



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, 2019, including the estimate of comparative information for the year ending December 31, 2018 and the actual comparative information for the year ended December 31, 2017, in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105 and the related summary of significant assumptions in accordance with guidelines for the presentation of a budget established by the American Institute of Certified Public Accountants (AICPA). 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 AICPA. 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.

The budgeted results may not be achieved as there will usually be differences between the budgeted and actual results, because events and circumstances frequently do not occur as expected, and these differences may be material. We assume no responsibility to update this report for events and circumstances occurring after the date of this report.

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 the Town of Timnath.

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

Greenwood Village, Colorado
January 22, 2019

**TOWN OF TIMNATH
SUMMARY
2019 BUDGET AS ADOPTED
WITH 2017 ACTUALS AND 2018 ESTIMATED
For the Years Ended and Ending December 31,**

	2017 ACTUAL	2018 ESTIMATED	2019 ADOPTED
BEGINNING FUND BALANCES	\$ 10,570,753	\$ 10,658,072	\$ 18,942,678
REVENUES			
Taxes	3,685,826	4,099,634	4,292,449
Intergovernmental	6,260,464	4,684,989	19,960,077
Licenses, fees and charges	3,542,988	5,795,014	5,542,599
Other	458,867	9,863,651	2,084,800
Grants	1,103	10,000	10,000
Total revenues	13,949,248	24,453,288	31,889,925
TRANSFERS IN			
General Fund (from Grant Fund)	3,603	10,000	10,000
Total transfers in	3,603	10,000	10,000
Total funds available	24,523,604	35,121,360	50,842,603
EXPENDITURES			
General Government	2,288,481	2,970,605	3,761,033
Municipal Court	17,436	18,000	51,100
Community Development	897,231	1,008,007	1,257,861
Public Safety	950,185	1,207,388	1,841,758
Public Works	1,531,237	1,780,440	2,386,395
Parks and Recreation	1,965,260	859,798	5,414,473
Capital Outlay	6,212,099	8,324,444	23,542,790
Total expenditures	13,861,929	16,168,682	38,255,410
TRANSFERS OUT			
Grant Fund (to General Fund)	3,603	10,000	10,000
Total transfers out	3,603	10,000	10,000
Total expenditures and transfers out requiring appropriation	13,865,532	16,178,682	38,265,410
ENDING FUND BALANCES	\$ 10,658,072	\$ 18,942,678	\$ 12,577,193

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
2019 BUDGET AS ADOPTED
WITH 2017 ACTUALS AND 2018 ESTIMATED
For the Years Ended and Ending December 31,**

2017 ACTUAL	2018 ESTIMATED	2019 ADOPTED
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FUNDS RESERVED FOR:

Emergency reserves (TABOR)	234,000	235,327	441,379
Conservation Trust	95,853	-	-
Police impact fees	306,640	348,016	314,213
Parks impact fees	-	234,497	-
Public buildings impact fees	376,724	547,124	117,524
Stormwater impact fees	249,553	368,833	288,113
Transportation impact fees	996,538	-	-
Cash in lieu of land - School	1,270,743	1,608,903	-
Cash in lieu - Parks	390,340	452,980	529,340
Capital projects - loan proceeds transferred from TDA	207,138	-	-
COPs - Town Center design and construction	-	2,479,047	-
COPs - Town Center equipment	-	95,800	-
COPs - capital other	-	500,000	-

FUNDS DESIGNATED FOR:

Working reserve	957,600	1,169,100	2,267,300
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UNDESIGNATED AND UNRESERVED FUNDS

	5,572,943	10,903,051	8,619,324
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ENDING FUND BALANCES

	\$ 10,658,072	\$ 18,942,678	\$ 12,577,193
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**TOWN OF TIMNATH
GENERAL FUND
2019 BUDGET AS ADOPTED
WITH 2017 ACTUALS AND 2018 ESTIMATED
For the Years Ended and Ending December 31,**

