



CliftonLarsonAllen LLP  
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## Accountant's Compilation Report

Honorable Mayor and Members of the Town Council  
Town of Timnath  
Larimer County, Colorado

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Town of Timnath for the year ending December 31, 2017, including the estimate of comparative information for the year ending December 31, 2016 and the actual comparative information for the year ending December 31, 2015, in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the budget nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the accompanying budget.

We draw attention to the summary of significant assumptions which describe that the budget is presented in accordance with the requirements of C.R.S. 29-1-105, and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

We are not independent with respect to Town of Timnath.

A handwritten signature in black ink that reads 'CliftonLarsonAllen LLP'.

Greenwood Village, Colorado  
December 22, 2016

**TOWN OF TIMNATH  
SUMMARY  
FORECASTED 2017 BUDGET AS ADOPTED  
WITH 2015 ACTUALS AND 2016 ESTIMATED**

12/22/2016

	2015 ACTUAL	2016 ESTIMATED	2017 ADOPTED
1 <b>BEGINNING FUND BALANCES</b>	\$ 8,895,341	\$ 10,869,720	\$ 10,731,397
2 <b>REVENUES</b>			
3 Taxes	2,975,530	3,045,926	3,878,875
4 Intergovernmental	5,675,097	10,334,363	4,149,529
5 Licenses, fees and charges	2,410,631	2,776,812	6,101,856
6 Other	214,647	253,700	313,804
7 Grants	76,574	75,187	3,213
8 Total revenues	<u>11,352,479</u>	<u>16,485,988</u>	<u>14,447,277</u>
9 <b>TRANSFERS IN</b>			
10 General Fund (from Grant Fund)	74,930	76,831	3,213
11 Total transfers in	<u>74,930</u>	<u>76,831</u>	<u>3,213</u>
12 Total funds available	<u>20,322,750</u>	<u>27,432,539</u>	<u>25,181,886</u>
13 <b>EXPENDITURES</b>			
14 General Government	1,738,671	2,375,397	2,786,380
15 Municipal Court	14,760	17,450	40,500
16 Community Development	942,888	883,732	1,249,582
17 Public Safety	453,283	885,154	1,135,357
18 Public Works	1,068,922	1,425,951	1,663,327
19 Parks and Recreation	1,678,035	3,695,268	2,169,135
20 Capital Outlay	3,481,540	7,341,359	12,911,779
21 Total expenditures	<u>9,378,099</u>	<u>16,624,311</u>	<u>21,956,060</u>
22 <b>TRANSFERS OUT</b>			
23 Grant Fund (to General Fund)	74,930	76,831	3,213
24 Total transfers out	<u>74,930</u>	<u>76,831</u>	<u>3,213</u>
25 Total expenditures and transfers out requiring appropriation	9,453,029	16,701,142	21,959,273
26 <b>ENDING FUND BALANCES</b>	<u>\$ 10,869,720</u>	<u>\$ 10,731,397</u>	<u>\$ 3,222,614</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**TOWN OF TIMNATH  
SUMMARY  
FORECASTED 2017 BUDGET AS ADOPTED  
WITH 2015 ACTUALS AND 2016 ESTIMATED**

12/22/2017

	2015 ACTUAL	2016 ESTIMATED	2017 ADOPTED
<b>27 FUNDS RESERVED FOR:</b>			
28 Emergency reserves (TABOR)	132,000	286,000	405,000
29 Conservation Trust	48,643	70,643	-
30 Grants	1,644	-	-
31 1/4 Cent	515,421	-	-
32 Police impact fees	126,963	156,772	246,852
33 Parks impact fees	1,705,804	-	-
34 Public buildings impact fees	-	121,408	-
35 Stormwater impact fees	-	66,198	119,638
36 Transportation impact fees	-	-	-
37 Cash in lieu of land - School	1,225,065	1,184,865	1,507,041
38 Cash in lieu - Parks	-	64,380	142,872
<b>39 FUNDS DESIGNATED FOR:</b>			
40 Working reserve	737,900	631,000	740,200
<b>41 UNDESIGNATED AND UNRESERVED FUNDS</b>	<b>6,376,280</b>	<b>8,150,131</b>	<b>61,011</b>
<b>42 ENDING FUND BALANCES</b>	<b>\$ 10,869,720</b>	<b>\$ 10,731,397</b>	<b>\$ 3,222,614</b>

