



Annual Comprehensive Financial Report

for the year ended
December 31, 2024

Prepared by Finance Department

Town of Avon
100 Mikaela Way ▪ Avon, CO ▪ 81620 ▪ www.avon.org

TOWN OF AVON, COLORADO

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2024

TABLE OF CONTENTS

INTRODUCTORY SECTION	Page
Elected Officials	iv
Letter of Transmittal	v-ix
Certificate of Achievement for Excellence in Financial Reporting	x
Town of Avon Organization Chart	xi
FINANCIAL SECTION	
Independent Auditor's Report	A1-A3
Management's Discussion and Analysis	B1-B13
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Position	C1
Statement of Activities	C2
Fund Financial Statements:	
Balance Sheet – Governmental Funds	C3
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position	C4
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	C5
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	C6
Statement of Net Position – Proprietary Funds	C7
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds	C8
Statement of Cash Flows – Proprietary Funds	C9
Notes to the Financial Statements	D1-D22
Required Supplementary Information	
Schedule of Revenues, Expenditures and Changes in Fund Balances (Budgetary Basis) – Budget and Actual – General Fund	E1
Schedule of Revenues, Expenditures and Changes in Fund Balances (Budgetary Basis) – Budget and Actual – Avon Urban Renewal Authority Fund	E2
Notes to Required Supplementary Information	E3

TOWN OF AVON, COLORADO

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2024

TABLE OF CONTENTS - CONTINUED

Other Supplementary Information	Page
Nonmajor Governmental Funds	F
Combining Balance Sheet – Nonmajor Governmental Funds	F1
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	F2
Schedules of Revenues, Expenditures and Changes in Fund Balances (Budgetary Basis) - Budget and Actual:	
Community Enhancement Fund	F3
Water Fund	F4
Community Housing Fund	F5
Avon Downtown Development Authority Fund	F6
Exterior Energy Offset Fund	F7
Disposable Paper Bag Fee Fund	F8
Debt Service Fund	F9
Capital Projects Fund	F10
Mobility Fund	F11
Fleet Maintenance Fund	F12
Equipment Replacement Fund	F13
Miscellaneous Schedules:	
Debt Schedule	G1
Detailed Schedule of General Fund Expenditures (Budgetary Basis) – Budget and Actual	G2-G3
Detailed Schedule of General Fund Revenues (Budgetary Basis) – Budget and Actual	G4-G5
Local Highway Finance Report	G6-G7
STATISTICAL SECTION	
Net Position by Component	H1-H2
Changes in Net Position	H3-H6
Changes in Fund Balances, Governmental Funds	H7-H8
Fund Balances, Governmental Funds	H9
Tax Revenues by Source, Governmental Funds	H10
Assessed Value and Actual Value of Taxable Property	H11
Direct and Overlapping Property Tax Rates	H12
Principal Taxpayers	H13
Property Tax Levies and Collections	H14
Ratios of Outstanding Debt by Type	H15

TOWN OF AVON, COLORADO

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2024

TABLE OF CONTENTS - CONTINUED

	Page
STATISTICAL SECTION (continued)	
Direct and Overlapping Governmental Activities Debt	H16
Ratio of General Bonded Debt Outstanding and Legal Debt Margin	H17-H18
Demographic and Economic Statistics	H19
Principal Employers	H20
Commercial and Residential Construction	H21-H22
Full-time Equivalent Employees by Function / Program	H23
Operating Indicators by Function / Program	H24-H25
 SINGLE AUDIT SECTION	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Governmental Auditing Standards</i>	I1-I2
Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance	I3-I5
Schedule of Audit Findings and Questioned Costs	I6
Schedule of Expenditures of Federal Awards	I7
Notes to Schedule of Expenditures of Federal Awards	I8

TOWN OF AVON, COLORADO
LIST OF ELECTED AND APPOINTED OFFICIALS
December 31, 2024

TOWN COUNCIL

Tamra N. Underwood, Mayor
Rich Carroll, May Pro Tem
Gary Brooks
Lindsay Hardy
Kevin Hyatt
Ruth Stanley
Chico Thuon

MANAGEMENT

Eric Heil, Town Manager
Patty McKenny, Deputy Town Manager
Michael LaBagh, Recreation Director
Greg Daly, Police Chief
Matt Pielsticker, Community Development Director
Paul Redmond, Chief Finance Officer



Post Office Box 975
100 Mikaela Way
Avon, CO 81620

July 24, 2025

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

Town Charter and State statutes require that the Town of Avon (Town) issue a complete set of financial statements presented in conformance with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed independent certified public accountants. Pursuant to these requirements, we hereby issue the annual comprehensive financial report of the Town of Avon for the fiscal year ended December 31, 2024.

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

The Town of Avon's financial statements have been audited by McMahan and Associates, L.L.C., a firm of certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Avon for the fiscal year ended December 31, 2024, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town of Avon's financial statements for the fiscal year ended December 31, 2024 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

Letter of Transmittal
Town of Avon, Colorado
July 24, 2025

Profile of the Town

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

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

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

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

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

Letter of Transmittal
Town of Avon, Colorado
July 24, 2025

real property located within the Town. The Town has the power by state statute to extend its corporate limits by annexation, which is done periodically when deemed appropriate by the Town Council.

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

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

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

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

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

Factors Affecting Financial Condition

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

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

Letter of Transmittal
Town of Avon, Colorado
July 24, 2025

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

Property Values. Property tax, which is based on assessed property values and a mill rate, represents approximately fifteen percent of the Town's total tax revenues. Assessed values are dependent upon real property growth and market values of property, along with assessment ratios established by the State legislature. In Avon, gross assessed values of real property increased by 40 percent for the year 2024.

Current Initiatives

Council places a high priority on maintaining the existing level of municipal services in 2025 for the purpose of community stability and support of the local economy. All levels of service and staffing. In 2024, Council approved the addition of two Police Officers, in which the positions will be funded from grants. Personnel cost highlights include a merit-based overall salary cost increase of 4% at January 1.

Community Housing. In 2025, the Avon Town Council continues to fund the buyer assistance, deed restriction purchase program originally began in 2020 called Mi Casa Avon! which has been very successful. In 2025, the Town of Avon partnered with the Eagle County Good Deeds program, as they Town will now help buyers purchase properties in the Avon area. Now with the 2% short-term rental tax on all residential short-term rentals earmarked for community housing purposes, the Town has begun feasibility studies and preliminary design on employee rental housing on certain town-owned properties.

Construction Use Tax. Effective January 1, 2025 the Avon voters approved a 4% use tax on construction materials. The revenue from the construction use tax will be dedicated to Community Housing. The construction use tax is a form of use tax levied on building materials. The use tax is collected at the time a building permit is issued. The use tax amount is determined

Letter of Transmittal
Town of Avon, Colorado
July 24, 2025

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

Capital Improvement Projects

The Town updates its capital improvements long-range plan annually. Substantial expenditures are planned in 2025 from the Capital Projects Fund. A significant portion of the expenditures are planned for road and street maintenance, a public works garage and repairs and multi-modal / alternative mobility projects including a \$4.6 million project for the US Hwy 6 & Stondbridge Road, which is proposed to be funded through various federal, state and local grants. The previously-approved \$5.5 million H.A. Nottingham Park East Improvement project has received grant funding and will begin in 2025. The original project included landscaping upgrades, recreation path repairs, and the construction of additional public restrooms on the north and east side of the park.

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

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Avon for its annual comprehensive financial report (ACFR) for the fiscal year ended December 31, 2023. This was the fifteenth consecutive year that the Town has received this prestigious award. In order to be awarded a Certificate of Achievement, the Town published an easily readable and efficiently organized ACFR. This report satisfied both GAAP and applicable legal requirements.

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

Respectfully Submitted,



Paul Redmond
Chief Finance Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Avon
Colorado**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2023

Christopher P. Morill

Executive Director/CEO

Avon Citizens
Home Rule Charter
adopted and amended by
Avon voters

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

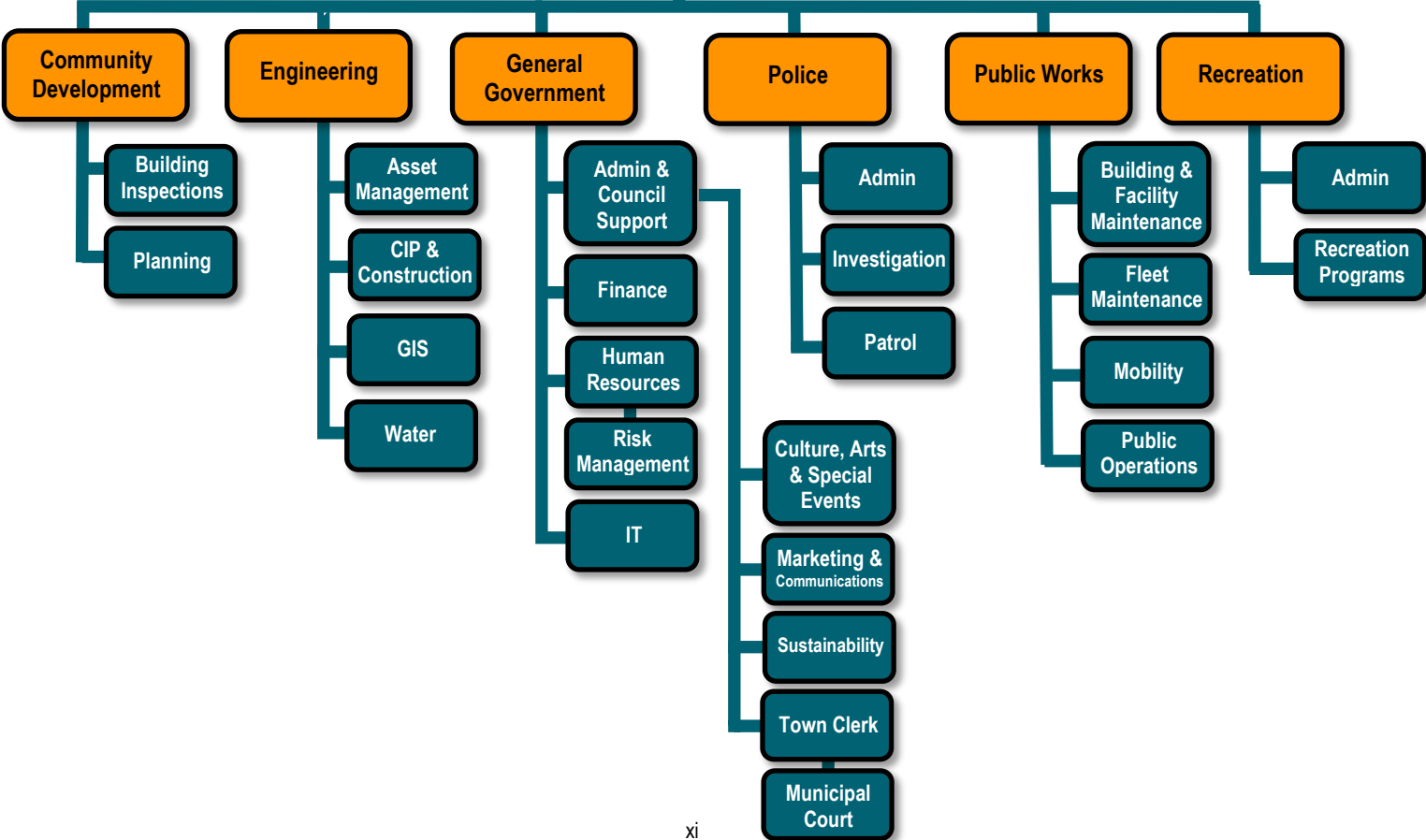
Council
Elected by Citizens - 7 Members
Council appoints Mayor, Legal Counsel, Municipal Judge, Town Manager, Boards, Commissions and Committees
Council serves as Local Liquor Authority, Board of Adjustments, and Board of Directors for Avon Urban Renewal Authority

- Town Attorney
- Municipal Prosecutor
- Special Legal Counsel

Municipal Judge

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

DEPARTMENTS





INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Avon, Colorado, Colorado (the "Town"), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town as of December 31, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Basis for Opinions

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

Emphasis of Matter – Change in Accounting Principle

As discussed in Note 17 to the financial statements, the Town adopted Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Member: American Institute of Certified Public Accountants

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with U.S. GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

U.S. GAAP require that Management's Discussion and Analysis in Section B and budgetary comparison information in Section E be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Supplementary Information

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

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 24, 2025 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and on compliance.

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
Avon, Colorado
July 24, 2025

Management's Discussion and Analysis

As management of the Town of Avon, we offer readers of the Town of Avon's financial statements this narrative overview and analysis of the financial activities of the Town of Avon for the fiscal year ended December 31, 2024. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

- The assets of the Town exceeded its liabilities and deferred inflows at the close of its fiscal year ended December 31, 2024 by \$142,488,653 (net position). Of this amount, \$50,613,259 is unrestricted and may be used to meet the Town's ongoing obligations to citizens and creditors in accordance with the Town's fund designation and fiscal policies as more fully described below.
- The Town's total net position increased by \$9,951,569.
- As of the close of the fiscal year, the Town's governmental funds reported combined ending fund balances of \$46,337,564, an increase of \$4,413,760 from the prior year. Approximately 51.03% of this total amount, \$23,645,837, is available for spending at the Town's discretion (unassigned fund balance).
- The unassigned fund balance for the General Fund was \$23,645,837, or 89.17% of current year General Fund expenditures and other financing uses.
- The Town of Avon's long-term liabilities decreased by a net \$1,554,399 during the current fiscal year. Regular principal payments were made on bonded debt, leases, and subscription liabilities.

Overview of the Financial Statements

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

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

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

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

Both of the government-wide financial statements distinguish functions of the Town of Avon that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Town of Avon include general government, community development, public safety, public works and utilities, and recreation and culture. The business-type activities of the Town include mobility and fleet maintenance operations.

The government-wide financial statements include not only the Town of Avon itself (known as the *primary government*), but also the Avon Urban Renewal Authority, a legally separate entity, which was established in August 2007 to undertake urban renewal plans and projects with the Town. All members of the governing body are Town

Council members. For financial reporting purposes, AURA is blended into the Town's financial statements and is reported as a major fund in the basic financial statements.

The government-wide financial statements can be found on pages C1-C2 of this report.

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

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

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

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

Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report. The basic governmental fund financial statements can be found on pages C3-C6 of this report.

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

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the mobility fund and the fleet maintenance fund operations. Separate information is also provided for the Town's internal service fund. The basic proprietary fund financial statements can be found on pages C7-C9 of this report.

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

Required Supplementary Information. In addition to the basic financial statements and accompanying notes, this report also presents certain other required supplemental information. The Town of Avon adopts an annual appropriated budget for its General Fund and major special revenue fund. Budgetary comparison statements have been provided for the General Fund and the Avon Urban Renewal Authority Fund to demonstrate compliance with these budgets and can be found on pages E1 and E2 of this report.

Other Supplementary Information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented under other supplemental information immediately following the required supplemental information. Individual fund statements and schedules and other miscellaneous schedules can also be found in sections F and G of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Avon, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$142,488,653 as of December 31, 2024.

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

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

Condensed Net Position

	Governmental Activities		Business-type Activities		Total Government	
	2024	2023	2024	2023	2024	2023
Current Assets	61,217,878	59,033,397	2,843,734	2,429,762	64,061,612	61,463,159
Restricted Assets	503,442	423,144	-	-	503,442	423,144
Capital Assets, net	83,313,203	79,525,175	13,953,818	14,801,206	97,267,021	94,326,381
Total Assets	145,034,523	138,981,716	16,797,552	17,230,968	161,832,075	156,212,684
Deferred Outflow of Resources	80,097	92,899	10,873	12,585	90,970	105,484
Current Liabilities	3,498,549	6,258,989	617,435	538,968	4,115,984	6,797,957
Current Portion of Long-Term Liabilities	1,695,112	2,106,412	273,258	258,880	1,968,370	2,365,292
Noncurrent Liabilities	9,427,985	10,419,188	944,000	1,164,716	10,371,985	11,583,904
Total Liabilities	14,621,646	18,784,589	1,834,693	1,962,564	16,456,339	20,747,153
Deferred Inflows of Resources	2,908,568	2,961,699	69,485	72,232	2,978,053	3,033,931
Net Position:						
Net Investment in Capital Assets	72,826,656	67,538,798	12,789,095	13,432,704	85,615,751	80,971,502
Restricted	6,259,643	5,704,192	-	-	6,259,643	5,704,192
Unrestricted	48,498,107	44,085,337	2,115,152	1,776,053	50,613,259	45,861,390
Total Net Position	127,584,406	117,328,327	14,904,247	15,208,757	142,488,653	132,537,084

Change in Net Position

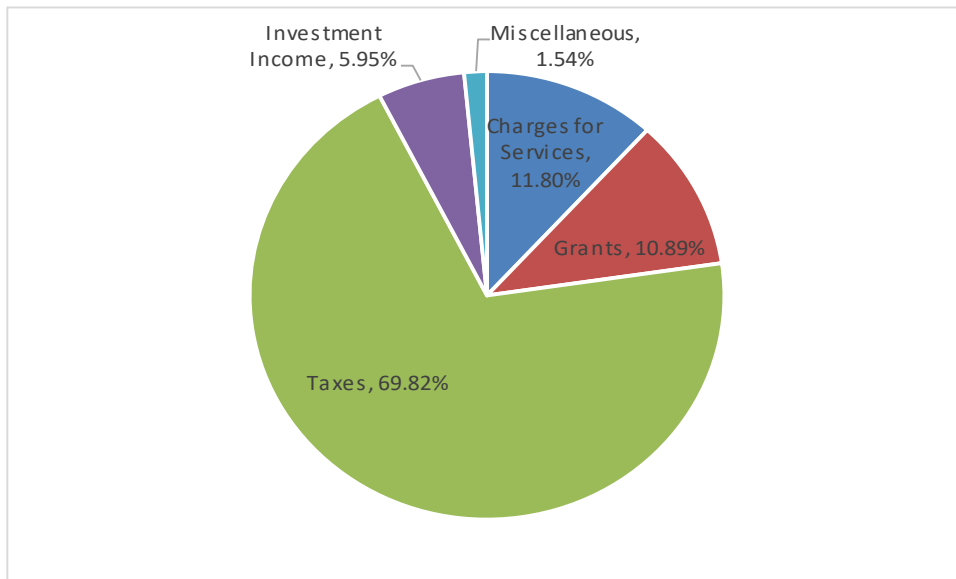
	Governmental Activities		Business-type Activities		Total Government	
	2024	2023	2024	2023	2024	2023
REVENUES						
<i>Program Revenues:</i>						
Charges for Services	5,281,635	2,818,254	3,337,993	2,143,269	8,619,628	4,961,523
Operating Grants and Contributions	1,785,449	1,204,555	338,398	400,563	2,123,847	1,605,118
Capital Grants and Contributions	925,584	-	-	838,719	925,584	838,719
<i>General Revenues:</i>						
<i>Taxes:</i>						
Property Taxes	5,659,627	4,001,831	73,037	46,696	5,732,664	4,048,527
Real Estate Transfer Tax	7,980,409	6,529,287	-	-	7,980,409	6,529,287
Sales and Accommodation Taxes	15,592,383	16,419,000	-	-	15,592,383	16,419,000
Other Taxes	2,019,273	2,554,707	-	-	2,019,273	2,554,707
Investment Earnings (Loss)	2,663,857	2,338,345	-	-	2,663,857	2,338,345
Unrestricted Grants & Contributions	2,164,618	1,376,087	-	-	2,164,618	1,376,087
Miscellaneous	690,082	1,585,596	38,673	-	728,755	1,585,596
Total Revenues	44,762,917	38,827,662	3,788,101	3,429,247	48,551,018	42,256,909
EXPENSES						
<i>Governmental Activities:</i>						
General Government	9,206,664	7,399,224	-	-	9,206,664	7,399,224
Community Development	1,270,522	925,098	-	-	1,270,522	925,098
Public Safety	6,416,591	5,804,502	-	-	6,416,591	5,804,502
Public Works and Utilities	11,834,149	11,447,522	-	-	11,834,149	11,447,522
Recreation	3,427,244	2,812,965	-	-	3,427,244	2,812,965
Mobility	-	91,785	-	-	-	91,785
Interest on Long-term Debt	303,666	343,233	-	-	303,666	343,233
<i>Business-type Activities:</i>						
Mobility	-	-	3,465,348	3,009,782	3,465,348	3,009,782
Fleet Maintenance	-	-	2,675,265	2,150,931	2,675,265	2,150,931
Total Expenses	32,458,836	28,824,329	6,140,613	5,160,713	38,599,449	33,985,042
Excess (Deficiency) Before Contributions and Transfers	12,304,081	10,003,333	(2,352,512)	(1,731,466)	9,951,569	8,271,867
Transfers	(2,048,002)	(2,098,766)	2,048,002	2,098,766	-	-
Increase (Decrease) in Net Position	10,256,079	7,904,567	(304,510)	367,300	9,951,569	8,271,867
Net Position, Beginning of Year	117,328,327	109,423,760	15,208,757	14,841,457	132,537,084	124,265,217
Net Position, Ending	127,584,406	117,328,327	14,904,247	15,208,757	142,488,653	132,537,084

Analysis of the Town's Operations

Overall, the Town's net position increased by \$9,951,569 for 2024. Governmental activities increased net position by \$10,256,079, while business-type activities decreased net position by \$304,510. The largest contributor to the overall increase were increased charges for services, increased property taxes, and an increase in real estate transfer taxes while expenses increased year-over-year for both governmental and business-type activities.