	2017 ACTUAL	2018 ESTIMATED	2019 ADOPTED
BEGINNING FUND BALANCE	\$ 10,568,253	\$ 10,658,072	\$ 18,942,678
REVENUE			
TAXES			
Property tax	94,529	134,121	152,949
Specific ownership tax	43,080	49,800	59,600
Lodging tax	-	1,800	3,600
Sales tax	1,564,516	1,721,000	1,860,000
Motor vehicle sales tax	429,621	468,600	492,000
Use tax - building materials	1,554,080	1,724,313	1,724,300
TOTAL TAXES	3,685,826	4,099,634	4,292,449
INTERGOVERNMENTAL			
1/4 cent sales tax	206,154	279,000	293,000
Highway Users Tax (HUTF)	131,048	186,708	151,881
Conservation Trust Fund (Lottery)	23,962	28,560	32,362
Cigarette tax	16,177	16,000	16,000
Severance tax	6,035	8,557	8,557
County Road & Bridge shareback	34,382	43,855	47,693
Motor vehicle registration fees	12,826	15,000	18,100
Capital - transfer from TDA	3,511,106	200,000	16,375,000
Intergovernmental - TDA - general	2,318,774	3,907,309	3,017,484
TOTAL INTERGOVERNMENTAL	6,260,464	4,684,989	19,960,077
LICENSES, FEES AND CHARGES			
Sales tax and business license fees	13,363	18,000	18,500
Liquor license fees	275	700	750
Building permit fees	353,370	382,200	382,200
Community development fees	12,500	13,000	14,000
Administrative fees	289,384	340,800	319,500
Building assessments	2,670,089	3,837,629	2,513,549
Contract reimbursements	20,500	961,185	2,028,200
Developer charge backs	168,857	229,500	252,900
Other licenses, fees and charges	14,650	12,000	13,000
TOTAL LICENSES, FEES AND CHARGES	3,542,988	5,795,014	5,542,599
OTHER			
Franchise fees	172,985	182,000	204,800
Fines and forfeitures	34,577	55,000	70,000
Certificates of Participation (COPs)	-	9,120,000	-
Town Annual Events sponsorships	-	120,000	150,000
Land sale	-	111,651	1,400,000
Net investment income	110,468	225,000	185,000
Miscellaneous	140,837	50,000	75,000
TOTAL OTHER	458,867	9,863,651	2,084,800
Total revenue	13,948,145	24,443,288	31,879,925

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
2019 BUDGET AS ADOPTED
WITH 2017 ACTUALS AND 2018 ESTIMATED
For the Years Ended and Ending December 31,**

	2017 ACTUAL	2018 ESTIMATED	2019 ADOPTED
TRANSFERS IN			
Grant Fund	3,603	10,000	10,000
Total transfers in	<u>3,603</u>	<u>10,000</u>	<u>10,000</u>
Total funds available	<u>24,520,001</u>	<u>35,111,360</u>	<u>50,832,603</u>
EXPENDITURES			
GENERAL GOVERNMENT			
Town Council expenditures	4,988	6,000	8,000
Town Administration - salaries and benefits	481,256	482,861	729,633
Town Clerk - elections	1,025	1,652	4,000
County Treasurer and other fees	24,587	31,000	35,000
Dues and memberships	5,939	8,000	10,000
Finance - Contracted	255,060	282,500	291,000
Finance - Contracted - Out of Scope	38,595	50,000	50,000
Human resources - Contracted	4,902	6,000	20,000
Information Technology - Contracted	120,217	80,000	85,000
Information Technology - hardware and software	61,385	83,000	105,000
Legal - Contracted	328,405	378,700	390,100
Legal - Contracted - Out of Scope	65,365	65,000	65,000
Legal - Special counsel	79,576	300,000	200,000
Audit	17,977	18,350	19,000
Consulting	29,736	65,000	65,000
Cyber security audit	-	-	10,000
Insurance	100,150	105,000	129,300
General Office and Administration	65,792	142,500	620,000
Town events	492,587	525,000	565,000
Community engagement	1,649	60,000	80,000
Economic development	61,257	100,000	155,000
COPs costs of issuance	-	130,042	-
Other	48,033	50,000	125,000
TOTAL GENERAL GOVERNMENT	<u>2,288,481</u>	<u>2,970,605</u>	<u>3,761,033</u>
MUNICIPAL COURT			
Municipal Judge	4,098	4,000	12,000
Legal	13,338	14,000	32,000
Translator	-	-	1,100
Defendant Counsel	-	-	5,000
Jail services	-	-	1,000
TOTAL MUNICIPAL COURT	<u>17,436</u>	<u>18,000</u>	<u>51,100</u>
COMMUNITY DEVELOPMENT			
Salaries and benefits	67,394	71,779	76,251
Planning services - Contracted	354,099	462,728	561,610
Master planning studies	113,448	150,000	253,000
Consulting services	18,361	15,000	16,000
Building permits - Contracted	-	5,000	5,000
Code enforcement - Contracted	19,236	25,000	35,000
Development review	299,329	255,000	281,000
General Office and Administration	21,930	22,500	23,500
Other	3,434	1,000	6,500
TOTAL COMMUNITY DEVELOPMENT	<u>897,231</u>	<u>1,008,007</u>	<u>1,257,861</u>

