



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, 2018, including the estimate of comparative information for the year ending December 31, 2017 and the actual comparative information for the year ending December 31, 2016, 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' in a cursive script.

Greenwood Village, Colorado  
December 12, 2017

**TOWN OF TIMNATH  
SUMMARY  
2018 BUDGET AS ADOPTED  
WITH 2016 ACTUALS AND 2017 ESTIMATED  
For the Years Ended and Ending December 31,**

	2016 ACTUAL	2017 ESTIMATED	2018 ADOPTED
1 <b>BEGINNING FUND BALANCES</b>	\$ 10,869,720	\$ 10,570,752	\$ 11,423,675
2 <b>REVENUES</b>			
3 Taxes	2,918,873	3,706,431	3,734,121
4 Intergovernmental	8,327,765	6,100,535	8,750,178
5 Licenses, fees and charges	2,452,098	4,739,808	5,724,833
6 Other	281,686	383,800	1,822,800
7 Grants	75,187	1,103	3,200
8 Total revenues	<u>14,055,609</u>	<u>14,931,677</u>	<u>20,035,132</u>
9 <b>TRANSFERS IN</b>			
10 General Fund (from Grant Fund)	74,331	3,603	3,200
11 Total transfers in	<u>74,331</u>	<u>3,603</u>	<u>3,200</u>
12 Total funds available	<u>24,999,660</u>	<u>25,506,032</u>	<u>31,462,007</u>
13 <b>EXPENDITURES</b>			
14 General Government	2,262,910	2,250,536	2,314,104
15 Municipal Court	17,945	20,700	47,000
16 Community Development	777,747	952,961	1,416,170
17 Public Safety	785,504	1,021,972	1,197,405
18 Public Works	1,267,817	1,578,104	1,844,454
19 Parks and Recreation	3,601,051	2,034,525	1,445,056
20 Capital Outlay	5,641,603	6,219,955	10,842,779
21 Total expenditures	<u>14,354,577</u>	<u>14,078,754</u>	<u>19,106,968</u>
22 <b>TRANSFERS OUT</b>			
23 Grant Fund (to General Fund)	74,331	3,603	3,200
24 Total transfers out	<u>74,331</u>	<u>3,603</u>	<u>3,200</u>
25 Total expenditures and transfers out requiring appropriation	14,428,908	14,082,357	19,110,168
26 <b>ENDING FUND BALANCES</b>	<u>\$ 10,570,752</u>	<u>\$ 11,423,675</u>	<u>\$ 12,351,839</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  
2018 BUDGET AS ADOPTED  
WITH 2016 ACTUALS AND 2017 ESTIMATED**

	2016 ACTUAL	2017 ESTIMATED	2018 ADOPTED
27 <b>FUNDS RESERVED FOR:</b>			
28     Emergency reserves (TABOR)	143,000	235,764	247,926
29     Conservation Trust	71,201	-	-
30     Grants	2,500	-	-
31     1/4 Cent	-	-	-
32     Police impact fees	168,037	261,567	325,809
33     Parks impact fees	64,168	-	109,115
34     Public buildings impact fees	150,786	377,186	588,386
35     Stormwater impact fees	91,557	220,037	67,877
36     Transportation impact fees	339,200	-	-
37     Cash in lieu of land - School	910,839	1,290,639	-
38     Cash in lieu - Parks	263,884	571,244	658,484
39     Capital projects - loan proceeds transferred from TDA	874,913	-	-
40 <b>FUNDS DESIGNATED FOR:</b>			
41     Working reserve	801,100	965,800	1,155,200
42 <b>UNDESIGNATED AND UNRESERVED FUNDS</b>	6,689,567	7,501,438	9,199,042
43 <b>ENDING FUND BALANCES</b>	<u>\$ 10,570,752</u>	<u>\$ 11,423,675</u>	<u>\$ 12,351,839</u>

**TOWN OF TIMNATH  
GENERAL FUND  
2018 BUDGET AS ADOPTED  
WITH 2016 ACTUALS AND 2017 ESTIMATED  
For the Years Ended and Ending December 31,**