Revenues by Source – Governmental Activities

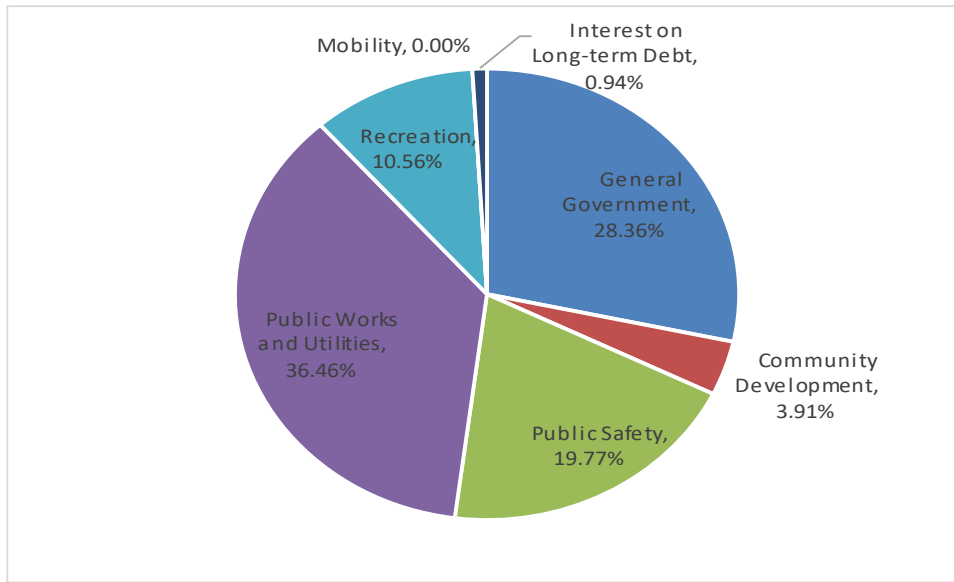
	2024	Percent of Total	2023	Amount of Increase (Decrease)	Percent Increase (Decrease)
Charges for Services	5,281,635	11.80%	2,818,254	2,463,381	87.41%
Grants	4,875,651	10.89%	2,580,642	2,295,009	88.93%
Taxes	31,251,692	69.82%	29,504,825	1,746,867	5.92%
Investment Income	2,663,857	5.95%	2,338,345	325,512	13.92%
Miscellaneous	690,082	1.54%	1,585,596	(895,514)	-56.48%
Total	44,762,917	100.00%	38,827,662	5,935,255	



The Town's governmental revenues increased by \$5.9mm year-over-year. Charges for service increased by 87.41% from 2023 due to increased recreation fees, stemming from enhanced offerings and upgraded facilities, as well as increased building and planning fees from development activity within the Town. Grant revenues nearly doubled year-over-year as the Town expended its final ARPA funds. Tax revenue remained roughly flat as increased property tax revenues, stemming from Colorado backfill payments, offset reduced sales and accommodation taxes.

Expenses by Source – Governmental Activities

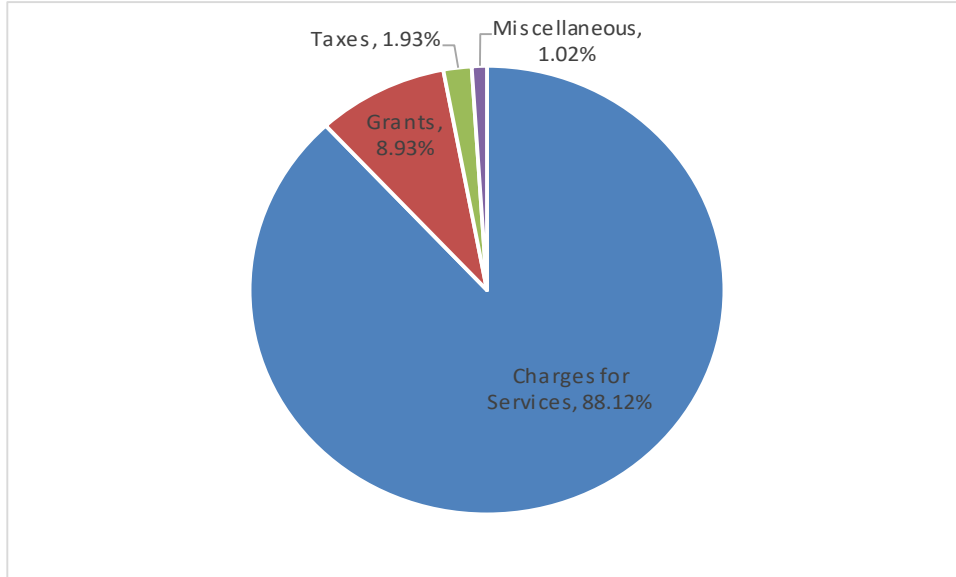
	2024	Percent of Total	2023	Amount of Increase (Decrease)	Percent Increase (Decrease)
General Government	9,206,664	28.36%	7,399,224	1,807,440	24.43%
Community Development	1,270,522	3.91%	925,098	345,424	37.34%
Public Safety	6,416,591	19.77%	5,804,502	612,089	10.55%
Public Works and Utilities	11,834,149	36.46%	11,447,522	386,627	3.38%
Recreation	3,427,244	10.56%	2,812,965	614,279	21.84%
Mobility	-	0.00%	91,785	(91,785)	-100.00%
Interest on Long-term Debt	303,666	0.94%	343,233	(39,567)	-11.53%
Total	32,458,836	100.00%	28,824,329	3,634,507	



The Town's governmental expenses increased by \$3.6mm year-over-year. The majority of the expense increase was attributed to general government functions as the Town continues to expand its operations, provide services to residents and visitors, and compensate employees. Other functions saw increases due to general inflationary activity and increased activities.

Revenues by Source – Business-Type Activities

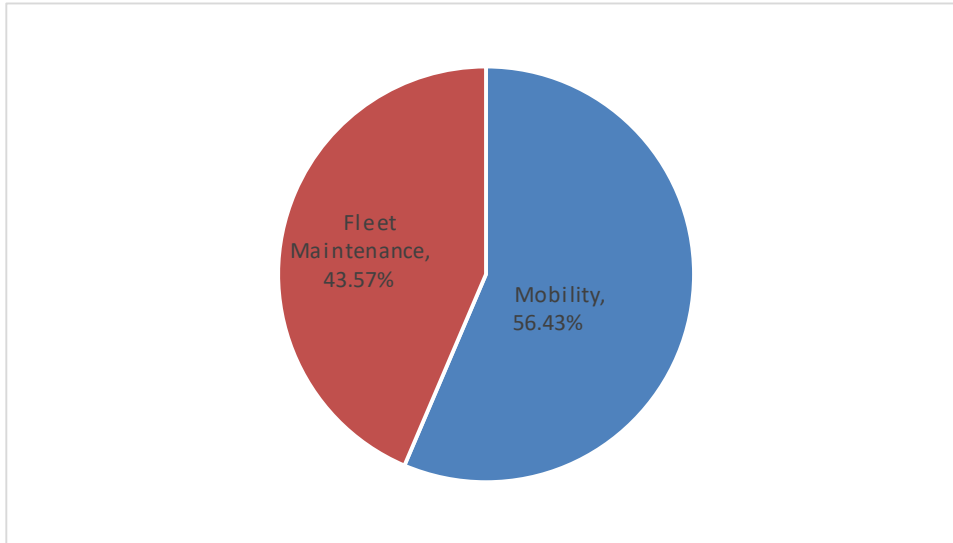
	2024	Percent of Total	2023	Amount of Increase (Decrease)	Percent Increase (Decrease)
Charges for Services	3,337,993	88.12%	2,143,269	1,194,724	55.74%
Grants	338,398	8.93%	1,239,282	(900,884)	-72.69%
Taxes	73,037	1.93%	46,696	26,341	56.41%
Miscellaneous	38,673	1.02%	-	38,673	100.00%
Total	3,788,101	100.00%	3,429,247	358,854	



The Town’s business-type activities increased by \$358k year-over-year. Increased charges for services related to the Town’s fleet maintenance activity offset reduced grant revenues, as the Town received one-time capital grants in 2023 for bus purchases.

Expenses by Source – Business-type Activities

	2024	Percent of Total	2023	Amount of Increase (Decrease)	Percent Increase (Decrease)
Mobility	3,465,348	56.43%	3,009,782	455,566	15.14%
Fleet Maintenance	2,675,265	43.57%	2,150,931	524,334	24.38%
Total	6,140,613	100.00%	5,160,713	979,900	



The Town’s business-type expenses increased by nearly \$1mm year-over-year due to increased operations and general inflationary activity.

Financial Analysis of the Town’s Funds

The following schedule presents a summary of governmental fund revenues for the year ended December 31, 2024 and the amount and percentage of increases and decreases in relation to the prior year.

	2024	Percent of Total	2023	Amount of Increase (Decrease)	Percent Increase (Decrease)
Taxes	32,334,856	75.33%	29,504,825	2,830,031	9.59%
Licenses and Permits	1,270,081	2.96%	638,122	631,959	99.03%
Intergovernmental	3,133,422	7.30%	1,817,431	1,315,991	72.41%
Charges for Services	2,898,758	6.75%	2,818,254	80,504	2.86%
Fines and Forfeitures	86,854	0.20%	44,705	42,149	94.28%
Investment Earnings	2,490,368	5.80%	2,190,478	299,890	13.69%
Other Revenues	710,432	1.66%	669,842	40,590	6.06%
Total	42,924,771	100.00%	37,683,657	5,241,114	

Overall governmental fund revenues increased by \$5.24mm in 2024. Tax revenues increased by 9.59% from the prior year due to increased property tax revenues related to State of Colorado legislation and increased Real Estate Transfer Tax revenues due to the strong real estate market. The general operating mill rate for the Town remained the same at 8.956 mills. Intergovernmental revenues increased 72.41% from last year as the Town expended its remaining ARPA funds in 2024. The Town continues to see strong investment earnings, which increased 13.69% from 2023 due to an increase in cash and strong yields.

The following schedule presents a summary of governmental fund expenditures for the year ended December 31, 2024, and the amount and percentage of increases and decreases in relation to the prior year.

	2024	Percent of Total	2023	Amount of Increase (Decrease)	Percent Increase (Decrease)
<i>Current:</i>					
General Government	8,600,002	24.02%	7,086,072	1,513,930	21.36%
Community Development	1,248,629	3.49%	949,715	298,914	31.47%
Public Safety	6,341,901	17.71%	5,516,773	825,128	14.96%
Public Works and Utilities	7,186,986	20.07%	8,259,626	(1,072,640)	-12.99%
Recreation	2,707,393	7.56%	2,450,098	257,295	10.50%
Capital Improvements	7,963,093	22.24%	5,063,521	2,899,572	57.26%
<i>Debt Service:</i>					
Principal	1,453,215	4.06%	1,421,365	31,850	2.24%
Interest	305,096	0.85%	340,382	(35,286)	-10.37%
Fiscal Charges	4,156	0.01%	6,620	(2,464)	-37.22%
Total	35,810,471	100.00%	31,094,172	4,716,299	

Overall, total governmental fund expenditures increased by \$4.72mm in 2024. These increases are chiefly due to general inflationary activity and the Town's continued expansion of services and offerings. The Town continues to invest heavily in attracting, retaining, and compensating personnel across all functions and expects to see personnel costs increase in future periods.

At the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$46,337,564, an increase of \$4,413,760 from the prior year. Of this total, \$2,206,962 is restricted due to external limitations on its use such as legal restrictions, or intention of grantors, donors, or trustees. A total of \$16,475,851 for Capital Improvements, \$197,146 for Exterior Energy Offset Programs, \$148,517 for Waste Reduction Programs, \$47,312 for Debt Service, and \$3,615,939 for Community Housing Projects have been committed or assigned meaning there are limitations resulting from its intended use, such as construction of capital assets, community housing, and for other purposes. The remaining \$23,645,837 is unassigned and can be used for any lawful purpose.

General Fund. The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, the unassigned fund balance of the General Fund is \$23,645,837, while total fund balance is \$24,840,837. As a measure of the General Fund's liquidity, it is useful to compare the unassigned fund balance and total fund balance to total fund expenditures and other financing uses. Unassigned fund balance represents 89.17% of total fund expenditures and other financing uses, while total fund balance represents 93.68% of that same amount. The Town has felt it necessary to retain this level of fund balance because of its heavy reliance on sales tax revenues.

The Town's position as a resort community also places a heavy reliance upon several other factors including weather, the national economy, and tourism in general. The Town's fund balance provides the resources necessary to be more adaptable to the short-term financial environment and limits the need for capital financing.

The fund balance of the General Fund increased by \$2,898,938, in 2024. This increase is due primarily to the increases in taxes, licenses and permits, and charges for services realized in 2024 compared to the prior year.

Avon Urban Renewal Fund. At the end of the current fiscal year, the Avon Urban Renewal Fund had an ending fund balance of \$190,257. This amount is restricted for use for urban renewal projects within the Town Center West Urban Renewal Plan Area. Fund balances decreased by \$95,238 in 2024 due to continued payments on tax increment revenue bonds.

Debt Service Fund. The Debt Service Fund has a fund balance at the end of the fiscal year of \$47,312, all of which is assigned for the payment of debt service. Fund balances increased by \$4,\$6,567 in 2024 due to investment earnings.

Capital Projects Fund. The Capital Project Fund has an ending fund balance at the end of the fiscal year of \$16,925,081, an increase of \$1,416,101 from the prior year. Restricted fund balances represent escrowed monies for future asphalt repairs pursuant to a lawsuit settlement in the amount of \$449,230. The remaining amount of \$16,475,851 is committed entirely to capital improvement projects.

Non-major Funds. The aggregate non-major funds have a combined fund balance of \$4,334,077. Fund balances in the aggregate non-major funds increased by \$187,392. This increase was due to receipts of community enhancement funds, water tap fees, short-term rental taxes, and exterior energy offset fees that remained largely unspent by the end of the fiscal year.

General Fund Budgetary Highlights

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

The 2024 budget provided for a merit-based salary increase of 5% in order to establish an adequate budget for salary adjustments. An additional 5% salary adjustment was provided for in order to remain competitive due to lagging behind the Town's peer communities in ending the COVID-19 based salary freezes.

General fund revenues exceeded budgeted amounts by \$973,325 in 2024. Total Recreation Center revenues exceeded budgeted amounts by roughly \$290k due to increased activities. Plan check fees exceeded budgeted amounts by roughly \$435k and building permit fees exceeded budgeted amounts by roughly \$675k due to increased development activity in the Town. These positive variances were offset by deficits in sales tax revenue of roughly \$955k relative to budget and accommodations tax revenue of roughly \$328k relative to budget chiefly due to reduced tourism activity from a lower-than-usual snow year.

General fund expenditures were under budget by \$1,948,949 in 2024 due to conservative budgeting related to special events, public works, and recreation.

A detailed schedule of General Fund revenues and expenditures compared to budget can be found in pages G2-G5 of this report.

Capital Assets and Debt Administration

Capital assets. The Town of Avon's investment in capital assets for its governmental and business-type activities as of December, 31, 2024, amounts to \$85,615,751 (net of accumulated depreciation and outstanding capital-related debt). This investment in capital assets includes land and land improvements, public art, water rights, deed restrictions, construction in progress, buildings, utilities, machinery and equipment, infrastructure, and right-to-use assets (see table below). The total increase in the Town's investment in capital assets for the current fiscal year was \$4,644,249.

The Town continued to prioritize Capital improvement projects during 2024. Notable capital asset events during the fiscal year are as follows:

- The Town upgraded significant portions of its vehicle fleet
- The Town continued to expend funds on improvements and upgrades at the Avon Recreation Center, Nottingham Park upgrades, and reconstruction and upgrades of pedestrian trails
- The Town continued to expend funds on roads and general infrastructure, including asphalt overlay projects, reconstruction and upgrades of roundabouts, manhole repairs, and utility undergrounding
- The Town began construction of a new Public Works garage
- A total of fifty projects were included in Construction in Progress at the end of the fiscal year.

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

	Governmental Activities		Business-type Activities		Total Government	
	2024	2023	2024	2023	2024	2023
Land	11,953,790	11,953,790	411,834	411,834	12,365,624	12,365,624
Public Art	1,391,400	1,391,400	-	-	1,391,400	1,391,400
Water Rights	1,792,959	1,792,959	-	-	1,792,959	1,792,959
Deed Restrictions	3,339,670	2,675,450	-	-	3,339,670	2,675,450
Construction in Progress	9,601,846	2,658,219	-	-	9,601,846	2,658,219
Depreciable Land Improv.	265,905	281,624	-	-	265,905	281,624
Buildings	15,716,352	16,901,779	9,860,424	10,297,062	25,576,776	27,198,841
Utilities	1,781,639	2,012,050	-	-	1,781,639	2,012,050
Mach & Equip	5,583,057	4,920,195	3,681,560	4,092,310	9,264,617	9,012,505
Infrastructure	31,744,218	34,696,383	-	-	31,744,218	34,696,383
Lease Assets - Equipment	126,110	182,459	-	-	126,110	182,459
Subscription Assets	16,257	58,866	-	-	16,257	58,866
Total	83,313,203	79,525,174	13,953,818	14,801,206	97,267,021	94,326,380

Additional information on the Town of Avon's capital assets can be found in Note 4 in section D of this report.

Long-term debt. At the end of the current fiscal year, the Town of Avon had total long-term debt outstanding related to Certificates of Participation, Revenue Bonds, Leases and Subscription liabilities, and Accrued Compensated Absences.

Town of Avon's Outstanding Debt

	Governmental Activities		Business-type Activities		Total Government	
	2024	2023	2024	2023	2024	2023
Revenue Bonds	3,460,256	4,109,123	-	-	3,460,256	4,109,123
Certificates of Participation	6,632,000	7,380,000	1,124,000	1,301,000	7,756,000	8,681,000
Unamortized Bond Premiums	195,712	210,344	-	-	195,712	210,344
Leases Payable	119,989	176,337	40,723	80,087	160,712	256,424
Subscriptions Payable	12,074	56,132	-	-	12,074	56,132
Accrued Compensated Absences	703,066	539,222	52,535	42,509	755,601	581,731
Total	11,123,097	12,471,158	1,217,258	1,423,596	12,340,355	13,894,754

All regular principal payments were made on debt, lease, and subscription liabilities. No new debt was issued in 2024.

The Avon Town Charter limits the amount of general obligation debt the Town may issue to 25% of assessed valuation of all taxable property within the Town, or \$15 million, whichever is greater. The current legal debt margin for the Town is \$79,858,505. The Town has no outstanding general obligation bonds outstanding as of December 31, 2024. Additional information on the Town's long-term debt can be found in Note 5 on Section D of this report.

Economic Factors and Next Year's Budget and Rates

Next Year's Budget Highlights

Compensation:

The Town has transitioned from a step salary system to merit-based salary increases with annual performance evaluations. Performance evaluations are now given on a unified basis in late fall. This common schedule allows us to train supervisors on conducting effective evaluations and gives us the ability to include the cost of salary increase recommendations into the budget before final adoption in December of each year. This 2025 budget provides for an average of 4% merit-based salary increase. Actual salary increases are determined individually based on performance evaluations. The increase is an overall budgetary amount that is estimated to cover the cumulative cost of all salary increases not an indication of individual salary increases.

Personnel Changes: Town Council supported a position in 2025 that would increase staff resources in the following areas:

- Two Additional Police Officers: This position provides additional support to the Police Department. The additional Police Officers salaries will be funded from grant proceeds for 2025.

Construction Use Tax: Effective January 1, 2025, the Town's voters approved a 4% use tax on construction materials. The revenue from the construction use tax will be dedicated to community housing.

Special Events:

The Council's focus for 2025 is to focus on community events that will attract more modest attendance as well as rethink new proposed events that might conflict with other events offered during those time frames. Town staff will continue to work with CASE and Town Council to develop a strategic plan that provides event programming that is robust, provides community and economic benefits and meets budgetary constraints.

Capital Improvements:

The Capital Improvements Plan presents projects staff believes are appropriate for maintaining existing infrastructure. Additionally, it funds new projects identified by Council.

However, there are several potential large expense capital improvements not included in the Capital Projects Long Range Plan as we need more information on costs, as well as Council and community input on prioritizing such improvements.