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**TOWN OF TIMNATH  
GENERAL FUND  
FORECASTED 2017 BUDGET AS ADOPTED  
WITH 2015 ACTUALS AND 2016 ESTIMATED**

12/22/2016

	2015 ACTUAL	2016 ESTIMATED	2017 ADOPTED
43 <b>BEGINNING FUND BALANCE</b>	\$ 8,895,341	\$ 10,868,076	\$ 10,731,397
44 <b>REVENUE</b>			
45 <b>TAXES</b>			
46 Property tax	38,151	73,426	94,675
47 Specific ownership tax	24,746	28,000	41,100
48 Sales tax	1,490,989	1,440,000	1,540,000
49 Motor vehicle sales tax	316,986	375,900	394,700
50 Use tax - building materials	1,104,658	1,128,600	1,808,400
51 <b>TOTAL TAXES</b>	<u>2,975,530</u>	<u>3,045,926</u>	<u>3,878,875</u>
52 <b>INTERGOVERNMENTAL</b>			
53 1/4 cent sales tax	99,605	136,800	144,000
54 Highway Users Tax (HUTF)	99,689	113,532	125,857
55 Conservation Trust Fund (Lottery)	7,630	22,000	27,000
56 Cigarette tax	8,529	14,000	14,000
57 Severance tax	12,448	5,955	5,955
58 County Road & Bridge shareback	14,151	34,693	34,501
59 Motor vehicle registration fees	9,721	10,000	14,700
60 Capital - transfer from TDA	2,538,775	6,869,247	954,707
61 Intergovernmental - TDA - general	2,884,549	3,128,136	2,828,809
62 <b>TOTAL INTERGOVERNMENTAL</b>	<u>5,675,097</u>	<u>10,334,363</u>	<u>4,149,529</u>
63 <b>LICENSES, FEES AND CHARGES</b>			
64 Sales tax and business license fees	19,200	19,800	20,400
65 Liquor license fees	225	225	225
66 Building permit fees	608,460	444,600	712,400
67 Annexation fees	-	-	50,000
68 Community development fees	53,519	55,000	60,000
69 Administrative fees	237,263	222,300	356,200
70 Building assessments	1,069,806	1,658,387	3,584,229
71 Contract reimbursements	-	18,000	851,712
72 Developer charge backs	410,183	346,500	453,690
73 Other licenses, fees and charges	11,975	12,000	13,000
74 <b>TOTAL LICENSES, FEES AND CHARGES</b>	<u>2,410,631</u>	<u>2,776,812</u>	<u>6,101,856</u>
75 <b>OTHER</b>			
76 Franchise fees	128,403	120,700	148,800
77 Fines and forfeitures	9,664	30,000	35,000
78 Net investment income	16,001	53,000	55,000
79 Miscellaneous	60,579	50,000	75,004
80 <b>TOTAL OTHER</b>	<u>214,647</u>	<u>253,700</u>	<u>313,804</u>
81 <b>Total revenue</b>	<u>11,275,905</u>	<u>16,410,801</u>	<u>14,444,064</u>
82 <b>TRANSFERS IN</b>			
83 Grant Fund	74,930	76,831	3,213
84 <b>Total transfers in</b>	<u>74,930</u>	<u>76,831</u>	<u>3,213</u>
85 <b>Total funds available</b>	<u>20,246,176</u>	<u>27,355,708</u>	<u>25,178,673</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**TOWN OF TIMNATH  
GENERAL FUND  
FORECASTED 2017 BUDGET AS ADOPTED  
WITH 2015 ACTUALS AND 2016 ESTIMATED**