	2016 ACTUAL	2017 ESTIMATED	2018 ADOPTED
44 BEGINNING FUND BALANCE	\$ 10,868,076	\$ 10,568,252	\$ 11,423,675
45 REVENUE			
46 TAXES			
47 Property tax	73,288	94,675	134,121
48 Specific ownership tax	30,195	42,300	42,200
49 Sales tax	1,393,776	1,533,000	1,610,000
50 Motor vehicle sales tax	388,386	410,100	430,600
51 Use tax - building materials	1,033,228	1,626,356	1,517,200
52 TOTAL TAXES	<u>2,918,873</u>	<u>3,706,431</u>	<u>3,734,121</u>
53 INTERGOVERNMENTAL			
54 1/4 cent sales tax	131,761	175,000	184,000
55 Highway Users Tax (HUTF)	114,125	134,091	137,483
56 Conservation Trust Fund (Lottery)	22,043	34,500	23,205
57 Cigarette tax	15,476	15,000	15,000
58 Severance tax	5,955	6,035	6,035
59 County Road & Bridge shareback	35,011	34,501	43,855
60 Motor vehicle registration fees	10,474	12,700	16,000
61 Town of Windsor reimbursement	-	-	250,000
62 Capital - transfer from TDA	5,575,631	3,317,827	6,105,000
63 Intergovernmental - TDA - general	2,417,289	2,370,881	1,969,600
64 TOTAL INTERGOVERNMENTAL	<u>8,327,765</u>	<u>6,100,535</u>	<u>8,750,178</u>
65 LICENSES, FEES AND CHARGES			
66 Sales tax and business license fees	21,533	13,500	22,500
67 Liquor license fees	225	275	275
68 Building permit fees	365,372	159,200	148,500
69 Annexation fees	-	-	50,000
70 Community development fees	29,525	60,000	65,000
71 Administrative fees	205,404	367,900	343,200
72 Building assessments	1,487,877	2,932,545	3,080,041
73 Contract reimbursements	22,000	908,188	1,525,317
74 Developer charge backs	308,462	286,200	477,000
75 Other licenses, fees and charges	11,700	12,000	13,000
76 TOTAL LICENSES, FEES AND CHARGES	<u>2,452,098</u>	<u>4,739,808</u>	<u>5,724,833</u>
77 OTHER			
78 Franchise fees	148,105	152,800	181,800
79 Fines and forfeitures	29,608	36,000	41,000
80 Land sale	-	-	1,400,000
81 Net investment income	61,260	100,000	125,000
82 Miscellaneous	42,713	95,000	75,000
83 TOTAL OTHER	<u>281,686</u>	<u>383,800</u>	<u>1,822,800</u>
84 Total revenue	<u>13,980,422</u>	<u>14,930,574</u>	<u>20,031,932</u>
85 TRANSFERS IN			
86 Grant Fund	74,331	3,603	3,200
87 Total transfers in	<u>74,331</u>	<u>3,603</u>	<u>3,200</u>
88 Total funds available	<u>24,922,829</u>	<u>25,502,429</u>	<u>31,458,807</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  
2018 BUDGET AS ADOPTED  
WITH 2016 ACTUALS AND 2017 ESTIMATED  
For the Years Ended and Ending December 31,**