This list includes the following:

- H.A Nottingham Park Skatepark \$3.5 million
- Recreation Center Upgrades \$5-\$8 million
- Community Housing \$25-\$ million

The Town is actively seeking grant funding for these projects. The CIP fund balance for the next three years is healthy with at least \$4 million. Avon's policy is to keep at least \$1 million in the CIP fund balance, leaving \$3million not yet designated for Capital Projects. Avon also has approximately \$11 million in the General Fund as an unrestricted reserve balance. The Downtown Development Authority was established because additional revenues would be needed just to meet a portion of the community housing needs.

GENERAL FUND:

General Fund expenditures (\$28,862,324) are estimated to exceed estimated appropriated revenues (\$27,812,902) by \$1,049,422. Estimated beginning-of-year fund balances are \$19,210,754 and end-of-year fund balances are projected at \$18,181,322. The Town's budgetary policies require setting aside fund balance reserves of 22% of expenditures for operations and 3% for TABOR emergencies.

General Fund Revenues: Total tax revenues for 2025 are projected to decrease primarily due to over estimating 2024 sales tax. Intergovernmental revenues are projected to decrease by \$180,653 due primarily to state and federal grants. Charges for services is projected to grow by \$235,936, primarily due to continued growth in Avon Recreation Center admissions and programs.

General Fund Expenditures: 2025 personnel cost highlights include a merit-based overall salary cost increase of 4% on January 1. Additionally, we are hiring two new, full-time Police Officers. Overall personnel costs in the General Fund are budgeted to increase by 4% with full-time salaries and wages are increasing by 6% over the final revised 2024 budget.

In addition to reducing operating expenditures, there are a few one-time purchases in the 2025 budget. This included a new report writing software to reduce the time of report writing in allowing Officers more patrol time.

General Fund Reserves: Reserves remained stable in the 2025 budget with a 3% Emergency Reserve required by TABOR (\$865,870); a 22% Minimum Operating Reserve per Budget Policies (\$6,349,711) and a remaining Undesignated amount (\$10,945,751), resulting in a total fund balance of \$18,161,332 a 12% decrease from the original 2024 budget. For 2024, the Minimum Operating Reserves were reduced from 27% to 22% as we strive to find more affordable housing for locals.

Requests for Information

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

Paul Redmond
Chief Finance Officer

TOWN OF AVON, COLORADO

STATEMENT OF NET POSITION DECEMBER 31, 2024

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	32,756,197	1,543,574	34,299,771
Investments	18,098,922	-	18,098,922
Receivables	10,224,589	543,302	10,767,891
Internal Balances	100,000	(100,000)	-
Prepaid Expenses	38,170	175,734	213,904
Inventory	-	681,124	681,124
Restricted Assets - Cash and Cash Equivalents	503,442	-	503,442
Capital Assets Not Being Depreciated/Amortized	28,079,665	411,834	28,491,499
Capital Assets, Net of Accumulated Depreciation/Amortization	55,233,538	13,541,984	68,775,522
Total Assets	145,034,523	16,797,552	161,832,075
DEFERRED OUTFLOW OF RESOURCES			
Deferred Charge on Refunding of Debt	80,097	10,873	90,970
LIABILITIES			
Accounts Payable	762,991	484,090	1,247,081
Accrued Liabilities	192,687	131,828	324,515
Retainages Payable	146,614	-	146,614
Accrued Interest Payable	23,081	1,517	24,598
Deposits and Reserves	2,001,295	-	2,001,295
Unearned Revenues	371,881	-	371,881
Noncurrent Liabilities:			
Due Within One Year	1,695,112	273,258	1,968,370
Due In More Than One Year	9,427,985	944,000	10,371,985
Total Liabilities	14,621,646	1,834,693	16,456,339
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	2,908,568	69,485	2,978,053
NET POSITION			
Net Investment in Capital Assets	72,826,656	12,789,095	85,615,751
Restricted For:			
Emergencies	1,195,000	-	1,195,000
Capital Improvements	449,230	-	449,230
Urban Renewal	190,257	-	190,257
Downtown Development	43,767	-	43,767
Purposes of Grantors	4,381,389	-	4,381,389
Unrestricted	48,498,107	2,115,152	50,613,259
Total Net Position	127,584,406	14,904,247	142,488,653

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

TOWN OF AVON, COLORADO

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
General Government	9,206,664	1,176,213	61,868	-	(7,968,583)	-	(7,968,583)
Community Development	1,270,522	585,337	1,683,440	-	998,255	-	998,255
Public Safety	6,416,591	50,144	40,141	-	(6,326,306)	-	(6,326,306)
Public Works and Utilities	11,834,149	1,444,420	-	852,139	(9,537,590)	-	(9,537,590)
Recreation	3,427,244	2,025,521	-	73,445	(1,328,278)	-	(1,328,278)
Interest on Long-term Debt	303,666	-	-	-	(303,666)	-	(303,666)
Total Governmental Activities	32,458,836	5,281,635	1,785,449	925,584	(24,466,168)	-	(24,466,168)
Business-type Activities:							
Mobility	3,465,348	504,656	338,398	-	-	(2,622,294)	(2,622,294)
Fleet Maintenance	2,675,265	2,833,337	-	-	-	158,072	158,072
Total Business-type Activities	6,140,613	3,337,993	338,398	-	-	(2,464,222)	(2,464,222)
Total Primary Government	38,599,449	8,619,628	2,123,847	925,584	(24,466,168)	(2,464,222)	(26,930,390)
General Revenues and Transfers:							
Property Taxes					5,659,627	73,037	5,732,664
Real Estate Transfer Taxes					7,980,409	-	7,980,409
Sales and Accommodation Taxes					15,592,383	-	15,592,383
Other Taxes					2,019,273	-	2,019,273
Unrestricted Investment Earnings					2,663,857	-	2,663,857
Grants and Contributions Not Restricted to Specific Programs					2,164,618	-	2,164,618
Miscellaneous					690,082	38,673	728,755
Transfers					(2,048,002)	2,048,002	-
Total General Revenues and Transfers					34,722,247	2,159,712	36,881,959
Increase (Decrease) in Net Position					10,256,079	(304,510)	9,951,569
Net Position - Beginning of Year					117,328,327	15,208,757	132,537,084
Net Position - End of Year					127,584,406	14,904,247	142,488,653

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

TOWN OF AVON, COLORADO

BALANCE SHEET GOVERNMENTAL FUNDS DECEMBER 31, 2024

	General Fund	Avon Urban Renewal Fund	Debt Service Fund	Capital Projects Fund	Total Nonmajor Funds	Total
ASSETS						
Cash and Cash Equivalents	13,592,410	123,096	42,659	7,727,600	4,068,406	25,554,171
Investments	10,821,724	-	-	9,010,564	-	19,832,288
Receivables:						
- Interest	24,703	-	-	7,722	-	32,425
- Accounts	46,600	15,644	-	-	33,358	95,602
- Taxes	6,145,797	-	-	159,725	251,788	6,557,310
- Intergovernmental	682	1,958	-	-	5,630	8,270
Prepaid Items	38,170	-	-	-	-	38,170
Due from (to) Other Funds	100,000	-	-	-	-	100,000
Restricted Assets - Cash and Cash Equivalents	-	49,559	4,653	449,230	-	503,442
Total Assets	30,770,086	190,257	47,312	17,354,841	4,359,182	52,721,678
LIABILITIES						
Accounts Payable	502,100	-	-	237,464	23,505	763,069
Accrued Liabilities	192,687	-	-	-	-	192,687
Retainages Payable	-	-	-	146,614	-	146,614
Unearned Revenue	326,199	-	-	45,682	-	371,881
Deposits and Reserves	1,999,695	-	-	-	1,600	2,001,295
Total Liabilities	3,020,681	-	-	429,760	25,105	3,475,546
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue - Property Taxes	2,908,568	-	-	-	-	2,908,568
Total Deferred Inflows of Resources	2,908,568	-	-	-	-	2,908,568
FUND BALANCES						
Restricted For:						
Emergencies	1,195,000	-	-	-	-	1,195,000
Water Projects	-	-	-	-	5,630	5,630
Community Enhancement	-	-	-	-	323,078	323,078
Capital Improvements	-	-	-	449,230	-	449,230
Urban Renewal Projects	-	190,257	-	-	-	190,257
Downtown development projects	-	-	-	-	43,767	43,767
Committed For:						
Capital Improvements	-	-	-	16,475,851	-	16,475,851
Exterior Energy Offset Programs	-	-	-	-	197,146	197,146
Waste Reduction Programs	-	-	-	-	148,517	148,517
Assigned For:						
Debt Service	-	-	47,312	-	-	47,312
Community Housing	-	-	-	-	3,615,939	3,615,939
Unassigned	23,645,837	-	-	-	-	23,645,837
Total Fund Balances	24,840,837	190,257	47,312	16,925,081	4,334,077	46,337,564
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	30,770,086	190,257	47,312	17,354,841	4,359,182	52,721,678

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

**RECONCILIATION OF TOTAL GOVERNMENTAL
FUND BALANCE TO NET POSITION OF
GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2024**

Total Governmental Fund Balances	46,337,564
----------------------------------	------------

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

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

- Capital assets	163,276,451
- Accumulated depreciation / amortization	(85,546,302)
	77,730,149

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

- Tax Increment Revenue Bonds payable	(3,460,256)
- Certificates of Participation payable	(6,632,000)
- Unamortized bond premium	(195,712)
- Lease liability	(119,989)
- SBITA liability	(12,074)
- Compensated absences payable	(703,066)
	(11,123,097)

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

3,522,309

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

- Deferred Charge on Refunding of Debt	80,097
--	--------

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

(23,081)

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

11,060,465

Net Position of Governmental Activities

127,584,406

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

TOWN OF AVON, COLORADO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2024

	General Fund	Avon Urban Renewal Fund	Debt Service Fund	Capital Projects Fund	Total Nonmajor Funds	Total
Revenues						
Taxes	20,835,547	2,475,396	-	7,980,409	1,043,504	32,334,856
Licenses and Permits	1,251,817	-	-	-	18,264	1,270,081
Intergovernmental	1,388,114	-	-	1,683,440	61,868	3,133,422
Charges for Services	2,666,094	-	-	-	232,664	2,898,758
Fines and Forfeitures	86,854	-	-	-	-	86,854
Investment Earnings	2,032,253	2,552	173	455,390	-	2,490,368
Other Revenues	536,845	-	-	749	172,838	710,432
Total Revenues	28,797,524	2,477,948	173	10,119,988	1,529,138	42,924,771
Expenditures						
Current:						
General Government	7,514,717	74,076	-	-	1,011,209	8,600,002
Community Development	1,202,610	-	-	-	46,019	1,248,629
Public Safety	6,341,901	-	-	-	-	6,341,901
Public Works and Utilities	7,095,452	-	-	-	91,534	7,186,986
Recreation	2,707,393	-	-	-	-	2,707,393
Capital Improvements	-	-	-	7,717,200	245,893	7,963,093
Debt Service:						
Principal	-	648,867	748,000	56,348	-	1,453,215
Interest	-	99,843	203,974	1,279	-	305,096
Fiscal Charges	-	400	3,756	-	-	4,156
Total Expenditures	24,862,073	823,186	955,730	7,774,827	1,394,655	35,810,471
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,935,451	1,654,762	(955,557)	2,345,161	134,483	7,114,300
Other Financing Sources (Uses)						
Transfers In	618,487	-	962,124	2,350,000	652,909	4,583,520
Transfers Out	(1,655,000)	(1,750,000)	-	(3,279,060)	(600,000)	(7,284,060)
Total Other Financing Sources (Uses)	(1,036,513)	(1,750,000)	962,124	(929,060)	52,909	(2,700,540)
Net Change in Fund Balances	2,898,938	(95,238)	6,567	1,416,101	187,392	4,413,760
Fund Balances, Beginning of Year	21,941,899	285,495	40,745	15,508,980	4,146,685	41,923,804
Fund Balances, End of year	24,840,837	190,257	47,312	16,925,081	4,334,077	46,337,564

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

**RECONCILIATION OF THE STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024**

Net change in fund balances - Total Governmental Funds 4,413,760

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

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

- Capital outlay	7,607,847
- Depreciation / Amortization	<u>(4,482,679)</u>
	<u>3,125,168</u>

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

- Change in compensated absences payable	(163,842)
- Amortization of bond premium and deferred change on refunding	1,829
	<u>(162,013)</u>

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds.

Neither transaction has any effect on net position.

- Repayment of Tax Increment Revenue Bonds	648,867
- Repayment of Certificates of Participation	748,000
- Repayment of Lease liability	56,349
- Repayment of SBITA liability	44,058
	<u>1,497,274</u>

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

1,381,890

Change in Net Position of Governmental Activities

10,256,079

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

TOWN OF AVON, COLORADO

STATEMENT OF NET POSITION PROPRIETARY FUNDS DECEMBER 31, 2024

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Mobility Fund	Fleet Maintenance Fund	Totals	
ASSETS				
Current Assets:				
Cash and Cash Equivalents	829,041	714,533	1,543,574	2,102,329
Investments	-	-	-	3,375,475
Receivables:				
- Taxes	69,801	-	69,801	-
- Accounts	89,868	383,633	473,501	-
Due from (to) Other Funds	-	(100,000)	(100,000)	-
Prepaid Expense	172,904	2,830	175,734	-
Inventory	-	681,124	681,124	-
Total Current Assets	1,161,614	1,682,120	2,843,734	5,477,804
Noncurrent Assets:				
Capital Assets:				
- Land	281,450	130,384	411,834	-
- Buildings	11,720,946	5,639,286	17,360,232	-
- Machinery and Equipment	6,325,736	385,679	6,711,415	11,063,991
- Accumulated Depreciation	(6,576,184)	(3,953,479)	(10,529,663)	(5,480,937)
Total Noncurrent Assets	11,751,948	2,201,870	13,953,818	5,583,054
Total Assets	12,913,562	3,883,990	16,797,552	11,060,858
DEFERRED OUTFLOW OF RESOURCES				
Deferred Charge on Refunding of Debt	-	10,873	10,873	-
Total Deferred Outflow of Resources	-	10,873	10,873	-
LIABILITIES				
Current Liabilities:				
Accounts Payable	258,152	225,936	484,088	393
Accrued Liabilities	11,239	120,589	131,828	-
Accrued Interest Payable	-	1,517	1,517	-
Compensated Absences Payable	21,927	30,608	52,535	-
Certificates of Participation - Current	-	180,000	180,000	-
Leases Payable - Current	40,723	-	40,723	-
Total Current Liabilities	332,041	558,650	890,691	393
Noncurrent Liabilities:				
Certificates of Participation	-	944,000	944,000	-
Total Noncurrent Liabilities	-	944,000	944,000	-
Total Liabilities	332,041	1,502,650	1,834,691	393
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	69,485	-	69,485	-
Total Deferred Inflows of Resources	69,485	-	69,485	-
NET POSITION				
Net Investment in Capital Assets	11,711,224	1,077,871	12,789,095	5,583,054
Unrestricted	800,812	1,314,342	2,115,154	5,477,411
Total Net Position	12,512,036	2,392,213	14,904,249	11,060,465

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

TOWN OF AVON, COLORADO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION PROPRIETARY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2024

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Mobility Fund	Fleet Maintenance Fund	Totals	
Operating Revenues:				
Charges for Services	504,656	2,833,337	3,337,993	1,203,761
Other Operating Revenues	54,279	17,728	72,007	-
Total Operating Revenues	558,935	2,851,065	3,410,000	1,203,761
Operating Expenses:				
Cost of Operations	2,726,912	2,511,089	5,238,001	25,679
Depreciation and Amortization	738,436	146,461	884,897	1,083,115
Total Operating Expenses	3,465,348	2,657,550	6,122,898	1,108,794
Operating Income (Loss)	(2,906,413)	193,515	(2,712,898)	94,967
Nonoperating Revenues (Expenses):				
Taxes	73,037	-	73,037	-
Operating Grants	338,398	-	338,398	-
Investment Earnings	-	-	-	173,490
Gain (Loss) on Disposal of Capital Assets	(33,333)	-	(33,333)	75,600
Interest Expense	-	(17,714)	(17,714)	-
Total Nonoperating Revenues (Expenses)	378,102	(17,714)	360,388	249,090
Income (Loss) Before Contributions and Transfers	(2,528,311)	175,801	(2,352,510)	344,057
Capital Contributions and Transfers				
Contributed Capital In (Out)	-	-	-	385,295
Transfers In (Out)	1,700,000	348,002	2,048,002	652,538
Total Capital Contributions and Transfers	1,700,000	348,002	2,048,002	1,037,833
Change in Net Position	(828,311)	523,803	(304,508)	1,381,890
Net Position, Beginning of Year	13,340,347	1,868,410	15,208,757	9,678,575
Net Position, End of Year	12,512,036	2,392,213	14,904,249	11,060,465

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

TOWN OF AVON, COLORADO

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2024

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Mobility Fund	Fleet Maintenance Fund	Totals	
Cash Flows From Operating Activities				
Cash Received from Customers and Users	414,788	1,626,546	2,041,334	-
Cash Received from Interfund Services Provided	-	1,104,351	1,104,351	1,203,761
Cash Payments to Suppliers	(1,092,357)	(1,496,837)	(2,589,194)	(258,936)
Cash Payments to Employees	(1,325,559)	(957,869)	(2,283,428)	-
Cash Payments for Interfund Services Used	(317,838)	(33,244)	(351,082)	-
Cash Received from Other Operating Activities	54,279	17,728	72,007	-
Net Cash Provided by (Used in) Operating Activities	(2,266,687)	260,675	(2,006,012)	944,825
Cash Flows From Noncapital Financing Activities				
Taxes Received	72,721	-	72,721	-
Grants Received	1,207,476	-	1,207,476	-
Transfers In (Out) from Other Funds	1,700,000	348,002	2,048,002	652,538
Net Cash Provided by Noncapital Financing Activities	2,980,197	348,002	3,328,199	652,538
Cash Flows From Capital Financing Activities				
Acquisition and Construction of Capital Assets	-	(70,842)	(70,842)	(1,388,227)
Sales of Capital Assets	-	-	-	103,148
Interest Paid on long-term debt and leases	-	(16,001)	(16,001)	-
Principal Paid on long-term debt and leases	(39,364)	(177,000)	(216,364)	(54,441)
Net Cash Used in Capital Financing Activities	(39,364)	(263,843)	(303,207)	(1,339,520)
Cash Flows From Investing Activities				
Acquisition Net of Maturities	-	-	-	(173,490)
Investment Earnings	-	-	-	173,490
Net Cash Used in Investing Activities	-	-	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	674,146	344,834	1,018,980	257,843
Cash and Cash Equivalents, Beginning of Year	154,895	369,699	524,594	1,844,486
Cash and Cash Equivalents, End of Year	829,041	714,533	1,543,574	2,102,329
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES				
Operating Income (Loss)	(2,906,413)	193,515	(2,712,898)	94,967
Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used in) Operating Activities				
Depreciation and Amortization	738,436	146,461	884,897	1,083,115
Change in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	(89,868)	(102,440)	(192,308)	-
(Increase) Decrease in Deferred Expense	50,707	(2,830)	47,877	-
(Increase) Decrease in Inventory	-	(122,070)	(122,070)	-
Increase (Decrease) in Accounts Payable	(35,006)	51,516	16,510	(233,257)
Increase (Decrease) in Accrued Liabilities	(29,464)	91,418	61,954	-
Increase (Decrease) in Compensated Absences	4,921	5,105	10,026	-
Total Adjustments	639,726	67,160	706,886	849,858
Net Cash Provided by (Used in) Operating Activities	(2,266,687)	260,675	(2,006,012)	944,825
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES				
Noncash Transactions Affecting Financial Position				
Contributions of Capital Assets from Governmental Activities	-	-	-	385,295
Total	-	-	-	385,295

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

TOWN OF AVON, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2024

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

Note 1. Summary of Significant Accounting Policies

A. Financial Reporting Entity

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

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

The Town’s blended component units are –

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

Avon General Improvement District No. 1 – The Town of Avon General Improvement District No. 1 was organized on August 28, 2007, by adoption of Ordinance No. 07-07. The services to be provided within and for the District include transportation and recreation services and include the property known as Lots 1 and 2 of the final plat of the Chateau St. Claire subdivision, now commonly known as the Ascent. The members of the Avon Town Council constitute the Board of the District. The District levies a property tax to be used for transportation operations. Because the governing body of the District is substantively the same as the Town and there is a financial benefit between the District and the Town, for financial reporting purposes the District is blended into the Town’s financial statements and is reported in the Mobility enterprise fund as a blended component unit. Separate budgets and financial statements of the District are not adopted or issued.

Avon Downtown Development Authority The Town of Avon Downtown Development Authority (“DDA”) was organized on September 26, 2023, by adoption of Ordinance No. 23-02, for the purpose of undertaking community housing projects and additional public improvements. The boundaries of the DDA encompass the West Town Center, East Town Center, and the valley floor area of the Village at Avon. The bylaws of the DDA provide that at least one member of the Avon Town Council must be a board member and that the Town Manager serves as the Executive Director. While the DDA is a separate legal entity, for financial reporting purposes it is

TOWN OF AVON, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2024

blended with the Town's financial statements and is reported in a special revenue fund as a blended component unit. The Town accounts for the collection of tax increment property tax revenues and maintains all accounting records. A separate budget is adopted by the DDA Commissioners.