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**TOWN OF TIMNATH
GENERAL FUND
2019 BUDGET AS ADOPTED
WITH 2017 ACTUALS AND 2018 ESTIMATED
For the Years Ended and Ending December 31,**

	2017 ACTUAL	2018 ESTIMATED	2019 ADOPTED
PUBLIC SAFETY			
Salaries and benefits	751,705	946,020	1,417,395
General Office and Administration	10,783	11,520	18,825
Equipment	28,527	31,263	76,416
Contracted services	71,138	94,657	107,493
Vehicles and maintenance	59,018	90,228	125,754
Training	3,957	7,000	33,530
Other	25,057	26,700	62,345
TOTAL PUBLIC SAFETY	950,185	1,207,388	1,841,758
PUBLIC WORKS			
Salaries and benefits	282,756	298,550	395,252
Public Works Director - Contracted	196,620	198,699	204,660
General engineering - Contracted	205,482	236,391	243,483
General engineering - Contracted - Out of Scope	75,341	130,000	85,000
Mosquito control	33,300	33,300	44,000
Weed control	24,749	35,000	100,000
Grading	-	15,000	30,000
Vehicles - repairs and maintenance	89,266	147,000	435,000
Materials	4,840	17,000	20,000
Equipment rentals	875	2,500	3,000
Snow plowing	16,216	10,000	25,000
Street sweeping	4,080	12,000	12,000
Street lighting	104,410	155,000	120,000
Signal maintenance	17,661	25,000	25,000
Drainage	26,000	-	22,000
Road maintenance/resurfacing	342,887	350,000	375,000
Landscape maintenance	25,806	15,000	50,000
Street signs	5,843	10,000	12,000
Street striping	41,858	55,000	60,000
Boxelder ESDP Participation	-	-	89,000
Other	33,247	35,000	36,000
TOTAL PUBLIC WORKS	1,531,237	1,780,440	2,386,395
PARKS AND RECREATION			
Salaries and benefits	12,916	12,000	38,005
Park maintenance	86,473	176,994	200,950
Reservoir lease	118,269	123,804	127,518
Capital outlay	1,747,602	547,000	5,048,000
TOTAL PARKS AND RECREATION	1,965,260	859,798	5,414,473
CAPITAL OUTLAY			
Roads and Utilities	3,779,551	1,422,829	13,964,667
Buildings and Equipment	381,578	4,077,000	4,405,000
Stormwater	24,508	-	200,000
Community/Vision Projects	1,956,350	2,051,971	3,952,255
Certificates of Participation	-	165,999	1,020,868
DOLA Loan	70,112	606,645	-
TOTAL CAPITAL OUTLAY	6,212,099	8,324,444	23,542,790
Total expenditures requiring appropriation	13,861,929	16,168,682	38,255,410
ENDING FUND BALANCE	\$ 10,658,072	\$ 18,942,678	\$ 12,577,193

