



2024 ANNUAL COMPREHENSIVE FINANCIAL REPORT

Timnath, Colorado

Fiscal Year Ended December 31, 2024

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TOWN OF TIMNATH, COLORADO

2024

ANNUAL COMPREHENSIVE

FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

DECEMBER 31, 2024

PREPARED BY THE FINANCE DEPARTMENT

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TOWN OF TIMNATH, COLORADO
ANNUAL COMPREHENSIVE FINANCIAL STATEMENT AUDIT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024
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INTRODUCTORY SECTION



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INTRODUCTORY SECTION

Letter of Transmittal

Town Organizational Chart

List of Principal Officials

Elected Town Council

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September 24, 2025

Mayor Axmacher, Members of Town Council, and the Residents of the Town of Timnath:

We are pleased to present the Annual Comprehensive Financial Report of the Town of Timnath, Colorado for the year ended December 31, 2024. Town staff have worked diligently to prepare this report, and we are committed to promoting financial transparency, accountability, and compliance with accounting standards.

ABOUT THIS REPORT

The Town's Annual Comprehensive Financial Report (Financial Report) was prepared by the Finance Department of the Town of Timnath (the Town). The Financial Report represents the culmination of all budgeting and accounting activities engaged in by management during the year, covering all Town funds and financial transactions. The Town assumes full responsibility for the completeness and reliability of the information contained in the report.

The Town of Timnath has established a comprehensive internal control framework designed to protect the Town's assets from loss, theft, or misuse and compile sufficient reliable information to prepare the Town's financial statements. Because the costs of internal controls should not outweigh the benefits, the Town's internal control framework is designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. To our knowledge, the enclosed information is complete and reliable in all material respects.

An introduction, overview, and analysis, referred to as the "Management's Discussion and Analysis" (MD&A), accompanies the basic financial statements. Please read the MD&A in conjunction with this letter of transmittal, as it is intended to complement it. The MD&A immediately follows the independent auditors' report in the Financial Section.

This Financial Report includes all activities for which the Town Council is accountable to the Town constituents, financially or by state statute. All applicable funds and departments are included in the financial statements as part of the "primary government" of the Town of Timnath. Also, the Town has two legally separate entities that have significant operational or financial relationships with the Town. These include the Timnath Development Authority and the Timnath Landings General Improvement District. The Town's financial statements also incorporate these entities.

INDEPENDENT AUDIT

Colorado law requires that the Town's financial statements within the Financial Report be audited by an independent firm of certified public accountants licensed to practice in Colorado. The auditors' report must be submitted to the local government within six months after the fiscal year's close, and to the State, within seven months. Due to unforeseen circumstances, the Town received an extension to file the audit with the State in addition to the Government Finance Officers Association.

The Adams Group LLC has audited the Town's 2024 financial statements and issued an unmodified (clean) opinion on the Town's financial statements for the year ended December 31, 2024. This type of opinion indicates that the audited financial statements are free from material misstatement. The independent auditors' report is in front of this report's Financial Section.

PROFILE OF THE TOWN

The Town was incorporated on June 29, 1920. The Town became a home rule municipality on November 7, 2006, through an electoral vote. The Town operates under a Council-Manager form of government. The elected Town Council consists of the mayor and four Council Members. The Town Council, including the mayor, serve four-year staggered terms. The Town Manager is the Town's chief executive officer, responsible for overall management and administration of the Town.

Location and Demographics. The Town of Timnath is located within northern Colorado and is within the eastern boundaries of Larimer County, with a western boundary of I25, in the northern part of the State. With a population of just over 10,000, the Town offers small-town charm with big-city access. The surrounding major cities include Windsor, Fort Collins, and Loveland. The Town is within 60 miles of Denver as well as Cheyenne, Wyoming.

The Town features beautiful parks, safe neighborhoods, a quaint downtown, and welcoming community events. Nestled along the front range, the Town is near many recreational areas including Rocky Mountain National Park, several trails along the Poudre River and is home to the Timnath Reservoir where town residents and visitors have boating, fishing, and day-use access.