B. Government-wide and Fund Financial Statements

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

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

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

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

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

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

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

TOWN OF AVON, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2024

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

The Town's major governmental funds are:

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of all the Town's enterprise and internal service funds are charges to customers for sales and services. Operating expenses for enterprise and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Town's major proprietary funds are:

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

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

D. Budget Information

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

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

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

TOWN OF AVON, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2024

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

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

Restricted Assets. Restricted assets in the amount of \$503,442 are reported in the Capital Projects Fund, Urban Renewal Fund, and Debt Service Fund. This consists of an escrow account with FirstBank for accumulating funds for asphalt overlay in the Village at Avon pursuant to the Town's lawsuit settlement agreement with Traer Creek Metropolitan District and the developer, as well as restricted accounts for Urban Renewal projects and Debt Service payments.

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

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

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

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

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

Deferred inflows of resources represent an acquisition of net assets that applies to future periods that will not be recognized as an inflow of resources (revenue) until that time. The Town has one item that qualifies for reporting in this category: unavailable revenue. *Unavailable revenue* is reported in the government-wide and proprietary fund statement of net position and in the governmental funds balance sheet. The Town reports *unavailable revenue* from one source: property taxes: *unavailable revenue – property taxes* is reported in the government-wide and proprietary funds statement of net position and in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

TOWN OF AVON, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2024

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

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds are reported as debt service expenditures.

F. Property Taxes

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

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

G. Compensated Absences

It is the Town's policy to permit employees to accumulate earned but unused personal time off (a combination of vacation and holidays) and sick pay benefits. The Town estimates how much of accrued leave is more likely than not to be used or paid out in future periods and recognizes that portion as a liability for compensated absences. The liability for compensated absences is reported as a non-current liability in the government-wide financial statements. The current portion of this liability is estimated based on historical trends. Proprietary funds report the total compensated absence liability in each individual fund at the fund reporting level. Governmental funds report the compensated absence liability at the fund reporting level only if it has matured, for example, as a result of employee resignations and retirements.

H. Fund Equity

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

- Nonspendable fund balance – amounts that are not in a spendable form (such as inventory or prepaid charges) or are required to be maintained intact;
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority. In Avon's case this is an ordinance adopted by the Town Council. To

TOWN OF AVON, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2024

be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint;

- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or an official or body to which the governing body delegates the authority. As a general rule, assigned fund balances are established through the budget adoption process by the Town Council.
- Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

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

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

I. Statements of Cash Flows

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

J. Debt Costs

Unamortized premiums of \$195,712 are reflected in noncurrent liabilities. Premiums are amortized over the remaining lives of the related debt issues using the effective interest method.

Note 2. Legal Compliance – Budgets

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

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

Expenditures may not legally exceed budgeted appropriations at the fund level. Budgetary comparisons in the accompanying combined financial statements and in the individual fund statements are presented at a lower-than-required level of control to facilitate detailed financial analysis. The Urban Renewal Authority and Fleet Maintenance Fund expenditures exceeded budgeted appropriations during 2024. This may be a violation of Colorado budget law.

TOWN OF AVON, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2024

Note 3. Cash and Investments

Cash and investments as of December 31, 2024 are classified in the accompanying financial statements as follows:

Cash and cash equivalents - unrestricted	34,299,771
Investments	18,098,922
Restricted assets - cash and cash equivalents	503,442
Total	<u>52,902,135</u>

Cash and investments as of December 31, 2024, are classified as follows:

Petty cash	4,925
Demand deposits	4,869,652
Other deposits with financial institutions	503,442
Local government investment pools	40,664,884
Investments	6,859,232
Total	<u>52,902,135</u>

Investments Authorized by the Town of Avon Investment Policy

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

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

Fair Value of Investments

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

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs.

TOWN OF AVON, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2024

At December 31, 2024, the Town had the following recurring fair value measurements:

<u>Investments Measured at Fair Value</u>	Total	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
U.S. Government Treasury Securities	6,859,232	6,859,232	-	-
Colotrust Edge	14,627,059	14,627,059	-	-
Total	21,486,291	21,486,291	-	-

<u>Investments Measured at Net Asset Value</u>	Total
Colotrust Plus	26,037,825

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

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

At December 31, 2024 unrealized losses were \$2,598 which reflects changes in the fair market value of investments.

Interest Rate Risk

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

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

		Weighted Average Maturity (in years)
U.S. Government Treasury Securities	6,859,232	1.413
Colotrust Edge	14,627,059	N/A
	21,486,291	

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating, as required by the Town's investment policy, for investments of the Town as of December 31, 2024.

TOWN OF AVON, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2024

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

Concentration of Credit Risk

Except for commercial paper investments, the investment policy of the Town contains no limitations on the amount that can be invested in any one issuer. Commercial paper issuers are limited to no more than 5% of the Town's portfolio. The Town had no direct investments in commercial paper at December 31, 2024.

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

Custodial Credit Risk

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

The Town's deposits are entirely covered by federal depository insurance ("FDIC") or by collateral held under Colorado's Public Deposit Protection Act ("PDPA"). The FDIC insures the first \$250,000 of the Town's deposits at each financial institution. Deposit balances over \$250,000 are collateralized as required by PDPA. The Colorado Public Deposit Protection Act (PDPA) requires that cash be deposited in eligible public depositories and that deposits in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds with the Town being a named participant in the single institution collateral pool. The minimum pledging requirement is 102% of the uninsured deposits. The Colorado State Banking Board verifies the market value at least monthly. Bank assets (usually securities) are required by PDPA to be delivered to a third-party institution for safekeeping and pledged to the Colorado Division of Banking. Based on the above, the Colorado State Auditor has concluded that there is no custodial risk for public deposits collateralized under PDPA. The carrying amount of the Town's demand deposits was \$6,436,548 at year end.

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

Local Government Investment Pools

Local government investment pools are trusts established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the

TOWN OF AVON, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2024

trusts. A designated custodial bank serves as custodian pursuant to a custodian agreement. The custodian acts as safekeeping agent for the trusts' investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the trusts.

The Town of Avon invests its surplus funds in the Colorado Local Government Liquid Asset Trust's Colotrust Plus+ and Colotrust Edge funds. The Plus+ fund may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities as well as in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. The Plus+ fund is a stable \$1.00 net asset value (NAV) fund that offers daily liquidity. At December 31, 2024, the Town's investment in Colotrust Plus+ was 49.22% of the Town's investment portfolio. The Edge fund is an enhanced cash, variable rate NAV fund that is managed to approximate a \$10.00 per share and offers weekly liquidity. As of December 31, 2024, the Town's investment in Colotrust Edge was 35.97% of the Town's investment portfolio.

THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK

TOWN OF AVON, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2024

Note 4. Capital Assets

Capital asset activity for the year ended December 31, 2024 was as follows:

	01/01/24 Balance	Increases	Decreases	12/31/24 Balance
Governmental Activities:				
<i>Capital assets not being depreciated/amortized:</i>				
Land and land improvements	11,953,790	-	-	11,953,790
Public art	1,391,400	-	-	1,391,400
Water rights	1,792,959	-	-	1,792,959
Deed restrictions	2,675,450	664,220	-	3,339,670
Construction in progress	2,658,219	6,943,627	-	9,601,846
<i>Total capital assets not being depreciated/amortized:</i>	<u>20,471,818</u>	<u>7,607,847</u>	<u>-</u>	<u>28,079,665</u>
<i>Capital assets being depreciated/amortized:</i>				
Depreciable land improvements	505,242	-	-	505,242
Buildings	30,411,000	-	-	30,411,000
Utilities	4,823,613	-	-	4,823,613
Machinery and equipment	9,610,738	1,773,521	(320,269)	11,063,990
Infrastructure	99,044,187	-	-	99,044,187
Right-to-use lease asset - equipment	311,268	-	-	311,268
Subscription asset	101,475	-	-	101,475
<i>Total capital assets being depreciated/amortized:</i>	<u>144,807,523</u>	<u>1,773,521</u>	<u>(320,269)</u>	<u>146,260,775</u>
<i>Less accumulated depreciation/amortization:</i>				
Depreciable land improvements	(223,618)	(15,719)	-	(239,337)
Buildings	(13,509,221)	(1,185,427)	-	(14,694,648)
Utilities	(2,811,563)	(230,411)	-	(3,041,974)
Machinery and equipment	(4,690,543)	(1,083,111)	292,721	(5,480,933)
Infrastructure	(64,347,804)	(2,952,165)	-	(67,299,969)
Right-to-use lease asset - equipment	(128,809)	(56,349)	-	(185,158)
Subscription asset	(42,609)	(42,609)	-	(85,218)
<i>Total accumulated depreciation/amortization:</i>	<u>(85,754,167)</u>	<u>(5,565,791)</u>	<u>292,721</u>	<u>(91,027,237)</u>
<i>Total capital assets being depreciated/amortized, net</i>	<u>59,053,356</u>	<u>(3,792,270)</u>	<u>(27,548)</u>	<u>55,233,538</u>
<i>Governmental capital assets, net</i>	<u>79,525,174</u>	<u>3,815,577</u>	<u>(27,548)</u>	<u>83,313,203</u>

TOWN OF AVON, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2024

	01/01/24 Balance	Increases	Decreases	12/31/24 Balance
Business-type Activities:				
<i>Capital assets not being depreciated:</i>				
Land and land improvements	411,834	-	-	411,834
<i>Total capital assets not being depreciated:</i>	411,834	-	-	411,834
<i>Capital assets being depreciated:</i>				
Buildings	17,360,232	-	-	17,360,232
Machinery and equipment	7,173,204	70,843	(532,632)	6,711,415
<i>Total capital assets being depreciated:</i>	24,533,436	70,843	(532,632)	24,071,647
<i>Less accumulated depreciation:</i>				
Buildings	(7,063,170)	(436,638)	-	(7,499,808)
Machinery and equipment	(3,080,894)	(448,260)	499,299	(3,029,855)
<i>Total accumulated depreciation:</i>	(10,144,064)	(884,898)	499,299	(10,529,663)
<i>Total capital assets being depreciated, net</i>	14,389,372	(814,055)	(33,333)	13,541,984
<i>Business-type capital assets, net</i>	14,801,206	(814,055)	(33,333)	13,953,818

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

Governmental activities:	
General government	622,021
Public safety	243,609
Public works and utilities, including general infrastructure assets	4,028,245
Recreation	671,916
Total depreciation/amortization expense - governmental activities	<u>5,565,791</u>
Business-type activities:	
Transportation	738,437
Fleet maintenance	146,461
Total depreciation expense, business type activities:	<u>884,898</u>

TOWN OF AVON, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2024

Note 5. Leases

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

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

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

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

During the year ended December 31, 2024, the Town did not enter into any new long-term lease agreement as the lessee for the acquisition and use of equipment. As of December 31, 2024, the value of the lease liabilities were \$160,712. The Town is required to make annual principal and interest payments ranging from \$22,000 to \$32,112. The Town's outstanding leases have interest rates of 0.69% to 3.39%. The value of the right-to-use lease assets as of the end of the current fiscal year were \$311,268 and had accumulated amortization of \$185,158. The future principal and interest payments as of December 31, 2024, were as follows:

Year Ended December 31,	Governmental Activities		
	Principal	Interest	Total
2025	57,193	1,787	58,980
2026	62,796	910	63,706
	<u>119,989</u>	<u>2,697</u>	<u>122,686</u>

Year Ended December 31,	Business-Type Activities		
	Principal	Interest	Total
2025	40,723	1,038	41,761
	<u>40,723</u>	<u>1,038</u>	<u>41,761</u>

Note 6. Subscription-Based Information Technology Agreements

Subscription Assets. The Town is lessee for noncancellable leases of various subscription-based IT agreements ("SBITA's"). The Town recognizes a lease liability and an intangible right-to-use lease asset. The Town recognizes lease liabilities with an initial, individual value of \$5,000 or more.

TOWN OF AVON, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2024

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

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

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

During the year ended December 31, 2024, the Town did not enter into any new subscription agreements. As of December 31, 2024, the value of the subscription liabilities was \$12,074. The Town is required to make annual payments ranging from \$5,000 to \$7,191. The subscriptions have an interest rate ranging from 0.321% to 3.238%. The value of the right-to-use subscription assets as of the end of the current fiscal year was \$101,475 and had accumulated amortization of \$85,218. The future principal and interest payments as of December 31, 2024, were as follows:

Year Ended December 31,	Governmental Activities		
	Principal	Interest	Total
2025	12,074	117	12,191
	12,074	117	12,191

Note 7. Long-term Debt

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

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

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

The 2017 Bonds and the 2020 Loan constitute a pledge of, and an irrevocable first lien (but not an exclusive first lien), on all pledged revenues. Pledged revenues include the portion of the ad valorem proprietary taxes produced by the levies at the rates fixed each year by the governing bodies of the various taxing jurisdictions within the Urban Renewal Project Area. The levies are assessed upon that portion of the valuation for assessment of all

TOWN OF AVON, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2024

taxable property in excess of a defined property tax base amount. The pledged revenues are reduced by a) any County collection fee (b) tax increment revenues required to be remitted by the Authority to the Confluence Metropolitan District pursuant to the Avon Station/Confluence IGA; and (c) ad valorem property taxes produced by a mill levy of any special district formed after May 28, 2009. Revenue bonds and loans outstanding at December 31, 2024, are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
General Government - Avon Urban Renewal Authority	2.11% - 2.90%	3,460,256

Annual debt service requirements to maturity for revenue bonds outstanding at December 31, 2024, are as follows:

<u>Year Ended</u> <u>December 31,</u>	<u>Avon Urban Renewal Authority</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	664,728	84,466	749,194
2026	679,761	68,705	748,466
2027	695,974	52,575	748,549
2028	712,372	36,050	748,422
2029	228,958	19,124	248,082
2030-2031	478,463	17,704	496,167
	<u>3,460,256</u>	<u>278,624</u>	<u>3,738,880</u>

Certificates of Participation. On November 16, 2010, the Town issued \$6,680,000 of Series 2010 Certificates of Participation with interest rates of 2% to 5%. The Certificates evidence a proportionate interest in the base rentals and other revenues under an annually renewable lease purchase agreement dated as of November 1, 2010, between UMB Bank, solely in its capacity as trustee under the Indenture, as lessor, and the Town of Avon, as lessee. These Certificates were used to refund the outstanding 1998 Certificates of Participation in the aggregate principal amount of \$3,990,000. The refunding resulted in an economic gain of \$43,298 with a cash flow savings of \$904,642. The remaining funds from the 2010 Certificates were used as matching funds for the construction of the Avon Regional Transit Facility, which was completed and placed into service in October 2013.

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

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

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

TOWN OF AVON, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2024

Certificates of Participation outstanding at December 31, 2024, are as follows:

Purpose	Interest Rates	Amount
General Government - Refunding and Capital	1.23% - 4.0%	7,756,000

Annual debt service requirements to maturity for Certificates of Participation outstanding at December 31, 2024, are as follows:

Year Ended December 31,	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2025	770,000	184,605	954,605	180,000	13,825	193,825
2026	784,000	167,720	951,720	184,000	11,611	195,611
2027	802,000	150,534	952,534	187,000	9,348	196,348
2028	830,000	126,308	956,308	189,000	7,048	196,048
2029	852,000	101,143	953,143	191,000	4,723	195,723
2030-2034	2,164,000	246,918	2,410,918	193,000	2,374	195,374
2035	430,000	12,900	442,900	-	-	-
	<u>6,632,000</u>	<u>990,128</u>	<u>7,622,128</u>	<u>1,124,000</u>	<u>48,929</u>	<u>1,172,929</u>

Changes in Long-term Liabilities. Long-term liability activity for the year ended December 31, 2024, was as follows:

	01/01/24 Balance	Increases	Decreases	12/31/24 Balance	Due Within One Year
Governmental Activities:					
<i>Bonds Payable:</i>					
Revenue Bonds	4,109,123	-	(648,867)	3,460,256	664,728
Certificates of Participation	7,380,000	-	(748,000)	6,632,000	770,000
Bond Premiums	210,344	-	(14,632)	195,712	15,350
<i>Total Bonds Payable</i>	<u>11,699,467</u>	<u>-</u>	<u>(1,411,499)</u>	<u>10,287,968</u>	<u>1,450,078</u>
Leases Payable	176,337	-	(56,348)	119,989	57,193
Subscription Liabilities	56,132	-	(44,058)	12,074	12,074
Compensated Absences *	539,222	163,844	-	703,066	175,767
<i>Total Long-term Liabilities</i>	<u>12,471,158</u>	<u>163,844</u>	<u>(1,511,905)</u>	<u>11,123,097</u>	<u>1,695,112</u>
Business-Type Activities:					
Certificates of Participation	1,301,000	-	(177,000)	1,124,000	180,000
<i>Total Bonds Payable</i>	<u>1,301,000</u>	<u>-</u>	<u>(177,000)</u>	<u>1,124,000</u>	<u>180,000</u>
Leases Payable	80,087	-	(39,364)	40,723	40,723
Compensated Absences *	42,509	10,026	-	52,535	52,535
<i>Total Long-term Liabilities</i>	<u>1,423,596</u>	<u>10,026</u>	<u>(216,364)</u>	<u>1,217,258</u>	<u>273,258</u>

* The change in compensated absences is presented as a net change.

The compensated absence liability will be paid from the following funds from which the employees' salaries are paid: General Fund, Water Fund, Mobility Fund, and Fleet Maintenance Fund.

TOWN OF AVON, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2024

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

Eaglebend Dowd Affordable Housing Corporation. The Eaglebend Dowd Affordable Housing Corporation (Dowd) was formed on March 24, 1998, to help provide affordable housing within Eagle County. Dowd operates a 50-unit apartment project within Eagle County. The Town approved the formation and the issuance of the revenue bonds to finance the project and will obtain full legal title to the land, buildings, and equipment upon payment in full of the bonds. As of December 31, 2024, Dowd had a net asset deficit of \$5.42mm.

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

Accordingly, the PFA issued Series 2022 Refunding Revenue Bonds do not constitute conduit debt of the Town, nor are the bonds reported as liabilities in the accompanying general purpose financial statements. As of December 31, 2024, the Town has no conduit debt obligations outstanding.

Defeased Debt. Certain other bonds previously issued by the Town have been defeased by the issuance of refunding bonds. As of December 31, 2024, there are no amounts outstanding on any refunded bonds.

Note 8. Employee Retirement Plans

Full-time Employees. The Town maintains two single-employer, defined contribution pension plans for full-time employees: (1) the Town of Avon Police Officers Money Purchase Pension Plan of which there are 25 participants, and (2) the Town of Avon General Employee Money Purchase Pension Plan of which there are 128 participants as of December 31, 2024. Plan administration and recordkeeping of these plans is provided by The Principal Financial Group.

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

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

Employees hired prior to September 30, 1990, become vested in accordance with a vesting schedule which is dependent on the type of employee and hire date. All employees hired after September 30, 1990, start partial vesting after two years of service and are fully vested after five years of service. In addition, if an employee

TOWN OF AVON, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2024

reaches normal retirement age, dies, or becomes totally and permanently disabled his account becomes fully vested regardless of length of service. Forfeitures by employees who leave employment before being fully vested are applied, first, to offset administrative expenses of the plans, and second, to reduce matching employer contributions. Forfeitures totaling \$283,631 were used in 2024 for administrative expenses. No forfeitures were used to reduce matching employer contributions. Contributions made by employees and the Town for the three years ended December 31, 2024, are as follows:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Employee Contributions	1,144,314	1,038,814	883,828
Town Contributions	1,144,314	1,038,814	883,828

Both the Town and the covered employees each made the required 11% contributions to the plans. There are no liabilities for benefits beyond the Town's matching payments. No changes in the various plan's provisions occurred in 2024.

Part-time, Temporary and Seasonal Employees. On October 14, 1997, the Town adopted a PTS Retirement Plan administered by the ICMA Retirement Corporation and established under Section 457 of the Internal Revenue Code that pertains to deferred compensation plans. Plan administration and recordkeeping of this plans was transferred to The Principal Financial Group in November 2017. The PTS plan is designed specifically for employees who are part-time, temporary, or seasonal, and is defined as a Social Security replacement retirement plan. The PTS plan allows participants to defer federal and state income taxes on savings until retirement. The PTS plan requires a minimum contribution of 7.5% of an employee's salary per plan year. This 7.5% may be the employee's contribution, the employer's contribution, or a combination of both. The Town elected to have 3.75% contributed by the employee and 3.75% matched by the Town. Employees also have the option to contribute additional amounts.

