

**TOWN OF TIMNATH**  
**Timnath, Colorado**

**FINANCIAL STATEMENTS**  
**December 31, 2016**

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Certified Public Accountants and Business Consultants

## INDEPENDENT AUDITOR'S REPORT

Town Council  
Town of Timnath, Colorado

We have audited the accompanying financial statements of the governmental activities and each major fund of the Town of Timnath (the Town) as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Town of Timnath, as of December 31, 2016, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

I

Barnes Griggs & Associates, PC

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages III through X and budgetary comparison and pension liability information on pages 30 through 37 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information on pages III through X in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The required supplementary information on pages 30 through 37 has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The schedule of debt service requirements to maturity on pages 39-40 and the local highway finance report on pages 42-43 are presented for purposes of additional analysis and legal compliance and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Sanner Snigg & Associates, PC*

Lakewood, Colorado  
July 25, 2017

**TOWN OF TIMNATH  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2016**

The management of the Town of Timnath (the Town) offers the readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the year ended December 31, 2016.

**Financial Highlights**

- On a government-wide level, the Town's assets exceeded liabilities by \$19,885,115 at the close of the fiscal year.
- The Town's governmental funds reported combined ending fund balances of \$20,290,564 at the close of the fiscal year. Of this amount, \$10,811,426 is restricted for debt service, capital projects, conservation trust and emergencies, \$2,789,571 is committed for other capital improvements and working capital reserve, and \$6,689,567 is unassigned.
- Total net position increased by \$1,665,951 or 9%, mainly attributable to the increase in the Town's tax revenues.
- Total cash and investments decreased by \$7,328,716 or 24% from the prior year, mainly attributable to the use of the Project Fund for construction of public improvements.
- Tax revenues increased by \$1,800,222 or 18% from prior year.
- General Fund expenditures increased by \$4,976,477 as compared to the prior year. A significant portion of this increase was associated with costs related to capital improvements and community development related to growth and building activities.

**Overview of the Financial Statements**

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

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

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

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

Both of the government-wide financial statements identify functions of the Town that are principally to be supported by property taxes and sales taxes (governmental activities). The governmental activities of the Town include general government, municipal court, community development, public works, public safety, parks and recreation, and interest and related costs on long-term debt.

**TOWN OF TIMNATH  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2016**

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The three funds of the Town - General Fund, Grant Fund, and Timnath Development Authority (TDA) Fund (presented as a blended component unit) - are governmental funds.

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

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

The Town adopts annual appropriated budgets for the General Fund and Grant Fund, and the TDA adopts an annual appropriated budget for the Timnath Development Authority. A budgetary comparison schedule has been provided for each of these funds in the supplemental information to demonstrate compliance with these budgets.

**Notes to financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements can be found on pages 7-28 of this report.

**Government-wide Financial Analysis**

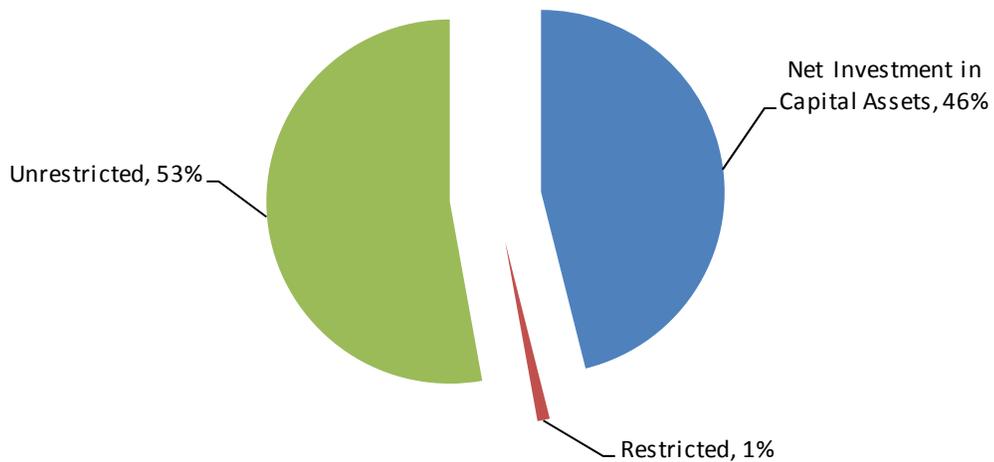
As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The Town's assets related to governmental activities exceeded liabilities by \$19,885,115 at the end of the year.

**TOWN OF TIMNATH  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2016**

**Net Position**

	<b>December 31,</b>	
	<b>2016</b>	<b>2015</b>
Current assets	\$ 27,910,406	\$ 34,870,507
Capital assets	49,862,634	42,445,220
Total assets	<u>77,773,040</u>	<u>77,315,727</u>
Deferred outflow of resources	378,158	208,188
Total deferred outflow of resources	<u>378,158</u>	<u>208,188</u>
Current liabilities	3,408,928	3,322,562
Noncurrent liabilities	50,313,164	51,769,790
Total liabilities	<u>53,722,092</u>	<u>55,092,352</u>
Deferred inflow of resources	4,543,991	4,212,399
Total deferred inflow of resources	<u>4,543,991</u>	<u>4,212,399</u>
Net investment in capital assets	9,188,284	8,446,654
Restricted	214,201	697,485
Unrestricted	10,482,630	9,075,025
Total net position	<u>\$ 19,885,115</u>	<u>\$ 18,219,164</u>

**NET POSITION - BY CATEGORY**



**TOWN OF TIMNATH  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2016**

Net investment in capital assets comprises 46% of the Town's net position. The Town uses these capital assets to provide services to its citizens. Consequently, these assets are not available for future spending.

1% of the Town's net position represents resources that are subject to restrictions as to how they can be used and are not currently available for the Town's ongoing obligations (e.g. emergency/TABOR reserve and conservation trust funds). The remaining balance of the Town's net position (53%) is unrestricted and may be used to meet the Town's future expenditures.

At the end of the fiscal year, the Town is able to report positive balances in all three categories of net position.

**Change in Net Position**

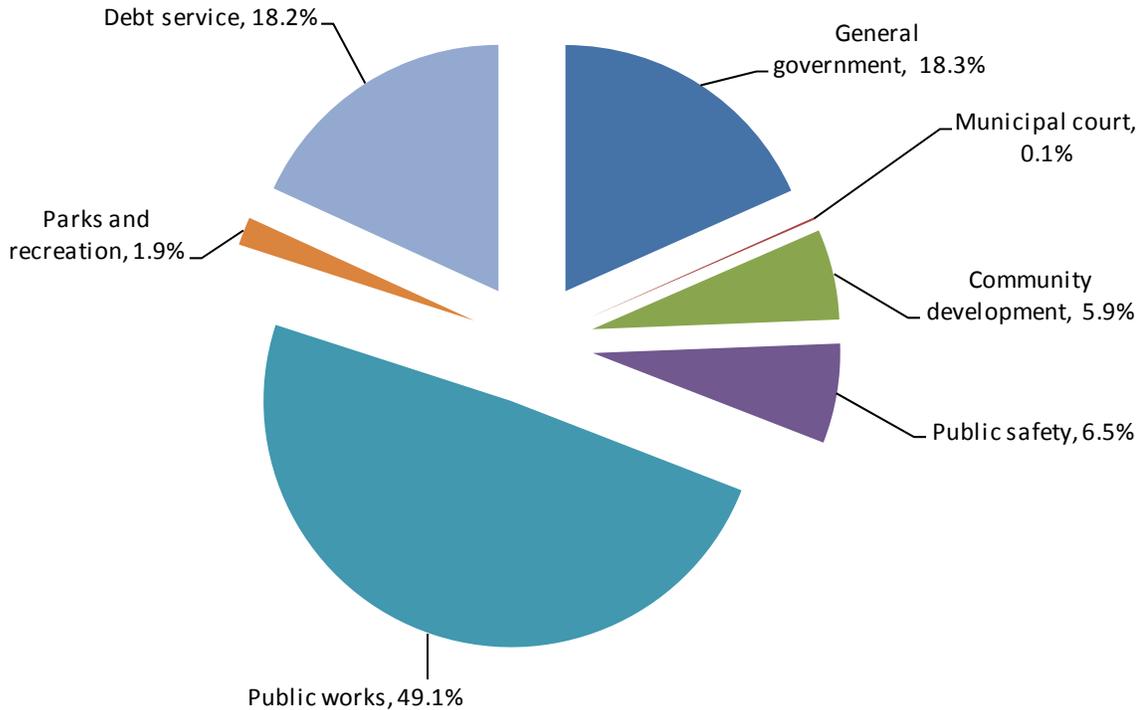
	<u>December 31,</u>	
	<u>2016</u>	<u>2015</u>
Revenue		
Program revenues		
Charges for services	\$ 2,481,706	\$ 2,420,295
Operating grants and contributions	186,718	144,538
Capital grants and contributions	223,314	183,809
General revenues		
Property taxes	73,288	38,151
Sales taxes	5,688,448	5,262,802
TIF and other taxes	5,800,019	4,460,580
Franchise fees	148,105	128,403
Interest income	81,415	20,018
Other revenues	142,713	60,579
Total revenues	<u>14,825,726</u>	<u>12,719,175</u>
Expenses		
General government	2,410,610	1,854,137
Municipal court	17,945	14,760
Community development	782,772	942,888
Public safety	861,876	434,307
Public works	6,451,204	4,572,262
Parks and recreation	244,155	233,928
Interest and related costs on long-term debt	2,391,213	1,795,731
Total expenses	<u>13,159,775</u>	<u>9,848,013</u>
Change in net position	1,665,951	2,871,162
Net position - Beginning	<u>18,219,164</u>	<u>15,348,002</u>
Net position - Ending	<u>\$ 19,885,115</u>	<u>\$ 18,219,164</u>