Town Services. The Town provides essential municipal services to the citizens of Timnath under the direction of the Town Manager. The Town operates its own police department, parks and recreation programs, municipal court, street operations, planning, engineering, and building.

Other services, such as fire, utilities, and library services, are provided through Special districts. The Poudre Fire District provides fire and emergency services to the community. The

Poudre Library provides library services with programming at the Town hall and drop-off book receptacles. Town residents can visit the library branch in Fort Collins.

Website. For additional information on the Town’s services, the community should visit the website at www.timnath.org where extensive information about the Town is available. Visitors to the site can access information on council meetings, development activity, budgets, financial statements, sales tax information, purchasing solicitations, job postings, and much more.

Budgeting. The council adopts a budget annually for all governmental funds. The Town conducts periodic citizen surveys to understand the community’s needs and perceptions of Town services. The Town Council uses this data to determine their strategic priorities for the budget.

The Finance staff prepares financial and revenue forecasts for the budget. Concurrently, each Department submits proposed budgets including personnel, operating, and capital budgets reflecting the Town Council strategic priorities.

Per the Town Charter, the total of proposed expenditures and provision for contingencies shall not exceed the total of estimated revenues and reserves. Except as otherwise provided by the Charter, the proposed budget must be prepared in accordance with the Town charter, state statutes establishing local government budget laws and the local government uniform accounting laws. A public hearing is required and two readings of applicable budget ordinances, followed by a majority “yes” vote by Town Council present with at least a quorum in attendance adopts the budget, setting the appropriation for the year at the fund level. Any supplemental appropriations must be approved by the Town Council using the same procedures as when the budget was first adopted.

Local Economy. The Town has seen significant population growth over the past 10 years. Even in a market where interest rates are high, the Town continues to see a high demand for residential buildings. The number of households within the Town increased by 92.5% between 2019 and 2023. During 2024 an additional 289 new residential building permits were issued. The median home price at the end of 2024 was \$680,000, a 2.2% increase over 2023. The Town has not increased its property tax mill levy since 2006. The current mill levy of 6.688 has remained since 2016.

The primary source of revenue for the Town continues to be sales tax. Three retailers in Town make up 75% of the Town’s total sales tax base. With more commercial acreage along the State’s major interstate of I-25 that was annexed in 2023, the Town will see diversification and strengthening of the Town’s sales tax base in future years.

LONG-TERM FINANCIAL PLANNING

The Town utilizes a five-year projection model annually that forecasts revenues and expenditures as well as available fund balance to ensure the financial resiliency of the Town. Departments forecast personnel, operating, and capital expenditures. The finance staff prepares projections of available revenue and fund balance over the same five-year timeframe. This projection is used during the budget preparation process and presented to the Town Council as key decisions are made around the expenditure of funds. The Town is also continuously monitoring its long-term debt obligations that coincide with the timing of the expiration of the Timnath Development Authority.

MAJOR INITIATIVES

The Town has many projects underway that are a result of citizen input and the Town's strategic plan. Below are some of the highlighted activities from 2024.

Recreation Programming. In 2024, the Town Parks, Recreation, Open Space, and Trails (PROST) Committee began a PROST Master Plan study to hear directly from the community about both outdoor and indoor recreation needs. Programs include seasonal youth sports and camps, adult fitness and activity classes, and access to facilities like parks, trails, and the reservoir. The year also saw a boost in participation and revenue, alongside an increase in Parks & Recreation staff, ensuring the Town can continue to deliver high-quality programming that keeps the community active, connected, and engaged.

Wild Wing Park. The Town authorized Phase 1 development of this 22.1-acre park in 2024, with a grand opening in 2025. Wild Wing Park offers a versatile mix of amenities designed for sports, recreation, playground activities, and community gatherings. The Town invested approximately \$6.1 million in Phase 1 to deliver this major community asset.

Broadband. In August 2023, the Town Council approved allocating funding to bring high-speed internet services to its residents through other municipal and county partnerships. The Town also approved an intergovernmental agreement with the City of Loveland Pulse as a partner to provide broadband services to the Town. The Town invested \$5 million in 2024 and has appropriated \$9.2 million in 2025 in addition to allocating \$7 million in future years towards this project.