	2016 ACTUAL	2017 ESTIMATED	2018 ADOPTED
<b>89 EXPENDITURES</b>			
<b>90 GENERAL GOVERNMENT</b>			
91 Town Council expenditures	4,648	7,000	8,000
92 Town Administration - salaries and benefits	445,421	456,990	525,246
93 Town Clerk - elections	4,479	3,000	8,000
94 County Treasurer and other fees	20,608	25,000	27,000
95 Dues and memberships	4,728	6,500	8,000
96 Finance - Contracted	262,539	275,600	282,500
97 Finance - Contracted - Out of Scope	34,131	40,000	40,000
98 Human resources - Contracted	5,118	5,000	15,000
99 Information Technology - Contracted	94,642	110,000	125,000
100 Information Technology - hardware and software	56,489	55,000	125,000
101 Legal - Contracted	328,710	369,500	378,700
102 Legal - Contracted - Out of Scope	109,880	75,000	50,000
103 Legal - Special counsel	195,861	55,000	100,000
104 Audit	17,627	17,977	18,500
105 Consulting	27,115	30,000	40,000
106 Insurance	88,114	110,000	120,158
107 General Office and Administration	100,421	74,500	113,000
108 Town events	366,860	444,420	25,000
109 Community engagement	1,580	1,649	15,000
110 Economic development	71,987	68,400	190,000
111 Other	21,952	20,000	100,000
112 TOTAL GENERAL GOVERNMENT	2,262,910	2,250,536	2,314,104
<b>113 MUNICIPAL COURT</b>			
114 Municipal Judge	4,695	5,000	10,000
115 Legal	13,200	15,000	30,000
116 Translator	50	200	1,000
117 Defendant Counsel	-	500	5,000
118 Jail services	-	-	1,000
119 TOTAL MUNICIPAL COURT	17,945	20,700	47,000
<b>120 COMMUNITY DEVELOPMENT</b>			
121 Salaries and benefits	59,897	67,080	70,442
122 Planning services - Contracted	319,990	353,881	462,728
123 Master planning studies	40,271	138,000	268,000
124 Consulting services	-	22,500	12,000
125 Building permits - Contracted	-	2,500	5,000
126 Code enforcement - Contracted	15,814	17,000	32,000
127 Development review	326,313	318,000	530,000
128 General Office and Administration	13,371	30,000	32,000
129 Other	2,091	4,000	4,000
130 TOTAL COMMUNITY DEVELOPMENT	777,747	952,961	1,416,170

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  
2018 BUDGET AS ADOPTED  
WITH 2016 ACTUALS AND 2017 ESTIMATED  
For the Years Ended and Ending December 31,**

		2016 ACTUAL	2017 ESTIMATED	2018 ADOPTED
131	<b>PUBLIC SAFETY</b>			
132	Salaries and benefits	599,395	789,177	930,753
133	General Office and Administration	11,505	12,905	13,545
134	Equipment	21,820	45,765	36,734
135	Contracted services	65,745	69,983	72,662
136	Vehicles and maintenance	65,901	62,202	93,400
137	Training	6,577	10,560	11,910
138	Other	14,561	31,381	38,400
139	TOTAL PUBLIC SAFETY	785,504	1,021,972	1,197,405
140	<b>PUBLIC WORKS</b>			
141	Salaries and benefits	211,014	280,226	357,864
142	Public Works Director - Contracted	183,690	193,853	198,699
143	General engineering - Contracted	187,571	230,625	236,391
144	General engineering - Contracted - Out of Scope	42,367	50,000	50,000
145	Mosquito control	27,512	34,000	42,000
146	Weed control	15,800	10,000	95,000
147	Grading	10,219	10,000	30,000
148	Vehicles - repairs and maintenance	127,359	148,000	85,000
149	Materials	3,109	7,500	12,000
150	Equipment rentals	751	400	2,500
151	Snow plowing	20,443	25,000	25,000
152	Street sweeping	2,780	7,000	12,000
153	Street lighting	59,471	70,000	155,000
154	Signal maintenance	10,168	20,000	25,000
155	Drainage	-	26,000	20,000
156	Road maintenance/resurfacing	268,587	350,000	350,000
157	Landscape maintenance	4,127	15,000	20,000
158	Street signs	9,230	8,000	12,000
159	Street striping	43,264	50,000	55,000
160	Town clean-up day	11,401	-	-
161	Tractor lease	14,116	-	-
162	Boxelder ESDP Participation	-	-	31,000
163	Other	14,838	42,500	30,000
164	TOTAL PUBLIC WORKS	1,267,817	1,578,104	1,844,454
165	<b>PARKS AND RECREATION</b>			
166	Salaries and benefits	11,518	18,463	19,002
167	Park maintenance	43,793	112,443	182,250
168	Reservoir lease	111,851	118,269	123,804
169	Capital outlay	3,433,889	1,785,350	1,120,000
170	TOTAL PARKS AND RECREATION	3,601,051	2,034,525	1,445,056
171	<b>CAPITAL OUTLAY</b>			
172	Roads and Utilities	3,821,842	3,387,667	6,916,667
173	Buildings and Equipment	192,266	521,176	190,000
174	Stormwater	1,557,383	30,000	300,000
175	Community Revitalization/Visioning Projects	-	2,211,000	3,366,000
176	DOLA Loan	70,112	70,112	70,112
177	TOTAL CAPITAL OUTLAY	5,641,603	6,219,955	10,842,779
178	Total expenditures	14,354,577	14,078,754	19,106,968
179	<b>ENDING FUND BALANCE</b>	<b>\$ 10,568,252</b>	<b>\$ 11,423,675</b>	<b>\$ 12,351,839</b>