**TOWN OF TIMNATH  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2016**

The Town's net position related to governmental activities increased by \$1,665,951 during the current fiscal year. Several key highlights of the statement of activities during 2016 are as follows:

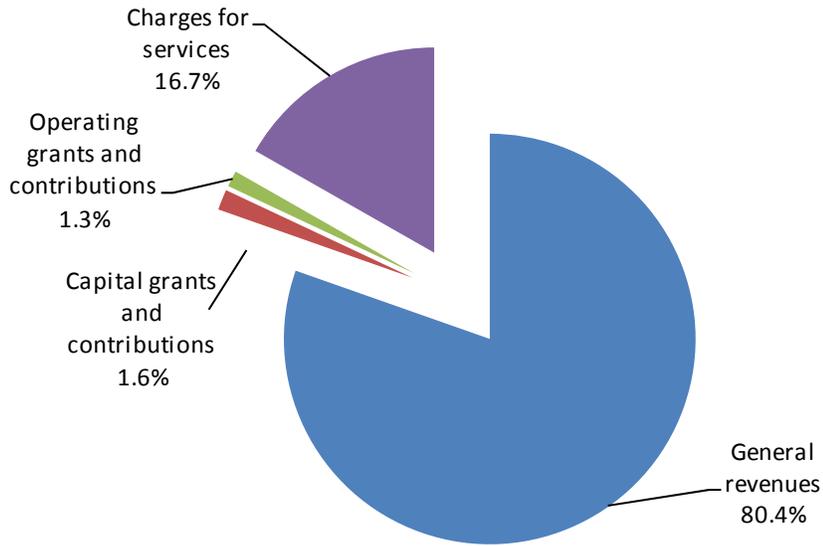
- 2016 charges for services increased by approximately 3% from the prior year. This increase was related to increases in impact and development fees received by the Town from residential development.
- 2016 capital grants and contributions increased by 21% from the prior year. In 2015, the Town received \$183,809 in capital grants and contributions. In 2016, the Town received \$223,314 in capital grants and contributions.
- Sales taxes increased by approximately 8% in 2016 from the prior year.
- TIF and other taxes increased by approximately 30%. This was primarily due to the increase in residential and commercial development, as well as an increase in the property tax base as compared to the prior year.
- Total aggregate expenses for governmental activities increased by approximately 34% as compared to the prior year. The main factors contributing to these increases were related to community growth and development and related capital costs.

**EXPENSES - GOVERNMENTAL ACTIVITIES**

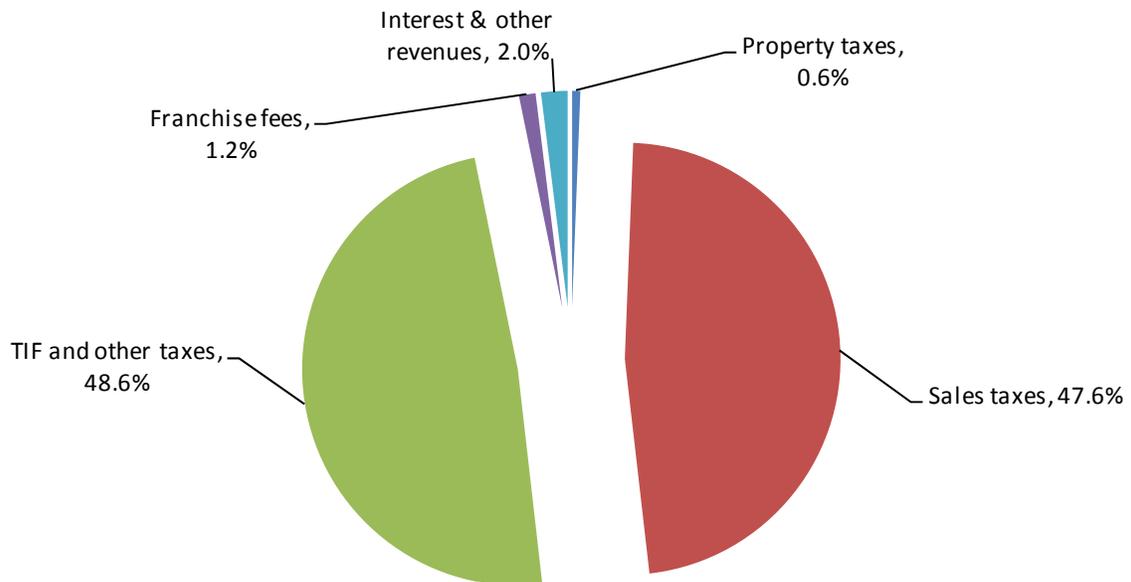


TOWN OF TIMNATH  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2016

REVENUES BY SOURCE -  
GOVERNMENTAL ACTIVITIES



GENERAL REVENUES BY SOURCE -  
GOVERNMENTAL ACTIVITIES



**TOWN OF TIMNATH  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2016**

**Financial Analysis of the Government's Funds**

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, assigned and unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$20,290,564. Of this amount, \$6,689,567 constitutes unassigned fund balances, which are available for spending at the Town's discretion.

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, the committed and unassigned fund balance of the General Fund was \$9,479,138, out of a total fund balance of \$10,568,253 or 90%.

The fund balance of the Town's General Fund decreased by \$299,823 during the current fiscal year. The key factor contributing to this decrease was the increased construction activity compared to the prior year.

At the end of the current fiscal year, the TDA Fund reported a fund balance of \$9,719,811, which is restricted for future debt service payments and capital improvement expenditures.

**General Fund Budgetary Highlights**

The Town prepares its budget on the modified accrual basis of accounting to recognize the fiscal impact of debt issuance, sale of assets, and debt repayments, as well as capital outlay, in addition to operations and nonoperating revenue and contributions. Capital contributions and depreciation are not reflected on the budget since they do not affect "funds available." This budgetary accounting is required by State statutes.

In the General Fund, the Town's total actual revenue was less than the budgeted revenue by \$9,960,840. This unfavorable variance was primarily due to the delay of the intergovernmental transfer from the TDA related to improvements being constructed by the Town on behalf of the TDA caused by delays in construction projected for 2016.

In the General Fund, the Town's actual expenditures were less than the appropriation by \$15,934,522. This favorable variance was mainly due to capital projects related to infrastructure and parks that were not completed during the year and are being deferred into the following year.

**TOWN OF TIMNATH  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2016**

**Capital Assets**

The Town reported \$49,862,634 in capital assets for its governmental-type activities for the year ended December 31, 2016. Additions during the year totaled \$9,148,835, primarily related to construction of roads and parks improvements.

Additional information on the Town's capital assets can be found in Note 6 on page 16 of this report.

**Long-Term Debt**

As of December 31, 2016, the Town and the TDA had outstanding debts totaling \$50,313,164. The majority of this debt is a loan payable to Compass Bank which was issued in September 2015.

Additional information on the Town's and the TDA's long-term debt can be found in Note 7 on pages 17 – 19 of this report.

**Next Year's Budgets**

The 2017 budget reflects the Town Council's endeavor for a fiscally responsible budget built on conservative revenue projections, necessary as well as discretionary expenditure levels, and required and reasonable reserves.

The Town has appropriated a total of \$21,959,273 for spending in fiscal year 2017. The Town's 2017 budget includes \$12,911,779 for capital projects and \$2,169,135 for parks and recreation improvements and maintenance. The TDA has appropriated a total of \$14,636,319 for spending in fiscal year 2017. The TDA's 2017 budget includes \$4,319,803 for debt service, \$3,783,516 for intergovernmental transfers to the Town, and \$1,605,000 for business incentive payments to a Developer. The TDA also anticipates to directly pay for capital projects expenditures in the estimated amount of \$4,833,000. The Town and TDA anticipate utilizing revenues projected to be received in 2017, along with accumulated fund balances from previous years, to pay for these capital initiatives and on-going operational costs.

**Request for Information**

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Town of Timnath  
4800 Goodman Street  
Timnath, CO 80547

## **BASIC FINANCIAL STATEMENTS**

**TOWN OF TIMNATH**  
**STATEMENT OF NET POSITION**  
**December 31, 2016**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and investments	\$ 10,568,985
Cash and investments - Restricted	12,135,377
Receivables:	
Taxes	632,022
Intergovernmental, franchise and other receivable	50,735
Property taxes receivable	4,523,287
Capital assets, not being depreciated	16,735,724
Capital assets, net of accumulated depreciation	33,126,910
Total assets	77,773,040
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Related to pension	378,158
Total deferred outflows of resources	378,158
<b>LIABILITIES</b>	
Accounts payable	1,852,315
Retainage payable	297,940
Deposits	672,964
Deferred consulting fees	273,336
Accrued interest payable	312,373
Noncurrent liabilities	
Due within one year	2,475,116
Due in more than one year	47,838,048
Total liabilities	53,722,092
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property taxes revenue	4,523,287
Related to pension	20,704
Total deferred inflows of resources	4,543,991
<b>NET POSITION</b>	
Net investment in capital assets	9,188,284
Restricted for:	
Emergencies	143,000
Conservation Trust	71,201
Unrestricted	10,482,630
Total net position	\$ 19,885,115

These financial statements should be read only in connection with  
the accompanying notes to financial statements.

**TOWN OF TIMNATH  
STATEMENT OF ACTIVITIES  
Year Ended December 31, 2016**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Change in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental activities:					
General government	\$ 2,410,610	\$ 33,458	\$ 21,431	\$ -	\$ (2,355,721)
Municipal court	17,945	29,608	-	-	11,663
Community development	782,772	600,301	-	-	(182,471)
Public safety	861,876	79,497	5,677	-	(776,702)
Public works	6,451,204	908,220	159,610	-	(5,383,374)
Parks and recreation	244,155	830,622	-	223,314	809,781
Interest and related costs on long-term debt	2,391,213	-	-	-	(2,391,213)
	<u>\$ 13,159,775</u>	<u>\$ 2,481,706</u>	<u>\$ 186,718</u>	<u>\$ 223,314</u>	<u>(10,268,037)</u>
General revenues:					
Property taxes					73,288
Sales taxes					5,688,448
TIF property taxes					4,348,210
Other taxes					1,451,809
Franchise fees					148,105
Net investment income					81,415
Other revenues					142,713
Total general revenues					<u>11,933,988</u>
Change in net position					1,665,951
Net position - Beginning					18,219,164
Net position - Ending					<u>\$ 19,885,115</u>

These financial statements should be read only in connection with  
the accompanying notes to financial statements.