Timnath Parkway. This major capital infrastructure project establishes a new north-south arterial corridor designed to ease traffic, improve safety, and support multimodal transportation in Timnath's growing areas while maintaining accessibility to Old Town. The Town has invested \$8.8 million in the project, with construction beginning in 2024 and anticipated completion in 2025.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended December 31, 2023. To be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized Comprehensive Annual Financial Report. This report satisfies both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement program's requirements and are submitting it to the Government Finance Officers Association to determine its eligibility for another certificate.

The preparation of this Annual Comprehensive Financial Report would not have been possible without the skill, effort, and dedication of the entire staff of the Finance Department. Additionally, we extend our gratitude to all other departments and Town employees for their cooperation and assistance in matters relating to the financial affairs of the Town and the preparation of this report. Finally, we want to thank the Mayor and Town Council and Finance Committee for their continued support.

Respectfully submitted,



Lisa Gagliardi, CGFM
Finance Director



Bonnie Dennis, MBA
Accounting Manager

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Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Town of Timnath
Colorado**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2023

Christopher P. Morill

Executive Director/CEO

TOWN OF TIMNATH, COLORADO

LIST OF PRINCIPAL OFFICIALS

AS OF DECEMBER 31, 2024

Town Council

<u>Elected Officials</u>	<u>Term Expires</u>
Robert Axmacher, Mayor	April, 2028
Jeramie Holt	November, 2028
Bill Jenkins	November, 2028
Lisa Laake	April, 2026
Luke Wagner	April, 2026

Appointed Officials

<u>Appointed Officials</u>	<u>Position</u>
Aaron Adams	Town Manager
Carolyn Steffl (<i>contracted</i>)	Town Attorney
Stewart Olive	Municipal Court Judge

Executive Leadership Team

As of December 31, 2024

<u>Director</u>	<u>Position</u>
Tom Casal	Parks & Recreation Director
Lisa Gagliardi	Finance Director
Terence Jones	Police Chief
Milissa Peters-Garcia	Town Clerk
Scott Robinson	Community Development Director
Justin Stone	Public Works Director

TIMNATH TOWN COUNCIL

(As of 12/31/2024)



Robert Axmacher

Mayor

Luke Wagner

Mayor Pro-Tem



Lisa Laake

Council Member



Jeramie Holt

Council Member



Bill Jenkins

Council Member



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TIMNATH ORGANIZATIONAL CHART

(As of 12/31/2024)



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FINANCIAL SECTION



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FINANCIAL SECTION

Independent Auditor's Report

Management's Discussion and Analysis

Basic Financial Statements

Required Supplementary Information

Other Supplementary Information

Other Financial Schedules

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INDEPENDENT AUDITORS' REPORT

Town Council
Town of Timnath
Timnath, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Timnath, Colorado (the Town) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Timnath, Colorado, as of December 31, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules, and GASB required pension and OPEB schedules be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 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.

Supplementary 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 combining and individual nonmajor fund financial statements, budgetary comparison schedules, the local highway finance report, and other schedules as listed in the table of contents are presented for purposes of additional analysis 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 combining and individual nonmajor fund financial statements, budgetary comparison schedules, the local highway finance report, and other schedules as listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

The Adams Group, LLC

Greenwood Village, Colorado
September 23, 2025

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MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis (MD&A) is presented to facilitate financial analysis and provide an overview of the financial activities of the Town of Timnath (Town) for the year ended December 31, 2024. Readers are encouraged to read the MD&A in conjunction with the basic financial statements and notes to the financial statements contained in this report.