12/22/2016

	2015 ACTUAL	2016 ESTIMATED	2017 ADOPTED
<b>86 EXPENDITURES</b>			
<b>87 GENERAL GOVERNMENT</b>			
88 Town Council expenditures	5,417	6,000	7,000
89 Town Administration - salaries and benefits	391,039	463,230	477,780
90 Town Clerk - elections	732	5,000	4,000
91 County Treasurer and other fees	23,899	18,000	20,000
92 Dues and memberships	4,808	5,000	6,000
93 Finance - Contracted	247,313	268,900	275,600
94 Finance - Contracted - Out of Scope	26,330	35,000	35,000
95 Human resources - Contracted	8,948	10,000	10,000
96 Information Technology - Contracted	76,254	95,000	90,000
97 Information Technology - hardware and software	37,501	55,000	65,000
98 Legal - Contracted	347,695	360,500	369,500
99 Legal - Contracted - Out of Scope	56,999	115,000	100,000
100 Legal - Special counsel	25,193	200,000	150,000
101 Audit	17,400	17,267	19,500
102 Consulting	25,094	30,000	40,000
103 Insurance	41,532	88,000	110,000
104 General Office and Administration	105,043	123,000	127,000
105 Town events	151,999	357,500	525,000
106 Community engagement	-	5,000	15,000
107 Economic development	98,127	78,000	240,000
108 Other	47,348	40,000	100,000
109 TOTAL GENERAL GOVERNMENT	1,738,671	2,375,397	2,786,380
<b>110 MUNICIPAL COURT</b>			
111 Municipal Judge	2,520	4,000	6,000
112 Legal	12,100	13,200	30,000
113 Translator	140	250	1,000
114 Defendant Counsel	-	-	2,500
115 Jail services	-	-	1,000
116 TOTAL MUNICIPAL COURT	14,760	17,450	40,500
<b>117 COMMUNITY DEVELOPMENT</b>			
118 Salaries and benefits	11,530	65,147	68,101
119 Planning services - Contracted	305,000	345,250	353,881
120 Master planning studies	91,467	56,000	250,000
121 Consulting services	6,006	-	12,000
122 Building permits - Contracted	20,156	-	5,000
123 Code enforcement - Contracted	16,762	16,000	18,000
124 Development review	479,871	385,000	504,100
125 General Office and Administration	10,150	14,085	31,500
126 Other	1,946	2,250	7,000
127 TOTAL COMMUNITY DEVELOPMENT	942,888	883,732	1,249,582

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**TOWN OF TIMNATH  
GENERAL FUND  
FORECASTED 2017 BUDGET AS ADOPTED  
WITH 2015 ACTUALS AND 2016 ESTIMATED**