**TOWN OF TIMNATH  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2016**

	<u>General</u>	<u>Grants</u>	<u>Timnath Development Authority</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and investments	\$ 10,568,985	\$ -	\$ -	\$ 10,568,985
Cash and investments - Restricted	887,165	2,500	11,245,712	12,135,377
Receivables				
Taxes	632,022	-	-	632,022
Intergovernmental, franchise and other receivable	50,278	-	457	50,735
Property tax receivable	94,675	-	4,428,612	4,523,287
Due from other funds	894,912	-	-	894,912
<b>TOTAL ASSETS</b>	<u><u>\$ 13,128,037</u></u>	<u><u>\$ 2,500</u></u>	<u><u>\$ 15,674,781</u></u>	<u><u>\$ 28,805,318</u></u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 1,281,228	\$ -	\$ 571,087	\$ 1,852,315
Retainage payable	237,581	-	60,359	297,940
Deposits	672,964	-	-	672,964
Deferred consulting fees	273,336	-	-	273,336
Due to other funds	-	-	894,912	894,912
Total liabilities	<u>2,465,109</u>	<u>-</u>	<u>1,526,358</u>	<u>3,991,467</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property tax revenue	94,675	-	4,428,612	4,523,287
Total deferred inflows of resources	<u>94,675</u>	<u>-</u>	<u>4,428,612</u>	<u>4,523,287</u>
<b>FUND BALANCES</b>				
Restricted	1,089,115	2,500	9,719,811	10,811,426
Committed	2,789,571	-	-	2,789,571
Unassigned	6,689,567	-	-	6,689,567
Total fund balances	<u>10,568,253</u>	<u>2,500</u>	<u>9,719,811</u>	<u>20,290,564</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u><u>\$ 13,128,037</u></u>	<u><u>\$ 2,500</u></u>	<u><u>\$ 15,674,781</u></u>	<u><u>\$ 28,805,318</u></u>

These financial statements should be read only in connection with  
the accompanying notes to financial statements.

**TOWN OF TIMNATH  
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
December 31, 2016**

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balance - Governmental funds	\$ 20,290,564
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.	
Capital assets, not being depreciated	16,735,724
Capital assets, net of accumulated depreciation	33,126,910
Deferred outflows of resources used in the governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	
Related to pension	378,158
Deferred inflows of resources used in the governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	
Related to pension	(20,704)
Noncurrent liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Accrued interest payable	(312,373)
Note payable - Compass Bank	(48,200,000)
Note payable - DOLA	(621,420)
Capital lease - Tractor	(1,173)
Capital lease - Police Vehicles	(107,606)
Agency Bonds - Developer	(200,000)
Compensated absences	(54,744)
Net pension liability	(1,128,221)
Net position of governmental activities	\$ 19,885,115

These financial statements should be read only in connection with  
the accompanying notes to financial statements.

**TOWN OF TIMNATH**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**Year Ended December 31, 2016**

	<u>General</u>	<u>Grants</u>	<u>Timnath Development Authority</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Taxes	\$ 2,918,873	\$ -	\$ 8,642,882	\$ 11,561,755
Intergovernmental -				
Town/TDA	7,992,920	-	-	7,992,920
Other	334,845	-	100,000	434,845
Licenses, fees and charges	2,452,098	-	-	2,452,098
Franchise fees	148,105	-	-	148,105
Fines and forfeitures	29,608	-	-	29,608
Net investment income	61,261	-	20,154	81,415
Other revenues	42,713	-	-	42,713
Grants	-	75,187	-	75,187
Total revenues	<u>13,980,423</u>	<u>75,187</u>	<u>8,763,036</u>	<u>22,818,646</u>
<b>EXPENDITURES</b>				
General and operating				
General government	2,262,910	-	82,609	2,345,519
Municipal court	17,945	-	-	17,945
Community development	777,747	-	-	777,747
Public safety	785,504	-	-	785,504
Public works	1,267,817	-	-	1,267,817
Parks and recreation	168,163	-	-	168,163
Debt service				
Principal	37,182	-	1,800,000	1,837,182
Interest	32,930	-	2,257,000	2,289,930
Capital outlay				
Parks and recreation improvements	3,432,888	-	-	3,432,888
Infrastructure improvements	3,821,842	-	1,207,176	5,029,018
Building and equipment	192,266	-	-	192,266
Boxelder cost share	1,557,383	-	1,011,794	2,569,177
Developer shareback incentive	-	-	1,368,816	1,368,816
Intergovernmental - Town/TDA	-	-	7,992,920	7,992,920
Total expenditures	<u>14,354,577</u>	<u>-</u>	<u>15,720,315</u>	<u>30,074,892</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(374,154)</u>	<u>75,187</u>	<u>(6,957,279)</u>	<u>(7,256,246)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in (out)	74,331	(74,331)	-	-
Total other financing sources (uses)	<u>74,331</u>	<u>(74,331)</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	(299,823)	856	(6,957,279)	(7,256,246)
<b>FUND BALANCES - BEGINNING</b>	<u>10,868,076</u>	<u>1,644</u>	<u>16,677,090</u>	<u>27,546,810</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 10,568,253</u>	<u>\$ 2,500</u>	<u>\$ 9,719,811</u>	<u>\$ 20,290,564</u>

These financial statements should be read only in connection with  
the accompanying notes to financial statements.

**TOWN OF TIMNATH**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**Year Ended December 31, 2016**

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - Total governmental funds \$ (7,256,246)

Governmental funds report capital outlay as expenditures. In the statement of activities, capital outlay is not reported as expenditures; such costs are allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	9,148,835
Depreciation	(1,731,421)

The issuance of long-term debt (e.g. bonds, note payable) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

Capital lease - police vehicles	(143,474)
Payment of principal - capital leases	49,612
Payment of principal - DOLA Loan	37,182
Payment of principal - Compass Bank Loan	1,800,000

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Compensated absences - Change in liability	(25,868)
Accrued interest payable - Change in liability	(101,283)
Pension related	(111,386)

Changes in net position of governmental activities	\$ 1,665,951
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These financial statements should be read only in connection with  
the accompanying notes to financial statements.

**TOWN OF TIMNATH**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2016**

**NOTE 1 - DEFINITION OF REPORTING ENTITY**

The Town of Timnath, Colorado (Town) was incorporated on June 29, 1920. The electorate voted to become a home rule municipality on November 7, 2006, under the provisions of Article XX of the Constitution of the State of Colorado. The Town operates under a Council-Manager form of government and provides the following services as authorized by its charter: public safety, public works, parks and recreation and general government activities including administration, finance and municipal court.

The Town follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens, and fiscal dependency.

As required by generally accepted accounting principles (GAAP), these financial statements present the Town (the primary government) and its blended component unit.

The Timnath Development Authority (the TDA) was established in 2004 under the Colorado Revised Statutes for the purpose of curing blighted areas within the Town and its growth management areas. The Town Council serves as the governing board of the TDA. The TDA is presented as a blended component unit because the governing board and the Town Council are the same, and the TDA derives a financial benefit from the Town. The TDA does not issue separate financial statements.

The Town is not a component unit of any other primary governmental entity.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The more significant accounting policies of the Town are described as follows:

**Government-wide and Fund Financial Statements**

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements report all of the activities of the Town and its component units. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by property taxes, sales taxes and intergovernmental revenues.

The statement of net position reports all financial and capital resources of the Town. The difference between the sum of assets and deferred outflows and the sum of liabilities and deferred inflows is reported as net position.

**TOWN OF TIMNATH**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2016**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for the governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within a reasonable period (typically within 60 days) following the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes, sales taxes, interest income, and intergovernmental revenues. All other revenue items are considered to be measurable and available only when cash is received by the Town. Expenditures, other than interest on long-term obligations, are generally recorded when a liability is incurred.

The Town reports the following major governmental funds:

*The General Fund* is the Town's primary operating fund. It accounts for all financial resources of the general government except those required to be accounted for in another fund.

*The Grants Fund* accounts for grants received by the Town intended to be used for specific projects.

*The Timnath Development Authority Fund* accounts for tax increment revenues received within the TDA boundaries to be used for urban renewal projects and/or related project indebtedness.

**TOWN OF TIMNATH**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2016**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Budgets**

In accordance with the State Budget Law, the Town Council holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and other financing uses level and lapses at year end. The Town Council can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

The Town has amended its annual budget for the year ended December 31, 2016.

**Pooled Cash and Investments**

The Town follows the practice of pooling cash and investments of all funds to maximize interest earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

Investments are carried at fair value.

**Interfund Balances**

The Town reports interfund balances that are representative of lending/borrowing arrangements between funds in the fund financial statements as due to/from other funds. The interfund balances have been eliminated in the government-wide statements.

**Property Taxes**

Property taxes are levied by the Town Council. The levy is based on assessed valuations determined by Larimer County Assessor generally as of January of each year. The levy is set by December 15 by certification to the Larimer County Commissioners to put the tax lien on the property as of January 1 of the following year. Larimer County bills and collects taxes for the Town. At the option of the taxpayer, property taxes may be paid in either one installment on April 30, or two installments on February 28 and June 15. The County remits the taxes collected monthly to the Town. Delinquent taxpayers are notified in August, and generally, sale of the tax liens on delinquent properties are held in November or December.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflow of resources in the year they are levied and measurable. The unearned property tax revenues are recorded as revenue in the year they are available or collected.