Financial Highlights

- The Town's assets totaled \$159.9 million on December 31, 2024 consisting of \$104.8 million in capital assets, \$23.9 million in restricted cash and investments, \$16.7 million in unrestricted cash and investments, and \$14.5 million in receivables. Total assets increased by \$5.9 million (4%) from the previous fiscal year.
- The Town's liabilities totaled \$55.2 million on December 31, 2024 consisting of \$45.8 million in long-term liabilities, \$3.8 million in pension liabilities, \$2.0 million in lease and subscription-based technology agreement liabilities, \$3.6 million in accounts payable and other liabilities. Total liabilities decreased by \$8.1 million (13%) from the previous fiscal year.
- The assets and deferred outflows of resources exceeds liabilities and deferred inflows of resources by \$94.5 million at the close of fiscal year 2024.
- The Town's governmental funds reported combined ending fund balances of \$39.1 million at the close of the fiscal year. Of this amount, \$6.3 million is restricted for debt service, capital projects, parks, grants, and emergencies.
- Total net position increased by \$12.9 million or 16%, mainly attributable to the increase charges for services of \$3.1 million (53%), property taxes of \$334 thousand (87%), and investment earnings increase of \$280 thousand (14%). The increases in revenues are offset by the increase in expenses of \$7.1 million (32%) when compared to prior year. Expense increases are attributable to capital improvements for infrastructure.

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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-wide Financial Statements

The government-wide statements are designed to provide readers with a broad overview of the Town's finances using accounting methods like a private-sector business.

The *Statement of Net Position* presents information on all Town assets, liabilities and deferred inflows/outflows of resources with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating. To assess the overall health of the Town, additional non-financial factors such as changes in the Town's property tax base relative to growth and the diversification of the Town's sales tax base must be considered.

The *Statement of Activities* presents information on how the Town's net position changed during the fiscal year. All changes in the net position are reported as soon as the underlying event, giving rise to the change regardless of the timing of the related cash flows. Thus, some revenues and expenses reported in this statement will result in cash flows in future fiscal period (e.g., uncollected taxes and earned but unused paid time off) and as such, are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both the *Statement of Net Position* and the *Statement of Activities* distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (*Governmental Activities*). The *Governmental Activities* of the Town include general government, community development, highways and streets, parks and recreation, and public safety.

Fund Financial Statements

A *fund* is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Governmental funds are used to account for 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 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 fund accounting method to the government-wide statements.

The Town maintains five governmental funds in two categories between major and non-major. The major funds of the Town are the General Fund and the Timnath Development Authority (TDA) Fund, which is a blended component unit. The non-major funds include the Grants Fund and the General Improvement District special revenue and capital projects fund. Each fund has an annually adopted appropriated budget by the Town council for the General and Grant funds, by the Timnath Development Authority board for the TDA fund, and by the Timnath Landing General Improvement District board for the two general improvement district funds. A budgetary comparison schedule for each nonmajor fund has been provided within this report as supplementary information to demonstrate compliance with the budget.

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 starting on page 39 of this report.

Statement of Net Position

Net position serves as a useful indicator of a government's financial position. The Town has continued to see assets exceeding liabilities. At the close of fiscal year 2024, assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$94.5 million.

By far the largest portion of the town's net position (65%) reflects its investment in capital assets (e.g., land, buildings, vehicles, equipment, and infrastructure); less any related debt outstanding used to acquire those assets. The town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the town's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves either cannot or are not expected to be used or liquidated to repay these liabilities.

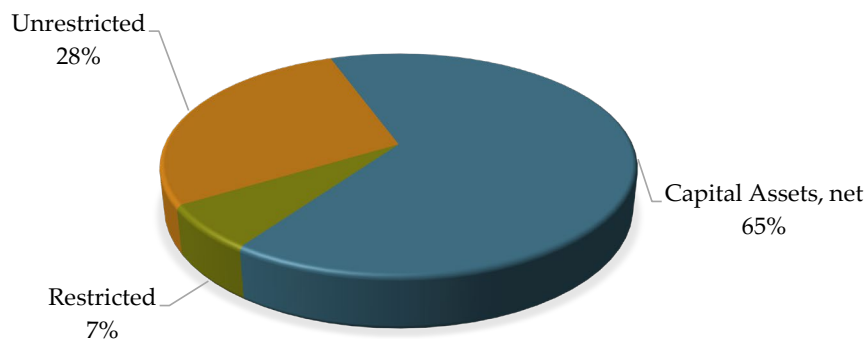
MANAGEMENT'S DISCUSSION AND ANALYSIS

Restricted net position of 7% 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, conservation trust funds, grants, debt service, and capital projects). The remaining 28% of the Town's net position is unrestricted and may be used to meet the Town's future expenditures. As of December 31, 2024, the Town had positive balances in all three categories of net position. Below is the combined net position of the Town of Timnath on December 31, 2024, and 2023 as follows.