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
2019 BUDGET AS ADOPTED
WITH 2017 ACTUALS AND 2018 ESTIMATED
For the Years Ended and Ending December 31,**

	2017 ACTUAL	2018 ESTIMATED	2019 ADOPTED
BEGINNING FUND BALANCE	\$ 2,500	\$ -	\$ -
REVENUE			
State Grants			
Public Safety - fire arms	413	-	-
Federal			
CDOT	-	4,737	5,000
Bureau of Justice	690	-	-
Other	-	5,263	5,000
Total revenue	1,103	10,000	10,000
Total funds available	3,603	10,000	10,000
EXPENDITURES			
Total expenditures	-	-	-
TRANSFERS OUT			
General Fund	3,603	10,000	10,000
Total transfers out	3,603	10,000	10,000
Total expenditures and transfers out requiring appropriation	3,603	10,000	10,000
ENDING FUND BALANCE	\$ -	\$ -	\$ -

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,

	2017 ACTUAL	2018 ESTIMATED	2019 ADOPTED
ASSESSED VALUATION- Larimer County			
Commercial	\$ 12,448,426	\$ 15,212,352	\$ 15,918,921
Industrial	499,913	490,718	481,139
Agriculture/Natural resources	204,486	243,548	257,679
Vacant land	12,396,943	18,354,182	14,636,937
State Assessed	95,200	91,776	97,686
Residential	43,633,312	53,669,308	64,376,616
	<u>69,278,280</u>	<u>88,061,884</u>	<u>95,768,978</u>
TIF adjustment	(55,122,319)	(68,007,907)	(72,899,755)
Certified Assessed Value	<u>\$ 14,155,961</u>	<u>\$ 20,053,977</u>	<u>\$ 22,869,223</u>
MILL LEVY			
GENERAL FUND	6.688	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>6.688</u>	<u>6.688</u>	<u>6.688</u>
PROPERTY TAXES			
GENERAL	\$ 94,675	\$ 134,121	\$ 152,949
Temporary reduction for 5.5% rebate	-	-	-
General rebate under TABOR	-	-	-
Levied property taxes	<u>94,675</u>	<u>134,121</u>	<u>152,949</u>
Adjustments to actual/rounding	(146)	-	-
Refunds and abatements	-	-	-
Budgeted property taxes	<u>\$ 94,529</u>	<u>\$ 134,121</u>	<u>\$ 152,949</u>
BUDGETED PROPERTY TAXES			
General	\$ 94,529	\$ 134,121	\$ 152,949
	<u>\$ 94,529</u>	<u>\$ 134,121</u>	<u>\$ 152,949</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
2019 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The Town of Timnath (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 2019 using historical trends as well as consideration of new retailers anticipated to open during 2019. Use tax revenue has been projected based on development assumptions and total new residential and commercial units anticipated in 2019.

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 the Town for collection in 2019 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.

**TOWN OF TIMNATH
2019 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues - (continued)

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.

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.

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. Town Annual Event sponsorships are contributed by various local businesses and entities to offset costs for various Town events. Other revenues are projected in 2019 based on historical trends and anticipated development.

**TOWN OF TIMNATH
2019 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

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 Town facilities. 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 the Town barbeque, tree lighting ceremony, Fourth of July celebration, Town Clean-up day and other Town events. The 2019 Budget also includes funds for community engagement.

General government 2019 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 2019 as a result of anticipated additional court sessions.

Community Development

Community Development includes planning services, building permit and inspection, and code enforcement. A total of \$253,000 has been budgeted in 2019 for various master studies including a continuation PROST/Old Town update, Master Utility Plan, and Metrostudy. Additionally, a total of \$281,000 has also been budgeted in 2019 for development project review of which a significant portion of these costs will be offset by Developer charge backs.