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  
2018 BUDGET AS ADOPTED  
WITH 2016 ACTUALS AND 2017 ESTIMATED  
For the Years Ended and Ending December 31,**

	2016 ACTUAL	2017 ESTIMATED	2018 ADOPTED
180 <b>BEGINNING FUND BALANCE</b>	\$ 1,644	\$ 2,500	\$ -
181 <b>REVENUE</b>			
182 State Grants			
183 GOCO			
184 Poudre River Trailhead Park	69,510	-	-
185 Public Safety - fire arms	2,464	413	-
186 Federal			
187 Bureau of Justice Assistance	713	690	700
188 Other	2,500	-	2,500
189 Total revenue	<u>75,187</u>	<u>1,103</u>	<u>3,200</u>
190 Total funds available	<u>76,831</u>	<u>3,603</u>	<u>3,200</u>
191 <b>EXPENDITURES</b>			
192 Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
193 <b>TRANSFERS OUT</b>			
194 General Fund	74,331	3,603	3,200
195 Total transfers out	<u>74,331</u>	<u>3,603</u>	<u>3,200</u>
196 Total expenditures and transfers out requiring appropriation	<u>74,331</u>	<u>3,603</u>	<u>3,200</u>
197 <b>ENDING FUND BALANCE</b>	<u>\$ 2,500</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,**

	2016 ACTUAL	2017 ESTIMATED	2018 ADOPTED
<b>ASSESSED VALUATION- Larimer County</b>			
Commercial	\$ 11,836,901	\$ 12,448,426	\$ 15,212,352
Industrial	478,059	499,913	490,718
Agriculture/Natural resources	213,055	204,486	243,548
Vacant land	14,105,503	12,396,943	18,354,182
State Assessed	90,100	95,200	91,776
Residential	36,324,393	43,633,312	53,669,308
	<u>63,048,011</u>	<u>69,278,280</u>	<u>88,061,884</u>
TIF adjustment	(52,168,471)	(55,122,319)	(68,007,907)
Certified Assessed Value	<u>\$ 10,879,540</u>	<u>\$ 14,155,961</u>	<u>\$ 20,053,977</u>
<b>MILL LEVY</b>			
GENERAL FUND	6.749	6.688	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>6.688</u>	<u>6.688</u>
<b>PROPERTY TAXES</b>			
GENERAL	\$ 73,426	\$ 94,675	\$ 134,121
Temporary reduction for 5.5% rebate	-	-	-
General rebate under TABOR	-	-	-
Levied property taxes	<u>73,426</u>	<u>94,675</u>	<u>134,121</u>
Adjustments to actual/rounding	(138)	-	-
Refunds and abatements	-	-	-
Budgeted property taxes	<u>\$ 73,288</u>	<u>\$ 94,675</u>	<u>\$ 134,121</u>
<b>BUDGETED PROPERTY TAXES</b>			
General	\$ 73,288	\$ 94,675	\$ 134,121
	<u>\$ 73,288</u>	<u>\$ 94,675</u>	<u>\$ 134,121</u>

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



**TOWN OF TIMNATH  
2018 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 2018 using historical trends as well as consideration of new retailers anticipated to open during 2018. Use tax revenue has been projected based on development assumptions and total new residential and commercial units anticipated in 2018.

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  
2018 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues - (continued)**

the Town for collection in 2018 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 originally in 1995 and is scheduled to sunset in 2043. 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 is shared back with the County. 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  
2018 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, proceeds from land sale, 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 2018 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 includes Town Clean-up day for 2018. Town events in prior years, including the Town barbeque, tree lighting ceremony, Town fireworks, Taste of Timnath, and other events have not been included in the budget for 2018. The 2018 Budget also includes funds for community engagement.

