

**TIMNATH DEVELOPMENT AUTHORITY, COLORADO
RESOLUTION NO. TDA-01, SERIES 2019**

**A RESOLUTION OF THE TIMNATH DEVELOPMENT AUTHORITY
SUMMARIZING EXPENDITURES AND REVENUES AND ADOPTING A BUDGET
FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2020,
AND ENDING ON THE LAST DAY OF DECEMBER, 2020.**

WHEREAS, the Timnath Development Authority's Finance Director, has been designated to prepare the annual budget for the Timnath Development Authority, and has prepared said budget and submitted it to the Board of Commissioners; and

WHEREAS, the Board of Commissioners has considered all relevant factors concerning the budget and made all adjustments to the budget deemed appropriate and proper; and

WHEREAS, the Board of Commissioners is familiar with the budget and finds it to be in the best interest of the Town, its residents, and the general public.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE TIMNATH DEVELOPMENT AUTHORITY OF COLORADO AS FOLLOW:

Section 1. Approval

The budget for the Timnath Development Authority, Colorado, for the fiscal year beginning January 1, 2020, and ending December 31, 2020, as attached, hereby is adopted and approved as the budget for the Timnath Development Authority for said fiscal year.

INTRODUCED, MOVED, AND ADOPTED BY THE BOARD OF COMMISSIONERS OF THE TIMNATH DEVELOPMENT AUTHORITY ON DECEMBER 10, 2019.

TIMNATH DEVELOPMENT AUTHORITY



Jill Grossman-Belisle, Chairperson

ATTEST:



Secretary



CliftonLarsonAllen LLP
CLAconnect.com

Accountant's Compilation Report

Board of Commissioners
Timnath Development Authority
Larimer County, Colorado

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Timnath Development Authority for the year ending December 31, 2020, including the estimate of comparative information for the year ending December 31, 2019 and the actual comparative information for the year ended December 31, 2018, 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 Timnath Development Authority.

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

Greenwood Village, Colorado
January 27, 2020

TIMNATH DEVELOPMENT AUTHORITY
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,

	2018 ACTUAL	2019 ESTIMATED	2020 BUDGET
BEGINNING FUND BALANCE	\$ 2,007,209	\$ 21,780,764	\$ 13,560,577
REVENUES			
TIF - property taxes	5,691,889	6,056,859	7,093,560
TIF - sales taxes	5,228,621	5,910,000	6,500,000
Loan proceeds	20,000,000	-	-
Net investment income	44,179	125,000	90,000
Total revenues	30,964,689	12,091,859	13,683,560
Total funds available	32,971,898	33,872,623	27,244,137
EXPENDITURES			
Loan interest (2015 Loan)	2,084,377	1,951,247	1,810,570
Loan interest (2018 Loan)	-	1,045,128	1,001,743
Loan principal (2015 Loan)	2,705,000	3,125,000	3,260,000
Loan principal (2018 Loan)	-	200,000	500,000
Loan issuance costs	175,000	-	-
Miscellaneous	164,186	225,000	248,000
Capital outlay			
Road, Utilities, Other (Transfer to Town)	68,068	8,231,580	11,975,000
Boxelder - BBRSA IGA	297,851	350,000	600,000
Developer shareback incentive	1,775,334	2,006,127	941,000
Transfer to Town - general	3,921,318	3,177,964	5,302,247
Total expenditures requiring appropriation	11,191,134	20,312,046	25,638,560
ENDING FUND BALANCE	\$ 21,780,764	\$ 13,560,577	\$ 1,605,577
RESERVES			
Required debt service reserve	\$ 1,508,607	\$ 1,520,000	\$ 1,540,000
Restricted for capital projects	20,272,157	12,040,577	65,577
Total reserves	\$ 21,780,764	\$ 13,560,577	\$ 1,605,577

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

**TIMNATH DEVELOPMENT AUTHORITY
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

On November 10, 2004, the Town of Timnath (the Town) formed an Urban Renewal Authority to be known as the Timnath Development Authority (TDA). On December 15, 2004, the Town approved the Urban Renewal Plan (the Plan) which was prepared pursuant to the provisions of the Urban Renewal Law of the State of Colorado, Par 1 of Article 25 of Title 31, C.R.S., as amended. The Plan was amended in March 2007. The general objective of the Plan was to facilitate the planning, construction, and funding of public infrastructure necessary to serve the residents of the Town so as to promote development within the Town to ensure the Town's long-term financial viability.

The TDA's budget is prepared using the modified accrual basis of accounting.

Revenues

Tax Increment Financing (TIF)

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

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

TIF sales taxes represent 82% of the sales taxes collected within the boundaries of the Plan Area that are in excess of the amount collected in the twelve-month period ending on February 28, 2007. Any TIF sales taxes not needed for annual principal and interest payments are transferred to the Town pursuant to Cooperation Agreement between the Town and the TDA which was amended and restated on February 25, 2014.

Net Investment Income

Interest earned on the TDA's available funds has been estimated based on historical rates.

Expenditures

Debt Service

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

**TIMNATH DEVELOPMENT AUTHORITY
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures (continued)

On November 20, 2018 the TDA issued a \$20,000,000 loan with Compass Mortgage Corporation (the 2018 Loan). The 2018 Loan has a fixed interest rate of 4.99% paid semi-annually on June 1st and December 1st. The 2018 Loan matures on December 1, 2029. The purposes of the 2018 Loan were as follows: (a) funding of TDA capital projects: and (b) paying costs of issuance.