12/22/2016

		2015 ACTUAL	2016 ESTIMATED	2017 ADOPTED
128	<b>PUBLIC SAFETY</b>			
129	Salaries and benefits	319,047	684,708	920,698
130	General Office and Administration	4,846	10,800	14,220
131	Equipment	20,797	30,063	36,486
132	Contracted services	48,696	66,666	69,878
133	Vehicles and maintenance	44,828	70,817	72,000
134	Training	1,006	7,000	7,975
135	Other	14,063	15,100	14,100
136	TOTAL PUBLIC SAFETY	<u>453,283</u>	<u>885,154</u>	<u>1,135,357</u>
137	<b>PUBLIC WORKS</b>			
138	Salaries and benefits	135,787	224,110	292,173
139	Public Works Director - Contracted	159,087	189,125	193,853
140	General engineering - Contracted	194,231	225,000	230,625
141	General engineering - Contracted - Out of Scope	29,875	50,000	50,000
142	Mosquito control	27,700	28,000	40,000
143	Weed control	11,150	16,000	20,000
144	Grading	13,240	15,000	20,000
145	Vehicles - repairs and maintenance	111,727	134,000	182,000
146	Materials	4,411	5,000	12,000
147	Equipment rentals	356	1,000	2,500
148	Snow plowing	16,777	17,100	25,000
149	Street sweeping	1,890	7,000	10,000
150	Street lighting	60,895	65,000	75,000
151	Signal maintenance	14,152	20,000	20,000
152	Drainage	-	-	20,000
153	Road maintenance/resurfacing	213,643	325,000	350,000
154	Landscape maintenance	5,666	5,000	15,000
155	Street signs	2,822	10,000	10,000
156	Street striping	37,316	45,000	50,000
157	Town clean-up day	-	11,500	-
158	Tractor lease	14,116	14,116	1,176
159	Other	14,081	19,000	44,000
160	TOTAL PUBLIC WORKS	<u>1,068,922</u>	<u>1,425,951</u>	<u>1,663,327</u>
161	<b>PARKS AND RECREATION</b>			
162	Salaries and benefits	7,820	16,068	16,535
163	Park maintenance	18,163	45,000	145,000
164	Reservoir lease	110,192	112,000	127,600
165	Capital outlay	1,541,860	3,522,200	1,880,000
166	TOTAL PARKS AND RECREATION	<u>1,678,035</u>	<u>3,695,268</u>	<u>2,169,135</u>
167	<b>CAPITAL OUTLAY</b>			
168	Roads and Utilities	2,919,462	5,229,000	4,553,667
169	Buildings and Equipment	241,966	227,247	2,838,000
170	Stormwater	250,000	1,750,000	100,000
171	Community Revitalization/Visioning Projects	-	-	5,250,000
172	Other	-	65,000	100,000
173	DOLA Loan	70,112	70,112	70,112
174	TOTAL CAPITAL OUTLAY	<u>3,481,540</u>	<u>7,341,359</u>	<u>12,911,779</u>
175	Total expenditures	<u>9,378,099</u>	<u>16,624,311</u>	<u>21,956,060</u>
176	<b>ENDING FUND BALANCE</b>	<u>\$ 10,868,076</u>	<u>\$ 10,731,397</u>	<u>\$ 3,222,614</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**TOWN OF TIMNATH  
SPECIAL REVENUE FUND - GRANTS  
FORECASTED 2017 BUDGET AS ADOPTED  
WITH 2015 ACTUALS AND 2016 ESTIMATED**

12/22/2016

	2015 ACTUAL	2016 ESTIMATED	2017 ADOPTED
177 <b>BEGINNING FUND BALANCE</b>	\$ -	\$ 1,644	\$ -
178 <b>REVENUE</b>			
179 State Grants			
180 GOCO			
181 Timnath South - Regional Park - Master Planning	68,235	-	-
182 Poudre River Trailhead Park	-	69,510	-
183 Public Safety - fire arms	2,755	2,464	
184 Federal			
185 CDOT - Harmony Road - Phase IIA	2,344	-	-
186 Bureau of Justice Assistance	740	713	713
187 Other	2,500	2,500	2,500
188 Total revenue	<u>76,574</u>	<u>75,187</u>	<u>3,213</u>
189 Total funds available	<u>76,574</u>	<u>76,831</u>	<u>3,213</u>
190 <b>EXPENDITURES</b>			
191 Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
192 <b>TRANSFERS OUT</b>			
193 General Fund	74,930	76,831	3,213
194 Total transfers out	<u>74,930</u>	<u>76,831</u>	<u>3,213</u>
195 Total expenditures and transfers out requiring appropriation	<u>74,930</u>	<u>76,831</u>	<u>3,213</u>
196 <b>ENDING FUND BALANCE</b>	<u>\$ 1,644</u>	<u>\$ -</u>	<u>\$ -</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**TOWN OF TIMNATH**  
**PROPERTY TAX SUMMARY INFORMATION**  
**For the Years Ended and Ending December 31,**