Statement of Net Position (in thousands)

	Governmental Activities		Total \$	Total %
	2024	2023	of Change	of Change
Current and other assets	\$ 55,048	\$ 64,448	\$ (9,400)	-15%
Capital assets	104,824	89,469	15,355	17%
Total assets	159,872	153,917	5,955	4%
Deferred outflows of resources	2,456	2,782	(326)	-12%
Long-term liabilities	51,612	59,077	(7,465)	-13%
Other liabilities	3,575	4,194	(619)	-15%
Total liabilities	55,187	63,271	(8,084)	
Deferred inflows of resources	12,627	11,861	766	6%
Net position:				
Net Investment in capital assets	61,768	42,903	18,865	44%
Restricted for:				
Emergencies (TABOR)	697	697	-	0%
Parks and open space (Conservation Trust)	625	480	145	30%
Capital projects	2,559	4,446	(1,887)	-42%
Debt service	2,298	-	2,298	100%
Unrestricted	26,567	33,041	(6,474)	-20%
Total net position	\$ 94,514	\$ 81,567	\$ 12,947	16%

Classification of Net Position for Year Ended 2024



MANAGEMENT'S DISCUSSION AND ANALYSIS

Statement of Activities Changes in Net Position (in thousands)

	Governmental Activities		Total \$	Total %
	2024	2023	of Change	of Change
Revenues				
Program Revenues:				
Charges for services	\$ 9,052	\$ 5,918	\$ 3,134	53%
Operating grants and contributions	452	614	(162)	-26%
Capital grants and contributions	232	1,738	(1,506)	-87%
General revenues:				
Property tax	719	385	334	87%
Sales & use tax	17,271	16,112	1,159	7%
Tax increment financing	11,145	8,949	2,196	25%
Franchise	448	429	19	5%
Other taxes	251	82	169	207%
Investment earnings	2,352	2,072	280	14%
Total revenues	41,922	36,299	5,623	15%
Expenses				
Governmental activities:				
General government	5,989	4,533	1,456	32%
Community development	2,280	2,551	(271)	-11%
Highways and streets	9,112	6,644	2,468	37%
Parks and recreation	5,038	1,709	3,329	195%
Public safety	4,590	4,248	342	8%
Interest on long-term debt	1,966	2,194	(228)	-10%
Total expenses	28,974	21,880	7,094	32%
Change in net position	12,947	14,421	(1,472)	-10%
Net position - beginning	81,567	67,146	14,421	21%
Net position - ending	\$ 94,514	\$ 81,567	\$ 12,949	16%

Governmental activities in the net position increased by \$12.9 million (16%) during the current fiscal year. Several key highlights of the *Statement of Activities* for the fiscal year are as follows:

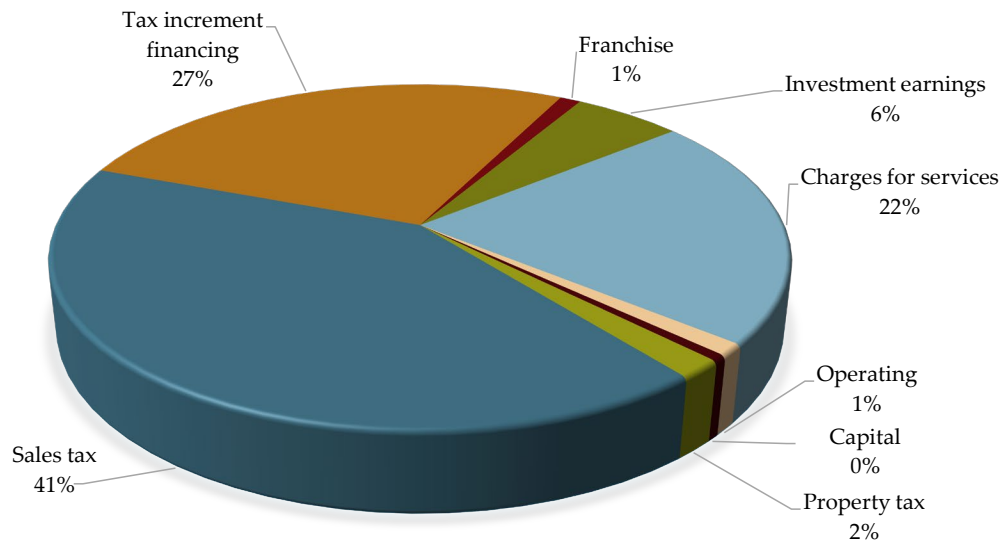
- Charges for services increased by \$3.1 million (53%) from the prior fiscal year. Charges for services include building permits and impact fees. In 2024, the Town increased impact fees based on a fee study.
- Sales & use taxes increased by \$1.1 million (7%) as well as tax increment financing by \$2.1 million (25%). This is attributed to increases in sales tax growth from local and online retailers.