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

Contributions made by plan members and the Town for the three years ended December 31, 2024, are as follows:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Employee Contributions	59,945	51,231	41,283
Town Contributions	54,823	46,412	35,001

Both the Town and the covered employees each made the required 3.75% contributions to the plan. There are no liabilities for benefits beyond the Town's matching payments. As of December 31, 2024, there were 215 participants in this plan.

Note 9. 457 Deferred Compensation Plan

The Town offers its full-time employees an optional supplemental deferred compensation plan created in accordance with Internal Revenue Code Section 457. Plan administration and recordkeeping is provided by The Principal Financial Group. The 457 plan allows eligible participants the opportunity to accumulate additional retirement savings with certain tax advantages. Deposits into the 457 plan are not subject to state or federal income taxes at the time of deposit, and earnings on these deposits are deferred until withdrawn. As of December 31, 2024, there were 52 participants in the 457 plan.

TOWN OF AVON, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2024

Note 10. Employee Health Care

The Town has a self-insurance plan for employee health and dental care. A third-party administrator processes individual employee claims and negotiates excess stop-loss insurance policies. Excess stop-loss insurance policies are purchased to cover individual claims in excess of \$40,000 and aggregate total yearly claims in excess of \$2,223,768. Settled benefit claims did not exceed the aggregate total yearly claims for 2024. As of December 31, 2024, the Town held reserves for future claims in the amount of \$1,632,128.

The following represents the changes in the claims reserve for the Town for 2024 and 2023:

	2024	2023
Claims Reserve for Future Claims, Beginning of Year	1,562,530	1,125,972
Current Year Deposits for Estimated Claims	2,491,958	1,284,691
Excess Stop Loss Refunds for Specific (Individual) Claims	712,251	296,117
Claim Payments	(3,134,611)	(1,700,146)
Claims Reserve for Future Claims, End of Year	1,632,128	1,562,530

Note 11. Interfund Receivables, Payables and Transfers

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are reported in the fund financial statements as “due to/from other funds”. These interfund receivables and payables are expected to be repaid within the next year. The composition of these interfund balances as of December 31, 2024, is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Fleet Maintenance Fund	100,000

Interfund Transfers for the year ended December 31, 2024, consisted of the following:

Fund	Transfers In	Transfers Out
Major Funds:		
General Fund	618,487	1,655,000
Urban Renewal Authority Fund	-	1,750,000
Debt Service Fund	962,124	-
Capital Projects Fund	2,350,000	3,279,060
Mobility Enterprise	1,700,000	-
Fleet Maintenance Enterprise	348,002	-
Equipment Replacement Fund	652,538	-
Other Funds:		
Water Fund	-	500,000
Community Enhancement	-	100,000
Community Housing Fund	652,909	-
Total	<u>7,284,060</u>	<u>7,284,060</u>

Transfers are used to (1) move unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, (2) segregate money for anticipated capital projects, (3) provide additional resources for current operations or debt service, and (4) return money

TOWN OF AVON, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2024

from the fund from which it was originally provided once a project is completed. All transfers in 2024 occurred for one of the above reasons.

During the year, capital assets purchased in 2024 related to governmental funds, with book values of \$385,295 were transferred to the internal service fund. No amounts were reported in the governmental funds as the amounts did not involve the transfer of financial resources. However, the internal service fund reported contributed capital in for the capital resources received.

Note 12. Commitments and Contingencies

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

Construction Contract Commitments. As of December 31, 2024, the Town had 3 construction contract commitments totaling \$146,614 outstanding.

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

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

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

Enterprises, defined as government-owned business authorized to issue revenue bonds and receiving less than 10 percent of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR. TABOR also requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. The Town has established an emergency reserve in the General Fund for the year ended December 31, 2024 in the amount of \$1,195,000.

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

TOWN OF AVON, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2024

Note 13. Risk Management

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

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

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

Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members. CIRSA has indicated that the amount of any excess losses would be billed to members in proportion to their contributions in the year such excess occurs, although it is not legally required to do so. The Town's annual contribution to CIRSA amounted to \$338,614 for 2024. The Town has not been informed of any excess losses that may have been incurred by the pool.

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

Note 14. Upper Eagle Regional Water Authority

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

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

The Authority also provides water services to the Cordillera and Bachelor Gulch developments through contracts with Members. The Authority was formed to make the best practicable use of the Members' joint resources in supplying water to the members and to further develop water resources and facilities in Eagle County. The Authority may not be terminated so long as bonds, notes or other obligations are outstanding, unless provision for full payment of such obligations has been made. At December 31, 2024, the Authority had debt with maturities through the year 2053.

The Town has a service contract with the Authority whereby the Authority provides and bills residents of the Town with water at a rate which is expected to cover its costs in providing water services and other functions. Such costs specifically include debt service requirements, depreciation, and operations and maintenance, including maintenance of the Town's water distribution system. As part of the agreement, the Town conveyed its water distributions facilities and leased its water rights, associated easements, and improvements to the Authority at no cost. In consideration, the Authority has agreed to maintain the associated improvements and to administer and protect the Town's plan for augmentation and water decrees at no cost. During 2024, the Authority collected \$175,381 in water surcharges for the Town.

TOWN OF AVON, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2024

Note 15. Tax Abatements

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

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

Note 16. Major Taxpayers

For the year ended December 31, 2024, approximately fifty-five percent (55%) of the Town's sales tax revenues were received from the ten highest-paying companies.

Note 17. Implementation of New Accounting Standards

Effective January 1, 2024, the Town implemented Statement No. 101, *Compensated Absences* ("GASB 101"), issued by the Governmental Accounting Standards Board. GASB 101 requires that the Town recognize a liability for all forms of compensated absences, including those that are not paid upon an employee's separation from service, such as sick leave. GASB 101 requires governments to estimate the compensated absence liability based on historical data regarding the accumulation and forfeiture of leave balances rather than solely on termination payouts. The implementation of GASB 101 has been applied effective January 1, 2024, and did not result in changes in beginning net positions.

Note 18. Subsequent Events

On June 23, 2025, the Town entered into a contract to purchase a building at the purchase price of \$6,999,720 within the Town's limits. The Town has preliminary plans to fund the purchase with the issuance of Certificates of Participation.

TOWN OF AVON, COLORADO

REQUIRED SUPPLEMENTARY INFORMATION

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

(BUDGETARY BASIS) - BUDGET AND ACTUAL

FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	22,096,752	22,096,752	20,835,547	(1,261,205)
Licenses and Permits	413,175	413,175	1,251,817	838,642
Intergovernmental	1,279,455	1,345,802	1,388,114	42,312
Charges for Services	1,845,495	1,853,850	2,666,094	812,244
Fines and Forfeitures	38,700	38,700	86,854	48,154
Investment Earnings	1,500,000	1,500,000	2,032,253	532,253
Other Revenues	464,500	464,500	536,845	72,345
Total Revenues	<u>27,638,077</u>	<u>27,712,779</u>	<u>28,797,524</u>	<u>1,084,745</u>
Expenditures				
Current:				
General Government	7,564,881	7,716,054	7,514,717	201,337
Community Development	1,179,102	1,296,712	1,202,610	94,102
Public Safety	6,408,262	6,536,382	6,341,901	194,481
Public Works	8,056,951	8,159,878	7,095,452	1,064,426
Recreation	3,061,456	3,107,999	2,707,393	400,606
Total Expenditures	<u>26,270,652</u>	<u>26,817,025</u>	<u>24,862,073</u>	<u>1,954,952</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,367,425</u>	<u>895,754</u>	<u>3,935,451</u>	<u>3,039,697</u>
Other Financing Sources (Uses)				
Transfers In	618,487	618,487	618,487	-
Transfers Out	(1,655,000)	(1,655,000)	(1,655,000)	-
Total Other Financing Sources (Uses)	<u>(1,036,513)</u>	<u>(1,036,513)</u>	<u>(1,036,513)</u>	<u>-</u>
Net Change in Fund Balances	330,912	(140,759)	2,898,938	3,039,697
Fund Balances, Beginning of Year	<u>21,941,899</u>	<u>21,941,899</u>	<u>21,941,899</u>	<u>-</u>
Fund Balances, End of year	<u><u>22,272,811</u></u>	<u><u>21,801,140</u></u>	<u><u>24,840,837</u></u>	<u><u>3,039,697</u></u>

TOWN OF AVON, COLORADO

REQUIRED SUPPLEMENTARY INFORMATION AVON URBAN RENEWAL AUTHORITY FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (BUDGETARY BASIS) - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	2,784,809	2,784,809	2,475,396	(309,413)
Investment Earnings	-	-	2,552	2,552
Total Revenues	<u>2,784,809</u>	<u>2,784,809</u>	<u>2,477,948</u>	<u>(306,861)</u>
Expenditures				
Current:				
General Government	58,000	58,000	74,076	(16,076)
Debt Service:				
Principal	648,867	648,867	648,867	-
Interest	99,843	99,843	99,843	-
Fiscal Charges	1,000	1,000	400	600
Total Expenditures	<u>807,710</u>	<u>807,710</u>	<u>823,186</u>	<u>(15,476)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,977,099	1,977,099	1,654,762	(291,385)
Other Financing Sources (Uses)				
Transfers Out	<u>(1,750,000)</u>	<u>(1,750,000)</u>	<u>(1,750,000)</u>	<u>-</u>
Net Change in Fund Balances	227,099	227,099	(95,238)	(291,385)
Fund Balances, Beginning of Year	<u>285,495</u>	<u>285,495</u>	<u>285,495</u>	<u>-</u>
Fund Balances, End of year	<u><u>512,594</u></u>	<u><u>512,594</u></u>	<u><u>190,257</u></u>	<u><u>(291,385)</u></u>

TOWN OF AVON, COLORADO

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION DECEMBER 31, 2024

Note 1. Budgetary Information

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

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

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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

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

Downtown Development Authority Fund – This fund is used to account for the receipt of tax increment revenues and the activities of redevelopment that are undertaken by the Avon Downtown Development Authority, including issuing debt and undertaking community housing projects and additional public improvements.

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

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

TOWN OF AVON, COLORADO

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS DECEMBER 31, 2024

	Special Revenue Funds					Disposable Paper Bag Fee Fund	Total Nonmajor Governmental Funds
	Community Enhancement Fund	Water Fund	Community Housing Fund	Downtown Development Authority Fund	Exterior Energy Offset Fund		
ASSETS							
Cash and Cash Equivalents	234,600	-	3,453,309	43,767	199,402	137,328	4,068,406
Receivables:							
- Accounts	-	-	30,827	-	2,531	-	33,358
- Taxes	88,478	-	152,121	-	-	11,189	251,788
- Intergovernmental	-	5,630	-	-	-	-	5,630
Total Assets	323,078	5,630	3,636,257	43,767	201,933	148,517	4,359,182
LIABILITIES							
Accounts Payable	-	-	18,718	-	4,787	-	23,505
Deposits and Reserves	-	-	1,600	-	-	-	1,600
Total Liabilities	-	-	20,318	-	4,787	-	25,105
FUND BALANCES							
Restricted For:							
Water Projects	-	5,630	-	-	-	-	5,630
Community Enhancement	323,078	-	-	-	-	-	323,078
Downtown Development Projects	-	-	-	43,767	-	-	43,767
Committed For:							
Exterior Energy Offset Programs	-	-	-	-	197,146	-	197,146
Waste Reduction Programs	-	-	-	-	-	148,517	148,517
Assigned For:							
Community Housing Programs	-	-	3,615,939	-	-	-	3,615,939
Total Fund Balances	323,078	5,630	3,615,939	43,767	197,146	148,517	4,334,077
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	323,078	5,630	3,636,257	43,767	201,933	148,517	4,359,182

TOWN OF AVON, COLORADO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2024

	Special Revenue Funds					Disposable Paper Bag Fee Fund	Total Nonmajor Governmental Funds
	Community Enhancement Fund	Water Fund	Community Housing Fund	Downtown Development Authority Fund	Exterior Energy Offset Fund		
Revenues							
Taxes	-	-	999,737	43,767	-	-	1,043,504
Licenses and Permits	-	-	-	-	18,264	-	18,264
Intergovernmental	-	-	61,868	-	-	-	61,868
Charges for Services	-	152,181	80,483	-	-	-	232,664
Other Revenues	88,478	-	9,927	-	-	74,433	172,838
Total Revenues	88,478	152,181	1,152,015	43,767	18,264	74,433	1,529,138
Expenditures							
Current:							
General Government	-	-	991,231	-	-	19,978	1,011,209
Community Development	-	-	-	-	46,019	-	46,019
Public Works and Utilities	14,277	77,257	-	-	-	-	91,534
Capital Improvements	-	-	245,893	-	-	-	245,893
Total Expenditures	14,277	77,257	1,237,124	-	46,019	19,978	1,394,655
Excess (Deficiency) of Revenues Over (Under) Expenditures	74,201	74,924	(85,109)	43,767	(27,755)	54,455	134,483
Other Financing Sources (Uses):							
Transfers In	-	-	652,909	-	-	-	652,909
Transfers Out	(100,000)	(500,000)	-	-	-	-	(600,000)
Total Other Financing Sources (Uses)	(100,000)	(500,000)	652,909	-	-	-	52,909
Net Change in Fund Balances	(25,799)	(425,076)	567,800	43,767	(27,755)	54,455	187,392
Fund Balances, Beginning of Year	348,877	430,706	3,048,139	-	224,901	94,062	4,146,685
Fund Balances, End of year	323,078	5,630	3,615,939	43,767	197,146	148,517	4,334,077

TOWN OF AVON, COLORADO

COMMUNITY ENHANCEMENT FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (BUDGETARY BASIS) FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Other Revenues	90,000	90,000	88,478	(1,522)
Total Revenues	90,000	90,000	88,478	(1,522)
Expenditures				
Current:				
Public Works and Utilities	20,000	20,000	14,277	5,723
Total Expenditures	20,000	20,000	14,277	5,723
Excess (Deficiency) of Revenues Over (Under) Expenditures	70,000	70,000	74,201	4,201
Other Financing Sources (Uses)				
Transfers Out	(100,000)	(100,000)	(100,000)	-
Net Change in Fund Balances	(30,000)	(30,000)	(25,799)	4,201
Fund Balances, Beginning of Year	348,877	348,877	348,877	-
Fund Balances, End of year	318,877	318,877	323,078	4,201

TOWN OF AVON, COLORADO

WATER FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (BUDGETARY BASIS) - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Charges for Services:				
Water Surcharges	170,000	170,000	175,381	5,381
Tap Fees	352,000	352,000	(23,200)	(375,200)
Total Charges for Services	522,000	522,000	152,181	(369,819)
Total Revenues	522,000	522,000	152,181	(369,819)
Expenditures				
Current:				
Public Works and Utilities	113,321	116,321	77,257	39,064
Total Expenditures	113,321	116,321	77,257	39,064
Excess (Deficiency) of Revenues Over (Under) Expenditures	408,679	405,679	74,924	(330,755)
Other Financing Sources (Uses)				
Transfers Out	(500,000)	(500,000)	(500,000)	-
Net Change in Fund Balances	(91,321)	(94,321)	(425,076)	(330,755)
Fund Balances, Beginning of Year	430,706	430,706	430,706	-
Fund Balances, End of year	339,385	336,385	5,630	(330,755)

TOWN OF AVON, COLORADO

COMMUNITY HOUSING FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (BUDGETARY BASIS) FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes:				
Short-term Rental Tax	1,060,900	1,060,900	999,737	(61,163)
Intergovernmental:				
State Grants	200,000	200,000	61,868	(138,132)
Charges for Services:				
Rental Revenues - Employees	79,614	79,614	80,483	869
Other Revenues:				
Miscellaneous	25,000	25,000	9,927	(15,073)
Total Revenues	<u>1,365,514</u>	<u>1,365,514</u>	<u>1,152,015</u>	<u>(213,499)</u>
Expenditures				
Current:				
General Government	1,226,000	1,285,050	991,231	293,819
Capital Improvements	1,644,000	1,644,000	245,893	1,398,107
Total Expenditures	<u>2,870,000</u>	<u>2,929,050</u>	<u>1,237,124</u>	<u>1,691,926</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,504,486)	(1,563,536)	(85,109)	1,478,427
Other Financing Sources (Uses)				
Transfers In	450,000	652,909	652,909	-
Net Change in Fund Balances	(1,054,486)	(910,627)	567,800	1,478,427
Fund Balances, Beginning of Year	<u>3,048,139</u>	<u>3,048,139</u>	<u>3,048,139</u>	<u>-</u>
Fund Balances, End of year	<u><u>1,993,653</u></u>	<u><u>2,137,512</u></u>	<u><u>3,615,939</u></u>	<u><u>1,478,427</u></u>

TOWN OF AVON, COLORADO

AVON DOWNTOWN DEVELOPMENT AUTHORITY FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (BUDGETARY BASIS) FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	99,000	48,500	43,767	(4,733)
Total Revenues	99,000	48,500	43,767	(4,733)
Total Expenditures	-	-	-	-
Net Change in Fund Balances	99,000	48,500	43,767	(4,733)
Fund Balances, Beginning of Year	-	-	-	-
Fund Balances, End of year	99,000	48,500	43,767	(4,733)

TOWN OF AVON, COLORADO

EXTERIOR ENERGY OFFSET FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (BUDGETARY BASIS) FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Licenses and Permits:				
Exterior Energy Offset Fee	<u>25,000</u>	<u>25,000</u>	<u>18,264</u>	<u>(6,736)</u>
Total Revenues	<u>25,000</u>	<u>25,000</u>	<u>18,264</u>	<u>(6,736)</u>
Expenditures				
Current:				
Community Development	<u>40,000</u>	<u>47,500</u>	<u>46,019</u>	<u>1,481</u>
Total Expenditures	<u>40,000</u>	<u>47,500</u>	<u>46,019</u>	<u>1,481</u>
Net Change in Fund Balances	(15,000)	(22,500)	(27,755)	(8,217)
Fund Balances, Beginning of Year	<u>224,901</u>	<u>224,901</u>	<u>224,901</u>	<u>-</u>
Fund Balances, End of year	<u>209,901</u>	<u>202,401</u>	<u>197,146</u>	<u>(8,217)</u>

TOWN OF AVON, COLORADO

DISPOSABLE PAPER BAG FEE FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (BUDGETARY BASIS) FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Other Revenues:				
Disposable Paper Bag Fee	25,000	25,000	66,157	41,157
General Government	-	-	8,276	8,276
Total Revenues	<u>25,000</u>	<u>25,000</u>	<u>74,433</u>	<u>49,433</u>
Expenditures				
Current:				
General Government	45,440	45,440	19,978	25,462
Total Expenditures	<u>45,440</u>	<u>45,440</u>	<u>19,978</u>	<u>25,462</u>
Net Change in Fund Balances	(20,440)	(20,440)	54,455	23,971
Fund Balances, Beginning of Year	<u>94,062</u>	<u>94,062</u>	<u>94,062</u>	<u>-</u>
Fund Balances, End of year	<u><u>73,622</u></u>	<u><u>73,622</u></u>	<u><u>148,517</u></u>	<u><u>23,971</u></u>

TOWN OF AVON, COLORADO

DEBT SERVICE FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (BUDGETARY BASIS) FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Investment Earnings	-	-	173	173
Total Revenues	-	-	173	173
Expenditures				
Debt Service:				
Principal	743,000	743,000	748,000	(5,000)
Interest	212,974	212,974	203,974	9,000
Fiscal Charges	6,150	6,150	3,756	2,394
Total Expenditures	962,124	962,124	955,730	6,394
Excess (Deficiency) of Revenues Over (Under) Expenditures	(962,124)	(962,124)	(955,557)	(6,221)
Other Financing Sources (Uses)				
Transfers In	962,124	962,124	962,124	-
Net Change in Fund Balances	-	-	6,567	(6,221)
Fund Balances, Beginning of Year	40,745	40,745	40,745	-
Fund Balances, End of year	40,745	40,745	47,312	(6,221)

TOWN OF AVON, COLORADO

CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (BUDGETARY BASIS) FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes:				
Real Estate Transfer Tax	8,500,000	8,500,000	7,980,409	(519,591)
Intergovernmental	2,600,000	2,600,000	1,683,440	(916,560)
Investment Earnings	300,000	300,000	455,390	155,390
Other Revenues	-	-	749	749
Total Revenues	11,400,000	11,400,000	10,119,988	(1,280,012)
Expenditures				
Capital Projects	6,707,413	10,879,486	7,717,200	3,162,286
Debt Service:				
Principal Payments on Leases	55,720	55,720	56,348	(628)
Interest Payments on Leases	-	-	1,279	(1,279)
Total Expenditures	6,763,133	10,935,206	7,774,827	3,160,379
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,636,867	464,794	2,345,161	(4,440,391)
Other Financing Sources (Uses)				
Transfers In	2,350,000	2,450,458	2,350,000	(100,458)
Transfers Out	(3,076,151)	(2,423,222)	(3,279,060)	(855,838)
Total Other Financing Sources (Uses)	(726,151)	27,236	(929,060)	(956,296)
Net Change in Fund Balances	3,910,716	492,030	1,416,101	(5,396,687)
Fund Balances, Beginning of Year	15,508,980	15,508,980	15,508,980	-
Fund Balances, End of Year	19,419,696	16,001,010	16,925,081	(5,396,687)