General government 2018 budgeted estimates have been projected based on historical costs, estimated increases to employee salary and insurance costs, 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 2018 as a result of anticipated additional court sessions.

**TOWN OF TIMNATH  
2018 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Expenditures – (continued)**

**Community Development**

Community Development includes planning services, building permit and inspection, and code enforcement. A total of \$268,000 has been budgeted in 2018 for various master studies including a PROST update, sewer study continuation, Downtown Master Plan, drainage study continuation, and Harmony Corridor. Additionally, a total of \$530,000 has also been budgeted in 2018 for development project review of which a significant portion of these costs will be offset by Developer charge backs.

**Public Safety**

The 2018 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 2018 Budget also includes contracted services with the Larimer County Sheriff's office, animal control, and a school resource officer. Additionally, the 2018 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 2018 Budget, which will be offset by public safety restricted impact fees.

**Public Works**

The Public Works Department's 2018 Budget consists of five 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 2018 Budget also includes \$350,000 for road maintenance and resurfacing.

**Parks and Recreation**

The 2018 Budget includes Town funding for several projects including, general park development and trail improvements, I-25 Underpass Trail Contribution-Poudre Trail, Timnath South Regional Park, Timnath Reservoir Trail and Park, TROC Trail, and purchase of water rights and non-potable system. All parks and recreation capital project costs will be offset by the use of park restricted impact fees. The 2018 Budget also includes park related operational and maintenance costs, payments related to the reservoir lease, and seasonal parks' personnel.

**Capital Outlay**

Capital projects included in the 2018 Budget are provided to the extent that funds are available and the capital project is deemed either 1.) a safety issue 2.) as previously committed by the Town 3.) as funds otherwise restricted for specific purpose or 4.) as preserving the future interests of the Town. Road and utilities' capital projects for 2018 include Bethke School Zone, Fewell Infrastructure, Fewell/Riverbend Road Extension, Harmony Road and Latham at CR1 Signal, I-25 Improvements (CDOT), Main Street Railroad Crossing Update, Old Town Sewer Improvements, Parkway Improvements, Prospect I-25 Interchange Participation, Railroad Crossing Improvements – Three Bell, and Summerfield Parkway Ditch Crossing. Buildings and

**TOWN OF TIMNATH  
2018 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Expenditures - (continued)**

equipment include outbuilding of the current Town Hall. Stormwater includes costs related to regional Boxelder Stormwater – Fort Collins Project and various stormwater improvements. Community Vision Projects include costs related to land acquisition and School-Incentives/Partnership.

**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.

The Town has entered into a capital lease related to the Timnath Reservoir. The lease term is for fifteen years commencing December 2016. The annual lease payment totals \$110,489 which will be increased each year thereafter by the Consumer Price Index published by the United States Department of Labor, Bureau of Labor Statistics.

Additionally, the Town has entered into lease-purchase agreements for the leasing of public safety vehicles.

The Town's current debt and lease 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 2018, defined under TABOR. Impact fees collected for police, parks, public buildings, stormwater and transportation have been reserved for related future capital projects for which the impact fee was collected. 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, 2017**

**\$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>
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
	<b>\$ 582,379</b>	<b>\$ 188,853</b>	<b>\$ 771,232</b>

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, 2017**

**\$131,834**

**Three Ford Public Safety Vehicles**

**Dated April 14, 2016**

**Interest - 5.95%**

<b>Year Ended December 31,</b>	<b>Principal</b>		<b>Interest</b>		<b>Total</b>
2018	\$	31,953	\$	3,915	\$ 35,868
2019		33,854		2,014	35,868
	<b>\$</b>	<b>65,807</b>	<b>\$</b>	<b>5,929</b>	<b>\$ 71,736</b>

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, 2017**

**\$41,656**  
**One Ford Public Safety Vehicle**  
**Dated May 1, 2017**  
**Interest - 5.95%**

<b>Year Ended December 31,</b>	<b>Principal</b>		<b>Interest</b>		<b>Total</b>
2018	\$	9,529	\$	1,804	\$ 11,333
2019		10,096		1,237	11,333
2020		10,697		636	11,333
	<b>\$</b>	<b>30,322</b>	<b>\$</b>	<b>3,677</b>	<b>\$ 33,999</b>

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