12/22/16

	2015 ACTUAL	2016 ESTIMATED	2017 ADOPTED
<b>ASSESSED VALUATION- Larimer County</b>			
Commercial	\$ 6,264,840	\$ 11,836,901	\$ 12,448,426
Industrial	491,160	478,059	499,913
Agriculture/Natural resources	152,800	213,055	204,486
Vacant land	8,941,950	14,105,503	12,396,943
State Assessed	84,760	90,100	95,200
Residential	25,733,230	36,324,393	43,633,312
	<u>41,668,740</u>	<u>63,048,011</u>	<u>69,278,280</u>
TIF adjustment	(36,745,109)	(52,168,471)	(55,122,319)
Certified Assessed Value	<u>\$ 4,923,631</u>	<u>\$ 10,879,540</u>	<u>\$ 14,155,961</u>
<b>MILL LEVY</b>			
GENERAL FUND	6.749	6.749	6.688
Temporary reduction for 5.5% rebate	0.000	0.000	0.000
General rebate under TABOR	0.000	0.000	0.000
Total mill levy	<u>6.749</u>	<u>6.749</u>	<u>6.688</u>
<b>PROPERTY TAXES</b>			
GENERAL	\$ 33,230	\$ 73,426	\$ 94,675
Temporary reduction for 5.5% rebate	-	-	-
General rebate under TABOR	-	-	-
Levied property taxes	<u>33,230</u>	<u>73,426</u>	<u>94,675</u>
Adjustments to actual/rounding	4,921	-	-
Refunds and abatements	-	-	-
Budgeted property taxes	<u>\$ 38,151</u>	<u>\$ 73,426</u>	<u>\$ 94,675</u>
<b>BUDGETED PROPERTY TAXES</b>			
General	\$ 38,151	\$ 73,426	\$ 94,675
	<u>\$ 38,151</u>	<u>\$ 73,426</u>	<u>\$ 94,675</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.



**TOWN OF TIMNATH  
2017 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The Town was incorporated on June 29, 1920. The Town is a political subdivision of the State of Colorado and is governed by a five-member Town Council. On November 7, 2006, a majority of the qualified voters adopted a Home Rule Charter thereby granting the Town all powers accorded to towns by the laws of the State of Colorado. The Town's major operations include public safety, municipal court, public works, community development, parks and recreation, and general administrative services.

The Town's Budget is prepared using the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105. The Town's Budget does not include any component units, such as the Timnath Development Authority (TDA). A separate budget has been prepared for this entity.

Currently, the majority of the services related to legal, finance, public works, and community development are contracted by the Town. Town Council has determined it to be economically prudent to outsource these services rather than incur the payroll, benefit costs, and related liabilities associated with maintaining permanent Town employees.

The Budget is in accordance with the TABOR Amendment limitations. Emergency reserves, required under TABOR, have been provided for.

**Revenues**

**Taxes**

Primary sources of revenue for the Town are sales and use taxes. The Town assesses a 3.0% sales tax on all taxable retail transactions and a 3.0% use tax on building construction materials, with the exception of food which is taxed at a rate of 2.25%. Sales tax revenue has been projected for 2017 using historical trends as well as consideration of new retailers anticipated to open during 2017. Use tax revenue has been projected based on development assumptions and total new residential units anticipated in 2017.

In addition to sales and use taxes, the Town also collects property taxes. Property taxes are levied by the Town Council. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certifications to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August, and generally, sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the Town. The total mill levy certified by

**TOWN OF TIMNATH  
2017 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues - (continued)**

the Town for collection in 2017 is 6.688 mills. Additionally, specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County.

**Intergovernmental Revenue**

Intergovernmental revenue consists of various sources of revenue that are received by the Town from the State or County including the Highway Users Tax (HUTF), cigarette tax, severance tax, County share backs for open space and road tax, and Conservation Trust Funds. These revenues are budgeted each year based on various factors and formulas. The HUTF is a state tax shared locally based on gas tax, various vehicle registration, title, and license fees. Cigarette tax is a tax assessed by the State government, and a percentage of the tax is allocated to the Town based upon sales tax receipts as a percentage of State sales tax receipts. Severance tax is a tax imposed upon nonrenewable natural resources that are removed from the earth and allocated to the different municipalities in the State. The ¼ cent sales tax is a County share back whereby funds are remitted back to the Town to be used for open space acquisition and improvements. This tax was approved by voters in 1995 and is scheduled to sunset in 2018. The 50% road tax is based on a County mill levy of .996 mills which is assessed against the Town's assessed value for the purpose of maintaining roads and bridges, of which a portion will be shared back with the County beginning in 2017. The Conservation Trust Fund represents lottery revenues from the State that are allocated to municipalities based on population estimates. Conservation Trust Fund revenue is restricted for specific conservation purposes under State statutes.