Capital Outlay

It is anticipated that the TDA will transfer approximately \$12M to the Town of Timnath for various TDA capital projects that will be constructed by the Town in 2020 including Buss Grove – Landings to Latham Parkway, Harmony Interchange Landscape North, Parkway Improvements, Railroad Crossing Improvements – Three Bell, 4800 Goodman Facility, Poudre River Trailhead Park, Timnath Community Park, and TROC Trail.

Boxelder – BBRSA IGA

The TDA has entered into various intergovernmental agreements with the Boxelder Basin Regional Stormwater Authority (BBRSA) together with Larimer County, the City of Fort Collins, and the Town of Wellington, for the purpose of collectively participating in the construction of certain regional stormwater improvements. The TDA’s financial share of these improvements in 2020 is estimated to total \$600,000.

Developer Shareback Incentive

On January 14, 2014, the TDA entered into a Public/Private Partnership Agreement between Cache La Poudre Investors South, LLC, Cache La Poudre Development South, LLC, and the Town wherein the TDA has agreed to share back certain retailer sales tax revenues for a period of five years commencing on the first day of when the retailer is open for business plus any additional time necessary to recover 50% of on-site construction improvements’ overrun. It is anticipated that approximately \$941,000 will be shared back as part of this agreement for the 2020 budget year.

Transfer to Town - General

TIF property and sales taxes in excess of the amount necessary for the annual payment of principal and interest and other contractually obligated amounts, including but not limited to the replenishment of the reserve funds, are transferred to the Town.

Debt and Leases

Principal and interest payments are provided based on the debt amortization schedule from the 2015 and 2018 Loans. The TDA’s 2015 and 2018 current debt service schedules are attached.

The TDA has no operating or capital leases.

**TIMNATH DEVELOPMENT AUTHORITY
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Reserve Funds

Debt Service Reserve

The TDA is required to maintain a debt service reserve of \$1,500,000 under the 2018 Loan Agreement.

This information is an integral part of the accompanying budget.

**TIMNATH DEVELOPMENT AUTHORITY
DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2019**

**REFUNDING AND IMPROVEMENT LOAN
\$50,000,000 Note Payable
Dated September 29, 2015
Interest Rate - 4.44%
Interest Payable June 1 and December 1**

Year Ended December 31,	Principal Due December 1		
	Principal	Interest	Total
2020	\$ 3,260,000	\$ 1,810,570	\$ 5,070,570
2021	3,415,000	1,663,816	5,078,816
2022	3,570,000	1,510,084	5,080,084
2023	3,735,000	1,349,375	5,084,375
2024	3,900,000	1,187,710	5,087,710
2025	4,080,000	1,002,917	5,082,917
2026	4,265,000	822,004	5,087,004
2027	4,460,000	630,008	5,090,008
2028	4,660,000	430,410	5,090,410
2029	4,875,000	220,659	5,095,659
	<u>\$ 40,220,000</u>	<u>\$ 10,627,553</u>	<u>\$ 50,847,553</u>

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

**TIMNATH DEVELOPMENT AUTHORITY
DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2019**

2018 IMPROVEMENT LOAN

\$20,000,000 Note Payable

Dated November 20, 2018

Interest Rate - 4.99%

Interest Payable June 1 and December 1

Year Ended	Principal Due December 1		
December 31,	Principal	Interest	Total
2020	\$ 500,000	\$ 1,001,743	\$ 1,501,743
2021	850,000	976,446	1,826,446
2022	1,450,000	933,442	2,383,442
2023	2,045,000	860,082	2,905,082
2024	2,165,000	760,765	2,925,765
2025	2,285,000	645,312	2,930,312
2026	2,405,000	531,480	2,936,480
2027	2,540,000	409,804	2,949,804
2028	2,710,000	282,068	2,992,068
2029	2,850,000	144,980	2,994,980
	<u>\$ 19,800,000</u>	<u>\$ 6,546,122</u>	<u>\$ 26,346,122</u>

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

**TIMNATH DEVELOPMENT AUTHORITY, COLORADO
RESOLUTION NO. TDA-02, SERIES 2019**

**A RESOLUTION OF THE TIMNATH DEVELOPMENT AUTHORITY
APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS AND SPENDING
AGENCIES, IN THE AMOUNT AND FOR THE PURPOSE AS SET FORTH BELOW,
FOR THE TIMNATH DEVELOPMENT AUTHORITY, FOR THE 2020 BUDGET
YEAR.**

WHEREAS, the Timnath Development Authority has adopted the annual budget in accordance with the Local Government Budget Law, on December 10, 2019, and;

WHEREAS, the Timnath Development Authority has made provision therein for revenues and fund balances in an amount equal to or greater than the total proposed expenditures as set forth in said budget, and;

WHEREAS, it is not only required by law, but also necessary to appropriate the expenditures provided in the budget to and for the purposes described below, thereby establishing a limitation on expenditures for the Timnath Development Authority.


**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF
THE TIMNATH DEVELOPMENT AUTHORITY OF COLORADO AS FOLLOW:**

Section 1. Approval

A total of \$25,638,560 is hereby appropriated for spending during fiscal year 2020 for the Timnath Development Authority.

**INTRODUCED, MOVED, AND ADOPTED BY THE BOARD OF COMMISSIONERS
OF THE TIMNATH DEVELOPMENT AUTHORITY ON DECEMBER 10, 2019.**

TIMNATH DEVELOPMENT AUTHORITY



Jill Grossman-Belisle, Chairperson

ATTEST:



Secretary