$ 2,040,491.84	\$ 2,040,491.84
(3). System Preservation	\$ -		\$ -
(4). System Enhancement And Operation	\$ 50,000.00		\$ 50,000.00
(5). Total Construction (1)+(2)+(3)+(4)	\$ 50,000.00	\$ 2,040,491.84	\$ 2,090,491.84
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)	\$ 50,000.00	\$ 2,170,323.54	\$ 2,220,323.54
(Carry forward to page 1)			
Notes and Comments:			

FORM FHWA-536