In addition to the State and County revenue items above, the Town also receives intergovernmental revenues from the TDA. The TDA transfers loan proceeds to the Town for TDA capital projects to be constructed by the Town. Additionally, after the TDA allocates revenue received to pay the current year's TDA required debt service payments, any amounts remaining in excess of the debt service reserve requirements are transferred to the Town to be used for general and capital expenditures.

**Licenses, Fees and Charges**

Licenses, fees and charges consist of various fees including business licenses, liquor licenses, building permits, impact, in-lieu fees, annexation, planning and zoning, and engineering fees. Many of these fees are based on residential and commercial development within the Town and are projected based on permit information, as well as information received from developers within the Town.

**TOWN OF TIMNATH  
2017 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues - (continued)**

**Other**

Various other revenues are anticipated to be received by the Town, including franchise fees, fines and forfeitures and interest income. Franchise fees are revenues derived from fees levied on companies in exchange for the right to use public right of way and otherwise operate as a franchise. Franchise fees for the Town are generated from a negotiated franchise license with Xcel Energy and the Poudre Valley REA for gas and electric services in the Town, as well as cable franchise fees with Comcast. Fines and forfeiture revenues include court fees, as well as vehicle and other code violation fines. Other revenues are projected in 2017 based on historical trends and anticipated development.

**Expenditures**

**General Government**

General government expenditures include Town Council costs for travel, seminars and training, and other related expenditures. Town Clerk expenditures include costs for public elections and legal publication, including ordinances and hearings. Town Administration – salaries and benefits - includes the salaries and benefits of the Town Manager, Town Clerk, Town Accountant, and an Administrative Assistant. Contracted Finance and Contracted Legal represent the accounting and legal outsourced functions for the Town. Human resources include contracted HR resources. Information Technology includes contracted personnel costs, as well as hardware and software costs. Town office costs consist of supplies, postage, printing, utilities and phone service, as well as other expenditures related to the specific Town facility. Costs related to insurance, consulting, audit, and economic development are also reflected under General Government.

Additionally, other Town programs are reflected under General Government including Town events, which include the Town barbeque, tree lighting ceremony, Town fireworks, Taste of Timnath, and other events. The 2017 Budget also includes funds for community engagement.

General government 2017 budgeted estimates have been projected based on historical costs, anticipated cost increases related to salary and benefits, as well as known contract price changes.

**Municipal Court**

Municipal court expenditures consist of judge fees, legal fees, and translator fees. Municipal Court expenditures are projected to increase in 2017 as a result of anticipated additional court sessions.

**TOWN OF TIMNATH  
2017 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Expenditures – (continued)**

**Community Development**

Community Development includes planning services, building permit and inspection, and code enforcement. A total of \$250,000 has been budgeted in 2017 for various master studies including a PROST update, a Harmony Corridor Master Plan, a storm drainage study and an Old Town parking study. Additionally, a total of \$504,100 has also been budgeted in 2017 for development project review of which a significant portion of these costs will be offset by Developer charge backs.

**Public Safety**

The 2017 Budget includes payroll and related benefit expenditures for eight sworn officers and a records technician, as well as other related costs such as training, organizational memberships and vehicle maintenance. The 2017 Budget also includes contracted services with the Larimer County Sheriff's office, animal control, and a school resource officer. Additionally, the 2017 Budget includes the purchase of office laptops, mobile data laptops, firearms, and various other equipment. Moreover, the leasing of one new patrol vehicle has also been included in the 2017 Budget.

**Public Works**

The Public Works Department's 2017 Budget consists of four full-time Town employees, as well as contracted services. This department's budget includes expenditures related to street lighting, street maintenance, weed control, snow removal, drainage maintenance, mosquito control, street striping and engineering. The 2017 Budget also includes \$350,000 for road maintenance and resurfacing.