ENTERPRISE FUNDS

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

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

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

TOWN OF AVON, COLORADO

MOBILITY FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (BUDGETARY BASIS) WITH RECONCILIATION TO GAAP BASIS FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes	70,135	70,135	73,037	2,902
Intergovernmental	1,030,000	1,030,000	338,398	(691,602)
Charges for Services	377,611	377,611	504,656	127,045
Other Revenue	117,275	117,275	54,280	(62,995)
Total Revenues	1,595,021	1,595,021	970,371	(624,650)
Expenditures:				
Administration	272,031	280,041	292,638	(12,597)
Operations	2,742,249	2,462,627	1,687,989	774,638
Wash Bay	225,851	260,251	275,006	(14,755)
Mobility Programs	602,757	507,757	510,651	(2,894)
Total Expenditures	3,842,888	3,510,676	2,766,284	744,392
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,247,867)	(1,915,655)	(1,795,913)	119,742
Other Financing Sources (Uses):				
Transfers In (Out)	1,700,000	1,700,000	1,700,000	-
Total Other Financing Sources (Uses)	1,700,000	1,700,000	1,700,000	-
Excess (Deficiency) of Revenues over (Under) Expenditures, Non-GAAP Basis	(547,867)	(215,655)	(95,913)	119,742
Adjustments to Reconcile Budgetary Basis to GAAP Basis				
Principal Paid on Leases			39,371	
Net book value of disposed capital assets			(33,333)	
Depreciation and amortization			(738,436)	
Total Adjustments			(732,398)	
Change in Net Position (GAAP Basis)			(828,311)	

TOWN OF AVON, COLORADO

FLEET MAINTENANCE FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (BUDGETARY BASIS) WITH RECONCILIATION TO GAAP BASIS FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services				
Third-party Fleet Maintenance Charges	1,037,395	1,037,395	1,665,149	627,754
Departmental Fleet Maintenance Services	790,920	790,920	1,104,351	313,431
Fuel Mark-up	23,280	23,280	63,837	40,557
Other Revenues	-	-	17,728	17,728
Total Revenues	1,851,595	1,851,595	2,851,065	999,470
Expenditures:				
Fleet Maintenance	2,164,490	2,164,490	2,682,984	(518,494)
Interest Payments	16,003	16,003	16,002	1
Total Expenditures	2,180,493	2,180,493	2,698,986	(518,493)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(328,898)	(328,898)	152,079	480,977
Other Financing Sources (Uses):				
Transfers In (Out)	348,022	348,022	348,002	20
Total Other Financing Sources (Uses)	348,022	348,022	348,002	20
Excess (Deficiency) of Revenues over (Under) Expenditures, Non-GAAP Basis	19,124	19,124	500,081	480,997
Adjustments to Reconcile Budgetary Basis to GAAP Basis				
Principal Paid on Certificates of Participation			177,000	
Amortization of Deferred Charge on Refunding of Debt			(1,712)	
Changes in Compensated Absences Payable			(5,105)	
Depreciation Expense			(146,461)	
Total Adjustments			23,722	
Change in Net Position (GAAP Basis)			523,803	

INTERNAL SERVICE FUNDS

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

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

TOWN OF AVON, COLORADO

EQUIPMENT REPLACEMENT FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (BUDGETARY BASIS) WITH RECONCILIATION TO GAAP BASIS FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services:				
Equipment Replacement Charges	1,203,759	1,203,759	1,203,761	2
Investment Earnings	120,000	120,000	173,490	53,490
Total Revenues	1,323,759	1,323,759	1,377,251	53,492
Expenditures:				
Capital Outlay:				
Fleet and Heavy Equipment	722,194	2,443,039	870,204	1,572,835
Recreation Center Equipment & Improvements	-	-	68,342	(68,342)
Computer and Office Equipment	-	-	157,772	(157,772)
Machinery and Equipment	-	-	372,028	(372,028)
Total Expenditures	722,194	2,443,039	1,468,346	974,693
Excess (Deficiency) of Revenues Over (Under) Expenditures	601,565	(1,119,280)	(91,095)	1,028,185
Other Financing Sources (Uses):				
Transfers In (Out)	652,538	528,935	652,538	123,603
Proceeds from Sale of Capital Assets	-	-	103,148	103,148
Total Other Financing Sources (Uses)	652,538	528,935	755,686	226,751
Excess (Deficiency) of Revenues over (Under) Expenditures, Non-GAAP Basis	1,254,103	(590,345)	664,591	1,254,936
Adjustments to Reconcile Budgetary Basis to GAAP Basis				
Capitalization of Capital Assets			1,388,226	
Principal Paid on Leases			54,441	
Book Value of Capital Assets Disposed			(27,548)	
Transfers In of Non-financial Resources			385,295	
Depreciation			(1,083,115)	
Total Adjustments			717,299	
Change in Net Position (GAAP Basis)			1,381,890	

TOWN OF AVON, COLORADO

DEBT SCHEDULE DECEMBER 31, 2024

Purpose	Schedule of Indebtedness					Payments Due In 2025	
	Date	Interest	Maturity	Amount	Amount	Principal	Interest
	Issued	Rate	Date	Issued	Outstanding		
Revenue Bonds:							
Series 2017, Avon URA Tax Increment Revenue Bonds	1/5/17	2.90%	12/1/31	3,000,000	1,559,256	203,728	44,355
Series 2020, Avon URA Tax Increment Revenue Loan	5/1/20	2.11%	12/1/28	<u>4,111,000</u>	<u>1,901,000</u>	<u>461,000</u>	<u>40,111</u>
Total Revenue Bonds				<u>7,111,000</u>	<u>3,460,256</u>	<u>664,728</u>	<u>84,466</u>
Certificates of Participation:							
Series 2014B, Certificates of Participation	1/14/15	3.03%	12/1/29	3,800,000	1,455,000	275,000	44,087
Series 2016, Certificates of Participation	8/2/16	2.00%-4.00%	12/1/35	6,300,000	4,080,000	320,000	127,025
Series 2020, Refunding Certificates of Participation	9/2/20	1.23%	12/1/30	<u>3,983,000</u>	<u>2,221,000</u>	<u>355,000</u>	<u>27,318</u>
Total Certificates of Participation				<u>14,083,000</u>	<u>7,756,000</u>	<u>950,000</u>	<u>198,430</u>
Lease-Purchase Obligations:							
Master Lease-Purchase, Clayton Holdings	8/24/18	3.39%	8/24/25	<u>258,258</u>	<u>40,723</u>	<u>40,723</u>	<u>1,038</u>
Total Lease-Purchase Obligations				<u>258,258</u>	<u>40,723</u>	<u>40,723</u>	<u>1,038</u>
Total Long-term Debt				<u>21,452,258</u>	<u>11,256,979</u>	<u>1,655,451</u>	<u>283,934</u>

TOWN OF AVON, COLORADO

DETAILED SCHEDULE OF GENERAL FUND EXPENDITURES (BUDGETARY BASIS) - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2024

Description	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
General Government:				
Mayor and Town Council	292,388	307,388	280,782	26,606
Town Attorney	205,000	210,000	322,713	(112,713)
Town Clerk	199,431	199,431	169,121	30,310
Municipal Court	225,181	225,181	203,432	21,749
Administrative Services	933,110	933,110	900,077	33,033
Human Resources	853,259	882,859	800,835	82,024
Community Relations	358,036	364,036	374,510	(10,474)
Economic Development	307,170	344,420	351,638	(7,218)
Special Events	1,507,108	1,507,108	1,320,326	186,782
Community Grants	120,250	120,250	120,000	250
Sustainability	174,164	174,164	212,603	(38,439)
Subtotal General Government	5,175,097	5,267,947	5,056,037	211,910
Finance and Information Technology:				
Finance	1,124,020	1,124,020	1,090,137	33,883
Information Systems	841,994	845,317	844,995	322
Nondepartmental	417,769	472,769	523,548	(50,779)
Subtotal Finance and Administration	2,383,783	2,442,106	2,458,680	(16,574)
Total General Government, Finance and Administration	7,558,880	7,710,053	7,514,717	195,336
Community Development:				
Boards and Commissions	26,172	26,172	12,368	13,804
Planning	823,732	941,342	860,329	81,013
Building Inspection	329,198	329,198	329,913	(715)
Total Community Development	1,179,102	1,296,712	1,202,610	94,102
Public Safety: Police				
Administration	1,136,141	1,198,066	1,195,160	2,906
Patrol	4,388,812	4,410,737	4,259,558	151,179
Investigations	541,434	545,074	552,116	(7,042)
Code Enforcement	341,874	382,504	335,067	47,437
Total Public Safety	6,408,261	6,536,381	6,341,901	194,480

TOWN OF AVON, COLORADO

DETAILED SCHEDULE OF GENERAL FUND EXPENDITURES (BUDGETARY BASIS) - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2024 (CONTINUED)

Description	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive
	Original	Final		(Negative)
Public Works				
Administration	369,658	363,403	440,676	(77,273)
Engineering	784,601	790,856	396,536	394,320
Roads and Bridges	3,634,253	3,727,023	3,333,366	393,657
Parks and Grounds	1,121,684	1,111,361	826,326	285,035
Buildings and Facilities	2,146,754	2,167,234	2,098,548	68,686
Total Public Works	<u>8,056,950</u>	<u>8,159,877</u>	<u>7,095,452</u>	<u>1,064,425</u>
Recreation:				
Administration	286,066	300,514	300,111	403
Adult Programs	87,042	87,042	53,283	33,759
Aquatics	1,005,994	1,005,994	1,002,906	3,088
Fitness	352,866	352,866	274,446	78,420
Guest Services	723,583	723,583	572,015	151,568
Youth Programs	347,595	379,690	247,724	131,966
Community Swim Program	258,310	258,310	256,908	1,402
Total Recreation	<u>3,061,456</u>	<u>3,107,999</u>	<u>2,707,393</u>	<u>400,606</u>
TOTAL EXPENDITURES	<u><u>26,264,649</u></u>	<u><u>26,811,022</u></u>	<u><u>24,862,073</u></u>	<u><u>1,948,949</u></u>

TOWN OF AVON, COLORADO

DETAILED SCHEDULE OF GENERAL FUND REVENUES (BUDGETARY BASIS) - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2024

Description	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Taxes:				
General Property Tax	2,961,699	2,961,699	2,974,960	13,261
Specific Ownership Tax	130,000	130,000	161,888	31,888
Sales Tax	14,129,150	14,129,150	13,173,452	(955,698)
Utility Tax	120,000	120,000	113,191	(6,809)
Accommodations Tax	2,558,503	2,558,503	2,230,500	(328,003)
Penalties and Interest	52,400	52,400	78,857	26,457
VAA Retail Sales Fee	1,100,000	1,100,000	1,083,164	(16,836)
Cigarette and Tobacco Tax	605,000	605,000	554,140	(50,860)
Franchise Fees	440,000	440,000	465,395	25,395
Total Taxes	22,096,752	22,096,752	20,835,547	(1,261,205)
Licenses and Permits:				
Business Licenses	185,000	185,000	262,130	77,130
Contractor's Licenses	18,625	18,625	29,105	10,480
Building Permits	190,000	190,000	866,729	676,729
Road Cut Permits	9,000	9,000	83,253	74,253
Other Licenses and Permits	10,550	10,550	10,600	50
Total Licenses and Permits	413,175	413,175	1,251,817	838,642
Intergovernmental:				
<i>Federal Grants:</i>	5,000	5,000	2,166	(2,834)
<i>State Grants:</i>	77,500	143,847	153,736	9,889
<i>State/County Shared Revenue:</i>				
Conservation Trust	80,000	80,000	73,445	(6,555)
Motor Vehicle Registration	26,000	26,000	24,597	(1,403)
Highway User's Tax	191,805	191,805	223,046	31,241
County Sales Tax	746,750	746,750	691,413	(55,337)
Road & Bridge Fund	150,000	150,000	219,202	69,202
State Severance Tax	2,400	2,400	509	(1,891)
Total Intergovernmental	1,279,455	1,345,802	1,388,114	(87,019)

TOWN OF AVON, COLORADO

DETAILED SCHEDULE OF GENERAL FUND REVENUES (BUDGETARY BASIS) - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2024 (CONTINUED)

Description	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Charges for Services:				
<i>General Government:</i>				
Miscellaneous Fees and Charges	6,100	6,100	5,092	(1,008)
<i>Community Development:</i>				
Plan Check Fees	120,000	120,000	556,653	436,653
Other Fees and Charges	16,500	16,500	28,684	12,184
<i>Public Safety:</i>				
Police Fees and Charges	43,575	43,575	50,144	6,569
<i>Culture and Recreation:</i>				
Avon Recreation Center	1,330,800	1,330,800	1,621,572	290,772
General Recreation	199,740	208,095	270,124	62,029
Special Events	128,780	128,780	133,825	5,045
Total Charges for Services	1,845,495	1,853,850	2,666,094	812,244
Fines and Forfeitures:				
Court Fines and Costs	38,700	38,700	86,854	48,154
Total Fines and Forfeitures	38,700	38,700	86,854	48,154
Investment Earnings	1,500,000	1,500,000	2,032,253	532,253
Miscellaneous Revenues:				
Recreational Amenity Fees	330,000	330,000	351,745	21,745
Parking Revenue	-	-	10,474	10,474
Miscellaneous Revenues	134,500	134,500	174,626	40,126
Total Miscellaneous Revenues	464,500	464,500	536,845	72,345
TOTAL REVENUES	27,638,077	27,712,779	28,797,524	973,325

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

LOCAL HIGHWAY FINANCE REPORT	City or County: Avon
	YEAR ENDING : December 2024
This Information From The Records Of (example - City of _ or County of	Prepared By: Joel McCracken Phone: 970.748.4019

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	2,009,200
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	349,467
2. General fund appropriations	1,605,016	b. Snow and ice removal	974,698
3. Other local imposts (from page 2)	161,888	c. Other	
4. Miscellaneous local receipts (from page 2)	2,128,504	d. Total (a. through c.)	1,324,166
5. Transfers from toll facilities		4. General administration & miscellaneous	103,756
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	388,813
a. Bonds - Original Issues		6. Total (1 through 5)	3,825,935
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	52,116
7. Total (1 through 6)	3,895,408	b. Redemption	265,000
B. Private Contributions		c. Total (a. + b.)	317,116
C. Receipts from State government (from page 2)	247,643	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	4,143,051	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	317,116
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	4,143,051

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	1,720,000		245,000	1,475,000
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		4,143,051	4,143,051		(0)

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado
	YEAR ENDING (mm/yy): 45,627

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	161,888	g. Other Misc. Receipts	
6. Total (1. through 5.)	161,888	h. Other CIP (RETT)	2,128,504
c. Total (a. + b.)	161,888	i. Total (a. through h.)	2,128,504
	(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	223,046	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	24,597	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	24,597	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	247,643	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

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

Notes and Comments:

TOWN OF AVON, COLORADO

NET POSITION BY COMPONENT LAST TEN FISCAL YEARS

	Fiscal Year			
	2015	2016	2017	2018
Governmental Activities				
Net Investment in Capital Assets	\$ 60,000,945	\$ 58,088,785	\$ 56,693,531	\$ 60,092,867
Restricted For:				
Emergencies	552,335	664,805	688,786	693,001
Debt Service	1,157,629	1,169,163	1,175,301	1,163,056
Capital Improvements	6,198,817	5,921,087	3,373,917	702,390
Urban Renewal	404,048	555,167	717,740	-
Downtown Developent				
Purposes of Grantors	1,106,628	142,100	192,173	267,911
Unrestricted	11,283,921	16,341,288	20,329,098	20,540,937
Total Governmental Activities Net Position	<u>\$ 80,704,323</u>	<u>\$ 82,882,395</u>	<u>\$ 83,170,546</u>	<u>\$ 83,460,162</u>
Business-type Activities				
Net Investment in Capital Assets	\$ 11,633,282	\$ 11,430,538	\$ 11,424,412	\$ 10,877,907
Unrestricted	859,368	908,749	710,428	652,622
Total Business-type Activities Net Position	<u>\$ 12,492,650</u>	<u>\$ 12,339,287</u>	<u>\$ 12,134,840</u>	<u>\$ 11,530,529</u>
Primary Government				
Net Investment in Capital Assets	\$ 71,634,227	\$ 69,519,323	\$ 68,117,943	\$ 70,970,774
Restricted	9,419,457	8,452,322	6,147,917	2,826,358
Unrestricted	12,143,289	17,250,037	21,039,526	21,193,559
Total Primary Government Net Position	<u>\$ 93,196,973</u>	<u>\$ 95,221,682</u>	<u>\$ 95,305,386</u>	<u>\$ 94,990,691</u>

Source: Town of Avon Finance Department

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 60,035,630	\$ 59,208,071	\$ 60,606,346	\$ 64,269,372	\$ 67,538,798	\$ 72,826,656
805,865	829,650	980,080	1,101,215	1,167,831	1,195,000
1,162,093	-	-	-	-	-
657,821	657,821	451,280	450,230	423,144	449,230
-	22,942	95,276	177,047	285,495	190,257
					43,767
691,828	886,122	1,023,435	3,015,098	3,827,722	4,381,389
22,762,477	29,333,839	34,975,834	40,410,798	44,085,337	48,498,107
<u>\$ 86,115,714</u>	<u>\$ 90,938,445</u>	<u>\$ 98,132,251</u>	<u>\$ 109,423,760</u>	<u>\$ 117,328,327</u>	<u>\$ 127,584,406</u>
\$ 10,401,752	\$ 10,299,819	\$ 10,940,758	\$ 12,946,887	\$ 13,432,704	\$ 12,789,095
540,075	914,845	1,955,681	1,894,570	1,776,053	2,115,152
<u>\$ 10,941,827</u>	<u>\$ 11,214,664</u>	<u>\$ 12,896,439</u>	<u>\$ 14,841,457</u>	<u>\$ 15,208,757</u>	<u>\$ 14,904,247</u>
\$ 70,437,382	\$ 69,507,890	\$ 71,547,104	\$ 77,216,259	\$ 80,971,502	\$ 85,615,751
3,317,607	2,396,535	2,550,071	4,743,590	5,704,192	6,259,643
23,302,552	30,248,684	36,931,515	42,305,368	45,861,390	50,613,259
<u>\$ 97,057,541</u>	<u>\$ 102,153,109</u>	<u>\$ 111,028,690</u>	<u>\$ 124,265,217</u>	<u>\$ 132,537,084</u>	<u>\$ 142,488,653</u>

TOWN OF AVON, COLORADO

CHANGES IN NET POSITION LAST TEN FISCAL YEARS

	Fiscal Year			
	2015	2016	2017	2018
Expenses				
Governmental Activities:				
General Government	\$ 3,042,126	\$ 3,291,190	\$ 3,500,101	\$ 3,661,274
Community Development	1,341,706	1,202,097	1,617,329	1,454,581
Public Safety	3,039,333	3,214,680	3,703,871	3,983,349
Public Works and Utilities	8,458,218	9,656,808	9,026,700	9,448,309
Recreation and Culture	1,430,648	1,584,531	1,684,492	1,978,431
Mobility	-	-	-	-
Interest and Fiscal Charges on Long-term Debt	639,267	754,238	796,462	720,441
Total Governmental Activity Expenses	17,951,298	19,703,544	20,328,955	21,246,385
Business-type Activities:				
Transportation	1,979,505	1,963,223	2,253,558	2,272,401
Fleet Maintenance	1,506,138	1,623,046	1,655,774	1,720,433
Total Business-type Activity Expenses	3,485,643	3,586,269	3,909,332	3,992,834
Total Primary Government Expenses	\$ 21,436,941	\$ 23,289,813	\$ 24,238,287	\$ 25,239,219
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Government	\$ 219,364	\$ 239,199	\$ 294,431	\$ 272,153
Community Development	380,130	369,867	396,731	395,239
Public Safety	69,629	99,862	64,275	93,646
Public Works and Utilities	764,549	698,195	287,151	233,982
Recreation and Culture	1,238,395	1,334,056	1,519,254	1,458,802
Operating Grants and Contributions	11,713	104,217	84,761	75,430
Capital Grants and Contributions	61,779	1,816,456	31,237	491,600
Total Governmental Activity Program Revenues	2,745,559	4,661,852	2,677,840	3,020,852
Business-type Activities:				
Charges for Services	1,670,213	1,557,439	1,482,770	1,564,465
Operating Grants and Contributions	-	-	-	75,000
Capital Grants and Contributions	-	100,000	328,000	-
Total Business-type Activity Program Revenues	1,670,213	1,657,439	1,810,770	1,639,465
Total Primary Government Program Revenues	\$ 4,415,772	\$ 6,319,291	\$ 4,488,610	\$ 4,660,317
Net (Expense) Revenue				
Governmental Activities	\$ (15,205,739)	\$ (15,041,692)	\$ (17,651,115)	\$ (18,225,533)
Business-type Activities	(1,815,430)	(1,928,830)	(2,098,562)	(2,353,369)
Total Primary Government Net Expense	\$ (17,021,169)	\$ (16,970,522)	\$ (19,749,677)	\$ (20,578,902)