**TOWN OF TIMNATH**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2016**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Capital Assets**

Capital assets, including infrastructure assets (e.g., roads, bridges, sidewalk), are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable. Depreciation expense has been computed using the straight-line method over the estimated economic useful lives:

Buildings and improvements	25 – 75 years
Infrastructure (roads, etc.)	15 – 25 years
Parks and recreation	15 – 25 years
Art	15 – 25 years
Machinery and equipment	5 – 10 years
Computers and software	5 years
Vehicles	5 – 15 years

**Compensated Absences**

Employees are permitted to accumulate earned but unused vacation pay benefits. The maximum vacation leave hours that an employee may accumulate or receive upon separation of service is limited by Town policy. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The Town's General Fund is used to liquidate compensated absences of the governmental activities.

**Long-Term Obligations**

Long-term debt and other long-term obligations are reported as non-current liabilities in the governmental activities column of the government-wide statement of net position.

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until that time. The Town has three items that qualify for reporting in this category. Accordingly, these items, which are all related to pensions and are reflected in the statement of net position, are deferred and recognized as outflows of resources in the period that the amounts are incurred.

**TOWN OF TIMNATH**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2016**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The Town has two items that qualify for reporting in this category. Accordingly, these items, *property taxes revenue* and *pension related items*, are deferred and recognized as inflows of resources in the period that the amounts become available.

**Equity**

***Net Position***

For government-wide presentation purposes, when both restricted and unrestricted resources are available for use, it is the Town's practice to use restricted resources first, then unrestricted resources as they are needed.

**Fund Balance**

In the governmental funds, fund balances should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

- *Nonspendable fund balance* – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.
- *Restricted fund balance* – The portion of fund balance that is constrained to be used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.
- *Committed fund balance* – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, Town Council. The constraint may be removed or changed only through formal action of Town Council.
- *Assigned fund balance* – The portion of fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Town Council to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.
- *Unassigned fund balance* – The residual portion of fund balance that does not meet any of the criteria described above.

**TOWN OF TIMNATH**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2016**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

If more than one classification of fund balances is available for use when an expenditure is incurred, it is the Town's practice to use the most restrictive classification first.

**NOTE 3 - CASH AND INVESTMENTS**

Cash and investments as of December 31, 2016, are classified in the accompanying financial statements as follows:

Statement of net position:

Cash and investments	\$ 10,568,985
Cash and investments - Restricted	12,135,377
Total cash and investments	<u>\$ 22,704,362</u>

Cash and investments as of December 31, 2016, consist of the following:

Cash on hand	\$ 300
Cash and deposits with financial institutions	13,442,413
Investments	9,261,649
Total cash and investments	<u>\$ 22,704,362</u>

**Deposits with Financial Institutions**

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2016, the Town's cash deposits had a bank balance of \$13,478,658 and a carrying balance of \$13,442,413. None of the Town's deposits are subject to custodial risk since they are deposited in certified eligible public depositories under the PDPA.

**Investments**

The Town has adopted a formal investment policy. The Town generally limits its concentration of investments to those noted with an asterisk (\*) below, which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk. Additionally, the Town is not subject to concentration risk or investment custodial risk disclosure requirements for investments that are in the possession of another party.

**TOWN OF TIMNATH  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016**

**NOTE 3 - CASH AND INVESTMENTS (CONTINUED)**

Colorado Revised Statutes limit investment maturities to five years or less unless formally approved by the Town Council. Such actions are generally associated with a debt service reserve or sinking fund requirements.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- . Obligations of the United States, certain U.S. government agency securities, and securities of the World Bank
- . General obligation and revenue bonds of U.S. local government entities
- . Certain certificates of participation
- . Certain securities lending agreements
- . Bankers' acceptances of certain banks
- . Commercial paper
- . Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- \* Local government investment pools

**Fair Value Measurement and Application**

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. Investments not measured at fair value and not categorized include governmental money market funds (PFM Funds Governmental Select series); money market funds (generally held by Bank Trust Departments in their role as paying agent or trustee); and CSAFE which record their investments at amortized cost.

The Town had invested in COLOTRUST, an external investment pool that records its investments at fair value and measures fair value using Level 2 inputs.

As of December 31, 2016, the Town had the following investments:

<b>Investment</b>	<b>Maturity</b>	<b>Fair Value</b>
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted average under 60 days	<u>\$ 9,261,649</u>

**TOWN OF TIMNATH  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016**

**NOTE 3 - CASH AND INVESTMENTS (CONTINUED)**

**COLOTRUST**

The Town invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and any security allowed under CRS 24-75-601. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST is rated AAAM by Standard & Poor's.

**NOTE 4 - FUND BALANCE**

The specific purpose for each fund balance classification on the balance sheet is detailed in the table below:

	<b>General Fund</b>	<b>Grants Fund</b>	<b>Timnath Development Authority</b>	<b>Total</b>
<b>FUND BALANCES</b>				
Restricted for:				
Emergencies (TABOR Reserve)	\$ 143,000	\$ -	\$ -	\$ 143,000
Conservation Trust	71,201	-	-	71,201
Public safety	-	2,500	-	2,500
Capital projects	874,914	-	7,717,827	8,592,741
Debt service	-	-	2,001,984	2,001,984
	<u>1,089,115</u>	<u>2,500</u>	<u>9,719,811</u>	<u>10,811,426</u>
Committed for:				
Streets, public safety, parks, school, storm sewer and other improvements (impact fees and in-lieu fees)	1,988,471	-	-	1,988,471
Working capital reserve - 16.7% of operating expenditures	801,100	-	-	801,100
	<u>2,789,571</u>	<u>-</u>	<u>-</u>	<u>2,789,571</u>
Unassigned:				
General government	6,689,567	-	-	6,689,567
<b>TOTAL FUND BALANCES</b>	<u><u>\$ 10,568,253</u></u>	<u><u>\$ 2,500</u></u>	<u><u>\$ 9,719,811</u></u>	<u><u>\$ 20,290,564</u></u>

**TOWN OF TIMNATH  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016**

**NOTE 5 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

The following schedule summarizes the Town's interfund balances as of December 31, 2016:

	<u>Receivables</u>	<u>Payables</u>	<u>Net</u>
General Fund	\$ 894,912	\$ -	\$ 894,912
Timnath Development Authority (TDA)	\$ -	\$ 894,912	\$ (894,912)

The TDA owes the General Fund \$894,912 for reimbursements related to public improvements that were constructed by the Town on behalf of the TDA, as well as other interfund activities.

The following schedule summarizes the Town's transfers for the year ended December 31, 2016:

	<u>Transfers in General Fund</u>
<b>Transfers Out</b>	
Grants Fund	\$ 74,331
	<u>\$ 74,331</u>

The transfer of \$74,331 from the Grants Fund to the General Fund represents funds from grants used to fund certain capital costs.

**TOWN OF TIMNATH**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2016**

**NOTE 6 - CAPITAL ASSETS**

The following is an analysis of the changes in the Town's capital assets for the year ended December 31, 2016:

<b><u>Governmental Activities:</u></b>	<b>Balance at December 31, 2015</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance at December 31, 2016</b>
Capital assets, not being depreciated:				
Land	\$ 6,395,386	\$ -	\$ -	\$ 6,395,386
Construction in progress	2,175,032	8,621,564	(456,258)	10,340,338
Total capital assets, not being depreciated	<u>8,570,418</u>	<u>8,621,564</u>	<u>(456,258)</u>	<u>16,735,724</u>
Capital assets, being depreciated:				
Buildings and improvements	1,250,356	-	-	1,250,356
Infrastructure (roads, etc.)	38,524,449	528,007	-	39,052,456
Parks and recreation	869,996	-	-	869,996
Art	100,121	-	-	100,121
Machinery and equipment	92,988	321,897	-	414,885
Computers and software	114,118	-	-	114,118
Vehicles	398,733	172,351	(38,726)	532,358
Total capital assets, being depreciated	<u>41,350,761</u>	<u>1,022,255</u>	<u>(38,726)</u>	<u>42,334,290</u>
Less accumulated depreciation for:				
Buildings and improvements	(215,579)	(16,672)	-	(232,251)
Infrastructure (roads, etc.)	(6,869,208)	(1,560,403)	-	(8,429,611)
Parks and recreation	(79,170)	(42,213)	-	(121,383)
Art	(29,036)	(4,005)	-	(33,041)
Machinery and equipment	(43,159)	(32,630)	(7,100)	(82,889)
Computers and software	(74,283)	(16,946)	-	(91,229)
Vehicles	(165,524)	(58,552)	7,100	(216,976)
Total accumulated depreciation	<u>(7,475,959)</u>	<u>(1,731,421)</u>	<u>-</u>	<u>(9,207,380)</u>
Total capital assets being depreciated, net	<u>33,874,802</u>	<u>(709,166)</u>	<u>(38,726)</u>	<u>33,126,910</u>
Governmental activities capital assets, net	<u>\$ 42,445,220</u>	<u>\$ 7,912,398</u>	<u>\$ (494,984)</u>	<u>\$ 49,862,634</u>

Depreciation expense for 2016 was charged to the following functions/programs:

General government	\$ 27,879
Public safety	52,304
Parks and recreation	42,214
Public works	1,609,024
Total depreciation expense	<u>\$ 1,731,421</u>

**TOWN OF TIMNATH  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016**

**NOTE 7 - LONG-TERM OBLIGATIONS**

The following is an analysis of the changes in the Town's long-term obligations for the year ended December 31, 2016:

	<u>Balance at December 31, 2015</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at December 31, 2016</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
Town:					
Capital lease - Tractor	\$ 14,917	\$ -	\$ (13,744)	\$ 1,173	\$ 1,173
Capital lease - Police vehicles	-	143,474	(35,868)	107,606	30,158
Note payable - DOLA	658,602	-	(37,182)	621,420	39,041
Compensated absences	28,876	25,868	-	54,744	54,744
Net pension liability	867,395	260,826	-	1,128,221	-
Total Town	<u>1,569,790</u>	<u>430,168</u>	<u>(86,794)</u>	<u>1,913,164</u>	<u>125,116</u>
Timnath Development Authority:					
Agency Bonds - Developers	200,000	-	-	200,000	200,000
Note payable - Compass	50,000,000	-	(1,800,000)	48,200,000	2,150,000
Total TDA	<u>50,200,000</u>	<u>-</u>	<u>(1,800,000)</u>	<u>48,400,000</u>	<u>2,350,000</u>
Total	<u>\$ 51,769,790</u>	<u>\$ 430,168</u>	<u>\$ (1,886,794)</u>	<u>\$ 50,313,164</u>	<u>\$ 2,475,116</u>

The details of the Town's long-term obligations are as follows:

Capital Lease – Tractor: On February 8, 2012, the Town entered into a capital lease agreement with John Deere Government and National Sales to purchase a John Deere tractor. Payments are due monthly, with the lease ending on February 8, 2017. The tractor is carried at \$62,458 with \$20,126 in accumulated depreciation as of December 31, 2016.