Public Safety

The 2019 Budget includes payroll and related benefit expenditures for twelve sworn officers and a records technician, as well as other related costs such as training, organizational memberships and vehicle maintenance. The 2019 Budget also includes contracted services with the Larimer County Sheriff's office, animal control, and a school resource officer. Additionally, the 2019 Budget includes the purchase of office laptops, mobile data laptops, firearms, and various other equipment. Moreover, the leasing of one unmarked and two patrol vehicles has also been included in the 2019 Budget, which will be offset by public safety restricted impact fees.

**TOWN OF TIMNATH
2019 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures – (continued)

Public Works

The Public Works Department's 2019 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 2019 Budget also includes \$375,000 for road maintenance and resurfacing.

Parks and Recreation

The 2019 Budget includes Town funding for several projects including general park development and trail improvements, future 80 acre Community Park, I-25 Underpass Trail Contribution-Poudre Trail, Poudre River Trailhead Park, 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 are anticipated to be offset by the use of park restricted impact fees. The 2019 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 2019 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. Capital projects included in the 2019 budget are for Roads and Utilities, Building and Equipment, Stormwater and Community/Vision projects. For a detail of these projects refer to the Town's Five Year CIP Schedule.

Principal and interest payments related to lease annual rents are based on the amortization schedule for the 2018 Certificates of Participation (discussed under debt and leases).

Debt and Lease

On July 17, 2018, the Town issued Certificates of Participation totaling \$9,120,000 for construction of the new Town Center. The 2018 Certificates of Participation bear interest at 4.89% per annum and mature on December 1, 2030. Principal and interest payments are subject to annual appropriation.

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 lease schedules are attached.

The Town currently has no outstanding debt.

**TOWN OF TIMNATH
2019 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Reserve and Designated Funds

The Town has provided for an emergency reserve equal to at least 3% of the fiscal year spending for 2019, 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, 2018**

**CERTIFICATES OF PARTICIPATION
\$9,120,000 Loan Payable
Dated July 17, 2018
Interest Rate per annum - 4.89%
Interest Payable June 1 and December 1
Principal Due December 1**

Year Ended December 31,	Principal	Interest	Total
2019	\$ 574,900	\$ 445,968	\$ 1,020,868
2020	603,300	417,855	1,021,155
2021	633,100	388,354	1,021,454
2022	664,400	357,396	1,021,796
2023	697,300	324,906	1,022,206
2024	731,700	290,808	1,022,508
2025	767,900	255,028	1,022,928
2026	805,800	217,478	1,023,278
2027	845,600	178,074	1,023,674
2028	887,400	136,725	1,024,125
2029	931,200	93,331	1,024,531
2030	977,400	47,795	1,025,195
	<u>\$ 9,120,000</u>	<u>\$ 3,319,717</u>	<u>\$ 12,439,717</u>

This 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, 2018**

	\$131,834		
	Three Ford Public Safety Vehicles		
	Dated April 14, 2016		
	Interest - 5.95%		
Year Ended December 31,	Principal	Interest	Total
2019	\$ 33,854	\$ 2,014	\$ 35,868
	\$ 33,854	\$ 2,014	\$ 35,868

This 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, 2018

Year Ended December 31,	\$41,656 One Ford Public Safety Vehicle Dated May 1, 2017 Interest - 5.95%		
	Principal	Interest	Total
2019	\$ 10,096	\$ 1,237	\$ 11,333
2020	10,697	636	11,333
	\$ 20,793	\$ 1,873	\$ 22,666

This 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, 2018

\$53,395

One GMC Public Safety Vehicle
Dated October 11, 2018

Interest - 5.944%

Year Ended December 31,	Principal		Interest		Total	
2019	\$	12,216	\$	2,310	\$	14,526
2020		12,942		1,584		14,526
2021		13,711		815		14,526
	\$	38,869	\$	4,709	\$	43,578

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