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 5,968,157	\$ 5,809,422	\$ 6,169,567	\$ 6,028,279	\$ 7,399,224	\$ 9,206,664
557,539	513,004	536,564	658,989	925,098	1,270,522
4,310,801	4,466,597	4,372,460	4,792,423	5,804,502	6,416,591
8,134,954	8,245,335	8,481,110	9,094,216	11,447,522	11,834,149
2,160,389	1,814,889	1,917,182	2,196,340	2,812,965	3,427,244
-	-	84,167	88,266	91,785	-
617,694	538,010	412,275	380,278	343,233	303,666
<u>21,749,534</u>	<u>21,387,257</u>	<u>21,973,325</u>	<u>23,238,791</u>	<u>28,824,329</u>	<u>32,458,836</u>
2,502,195	2,325,260	2,465,889	2,926,168	3,009,782	3,465,348
1,780,524	1,784,854	1,637,288	1,849,994	2,150,931	2,675,265
<u>4,282,719</u>	<u>4,110,114</u>	<u>4,103,177</u>	<u>4,776,162</u>	<u>5,160,713</u>	<u>6,140,613</u>
<u>\$ 26,032,253</u>	<u>\$ 25,497,371</u>	<u>\$ 26,076,502</u>	<u>\$ 28,014,953</u>	<u>\$ 33,985,042</u>	<u>\$ 38,599,449</u>
\$ 280,165	\$ 197,989	\$ 333,474	\$ 358,198	\$ 81,956	\$ 1,176,213
843,810	421,822	604,037	2,213,641	212,229	585,337
60,017	41,786	30,031	30,279	32,033	50,144
484,271	195,682	319,428	524,886	624,048	1,444,420
1,385,312	744,429	1,141,324	1,587,555	1,867,988	2,025,521
89,873	826,152	104,842	182,916	1,204,555	1,785,449
815	37,206	48,128	47,135	-	925,584
<u>3,144,263</u>	<u>2,465,066</u>	<u>2,581,264</u>	<u>4,944,610</u>	<u>4,022,809</u>	<u>7,992,668</u>
1,644,868	1,813,132	1,656,035	1,989,517	2,143,269	3,337,993
245,980	646,470	1,025,745	431,912	400,563	338,398
-	-	967,643	1,576,477	838,719	-
<u>1,890,848</u>	<u>2,459,602</u>	<u>3,649,423</u>	<u>3,997,906</u>	<u>3,382,551</u>	<u>3,676,391</u>
<u>\$ 5,035,111</u>	<u>\$ 4,924,668</u>	<u>\$ 6,230,687</u>	<u>\$ 8,942,516</u>	<u>\$ 7,405,360</u>	<u>\$ 11,669,059</u>
\$ (18,605,271)	\$ (18,922,191)	\$ (19,392,061)	\$ (18,294,181)	\$ (24,801,520)	\$ (24,466,168)
(2,391,871)	(1,650,512)	(453,754)	(778,256)	(1,778,162)	(2,464,222)
<u>\$ (20,997,142)</u>	<u>\$ (20,572,703)</u>	<u>\$ (19,845,815)</u>	<u>\$ (19,072,437)</u>	<u>\$ (26,579,682)</u>	<u>\$ (26,930,390)</u>

TOWN OF AVON, COLORADO

CHANGES IN NET POSITION (CONTINUED) LAST TEN FISCAL YEARS

	Fiscal Year			
	2015	2016	2017	2018
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Taxes:				
Property Taxes	\$ 2,904,509	\$ 3,315,020	\$ 2,876,177	\$ 3,260,557
Real Estate Transfer Taxes	2,369,314	3,497,602	4,411,530	3,621,125
Sales and Accommodation Taxes	8,754,673	9,540,260	9,437,658	10,595,905
Other Taxes	1,208,352	1,389,896	1,385,171	641,144
Unrestricted Investment Earnings	53,161	139,665	178,997	398,998
Grants and Contributions Not Restricted to Specific Programs	482,769	513,912	913,784	932,146
Miscellaneous	529,843	558,618	589,767	772,766
Capital Contributions	-	(150,215)	(103,403)	-
Transfers	(1,326,999)	(1,584,994)	(1,750,415)	(1,707,492)
Total Governmental Activities	14,975,622	17,219,764	17,939,266	18,515,149
Business-type Activities:				
Property Taxes	40,280	40,258	40,297	41,566
Capital Contributions	-	150,215	103,403	-
Miscellaneous				
Transfers	1,326,999	1,584,994	1,750,415	1,707,492
Total Business-type Activities	1,367,279	1,775,467	1,894,115	1,749,058
Total Primary Government	\$ 16,342,901	\$ 18,995,231	\$ 19,833,381	\$ 20,264,207
Change in Net Position				
Governmental Activities	\$ (230,117)	\$ 2,178,072	\$ 288,151	\$ 289,616
Business-type Activities	(448,151)	(153,363)	(204,447)	(604,311)
Total Primary Government	\$ (678,268)	\$ 2,024,709	\$ 83,704	\$ (314,695)

Source: Town of Avon Finance Department

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 3,226,470	\$ 3,727,486	\$ 3,672,627	\$ 3,996,579	\$ 4,001,831	\$ 5,659,627
5,001,145	5,998,950	7,354,186	5,971,192	6,529,287	7,980,409
11,438,117	11,303,195	13,820,404	16,868,418	16,419,000	15,592,383
990,898	996,839	2,120,037	2,345,389	2,554,707	2,019,273
549,998	288,927	(7,865)	452,949	2,338,345	2,663,857
968,549	918,375	1,052,084	1,173,123	1,376,087	2,164,618
847,185	2,392,866	667,854	949,072	1,585,596	690,082
(61,539)	-	-	-	-	-
(1,700,000)	(1,881,716)	(2,093,460)	(2,172,578)	(2,098,766)	(2,048,002)
21,260,823	23,744,922	26,585,867	29,584,144	32,706,087	34,722,247
41,630	41,633	42,069	46,707	46,696	73,037
61,539	-	-	-	-	-
1,700,000	1,881,716	2,093,460	2,676,567	2,098,766	2,048,002
1,803,169	1,923,349	2,135,529	2,723,274	2,145,462	2,159,712
\$ 23,063,992	\$ 25,668,271	\$ 28,721,396	\$ 32,307,418	\$ 34,851,549	\$ 36,881,959
\$ 2,655,552	\$ 4,822,731	\$ 7,193,806	\$ 11,289,963	\$ 7,904,567	\$ 10,256,079
(588,702)	272,837	1,681,775	1,945,018	367,300	(304,510)
\$ 2,066,850	\$ 5,095,568	\$ 8,875,581	\$ 13,234,981	\$ 8,271,867	\$ 9,951,569

TOWN OF AVON, COLORADO

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

	Fiscal Year			
	2015	2016	2017	2018
Revenues				
Taxes	\$ 15,236,848	\$ 17,742,776	\$ 18,148,536	\$18,118,731
Licenses and Permits	335,741	259,997	374,311	398,860
Intergovernmental	989,546	2,868,277	1,029,782	1,499,176
Charges for Services	1,682,724	1,772,510	2,005,812	1,927,701
Fines and Forfeitures	129,356	91,014	94,311	52,220
Investment Earnings	53,158	139,665	178,997	398,998
Other Revenues	532,353	651,603	664,037	748,101
Total Revenues	18,959,726	23,525,842	22,495,786	23,143,787
Expenditures				
Current:				
General Government and Housing	2,916,095	3,119,007	3,379,282	3,636,761
Community Development	1,348,166	1,201,086	1,505,073	1,342,798
Public Safety	3,007,164	3,122,942	3,416,991	3,690,530
Public Works and Utilities	4,080,272	5,067,825	4,318,222	4,310,596
Recreation and Culture	1,147,149	1,293,277	1,436,483	1,585,571
Capital Improvements	3,284,852	8,864,565	6,721,147	8,449,771
Debt Service:				
Principal	1,264,966	1,382,506	1,239,743	1,371,210
Interest	503,269	473,674	746,385	666,120
Bond Issuance Costs	80,569	147,270	41,162	-
Fiscal Charges	41,289	54,071	81,625	63,337
Total Expenditures	17,673,791	24,726,223	22,886,113	25,116,694
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,285,935	(1,200,381)	(390,327)	(1,972,907)
Other Financing Sources (Uses)				
Transfers In	4,361,441	2,819,319	5,508,421	3,266,471
Transfers Out	(5,138,440)	(4,404,313)	(7,258,836)	(5,016,471)
Debt/Lease Issuance Proceeds	3,800,000	6,300,000	3,080,204	258,258
Payments to Escrow Agent	-	-	-	-
Total Other Financing Sources (Uses)	3,023,001	4,715,006	1,329,789	(1,491,742)
Net Change in Fund Balances	\$ 4,308,936	\$ 3,514,625	\$ 939,462	\$ (3,464,649)
Debt Service as a Percentage of Noncapital Expenditures	11.37%	10.95%	10.85%	10.65%

Source: Town of Avon Finance Department

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 20,656,630	\$ 22,026,470	\$ 26,967,254	\$ 29,181,578	\$ 29,504,825	\$ 32,334,856
752,345	388,494	461,647	1,636,380	638,122	1,270,081
1,156,632	1,781,733	1,205,054	1,403,174	1,817,431	3,133,422
2,181,861	1,173,521	1,742,352	2,974,983	2,818,254	2,898,758
51,535	39,693	45,753	28,191	44,705	86,854
549,998	288,927	(8,035)	415,982	2,190,478	2,490,368
838,635	2,367,398	669,460	920,665	669,842	710,432
<u>26,187,636</u>	<u>28,066,236</u>	<u>31,083,485</u>	<u>36,560,953</u>	<u>37,683,657</u>	<u>42,924,771</u>
4,982,737	5,522,841	6,081,429	6,807,714	7,086,072	8,600,002
521,129	500,739	551,138	653,294	949,715	1,248,629
3,984,465	4,050,935	4,169,397	5,044,825	5,516,773	6,341,901
4,397,725	4,067,683	4,612,171	6,084,870	8,259,626	7,186,986
1,703,007	1,311,887	1,622,206	2,018,510	2,450,098	2,707,393
3,532,547	2,111,194	4,542,239	5,153,940	5,063,521	7,963,093
1,335,902	1,414,010	1,387,925	1,386,616	1,421,365	1,453,215
624,162	429,221	403,078	371,833	340,382	305,096
-	113,525	-	-	-	-
10,060	7,084	9,351	7,946	6,620	4,156
<u>21,091,734</u>	<u>19,529,119</u>	<u>23,378,934</u>	<u>27,529,548</u>	<u>31,094,172</u>	<u>35,810,471</u>
<u>5,095,902</u>	<u>8,537,117</u>	<u>7,704,551</u>	<u>9,031,405</u>	<u>6,589,485</u>	<u>7,114,300</u>
1,623,043	2,205,115	2,238,633	3,622,088	4,507,571	4,583,520
(3,323,043)	(4,086,831)	(4,607,093)	(5,805,869)	(7,112,259)	(7,284,060)
-	6,084,000	-	134,662	-	-
-	(6,850,698)	-	-	-	-
<u>(1,700,000)</u>	<u>(2,648,414)</u>	<u>(2,368,460)</u>	<u>(2,049,119)</u>	<u>(2,604,688)</u>	<u>(2,700,540)</u>
<u>\$ 3,395,902</u>	<u>\$ 5,888,703</u>	<u>\$ 5,336,091</u>	<u>\$ 6,982,286</u>	<u>\$ 3,984,797</u>	<u>\$ 4,413,760</u>
10.61%	10.07%	11.05%	8.23%	6.71%	6.23%

TOWN OF AVON, COLORADO

FUND BALANCES, GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

	Fiscal Year				
	2015	2016	2017	2018	2019
General Fund					
Nonspendable	\$ 13,061	\$ 86,136	\$ -	\$ -	\$ -
Restricted	552,335	664,805	688,786	693,001	805,865
Assigned	47,878	-	-	-	-
Unassigned	5,046,651	5,312,950	5,125,805	5,611,041	7,392,670
Total General Fund	5,659,925	6,063,891	5,814,591	6,304,042	8,198,535
All Other Governmental Funds					
Nonspendable	-	-	-	-	-
Restricted	2,668,305	7,787,517	5,459,131	2,133,357	2,511,742
Committed	6,198,817	4,493,621	7,941,466	7,336,358	8,218,307
Assigned	517,335	516,183	585,486	716,549	832,594
Unassigned	-	-	-	(154,281)	(29,251)
Total All Other Governmental Funds	\$ 9,384,457	\$ 12,797,321	\$ 13,986,083	\$ 10,031,983	\$ 11,533,392
	Fiscal Year				
	2020	2021	2022	2023	2024
General Fund					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	829,650	980,080	1,101,215	1,167,831	1,195,000
Assigned	-	-	-	-	-
Unassigned	9,373,237	13,587,481	19,210,640	20,774,068	23,645,837
Total General Fund	10,202,887	14,567,561	20,311,855	21,941,899	24,840,837
All Other Governmental Funds					
Nonspendable	-	-	-	-	-
Restricted	1,566,885	1,569,991	3,642,375	5,704,192	1,011,962
Committed	11,657,356	13,479,429	13,948,835	15,404,799	16,821,514
Assigned	2,193,502	1,303,307	35,942	40,745	3,663,251
Unassigned	-	-	-	-	-
Total All Other Governmental Funds	\$ 15,417,743	\$ 16,352,727	\$ 17,627,152	\$ 21,149,736	\$ 21,496,727

Source: Town of Avon Finance Department

TOWN OF AVON, COLORADO

TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

Year	Property Tax				Specific Ownership
	General	Avon Urban Renewal Authority	Penalties, Interest & Abatements	Delinquent Taxes	
2015	2,027,434	756,471	7,124	172	113,308
2016	2,284,282	1,026,248	4,491	-	119,483
2017	1,733,823	1,136,777	5,555	22	99,498
2018	1,829,624	1,428,646	1,106	181	105,234
2019	1,839,155	1,386,475	12	828	113,657
2020	2,041,834	1,568,090	3,128	-	114,434
2021	2,045,147	1,628,814	(1,635)	301	126,985
2022	2,154,594	1,887,132	1,422	138	130,201
2023	2,086,974	1,912,402	180	2,275	137,110
2024	2,974,960	2,475,396	3,534	3,616	161,888

Year	Real Estate Transfer Tax	Sales Tax	Utility Tax	Accommodations Tax	Village at Avon Retail Sales Fee
2015	2,369,314	7,622,097	106,786	1,132,576	697,924
2016	3,497,602	8,250,381	102,643	1,289,879	735,280
2017	4,448,666	8,104,582	102,279	1,333,939	763,915
2018	3,621,125	8,475,940	105,881	1,334,306	785,659
2019	5,001,145	9,146,851	107,293	1,486,842	804,424
2020	5,998,950	9,214,444	102,442	1,217,787	870,964
2021	7,354,186	11,608,048	115,387	2,212,356	877,862
2022	5,971,192	13,251,187	139,370	2,494,535	991,380
2023	6,529,287	13,054,193	154,918	2,323,443	1,051,948
2024	7,980,409	13,173,452	113,191	2,230,500	1,083,164

Year	Cigarette Excise Tax	Tobacco Tax	Franchise Fees	Short-term Rental Tax	Total
2015	-	-	403,642	-	15,236,848
2016	-	-	432,488	-	17,742,777
2017	-	-	419,479	-	18,148,536
2018	-	-	430,029	-	18,117,731
2019	189,305	146,016	434,627	-	20,656,630
2020	250,995	214,907	428,495	-	22,026,470
2021	258,573	301,631	439,599	-	26,967,254
2022	247,799	348,917	487,722	1,122,696	29,228,285
2023	254,014	374,120	504,749	1,041,364	29,426,977
2024	239,592	314,547	465,395	999,737	32,219,381

Source: Town of Avon Finance Department

TOWN OF AVON, COLORADO

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

Levy Year	Collection Year	Vacant Land	Residential Property	Commercial Property	Other Property	Total Gross Assessed Value
2013	2014	16,403,340	90,703,150	67,157,140	4,576,530	178,840,160
2014	2015	15,183,630	92,056,060	66,419,690	4,280,110	177,939,490
2015	2016	14,261,780	121,724,600	70,940,420	3,929,820	211,061,910
2016	2017	13,201,140	123,870,280	69,822,570	4,310,460	211,204,450
2017	2018	12,927,680	129,786,330	79,660,040	4,387,310	226,761,360
2018	2019	11,625,280	131,277,920	83,581,320	3,901,750	230,386,270
2019	2020	12,669,770	146,905,210	89,774,540	3,291,140	252,640,660
2020	2021	10,282,760	151,345,100	89,159,320	3,212,590	253,999,770
2021	2022	10,934,940	166,148,630	83,772,920	3,374,840	264,255,860
2022	2023	10,313,740	164,347,040	83,678,830	3,564,390	261,904,000
2023	2024	12,336,830	242,961,960	104,622,300	3,344,630	363,265,720

Levy Year	Collection Year	Less TIF District Increment (1)	Total Net Assessed Value	Direct Tax Rate	Actual Taxable Value	Value as a Percentage of Actual Value
2013	2014	12,105,380	166,734,780	12.258	1,406,594,920	12.71%
2014	2015	11,501,900	166,437,590	12.207	1,417,405,720	12.55%
2015	2016	16,476,380	194,585,530	11.765	1,806,178,690	11.69%
2016	2017	17,221,870	193,982,580	8.956	1,825,187,770	11.57%
2017	2018	21,857,430	204,903,930	8.956	2,104,646,220	10.77%
2018	2019	21,475,340	208,910,930	8.956	2,121,154,740	10.86%
2019	2020	24,201,100	228,439,560	8.956	2,389,931,130	10.57%
2020	2021	25,630,460	228,369,310	8.956	2,444,013,540	10.39%
2021	2022	29,383,740	234,872,120	8.956	2,662,039,710	9.93%
2022	2023	29,317,470	232,517,570	8.956	2,681,000,040	9.77%
2023	2024	44,473,690	330,694,450	8.956	4,171,154,590	8.71%

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

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

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

TOWN OF AVON, COLORADO

DIRECT AND OVERLAPPING PROPERTY TAX RATES LAST TEN FISCAL YEARS

Taxing Entity	Collection Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Town of Avon										
General Operating	8.956	8.956	8.956	8.956	8.956	8.956	8.956	8.956	8.956	8.956
General Obligation Debt Service	3.251	2.809	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Direct	12.207	11.765	8.956	8.956	8.956	8.956	8.956	8.956	8.956	8.956
Eagle County										
Colleges and School Districts										
Colorado Mountain College	3.997	3.997	3.997	3.997	3.997	4.013	4.013	4.085	2.977	3.230
Eagle County School District RE-50J	21.517	20.331	25.209	24.912	25.115	24.240	24.069	24.532	22.317	21.614
Other Special Districts										
Eagle River Fire Protection District	9.392	8.205	9.740	9.828	10.226	9.766	10.023	10.624	7.742	7.957
Eagle Valley Library District	2.750	2.750	2.750	2.750	2.763	2.763	2.763	2.763	1.913	2.763
Eagle River Water and Sanitation District	0.954	0.852	0.849	0.816	0.815	0.766	0.766	0.765	0.610	0.608
Colorado River Water Conservancy District	0.253	0.243	0.253	0.254	0.256	0.235	0.502	0.501	0.500	0.501
Eagle County Health Services District	2.019	2.008	2.755	2.753	2.766	2.781	2.755	2.755	2.753	2.773
Metropolitan Districts										
Avon General Improvement District No. 1	17.557	14.077	14.005	14.005	14.005	15.186	15.186	15.640	15.640	15.640
Avon Station Metropolitan District	58.000	58.000	63.000	65.585	65.596	65.572	65.780	67.465	67.299	55.508
Confluence Metropolitan District	0.000	0.000	0.000	0.000	0.000	0.000	0.000	23.000	0.000	0.000
Mountain Vista Metropolitan District	25.000	25.000	25.000	26.155	26.354	26.354	9.250	9.250	8.200	8.200
The Village Metropolitan District	50.000	50.000	50.000	50.000	50.000	15.000	15.000	15.617	16.503	16.264