Capital Lease – Police Vehicles: On April 14, 2016, the Town entered into a capital lease agreement with Ford Motor Credit Company LLC to acquire three (3) police vehicles. The lease bears an annual interest rate of 5.95%, and requires an annual payment of \$35,868 starting on April 14, 2016 and last payment on April 14, 2019. The vehicles are carried at \$143,474 with \$19,130 in accumulated depreciation as of December 31, 2016.

Note Payable – DOLA: In 2009, the Town borrowed \$900,000 from the State of Colorado, Department of Local Affairs (DOLA) for the construction of sanitary sewer line to connect homes to the sewer system. The note payable carries an annual interest rate of 5%, with annual payments of \$70,112 due through September 2028.

Compensated Absences: Town employees' accrued vacation liability as of December 31, 2016, totaled \$54,744. See Note 2 for additional information.

Net Pension Liability: See Note 10 for information.

**TOWN OF TIMNATH**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2016**

**NOTE 7 - LONG-TERM OBLIGATIONS (CONTINUED)**

Agency Bonds – Developers: In 2005, the TDA issued agency bonds totaling \$375,000 to various Developers to pay for certain expenditures including but not limited to renting of property and development of plans, maps, plats, appraisals and studies for the purpose of carrying out the TDA's Plan. The notes are interest-free for one year from issuance, then 6% per annum thereafter. During 2014, \$125,000 agency bonds were cancelled and removed from the Town's books. As of December 31, 2016, \$200,000 agency bonds plus accrued interest remain outstanding.

Note Payable – Compass Bank: On April 1, 2011, the TDA entered into a loan agreement and promissory note (2011 Note) with Compass Mortgage Corporation to borrow \$24,500,000 for the purpose of refunding its Variable Rate Tax Increment Revenue Bonds, Series 2007 (Refunded Bonds), fund a debt service reserve fund, and to pay the costs of issuance. The 2011 Note is a special revenue obligation payable from and secured by pledged property tax revenue, pledged sales tax revenue and investment earnings on the funds in accounts established and administered by Compass Bank.

On February 10, 2012, the TDA and Compass Bank amended the loan agreement and 2011 Note to loan the TDA up to a maximum of \$2,400,000. The purpose of the amendment is to provide additional funding for certain costs identified for urban renewal capital projects.

On February 26, 2014, the TDA refinanced its 2011 Note (as amended in 2012) and entered into an Amended and Restated Loan Agreement with Compass Mortgage Corporation (2014 Note). The 2014 Note has a principal amount of \$36,725,000 with a fixed interest rate of 3.85% through December 1, 2018, paid semi-annually on June 1 and December 1, and a variable rate thereafter computed as the sum of 65% of 30-day LIBOR plus a margin not to exceed 2.25%, provided that it cannot be less than 4.50% per annum. The 2014 Note matures on December 1, 2020. A balloon payment of \$25,850,000 is due at maturity.

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

**TOWN OF TIMNATH  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016**

**NOTE 7 - LONG-TERM OBLIGATIONS (CONTINUED)**

Annual debt service requirements for the Notes Payable are as follows:

	<b>\$900,000 Note Payable - DOLA</b>		
	<b>Principal Due September 1</b>	<b>Interest Due September 1</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
2022-2026	275,327	75,233	350,560
2027-2028	130,366	9,858	140,224
	\$ 621,420	\$ 219,924	\$ 841,344

	<b>\$50,000,000 Note Payable - Compass Bank</b>		
	<b>Principal Due December 1</b>	<b>Interest Due June 1 and December 1</b>	<b>Total</b>
2017	\$ 2,150,000	\$ 2,169,803	\$ 4,319,803
2018	2,705,000	2,073,018	4,778,018
2019	3,125,000	1,951,247	5,076,247
2020	3,260,000	1,815,531	5,075,531
2021	3,415,000	1,663,816	5,078,816
2022-2026	19,550,000	5,871,609	25,421,609
2027-2029	13,995,000	1,279,966	15,274,966
	\$ 48,200,000	\$ 16,824,990	\$ 65,024,990

**Operating Lease**

On December 7, 2016, The Town entered into an Agreement for Lease of Real Property ("Lease") with Cache La Poudre Reservoir Co. for the use of certain property within the Town. The Lease is an operating lease with a term of 15 years starting on December 7, 2016 ("Original Term"). The parties agree to enter an additional 5 years term to commence immediately if they can agree to the Lease Payment for the additional 5-year term at least 60 days prior to the termination of the Original Term. The Lease Payment is \$110,489 per year, increased annually by CPI published by US Department of Labor/Bureau of Labor Statistics. The annual payment is due in 12 equal installments payable on or before the 15<sup>th</sup> day of the month for which such payment is due.

**TOWN OF TIMNATH  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016**

**NOTE 8 - NET POSITION**

The Town has net position consisting of three components - net investment in capital assets, restricted and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, capital leases and other borrowings that are attributable to the acquisition, construction, or improvements of those assets. As of December 31, 2016, the Town had net investment in capital assets calculated as follows:

	<b>Governmental Activities</b>
Capital assets, net of accumulated depreciation	\$ 49,862,634
Long-term debt related to acquisition of capital assets	(48,822,593)
Unspent proceeds of long-term debt related to acquisition of capital assets	8,148,243
Net investment in capital assets	<u>\$ 9,188,284</u>

The restricted component of net position consists of assets restricted for use by external parties such as creditors, grantors, or contributors, or as imposed by laws or regulations of other governments, or as imposed through constitutional provisions or enabling legislation. The Town's restricted net position as of December 31, 2016, include the following:

	<b>Governmental Activities</b>
Restricted net position:	
Emergencies (Tabor Reserve)	\$ 143,000
Conservation Trust	71,201
Total restricted net position	<u>\$ 214,201</u>

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of the net investment in capital asset component and the restricted component of net position. The unrestricted component of the Town's net position as of December 31, 2016, totaled \$10,482,630.

**NOTE 9 - COMMITMENTS**

**Construction Commitments**

As of December 31, 2016, the Town had unexpended commitments from major construction contracts of approximately \$5 million. Of this amount, \$297,940 was recorded as retainage payable.

**TOWN OF TIMNATH**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2016**

**NOTE 10 - RETIREMENT PLAN**

The Town contributes to the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). The LGDTF provides retirement, disability, and survivor benefits for members or their beneficiaries. All employees of the Town are members of the Trust.

The Town also contributes to the Health Care Trust Fund (Health Fund), a cost-sharing multiple-employer healthcare trust administered by PERA. The Health Fund provides a health care premium subsidy to PERA participating benefit recipients and their eligible beneficiaries.

Colorado Revised Statutes assign the authority to establish LGDTF and Health Fund benefit provisions to the State Legislature. PERA issues a publicly available annual financial report that includes financial statements and required supplementary information for the LGDTF and Health Fund. That report may be obtained online at [www.copera.org](http://www.copera.org).

Plan members and the Town are required to contribute to the LGDTF at rates set by Colorado Statutes. The contribution rate for members is 8%. The Town's contribution rate is 10% of covered salary. The Town is also required to pay an amortization equalization disbursement (AED) and a supplemental amortization equalization disbursement (SAED). AED is 2.20% of covered salary for calendar years 2016, 2015 and 2014. SAED is 1.50% of covered salary for calendar years 2016, 2015 and 2014. A portion of the Town's contribution (1.02% of covered salary) is allocated for the Health Fund. Member contributions to the Health Fund are not required.

The contribution rates and the Town's contributions to the LGDTF and Health Fund, which equaled the Town's required contributions each year, were as follows:

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contribution rates			
Members	8.00%	8.00%	8.00%
Town - LGDTF	12.68%	12.68%	12.68%
Town - Health Plan	1.02%	1.02%	1.02%
Town contributions			
LGDTF	\$ 107,312	\$ 73,754	\$ 67,239
Health Plan	\$ 8,639	\$ 5,933	\$ 5,409

Additionally, LGDTF members of the Town may voluntarily contribute to the Voluntary Investment Program (VIP), an Internal Revenue Code Section 401(K) defined contribution plan administered by PERA. State statutes have assigned the State Legislature the authority to establish VIP plan provisions. The VIP is funded by voluntary member contributions of up to a maximum limit set by the IRS. No Town employee is currently participating in the VIP.

**TOWN OF TIMNATH  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016**

**NOTE 10 – RETIREMENT PLAN (CONTINUED)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At December 31, 2016, the Town reported a liability of \$1,128,221 for its proportionate share of LGDTF's net pension liability. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014. Standard update procedures were used to roll forward the total pension liability to December 31, 2015. The Town's proportion of the net pension liability was based on the Town's contributions to the LGDTF for the calendar year 2015 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2015, the Town's proportion was 0.1024182994 percent, which was an increase of 0.005644188 percent from its proportion measured as of December 31, 2014.