**Parks and Recreation**

The 2017 Budget includes Town funding for several projects including the Timnath South Regional Park, Poudre Regional Trailhead Park, Harmony Bridge sculpture, Timnath Reservoir Trail and Park, Wildwing Park, purchase of a portable stage, and continued payments under the reservoir lease. The 2017 Budget also includes the hiring of a seasonal employee and park related operational and maintenance costs.

**Capital Outlay**

To the extent funds are available and the need is established, the 2017 Budget provides for various capital costs related to roads, buildings and equipment, utilities, stormwater as well as other projects. Road and Utilities projects include Harmony Phase 3 Widening, Harmony Interchange Landscape North, Fewell/Riberbend Road Extension, 4<sup>th</sup> Street Pedestrian Improvements, Bethke School Zone, I-25 Improvements – CDOT, Riverbend, Summerfield Parkway Ditch Crossing, and Old-Town Improvements – Phase 2 (South). Building and equipment include, among other projects, construction of a new Town Hall. Stormwater includes costs related to regional stormwater improvements. Community Revitalization/Visioning Projects include various retail incentives and costs related to land acquisition. Other Projects include signage and monumentation improvements.

**TOWN OF TIMNATH  
2017 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases**

Principal and interest payments are provided based on the debt amortization schedule from the note payable from the Colorado Department of Local Affairs. The original note amount was \$900,000 with interest at 5.0% per annum. Payments are due in equal annual installments of \$70,112 through September 2028.

On February 8, 2012, the Town entered into a capital lease agreement to purchase a tractor. Payments are due monthly, with the lease ending on February 8, 2017.

The Town has entered into a capital lease related to the Timnath Reservoir. The lease term is five years commencing February 2009. Payment of \$73,710 was due in the first year with annual payments of \$100,000 due thereafter including an increase by the Consumer Price Index on an annual basis. The agreement has been temporarily extended and it is anticipated that the lease will be renewed in early 2017.

The Town's current debt schedules are attached.

**Reserve and Designated Funds**

The Town has provided for an emergency reserve equal to at least 3% of the fiscal year spending for 2017, defined under TABOR. Impact fees collected for police and stormwater have been reserved for police and stormwater capital projects. Cash in lieu of land – School have been reserved for capital school improvements and necessary other school costs. Cash in lieu – Parks have been reserved for the acquisition of land for a future Town Community Park. The Town has additionally established a working reserve for, among other things, unanticipated costs.

**This information is an integral part of the accompanying budget.**

**TOWN OF TIMNATH**  
**DEBT SERVICE REQUIREMENTS TO MATURITY**  
**December 31, 2016**

**\$900,000**

**Note Payable**

**to State of Colorado**

**Department of Local Affairs**

**Dated September 1, 2009**

**Interest Rate - 5.00%**

<b>Year Ended December 31,</b>	<b>Principal and Interest Due on September 1</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2017	\$ 39,041	\$ 31,071	\$ 70,112
2018	40,993	29,119	70,112
2019	43,043	27,069	70,112
2020	45,195	24,917	70,112
2021	47,455	22,657	70,112
2022	49,827	20,285	70,112
2023	52,319	17,793	70,112
2024	54,935	15,177	70,112
2025	57,681	12,431	70,112
2026	60,565	9,547	70,112
2027	63,594	6,518	70,112
2028	66,772	3,340	70,112
	\$ 621,420	\$ 219,924	\$ 841,344

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**TOWN OF TIMNATH**  
**DEBT SERVICE REQUIREMENTS TO MATURITY**  
**December 31, 2016**

	<b>\$62,458</b>		
	<b>John Deer Tractor Lease</b>		
	<b>Dated February 8, 2012</b>		
	<b>Interest - 4.3%</b>		
<b>Year Ended</b>			
<b>December 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2017	\$ 1,173	\$ 3	\$ 1,176
	<u>\$ 1,173</u>	<u>\$ 3</u>	<u>\$ 1,176</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.