MANAGEMENT'S DISCUSSION AND ANALYSIS

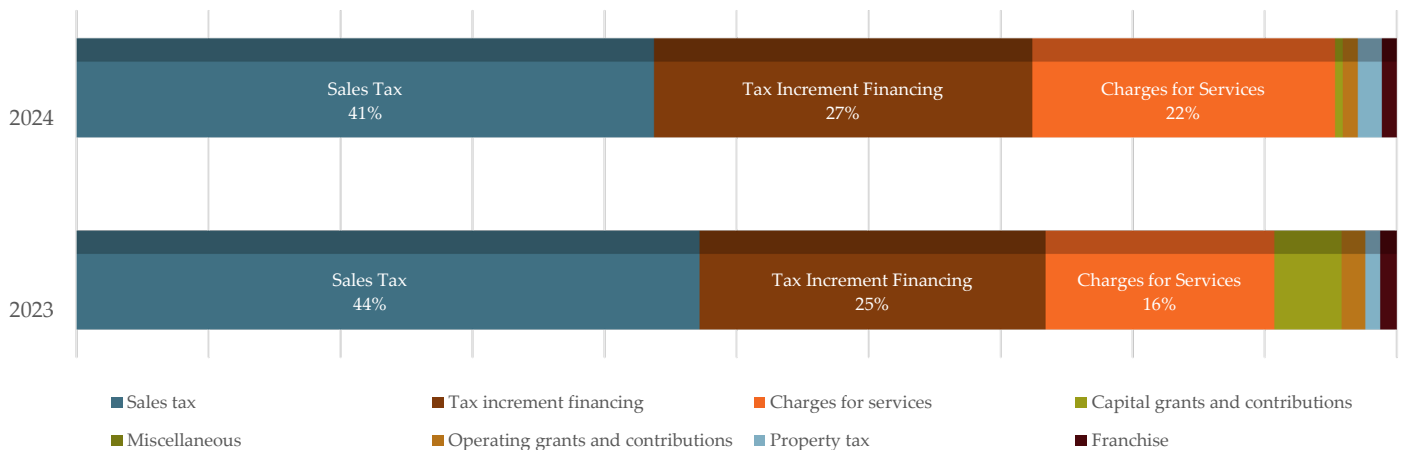
- Expenses increased by 32% compared to the prior year related to capital projects in highways and streets for the Parkway project. Additionally, the Wildwing park project in addition to increased operating costs, generally.

The revenues in the following pie chart include all program and general revenues for governmental activities including sales taxes, property taxes, franchise taxes, charges for services, operating and capital grants/contributions, and miscellaneous revenues. Sales taxes continue to be the major source of revenue for the Town's governmental activities.

Revenues by Source – Governmental Activities



% of Total Revenue Comparison – Governmental Activities



MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS OF THE 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. 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 \$39.0 million. Of this amount, \$5.5 million constitutes unassigned fund balances, which are available for spending at the Town's discretion.

General Fund

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, committed and assigned fund balance of the General Fund was \$27.0 million and restricted was \$3.8 million out of a total fund balance of \$36.6 million.

The fund balance of the Town's General Fund decreased by \$7.6 million during the current fiscal year due to additional expenses in capital projects (\$17.0 million) as compared to the prior year. These capital projects include the construction of Wildwing Park.