For the year ended December 31, 2016, the Town recognized pension expense of \$219,257. At December 31, 2016, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 8,465	\$ 39
Changes of assumptions or other inputs	-	20,665
Net difference between projected and actual earnings on pension plan investments	217,190	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	45,191	-
Contributions subsequent to the measurement date	107,312	-
Total	<u>\$ 378,158</u>	<u>\$ 20,704</u>

**TOWN OF TIMNATH  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016**

**NOTE 10 – RETIREMENT PLAN (CONTINUED)**

\$107,312 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31</u>	
2017	\$ 87,595
2018	60,176
2019	57,409
2020	44,963
	<u>\$ 250,143</u>

***Actuarial Assumptions***

The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.80 percent
Real wage growth	1.10 percent
Wage inflation	3.90 percent
Salary increases, including wage inflation	3.90 – 10.85 percent
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.50 percent
Future post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 (automatic)	2.00 percent
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve (AIR)

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on a projection of Scale AA to 2020 with Males set back 1 year, and Females set back 2 years.

The actuarial assumptions used in the December 31, 2014 valuation were based on the results of an actuarial experience study for the period January 1, 2008, through December 31, 2011, adopted by PERA's Board on November 13, 2012, and an economic assumption study, adopted by PERA's Board on November 15, 2013 and January 17, 2014.

The LGDTF's long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

**TOWN OF TIMNATH**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2016**

**NOTE 10 – RETIREMENT PLAN (CONTINUED)**

As of the November 15, 2013 adoption of the long-term expected rate of return by the PERA Board, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	10 Year Expected Geometric Real Rate of Return
U.S. Equity - Large Cap	26.76%	5.00%
U.S. Equity - Small Cap	4.40%	5.19%
Non U.S. Equity - Developed	22.06%	5.29%
Non U.S. Equity - Emerging	6.24%	6.76%
Core Fixed income	24.05%	0.98%
High Yield	1.53%	2.64%
Long Duration Gov't/Credit	0.53%	1.57%
Emerging Market Bonds	0.43%	3.04%
Real Estate	7.00%	5.09%
Private Equity	7.00%	7.15%
Totals	100.00%	

*In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.50%.*

***Discount Rate***

The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the fixed statutory rates specified in law, including current and future AED and SAED, until the Actuarial Value Funding Ratio reaches 103 percent, at which point, the AED and SAED will each drop 0.50 percent every year until they are zero. Based on those assumptions, the LGDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the Municipal Bond Index Rate. There was no change in the discount rate from the prior measurement date.

**TOWN OF TIMNATH  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016**

**NOTE 10 – RETIREMENT PLAN (CONTINUED)**

***Sensitivity of the Town’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate***

The following presents the Town’s proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the Town’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Town of Timnath's proportionate share of the net pension liability	\$ 1,729,677	\$ 1,128,221	\$ 629,372

***Pension Plan Fiduciary Net Position***

Detailed information about LGDTF’s fiduciary net position is available in PERA’s comprehensive annual financial report which can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

**Payables to the Pension Plan**

At December 31, 2016, the Town reported a payable related to pension contributions in the amount of \$16,057.

**NOTE 11 – DEFERRED COMPENSATION PLAN – ASSETS IN TRUST**

The Town has a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is administered by ICMA Retirement Corporation. The plan is voluntary for all employees and allows a participant to invest a portion of their earnings tax deferred for the plan year.

**NOTE 12 - MAJOR TAXPAYERS**

For the year ending December 31, 2016, approximately 92.10% of the Town’s sales tax revenue was received from five taxpayers, and of those five taxpayers, two taxpayers constituted approximately 87.89% of the total sales tax revenue.

**TOWN OF TIMNATH**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2016**

**NOTE 13 – AGREEMENTS**

**Timnath Development Authority**

On November 10, 2004, the Town of Timnath adopted a resolution forming an Urban Renewal Authority to be known as the Timnath Development Authority (the TDA). On December 15, 2004, the Town of Timnath approved the Urban Renewal Plan which was prepared pursuant to the provisions of the Urban Renewal Law of the State of Colorado, Paragraph 1 of Article 25 of Title 31, C.R.S., as amended. The plan was modified in March of 2007 and October of 2015. 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 and allow development within the Town, so that the Town will be financially viable for the long term.

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 municipal sales taxes collected within the Plan Area can be utilized to pay financial debts and 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.

Property tax increment (“property tax TIF”) 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 for 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 bonds or loans of the TDA.

Sales tax increment (“sales tax TIF”) represents 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.

The TDA has made arrangements with certain local governments to share back a portion of the property tax TIF paid from the incremental revenues of those local governments. The TDA returns 100% of property tax TIF to certain metropolitan districts within the TDA. The TDA returns a percentage of property tax TIF to Larimer County as follows: 2007-2009 – 0%, 2010-2014 – 15%, 2015-2019 – 30%, 2020-2024 – 45%, and 2025-2029 – 60%. The TDA returns 100% of the property tax TIF derived from the Poudre Valley Fire Protection District for payment of a new fire station located within the Town (see below).

**Poudre Valley Fire Protection District**

On July 20, 2005, the Town entered into an intergovernmental agreement (IGA) with Poudre Valley Fire Protection District (Fire District), whereby the Town designated the Fire District as the fire service provider for the Town. The Town agreed to require landowners who seek annexation of their lands into the Town to concurrently petition to be included in the Fire District. The Fire District agreed to construct a new fire station within the Town. Prior to 2015, the TDA held all property tax TIF attributable to the Fire District in a restricted account in anticipation of an amendment of an IGA between the TDA, the Town, the Fire District, and the Poudre Fire Authority whereby the Town would remit these funds to the Fire District to help fund the construction of the new fire station. On November 18, 2015, the IGA was amended to, among other matters, clarify the sharing of property tax TIF revenues. The TDA now remits funds to the Fire District to pay capital and operating expenses associated with the fire station.

**TOWN OF TIMNATH**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2016**

**NOTE 13 – AGREEMENTS (CONTINUED)**

**Boxelder Basin Regional Stormwater Authority**

Boxelder Basin Regional Stormwater Authority (BBRSA) was formed by an intergovernmental agreement in 2008 for the purpose of funding and implementing regional stormwater improvements. BBRSA members include the City of Fort Collins, the Town of Wellington, and Larimer County. The TDA is a financial partner pursuant to a separate intergovernmental agreement with BBRSA.

Regional stormwater projects, with an estimated total cost of \$11.75 million, have been completed. BBRSA has received low interest loans from the Colorado Water Conservation Board (CWCB) that can be used for property acquisition, design, and construction of these regional stormwater projects. The TDA, the City of Fort Collins, and Larimer County have also entered into a related agreement to fund a portion of the costs associated with improvements at County Road 52. The parties have agreed to share equally the cost of these improvements which is estimated to be \$1,500,000.

In 2009, the Town and the City of Fort Collins entered into an intergovernmental agreement, of which one of the items addressed is the Boxelder Split Flow floodplain through the Town. In 2014, a sixth amendment to this agreement was signed to fund projects on the west side of Interstate 25 that, in conjunction with the BBRSA projects, would remove the floodplain from the Town. The Town and the City of Fort Collins have agreed to share equally the cost of these improvements, which is currently estimated to be \$4,500,000. These improvements were mostly done at the end of 2016, and are expected to be completely finished in 2017.

**Developer Share Back Incentive – Cache La Poudre Investors South, LLC**

On January 14, 2014, the TDA entered into a Public/Private Partnership Agreement with Cache La Poudre Investors South, LLC, Cache La Poudre Development South, LLC, and the Town pursuant to which the TDA has agreed to share back certain retailer sales tax revenues for a period of five years commencing on the retailer's opening day plus any additional time necessary to recover 50% of on-site construction costs overrun. During 2016, \$1,368,816 was paid by the TDA under this agreement. It is anticipated that approximately \$1,605,000 will be shared back for 2017 budget year under this agreement.

**NOTE 14 - CONTINGENCIES**

The Town has been named in a threatened litigation or claim. The ultimate outcome/resolution of the matter is not known at this time. The Town is monitoring the progress of this matter and has referred it to the Town's Attorney for consultation and representation. Claims are insured and representation is provided by Colorado Intergovernmental Risk Sharing Agency.

**TOWN OF TIMNATH**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2016**

**NOTE 15 - RISK MANAGEMENT**

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

The Town is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA). CIRSA is a joint self insurance pool created by intergovernmental agreement to provide property, liability and workers' compensation coverage to its members. CIRSA is governed by a seven member Board elected by and from its members.

Coverage is provided through pooling of self-insured losses and the purchase of excess insurance coverage. CIRSA has a legal obligation for claims against its members to the extent that funds are available in its annually established loss fund and that amounts are available from insurance providers under excess specific and aggregate insurance contracts. Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members. CIRSA has indicated that the amount of any excess losses would be billed to members in proportion to their contributions in the year such excess occurs, although it is not legally required to do so.

Settled claims have not exceeded insurance coverage in the last three years.