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

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

TOWN OF AVON, COLORADO

PRINCIPAL PROPERTY TAX PAYERS CURRENT YEAR AND TEN YEARS AGO

Taxpayer	2024			2014		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
CSB Properties Holdings LLC	\$ 11,486,470	1	3.16%			
Avon Hospitality Borrower LLC	7,430,550	2	2.05%			
BFG Colorado LLC	7,392,230	3	2.03%			
Avon MOB LLC	7,161,290	4	1.97%			
Beaver Creek Vacation Ownership Plan	6,309,020	5	1.74%			
Avon Wynfield LLC	5,662,920	6	1.56%	2,488,710	5	1.45%
Traer Creek-WMT LLC	5,404,230	7	1.49%	6,008,470	1	3.50%
Riverfront Village Hotel, LLC	5,353,700	8	1.47%	2,266,130	7	1.32%
Avon Piedmont LLC	5,155,320	9	1.42%			0.00%
Mountain Vista Condominium Assoc Inc.	4,296,880	10	1.18%	1,946,880	10	1.13%
Traer Creek-HD LLC	3,805,560	11	1.05%	4,236,620	2	2.47%
Christie Lodge Assoc Ltd	3,643,450	12	1.00%			0.00%
Points of Colorado	3,032,720	13	0.83%	3,064,600	3	1.78%
Dillon Real Estate Co, Inc	2,977,050	14	0.82%	1,635,990	14	0.95%
Riverfront Mountain Villas Assoc	2,483,090	15	0.68%			0.00%
Benchmark Investors LLC				2,785,050	4	1.62%
Chapel Square Building B LLC				1,970,010	9	1.15%
Avon Partners II, LLC				2,079,610	8	1.21%
Avon Mountain Center LLC				2,396,410	6	1.39%
Public Service Co. of Colorado (Xcel)				1,911,640	11	1.11%
Traer Creek Plaza LLC				1,674,900	13	0.97%
Riverview Park Assoc, Inc				1,743,920	12	1.01%
Traer Creek-RP LLC				1,524,500	15	0.89%
Total Assessed Value of the Fifteen Largest Taxpayers	81,594,480		22.46%	37,733,440		21.96%
Total Gross Assessed Value of Other Taxpayers	281,671,240		77.54%	134,106,720		78.04%
Total Gross Assessed Value of All Taxpayers	<u>\$ 363,265,720</u>		<u>100.00%</u>	<u>\$ 171,840,160</u>		<u>100.00%</u>

Source: Eagle County Assessor's Office

TOWN OF AVON, COLORADO

PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN FISCAL YEARS

Levy Year	Collection Year	(1) Total Tax Levy	Current Tax Collections	Percent of Current Taxes Collected	(2) Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collections To Total Tax Levy
2013	2014	2,083,835	2,042,508	98.02%	6	2,042,514	98.02%
2014	2015	2,071,895	2,029,571	97.96%	172	2,029,743	97.97%
2015	2016	2,329,489	2,286,146	98.14%	-	2,286,146	98.14%
2016	2017	1,777,498	1,736,538	97.70%	22	1,736,560	97.70%
2017	2018	1,876,652	1,829,624	97.49%	181	1,829,805	97.50%
2018	2019	1,912,703	1,839,155	96.15%	828	1,839,983	96.20%
2019	2020	2,087,501	2,083,430	99.80%	-	2,083,430	99.80%
2020	2021	2,087,252	2,087,123	99.99%	301	2,087,424	100.01%
2021	2022	2,149,519	2,154,594	100.24%	138	2,154,731	100.24%
2022	2023	2,128,430	2,133,613	100.24%	239	2,133,852	100.25%
2023	2024	3,026,666	3,051,404	100.82%	117	3,051,521	100.82%

Source: Town of Avon Finance Department

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

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

TOWN OF AVON, COLORADO

RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities					
	General Obligation Bonds	Special Assessment Bonds	Revenue Bonds	Certificates of Participation	Loans	Capital Leases
2015	520,860	-	6,200,000	6,280,000	-	438,024
2016	-	-	5,790,000	12,235,000	-	325,518
2017	-	-	8,225,362	11,675,000	-	566,231
2018	-	-	7,649,283	11,324,659	-	401,100
2019	-	-	7,053,286	10,661,468	-	311,195
2020	-	-	2,317,223	9,787,797	3,651,000	236,248
2021	-	-	2,135,945	9,067,886	3,227,000	159,601
2022	-	-	1,949,299	8,338,735	2,794,000	107,632
2023	-	-	1,757,123	7,380,000	2,352,000	54,441
2024	-	-	1,559,256	6,632,000	1,901,000	-

Fiscal Year	Business-Type Activities				
	Certificates of Participation	Capital Leases	Total Primary Government	Percentage of Personal Income	Per Capita
2015	2,777,127	185,937	16,401,948	0.50%	2,724
2016	2,605,000	125,825	21,081,343	0.58%	3,530
2017	2,465,000	63,864	22,995,457	0.61%	3,890
2018	2,349,640	258,258	21,982,940	0.54%	3,774
2019	2,197,144	224,979	20,448,072	0.45%	3,544
2020	1,826,000	190,561	18,008,829	0.38%	2,665
2021	1,655,000	154,967	16,400,399	0.32%	2,557
2022	1,480,000	118,157	14,787,823	0.27%	2,463
2023	1,301,000	80,087	12,924,651	0.38%	2,183
2024	1,124,000	40,717	11,256,973	NA	1,909

Source: Town of Avon Finance Department

TOWN OF AVON, COLORADO

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT DECEMBER 31, 2024

Government Unit	Debt Outstanding	Estimated Percentage Applicable ^a	Estimated Share of Overlapping Debt
Debt Repaid With Property Taxes			
Confluence Metropolitan District	\$ 21,990,000	100.00%	\$ 21,990,000
Eagle County School District RE-50J	299,982,348	7.51%	22,520,717
Eagle River Fire Protection District	21,585,975	21.49%	4,638,769
The Village Metropolitan District	43,105,500	100.00%	43,105,500
Subtotal - Overlapping debt			92,254,986
Town of Avon Direct Debt			13,189,666
Total Direct and Overlapping Debt			<u>\$ 105,444,652</u>

Source: Various Governmental Entities, Eagle County Finance Department

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Town. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Avon. This process recognizes that, when considering the Town's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

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

TOWN OF AVON, COLORADO

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

	Fiscal Year			
	2015	2016	2017	2018
General Bonded Debt Outstanding General Obligation Bonds	\$ 515,000	\$ -	\$ -	\$ -
Actual Taxable Property Value	1,417,405,720	1,806,178,690	1,825,187,770	2,104,646,220
Net Assessed Value	166,437,590	194,585,530	193,982,580	204,903,930
Percentage of General Bonded Debt Outstanding to Actual Taxable Property Value	0.04%	0.00%	0.00%	0.00%
Town of Avon Population	6,472	6,505	6,383	6,518
Per Capita	\$ 80	\$ -	\$ -	\$ -
Legal Debt Limit	\$ 41,609,398	\$ 48,646,382	\$ 48,495,645	\$ 51,225,982
Total Debt Applicable to Limit	(515,000)	-	-	-
Legal Debt Margin	\$ 41,094,398	\$ 48,646,382	\$ 48,495,645	\$ 51,225,982
Total Debt Applicable to the Limit as a Percentage of Legal Debt Limit	1.24%	0.00%	0.00%	0.00%

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

Fiscal Year						
2019	2020	2021	2022	2023	2024	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
2,121,154,740	2,389,931,130	2,444,013,540	2,639,103,550	4,033,949,340	4,194,422,640	
208,910,930	228,439,560	228,369,310	234,872,120	319,434,020	376,237,450	
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6,365	6,145	6,003	6,003	6,003	5,898	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
\$ 52,227,732	\$ 57,109,890	\$ 57,092,328	\$ 58,718,030	\$ 79,858,505	\$ 94,059,363	
-	-	-	-	-	-	-
\$ 52,227,732	\$ 57,109,890	\$ 57,092,328	\$ 58,718,030	\$ 79,858,505	\$ 94,059,363	
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

TOWN OF AVON, COLORADO

DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS

Year	Town of Avon Population	Eagle County Population	Eagle County Personal Income (In \$1,000's)	Eagle County Per Capita Personal Income	Eagle County Median Age	Eagle County RE-50J School Enrollment	Denver / Boulder Consumer Price Index	Eagle County Unemployment Rate
2014	6,021	52,398	3,224,573	61,540	36.20	6,713	237.2	4.75%
2015	5,972	52,780	3,568,192	67,605	36.50	6,546	240.0	2.10%
2016	5,911	53,041	3,667,573	69,146	36.70	6,901	246.6	2.81%
2017	5,825	53,724	3,987,664	74,225	35.60	6,959	254.9	2.22%
2018	5,769	54,205	4,437,818	81,871	39.00	6,882	261.9	2.59%
2019	6,758	54,819	4,673,484	85,253	36.50	6,902	267.4	2.25%
2020	6,144	55,624	4,887,792	87,872	37.81	6,931	272.2	5.10%
2021	6,058	55,687	5,760,263	103,440	37.70	6,694	281.8	4.30%
2022	6,003	55,852	6,347,189	113,643	34.68	6,623	304.4	2.80%
2023	5,921	54,381	6,962,998	128,041	38.30	6,687	320.3	2.50%
2024	5,898	54,330	N/A	N/A	39.30	6,497	327.6	3.60%

N/A - Information not available.

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

TOWN OF AVON, COLORADO

PRINCIPAL EMPLOYERS CURRENT YEAR AND TEN YEARS AGO

Employer	2024		2015	
	Employees	Rank	Employees	Rank
East West Hospitality	460	1		
Westin Riverfront Resort & Spa	402	2	262	1
Wal-Mart	217	3	250	2
CMM/Vail Health - Avon	134	6		
Home Depot	132	5	130	4
City Market	131	4	130	5
Town of Avon	120	7	82	8
Eagle River Water & Sanitation	72	9	99	6
Slifer Smith & Frampton	74	8		
Christie Lodge	61	10	84	7
Sheraton Mountain Vista	40	11	75	9
Vail Valley Foundation	35	12		
Montana's Bar & Grill	NA	NA		
Maya, Mexican Kitchen	NA	NA		

Sources: Various Town of Avon businesses, Department of Labor

TOWN OF AVON, COLORADO

COMMERCIAL AND RESIDENTIAL CONSTRUCTION LAST TEN FISCAL YEARS

<u>Year</u>	<u>Total Permits Issued</u>	<u>Total Building Construction Value</u>	<u>Sales Tax Collected On Construction Materials</u>	<u>Potential Use Tax On Construction Materials</u>	<u>Difference</u>
2015	153	21,306,000		426,120	(426,120)
2016	158	30,076,507		601,530	(601,530)
2017	167	48,228,121		964,562	(964,562)
2018	164	52,662,638		1,053,253	(1,053,253)
2019	177	76,109,352	432,065	1,522,187	(1,090,122)
2020	169	24,772,104	505,035	495,442	9,593
2021	208	33,425,048	455,802	668,501	(212,699)
2022	215	199,409,400	650,382	3,988,188	(3,337,806)
2023	191	24,707,764	272,500	494,155	(221,656)
2024	222	147,108,642	766,587	2,942,173	(2,175,586)

Source: Town of Avon Community Development Department

TOWN OF AVON, COLORADO

COMMERCIAL AND RESIDENTIAL CONSTRUCTION LAST TEN FISCAL YEARS

Year	Total Permits Issued	Commercial Construction		Residential Construction		Total Building Construction Value
		Square Footage	Value	No. of Units	Value	
2014	156	-	1,500,000	10	13,735,900	15,235,900
2015	153	114,614	14,336,000	10	6,970,000	21,306,000
2016	158	90,309	21,525,147	7	8,551,360	30,076,507
2017	167	60,043	29,298,052	6	18,930,069	48,228,121
2018	164	93,579	37,542,440	20	15,120,198	52,662,638
2019	177	23,276	11,851,054	278	64,258,298	76,109,352
2020	169	36,082	14,430,422	12	10,341,682	24,772,104
2021	208	7,900	1,957,878	20	31,467,170	33,425,048
2022	215	131,676	34,500,000	127	164,909,400	199,409,400
2023	179	4,425	1,487,642	12	9,810,000	24,707,764
2024	211	397,087	88,705,693	11	32,905,000	147,108,642

Source: Town of Avon Community Development Department

TOWN OF AVON, COLORADO

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

	Full-time Equivalent Employees as of December 31				
	2015	2016	2017	2018	2019
General Government					
Administration	4.75	4.60	4.60	5.00	6.00
Special Events	1.00	1.00	2.00	2.00	2.00
Human Resources	3.00	3.00	3.00	3.75	3.75
Finance	8.00	8.00	8.00	9.00	9.00
IT					
Nondepartmental	1.00	1.00	1.00	1.00	1.00
Community Development	3.00	3.00	3.00	3.00	3.75
Police	20.00	20.40	20.40	21.50	22.50
Public Works:					
Engineering	2.00	2.00	2.00	2.00	0.00
Buildings and Facilities	4.00	4.00	5.00	5.00	2.00
Roads and Bridges, Parks	14.00	15.00	16.00	15.00	5.00
					16.00
Mobility	6.00	6.00	6.00	8.00	8.00
Fleet Maintenance	8.00	8.00	8.00	8.00	8.00
Recreation	9.00	9.00	10.00	10.00	10.00
Total	83.75	85.00	89.00	93.25	97.00

	Full-time Equivalent Employees as of December 31				
	2020	2021	2022	2023	2024
General Government					
Administration	5.00	6.00	7.00	8.30	9.00
Special Events	1.00	1.00	2.00	2.00	2.00
Human Resources	3.75	3.00	4.00	4.00	3.00
Finance	8.50	7.50	9.00	7.00	7.00
IT				3.00	3.00
Nondepartmental	1.00	1.00	0.00	0.00	0.00
Community Development	3.00	3.00	4.00	7.00	7.00
Police	22.50	20.50	24.50	25.45	27.75
Public Works:					
Administration	0.00	0.00	2.00	2.00	2.00
Engineering	2.00	3.00	3.00	5.00	5.00
Buildings and Facilities	5.00	3.00	5.00	7.00	7.00
Roads and Bridges, Parks	15.00	12.00	16.00	18.00	18.00
Mobility	8.00	8.00	9.00	9.00	9.00
Fleet Maintenance	8.00	8.00	9.00	9.00	9.00
Recreation	9.50	10.00	11.00	12.00	12.00
Total	92.25	86.00	105.50	118.75	120.75

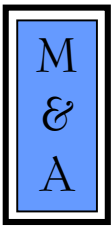
Source: Town of Avon Budget

TOWN OF AVON, COLORADO

OPERATING INDICATORS BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

	Fiscal Year	
	2014	2015
Town of Avon Facilities and Services:		
Miles of Streets	23.73	23.73
Number of Street Lights	613	619
Culture and Recreation:		
Miles of Bike/Pedestrian Paths	8.82	8.82
Miles of dirt, singletrack trails	11.00	11.00
Parks / Lakes	5/1	5/1
Park Acreage	672	672
Tennis/Volleyball /Basketball Courts/Pickleball Courts	4 / 2 / 3 / 2	4 / 2 / 3 / 2
Recreation Centers	1	1
Softball / Soccer Fields	1 / 2	1 / 2
Playgrounds	4	4
Performance Art Pavilion	1	1
Police Protection:		
Number of Stations	1	1
Number of Police Personnel and Officers	20	21
Number of Patrol Units	16	15
Number of Law Violations:		
General Ordinance Violations	438	384
Traffic Violations	372	314
Parking Violations	366	282
Facilities and Services Not Included in the Reporting Entity:		
Libraries:		
Number of Libraries / Volumes	1 / 80,239	1 / 79,226
Water System:		
Miles of Water Mains	24.99	24.99
Number of Service Connections	3,897	3,917
Daily Average Consumption in Gallons	706,833	706,833
Maximum Daily Capacity of Plant in Gallons	10MGD	10MGD
Sanitary Sewer System:		
Miles of Sanitary Sewers	33.44	33.44
Number of Treatment Plants	1	1
Number of Service Connections	4,038	4,086
Maximum Daily Capacity of Treatment Plant in Gallons	4.3MGD	4.3MGD
Education:		
Number of Elementary Schools / Instructors	1 / 25	1 / 27
Fire Protection:		
Number of Stations	5	5
Number of Fire Personnel and Officers	64	67
Number of Calls Answered	2,357	636
Number of Inspections Conducted	154	122

Fiscal Year							
2016	2017	2019	2020	2021	2022	2023	2024
23.73	23.73	23.73	23.73	24	24	24	24
634	646	666	699	699	734	764	821
9.32	9.32	9.44	9.51	9.51	9.51	9.51	9.51
11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00
5/1	5/2	5/2	5/2	5/2	5/2	5/2	5/2
672	672	672	672	672	672	672	672
4 / 2 / 3 / 2	4 / 2 / 3 / 2	4 / 2 / 3 / 2	4 / 2 / 3 / 2	4 / 2 / 3 / 2	2 / 2 / 3 / 6	2 / 2 / 3 / 6	2 / 2 / 3 / 6
1	1	1	1	1	1	1	1
1 / 2	1 / 2	1 / 2	1 / 2	0 / 2	0 / 2	0 / 2	0 / 2
4	4	4	4	4	4	4	4
1	1	1	1	1	1	1	1
1	1	1	1	1	1	1	1
23	23	22	23	23	24.5	23.5	24.5
15	15	15	15	17	17	17	17
419	91	82	52	51	29	89	128
543	446	226	208	295	235	241	438
234	147	160	157	148	131	182	173
1 / 77,490	1 / 78,779	1 / 75,963	1 / 77,318	1 / 78,880	1 / 78,011	1 / 79,694	1 / 83,325
24.99	24.99	24.99	24.99	24.99	24.99	24.99	37
3,917	3,980	4,019	4,267	4,323	4,385	4,385	4,558
709,478	712,521	725,684	698,030	744,896	# 726,025	# 726,025	709,620
10MGD	10MGD	10MGD	10MGD	10MGD	10MGD	10MGD	10MGD
33.44	33.44	33.44	33.44	33.4	33.4	33.4	35.7
1	1	1	1	1	1	1	1
4,086	4,118	4,157	4,405	4,449	4,511	4,511	4,557
4.3MGD	4.3MGD	4.3MGD	4.3MGD	4.3MGD	4.3MGD	4.3MGD	4.3MGD
1 / 47	1 / 62	1 / 39	1 / 36	1 / 32	1 / 32	1 / 32	1 / 32
6	6	5	5	5	5	5	5
68	68	70	68	67	65	72	72
670	644	564	2,518	634	586	1,155	1,155
175	179	134	127	141	90	168	168



McMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

WEB SITE: www.McMAHANCPA.COM

MAIN OFFICE: (970) 845-8800

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Avon, Colorado (the "Town") as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated July 24, 2025.

Internal Control Over Financial Reporting

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

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

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

Member: American Institute of Certified Public Accountants

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

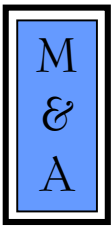
Compliance and Other Matters

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

Purpose of this Report

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

McMahan and Associates, L.L.C.
**McMahan and Associates, L.L.C.
Avon, Colorado
July 24, 2025**



McMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

WEB SITE: www.McMAHANCPA.COM

MAIN OFFICE: (970) 845-8800

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

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

Opinion on Each Major Federal Program

We have audited Town of Avon, Colorado's (the "Town") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Town's major federal programs for the year ended December 31, 2024. The Town's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Town's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Member: American Institute of Certified Public Accountants

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

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

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
Avon, Colorado
July 24, 2025

Town of Avon, Colorado
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2024

Part I – Summary of Auditor’s Results

Financial Statements:

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

Federal Awards:

Internal control over major programs:	
Material weakness identified	None noted
Significant deficiency identified	None noted
Type of auditor’s report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations Part 200	No
Major programs:	
Coronavirus State and Local Fiscal Recovery Funds	ALN 21.027
Dollar threshold used to identify Type A from Type B programs:	\$750,000
Identified as low-risk auditee	Yes

Part II – Findings Related to Financial Statements

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

Part III – Findings Related to Federal Awards

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

There were no findings for the fiscal year ended December 31, 2023.

TOWN OF AVON, COLORADO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2024

Program Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Expenditures	Clusters of Programs
<u>U.S. Department of Justice</u>				
Opiate Investigation Tool	93.788	N/A	50,000	
Bulletproof Vest Partnership Program	16.738	N/A	20,000	
Total U.S. Department of Justice			<u>70,000</u>	
<u>U.S. Department of Transportation</u>				
<i>Passed Through Colorado Department of Transportation:</i>				
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	22-HTR-ZL-00194/491002873	85,039	
Formula Grants for Rural Areas and Tribal Transit Program	20.509	24-HTR-ZL-00150/491003414	253,359	
Total U.S. Department of Transportation			<u>338,398</u>	
<u>U.S. Department of Treasury</u>				
Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	1,636,538	
Total U.S. Department of Treasury			<u>1,636,538</u>	
Total Expenditures of Federal Awards			<u><u>2,044,936</u></u>	

The accompanying notes are an integral part of this schedule.

TOWN OF AVON, COLORADO

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2024

Notes to the Schedule of Expenditures of Federal Awards for the Year Ended December 31, 2024

Note 1. Basis of Presentation:

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Town of Avon under programs of the federal government for the year ended December 31, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Town of Avon, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Town of Avon.

Note 2. Significant Accounting Policies

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

Note 3. Subrecipients

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

Note 4. Indirect Facilities and Administration costs:

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