Timnath Development Authority (TDA) Fund

The TDA Fund reported a fund balance of \$2.5 million, which is restricted to future debt service payments and capital improvement expenditures. The fund increased by \$551 thousand related to charges for services from developer reimbursements of \$306 thousand and additional investment earnings.

Other Governmental Funds

The other governmental funds are considered as nonmajor funds which include the Grants and Timnath Landing General Improvement District (GID) special revenue and capital projects funds. The funds had a combined fund balance of zero as the revenues for the Grants fund were transferred to the General Fund and revenues and expenses are offset from each other in the GID funds. These transfers can be found in the notes to the financial statements starting on page 39.

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 non-operating revenue and contributions. Capital

MANAGEMENT'S DISCUSSION AND ANALYSIS

contributions and depreciation are not reflected on the budget since they do not affect "funds available." This budgetary accounting is required by state statutes.

The original General Fund budget for as of December 31, 2024 was \$22.5 million. There was one supplemental budget appropriation and several miscellaneous transfers to the originally adopted budget in the General Fund. The supplemental budget reduced the beginning fund balance by \$120 thousand to offset an additional engineering position, traffic consulting services and roll-over of capital project contracts. Other transfers were for various town needs and within the General Fund departments and did not require a supplemental budget hearing. This supplemental and transfers reallocated budget authority to the departments and allows for previously unanticipated expenditures.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of December 31, 2024, the Town invested \$104.8 million in capital assets, net of depreciation and amortization as reflected in the following table that demonstrates a net increase (additions, deductions and depreciation/amortization) of \$12.9 million in the year.

Capital Assets, Net of Accumulated Depreciation

(in thousands)

	Governmental Activities		Total \$ Change	Total % Change
	2024	2023		
Land and easements	\$ 7,545	\$ 7,545	\$ -	0%
Construction in progress	21,108	5,935	15,173	256%
Buildings and improvements	23,544	22,619	925	4%
Infrastructure	35,211	37,751	(2,540)	-7%
Parks and recreation	13,414	13,900	(486)	-3%
Vehicles and equipment	1,724	1,719	5	0%
Right-to-use leased assets	2,115	2,266	(151)	-7%
Right-to-use subscription assets	163	206	(43)	-21%
Capital assets, net	<u>\$ 104,824</u>	<u>\$ 91,941</u>	<u>\$ 12,883</u>	14%

The following table reconciles the change in capital assets for the fiscal year. Expenditures on construction projects in progress at fiscal year-end are included in additions. Reductions are for capital asset dispositions and transfers of construction projects completed during the fiscal year.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Change in Capital Assets

(in thousands)

	Governmental Activities	
	2024	2023
Beginning balance	\$ 91,941	\$ 89,097
Additions	18,846	24,259
Reductions and transfers	(1,633)	(17,309)
Depreciation / Amortization	(4,330)	(4,106)
Ending balance	<u>\$ 104,824</u>	<u>\$ 91,941</u>

Debt Outstanding

As of December 31, 2024, the Town and TDA Funds had \$45.3 million in outstanding long-term debt; a decrease from the prior year by \$6.8 million due to debt repayments. More detailed information about the Town's long-term debt obligations is presented in the Notes to the Basic Financial Statements, beginning on page 39.

Outstanding Long-term Debt Obligations as of December 31, 2024

(in thousands)

	Governmental Activities		Total \$ Change	Total % Change
	2024	2023		
Urban Renewal Redevelopment Loans (TDA)	\$ 35,130	\$ 41,195	\$ (6,065)	-15%
Certificate of Participation - Town Hall	5,215	5,947	(732)	-12%
Developer Advances	4,953	4,953	-	0%
Total	<u>\$ 45,298</u>	<u>\$ 52,095</u>	<u>\$ (6,797)</u>	-13%

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Town Council approved and adopted the 2025 budget on November 12, 2024 appropriating \$54.6 million in general fund expenditures. The objective of the budget is to be fiscally responsible by ensuring forecasted revenues exceed operational costs, with restricted reserve funds being utilized for capital projects and maintaining an adequate working capital reserve.