**NOTE 16 - TAX, SPENDING AND DEBT LIMITATIONS**

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue. The Town voters approved an election question to remove limits on the amount of revenue the Town is allowed to collect, spend, and retain.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). At December 31, 2016, the Town reserved \$143,000 of the General Fund's fund balance in accordance with this requirement. Local governments are not allowed to use the Emergency Reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

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

This information is an integral part of the accompanying financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**

**TOWN OF TIMNATH  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL  
Year Ended December 31, 2016**

	<u>Original and Final Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>			
TAXES			
Property tax	\$ 73,426	\$ 73,288	\$ (138)
Specific ownership tax	34,900	30,195	(4,705)
Sales tax	1,388,500	1,393,776	5,276
Motor vehicle sales tax	324,300	388,386	64,086
Building materials use tax	<u>1,244,900</u>	<u>1,033,228</u>	<u>(211,672)</u>
	<u>3,066,026</u>	<u>2,918,873</u>	<u>(147,153)</u>
INTERGOVERNMENTAL			
1/4 cent sales tax	107,900	131,761	23,861
Highway Users Tax (HUTF)	100,538	114,125	13,587
Conservation Trust Fund	15,200	22,043	6,843
Cigarette tax	8,200	15,476	7,276
Severance tax	12,448	5,955	(6,493)
County road and bridge shareback	17,800	35,011	17,211
Motor vehicle registration fees	11,200	10,474	(726)
Capital - Transfer from TDA	14,247,156	5,575,631	(8,671,525)
Intergovernmental - Transfer from TDA	<u>2,537,799</u>	<u>2,417,289</u>	<u>(120,510)</u>
	<u>17,058,241</u>	<u>8,327,765</u>	<u>(8,730,476)</u>
LICENSES, FEES AND CHARGES			
Sales and use tax and business license fees	18,800	21,533	2,733
Liquor license fees	225	225	-
Building permit fees	654,100	365,372	(288,728)
Annexation fees	80,000	-	(80,000)
Community development fees	50,000	29,525	(20,475)
Administrative fees	249,900	205,404	(44,496)
Impact fees and in-lieu fees	1,847,000	1,487,877	(359,123)
Contract reimbursements	227,671	22,000	(205,671)
Developer chargebacks	454,000	308,462	(145,538)
Other licenses, fees and charges	<u>12,000</u>	<u>11,700</u>	<u>(300)</u>
	<u>3,593,696</u>	<u>2,452,098</u>	<u>(1,141,598)</u>
FRANCHISE FEES	148,300	148,105	(195)
FINES AND FORFEITURES	10,000	29,608	19,608
NET INVESTMENT INCOME	15,000	61,261	46,261
OTHER REVENUES	<u>50,000</u>	<u>42,713</u>	<u>(7,287)</u>
<b>TOTAL REVENUES</b>	<u>23,941,263</u>	<u>13,980,423</u>	<u>(9,960,840)</u>

(Continued)

**TOWN OF TIMNATH  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL  
Year Ended December 31, 2016  
(Continued)**

	<u>Original and Final Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>EXPENDITURES</b>			
<b>GENERAL GOVERNMENT</b>			
Town Council expenditures	8,000	4,648	3,352
Town Administration - Salaries and benefits	459,166	445,421	13,745
Town Clerk - Elections	5,000	4,479	521
County Treasurer and other fees	28,000	20,608	7,392
Dues and memberships	6,000	4,728	1,272
Finance - Contracted	248,200	262,539	(14,339)
Finance - Contracted - Out of scope	30,000	34,131	(4,131)
Human Resources - Contracted	15,000	5,118	9,882
Information Technology - Contracted	85,000	94,642	(9,642)
Information Technology - Hardware and software	50,000	56,489	(6,489)
Legal - Contracted	360,500	328,710	31,790
Legal - Contracted - Out of scope	60,000	109,880	(49,880)
Legal - Contracted - Special Counsel	50,000	195,861	(145,861)
Audit	18,500	17,627	873
Consulting	40,000	27,115	12,885
Insurance	75,000	88,114	(13,114)
General office and administration	105,000	100,420	4,580
Town events	315,200	366,860	(51,660)
Community engagement	25,000	1,580	23,420
Economic development	240,000	71,987	168,013
Other	40,000	21,953	18,047
	<u>2,263,566</u>	<u>2,262,910</u>	<u>656</u>
<b>MUNICIPAL COURT</b>			
Municipal Judge	6,000	4,695	1,305
Legal	26,400	13,200	13,200
Translator	1,000	50	950
	<u>33,400</u>	<u>17,945</u>	<u>15,455</u>
<b>COMMUNITY DEVELOPMENT</b>			
Salaries and benefits	56,784	59,897	(3,113)
Planning - Contracted	320,250	319,990	260
Master planning studies	150,000	40,271	109,729
Consulting	40,000	-	40,000
Building permits - Contracted	10,000	-	10,000
Code enforcement - Contracted	20,000	15,814	4,186
Development review - Engineering	141,800	109,552	32,248
Development review - Planning	231,000	145,700	85,300
Development review - Legal	131,300	71,061	60,239
General office and administration	24,200	13,371	10,829
Other	6,000	2,091	3,909
	<u>1,131,334</u>	<u>777,747</u>	<u>353,587</u>

(Continued)

**TOWN OF TIMNATH  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL  
Year Ended December 31, 2016  
(Continued)**

	<b>Original and Final Budget Final</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>PUBLIC SAFETY</b>			
Salaries and benefits	784,202	599,395	184,807
General office and administration	9,244	11,505	(2,261)
Equipment	40,840	21,820	19,020
Contracted services	67,215	65,745	1,470
Vehicles and maintenance	74,168	65,901	8,267
Training	4,450	6,577	(2,127)
Miscellaneous	14,300	14,561	(261)
	<u>994,419</u>	<u>785,504</u>	<u>208,915</u>
<b>PUBLIC WORKS</b>			
Salaries and benefits	282,733	211,014	71,719
Public Works Director - Contracted	170,000	183,690	(13,690)
General engineering - Contracted	250,000	187,571	62,429
General engineering - Contracted - Out of scope	50,000	42,367	7,633
Mosquito control	40,000	27,512	12,488
Weed control	20,000	15,800	4,200
Grading	20,000	10,219	9,781
Vehicles - Repairs and maintenance	137,012	127,359	9,653
Materials	10,000	3,109	6,891
Equipment rentals	2,000	751	1,249
Snow plowing	20,000	20,443	(443)
Street sweeping	7,000	2,780	4,220
Street lighting	70,000	59,471	10,529
Signal maintenance	20,000	10,168	9,832
Drainage	20,000	-	20,000
Road maintenance/resurfacing	350,000	268,587	81,413
Landscape maintenance	15,000	4,127	10,873
Street signs	7,000	9,230	(2,230)
Street striping	50,000	43,264	6,736
Town clean-up day	8,000	11,401	(3,401)
Tractor lease	14,116	14,116	-
Other	24,000	14,838	9,162
	<u>1,586,861</u>	<u>1,267,817</u>	<u>319,044</u>

(Continued)

**TOWN OF TIMNATH  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL  
Year Ended December 31, 2016  
(Continued)**

	<b>Original and Final Budget Final</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>PARKS AND RECREATION</b>			
Salaries and benefits	15,659	11,518	4,141
Park maintenance	30,000	43,793	(13,793)
Reservoir lease	113,748	111,851	1,897
Capital outlay			
General park development	75,000	1,001	73,999
General trail improvements	150,000	16,741	133,259
Harmony bridge sculpture	185,000	120,935	64,065
Poudre River Trailhead Park	200,000	144,070	55,930
Poudre River Trail - Regional - County	25,000	15,867	9,133
Timnath South Regional Park - Construction	2,600,000	2,939,006	(339,006)
Timnath Reservoir Trail and Park	250,000	146,201	103,799
Wildwing Park	125,000	50,068	74,932
	<u>3,769,407</u>	<u>3,601,051</u>	<u>168,356</u>
<b>DEBT SERVICE</b>			
DOLA loan - Principal	37,182	37,182	-
DOLA loan - Interest	32,930	32,930	-
	<u>70,112</u>	<u>70,112</u>	<u>-</u>
<b>CAPITAL OUTLAY</b>			
<i>Roads and Utilities</i>			
Bethke warning lights	36,000	-	36,000
Harmony Road Phase IIA	45,000	29,997	15,003
Harmony Road Phase III	6,000,000	1,153,113	4,846,887
Old Town improvements - Phase II (South)	-	12,584	(12,584)
Old Town improvements - Phase II (North)	1,130,000	1,159,196	(29,196)
Old Town sewer connections and tap fees	429,000	236,375	192,625
Parkway improvements	2,500,000	-	2,500,000
Riverbend Road infrastructure	500,000	132,482	367,518
Riverbend Fire Station emergency signal	200,000	183,232	16,768
Fewell/Riverbend Road extension	95,000	-	95,000
Summerfield Parkway ditch crossing	900,000	871,812	28,188
<i>Buildings and Equipment</i>			
New Town Hall	-	39,279	(39,279)
Emergency preparedness	15,000	14,520	480
Public Works/Town Administration building	200,000	127,162	72,838
Speeding sign	15,000	11,305	3,695
Website upgrade	5,000	-	5,000
<i>Stormwater</i>			
Boxelder	1,750,000	1,557,383	192,617

(Continued)

**TOWN OF TIMNATH  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL  
Year Ended December 31, 2016  
(Continued)**

	<b>Original and Final Budget Final</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<i>Community Revitalization/Visioning Projects</i>	6,500,000	-	6,500,000
<i>Other</i>			
Signage and monumentation	120,000	43,051	76,949
	<u>20,440,000</u>	<u>5,571,491</u>	<u>14,868,509</u>
<b>TOTAL EXPENDITURES</b>	<u>30,289,099</u>	<u>14,354,577</u>	<u>15,934,522</u>
<b>EXCESS REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(6,347,836)</u>	<u>(374,154)</u>	<u>5,973,682</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in (out)	-	74,331	74,331
Total other financing sources (uses)	<u>-</u>	<u>74,331</u>	<u>74,331</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>(6,347,836)</u>	<u>(299,823)</u>	<u>6,048,013</u>
<b>FUND BALANCES - BEGINNING</b>	<u>11,310,846</u>	<u>10,868,076</u>	<u>(442,770)</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 4,963,010</u>	<u>\$ 10,568,253</u>	<u>\$ 5,605,243</u>

**TOWN OF TIMNATH  
GRANTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL  
Year Ended December 31, 2016**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
State grants	\$ -	\$ 71,974	\$ 71,974	\$ -
Federal grants	-	713	713	-
Other grants	-	2,500	2,500	-
Total revenues	<u>-</u>	<u>75,187</u>	<u>75,187</u>	<u>-</u>
<b>EXPENDITURES</b>				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>				
	<u>-</u>	<u>75,187</u>	<u>75,187</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in (out)	-	(76,831)	(74,331)	2,500
Total other financing sources (uses)	<u>-</u>	<u>(76,831)</u>	<u>(74,331)</u>	<u>2,500</u>
<b>NET CHANGE IN FUND BALANCES</b>				
	-	(1,644)	856	2,500
<b>FUND BALANCES - BEGINNING</b>				
	<u>-</u>	<u>1,644</u>	<u>1,644</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,500</u>	<u>\$ 2,500</u>

**TOWN OF TIMNATH  
TIMNATH DEVELOPMENT AUTHORITY  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL  
Year Ended December 31, 2016**

	<u>Original and Final Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>			
TIF - Property tax	\$ 4,138,799	\$ 4,348,210	\$ 209,411
TIF - Sales tax	4,343,500	4,294,672	(48,828)
Intergovernmental	-	100,000	100,000
Net investment income	5,000	20,154	15,154
Total revenues	<u>8,487,299</u>	<u>8,763,036</u>	<u>275,737</u>
<b>EXPENDITURES</b>			
Miscellaneous	1,500	82,609	(81,109)
Debt service			
Loan interest	2,257,000	2,257,000	-
Loan principal	1,800,000	1,800,000	-
Capital outlay			
Road, utilities, other (Transfer to Town)	14,247,156	5,575,631	8,671,525
Harmony Road Phase III	-	1,207,176	(1,207,176)
Boxelder - BBRSA IGA	500,000	1,011,794	(511,794)
Developer shareback incentive	1,391,000	1,368,816	22,184
Intergovernmental - Transfer to Town	2,537,799	2,417,289	120,510
Total expenditures	<u>22,734,455</u>	<u>15,720,315</u>	<u>7,014,140</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(14,247,156)</u>	<u>(6,957,279)</u>	<u>7,289,877</u>
<b>FUND BALANCES - BEGINNING</b>	<u>16,247,156</u>	<u>16,677,090</u>	<u>429,934</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 2,000,000</u>	<u>\$ 9,719,811</u>	<u>\$ 7,719,811</u>

**TOWN OF TIMNATH  
REQUIRED SUPPLEMENTARY INFORMATION (PENSIONS)  
Year Ended December 31, 2016**

**Schedule of the District's Proportionate Share of the Net Pension Liability**

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Town's proportion of the net pension liability	0.1024182994%	0.0967741114%	0.0776702427%
Town's proportionate share of the net pension liability	\$ 1,128,221	\$ 867,395	\$ 639,165
Town's covered-employee payroll	\$ 581,655	\$ 530,278	\$ 414,377
Town's proportionate share of the net pension liability as a percentage of its covered-employee payroll	194.0%	163.6%	154.2%
Plan fiduciary net position as a percentage of the total pension liability	76.9%	80.7%	77.7%

**Schedule of Town Contributions**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Town's contractually required contribution	\$ 73,754	\$ 67,239	\$ 52,543
Town's contributions in relation to the contractually required contribution	(73,754)	(67,239)	(52,543)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered-employee payroll	\$ 581,655	\$ 530,278	\$ 414,377
Town's contributions as a percentage of covered employee payroll	12.7%	12.7%	12.7%

Note: Information for years prior to 2013 are not available.

**SUPPLEMENTARY INFORMATION**

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

	<b>\$900,000</b>		<b>\$50,000,000</b>	
	<b>Note Payable to State of Colorado, Department of Local Affairs Dated September 1, 2009 Interest Rate - 5%</b>		<b>Note Payable to Compass Bank Refunding and Improvement Loan Dated September 29, 2015 Interest Rate - 4.44% Interest Payable June 1 and December 1</b>	
	<b>Principal and Interest Due on September 1</b>		<b>Principal Due December 1</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2017	\$ 39,041	\$ 31,071	\$ 2,150,000	\$ 2,169,803
2018	40,993	29,119	2,705,000	2,073,018
2019	43,043	27,069	3,125,000	1,951,247
2020	45,195	24,917	3,260,000	1,815,531
2021	47,455	22,657	3,415,000	1,663,816
2022	49,827	20,285	3,570,000	1,510,084
2023	52,319	17,793	3,735,000	1,349,375
2024	54,935	15,177	3,900,000	1,184,474
2025	57,681	12,431	4,080,000	1,005,672
2026	60,565	9,547	4,265,000	822,004
2027	63,594	6,518	4,460,000	630,008
2028	66,772	3,340	4,660,000	430,410
2029	-	-	4,875,000	219,548
	<b>\$ 621,420</b>	<b>\$ 219,924</b>	<b>\$ 48,200,000</b>	<b>\$ 16,824,990</b>

**TOWN OF TIMNATH**  
**SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**  
**December 31, 2016**  
**(Continued)**

	<b>\$62,458</b>		<b>\$143,474</b>		<b>Total</b>
	<b>John Deere Tractor Lease</b>		<b>2016 Ford Police Interceptor</b>		
	<b>Dated February 8, 2012</b>		<b>Utility Vehicles (3 units)</b>		
	<b>Interest Rate - 4.3%</b>		<b>Dated April 14, 2016</b>		
	<b>Interest Rate - 5.95%</b>				
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2017	\$ 1,173	\$ 3	\$ 30,158	\$ 5,710	\$ 4,426,959
2018	-	-	31,953	3,916	4,883,999
2019	-	-	33,854	2,014	5,182,227
2020	-	-	-	-	5,145,643
2021	-	-	-	-	5,148,928
2022	-	-	-	-	5,150,196
2023	-	-	-	-	5,154,487
2024	-	-	-	-	5,154,586
2025	-	-	-	-	5,155,784
2026	-	-	-	-	5,157,116
2027	-	-	-	-	5,160,120
2028	-	-	-	-	5,160,522
2029	-	-	-	-	5,094,548
	<u>\$ 1,173</u>	<u>\$ 3</u>	<u>\$ 95,965</u>	<u>\$ 11,640</u>	<u>\$ 65,975,115</u>

## **LOCAL HIGHWAY FINANCE REPORT**

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

<b>LOCAL HIGHWAY FINANCE REPORT</b>		City or County: Town of Timnath
		YEAR ENDING : December 2016
This Information From The Records Of Town of Timnath:	Prepared By: Phone:	Dezire Sanchez 970-224-3211 ext 20

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

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

**II. RECEIPTS FOR ROAD AND STREET PURPOSES**

**III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES**

ITEM	AMOUNT	ITEM	AMOUNT
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	2,187,403
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	323,861
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	5,591
2. General fund appropriations	2,003,774	b. Snow and ice removal	20,443
3. Other local imposts (from page 2)	418,581	c. Other	59,471
4. Miscellaneous local receipts (from page 2)	14,804	d. Total (a. through c.)	85,505
5. Transfers from toll facilities		4. General administration & miscellaneous	
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	2,596,769
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	2,437,159	b. Redemption	
<b>B. Private Contributions</b>		c. Total (a. + b.)	0
<b>C. Receipts from State government (from page 2)</b>		2. Notes:	
	159,610	a. Interest	
<b>D. Receipts from Federal Government (from page 2)</b>		b. Redemption	
	0	c. Total (a. + b.)	0
<b>E. Total receipts (A.7 + B + C + D)</b>		3. Total (1.c + 2.c)	0
	2,596,769	<b>C. Payments to State for highways</b>	
		<b>D. Payments to toll facilities</b>	
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	
			2,596,769

**IV. LOCAL HIGHWAY DEBT STATUS**  
(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
<b>A. Bonds (Total)</b>				0
1. Bonds (Refunding Portion)				
<b>B. Notes (Total)</b>				0

**V. LOCAL ROAD AND STREET FUND BALANCE**

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
0	2,596,769	2,596,769	0	0

Notes and Comments:

<b>LOCAL HIGHWAY FINANCE REPORT</b>		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2016	
<b>II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL</b>			
<b>ITEM</b>	<b>AMOUNT</b>	<b>ITEM</b>	<b>AMOUNT</b>
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments		a. Interest on investments	0
b. Other local imposts:		b. Traffic Fines & Penalties	14,804
1. Sales Taxes	388,386	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	0	d. Parking Meter Fees	0
3. Liens	0	e. Sale of Surplus Property	0
4. Licenses	0	f. Charges for Services	0
5. Specific Ownership &/or Other	30,195	g. Other Misc. Receipts	0
6. Total (1. through 5.)	418,581	h. Other	0
c. Total (a. + b.)	418,581	i. Total (a. through h.)	14,804
	(Carry forward to page 1)		(Carry forward to page 1)
<b>III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL</b>			
<b>ITEM</b>	<b>AMOUNT</b>	<b>ITEM</b>	<b>AMOUNT</b>
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	114,125	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	0
a. State bond proceeds		b. FEMA	0
b. Project Match		c. HUD	0
c. Motor Vehicle Registrations	10,474	d. Federal Transit Admin	0
d. Other (Specify) - DOLA Grant	0	e. U.S. Corps of Engineers	0
e. Other (Specify) Larimer County	35,011	f. Other Federal	0
f. Total (a. through e.)	45,485	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	159,610	3. Total (1. + 2.g)	
			(Carry forward to page 1)
		ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)
		TOTAL (c)	
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities		132,482	132,482
(2). Capacity Improvements			0
(3). System Preservation			0
(4). System Enhancement & Operation		1,183,109	871,812
(5). Total Construction (1) + (2) + (3) + (4)		1,183,109	1,004,294
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)		1,183,109	1,004,294
			(Carry forward to page 1)
<b>Notes and Comments:</b>			