The appropriation includes \$33.6 million in capital outlay related to roads, buildings and parks and recreation. The largest capital projects budgeted for 2025 include road improvements to Parkway and Main Street, the development of broadband services within the Town, and park improvements for Timnath Reservoir Trail and Park and

MANAGEMENT'S DISCUSSION AND ANALYSIS

Wildwing Park. The Town also prioritized the need to evaluate current facilities for a new recreation center.

The TDA has an appropriated total of \$19.8 million, including \$7.7 million in debt service payments, and \$11.8 million transfers to the Town, related to TDA capital project costs anticipated to be completed during 2024 and excess sales tax.

The Town has shown resilience in forecasted revenue as commercial and residential development continues to grow. Although the Town is experiencing some inflationary pressures related to the cost of services, materials and labor, there is also more development on the horizon that will increase sales and use tax as well as property taxes.

REQUEST FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Town's finances and to demonstrate the Town's accountability for the resources it receives and expends. Questions about this report, or if additional financial information is needed, can be directed to the Finance Director of the Town of Timnath located at 4750 Signal Tree Drive, Timnath, Colorado 80547.



BASIC FINANCIAL STATEMENTS



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BASIC FINANCIAL STATEMENTS

Statement of Net Position

Statement of Activities

Combining Financial Statements

Notes to Basic Financial Statements

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TOWN OF TIMNATH, COLORADO

STATEMENT OF NET POSITION

DECEMBER 31, 2024

	Governmental Activities
ASSETS	
Cash and investments	\$ 16,711,619
Restricted cash and investments	23,791,678
Prepaid items	62,585
Receivables	
Property taxes	12,538,827
Sales tax	1,438,855
Other	504,651
Capital assets, not being depreciated:	
Land and easements	7,545,208
Construction in process	21,107,758
Capital assets, net of accumulated depreciation:	
Buildings and improvements	23,544,103
Infrastructure	35,211,252
Parks and recreation	13,413,897
Vehicles and equipment	1,723,859
Right to use lease assets, net of amortization	2,114,913
Right to use subscription-based asset, net of amortization	163,284
TOTAL ASSETS	159,872,489
DEFERRED OUTFLOWS OF RESOURCES	
Related to pension	2,225,713
Related to OPEB	230,591
TOTAL DEFERRED OUTFLOWS OF RESOURCES	2,456,304
LIABILITIES	
Accounts payable	1,896,884
Retainage payable	673,174
Deposits payable	330,294
Accrued wages payable	515,882
Other liabilities	17,711
Accrued interest payable	140,866
Noncurrent liabilities:	
Lease obligations, due within one year	332,693
Lease obligations, due in more than one year	1,577,269
Subscription-based-technology obligations, due within one year	40,683
Subscription-based-technology obligations, due in more than one year	86,939
Long-term obligations, due within one year	7,605,593
Long-term obligations, due in more than one year	33,212,400
Developer advances, due in more than one year	4,952,676
Net pension liability, due in more than one year	3,531,278
Net OPEB liability, due in more than one year	272,916
TOTAL LIABILITIES	55,187,258
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue - property taxes	12,538,827
Related to pension	3,627
Related to OPEB	84,875
TOTAL DEFERRED INFLOWS OF RESOURCES	12,627,329
NET POSITION	
Net investment in capital assets	61,768,216
Restricted for:	
Emergencies (TABOR)	697,000
Parks and open space (Conservation Trust)	625,424
Capital projects	2,559,214
Debt service	2,297,568
Unrestricted	26,566,784
TOTAL NET POSITION	\$ 94,514,206

The notes to the basic financial statements are an integral part of this statement.

TOWN OF TIMNATH, COLORADO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

FUNCTIONS / PROGRAM	Expenses	Charges for Services	Program Revenues		Net (Expense) Revenue and Change in Net Position
			Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
General government	\$ 5,987,694	\$ 2,752,926	\$ 48,576	\$ 231,780	\$ (2,954,412)
Community development	2,279,655	2,317,995	-	-	38,340
Highways and streets	9,112,380	1,931,792	385,776	-	(6,794,812)
Parks and recreation	5,037,961	1,806,275	-	-	(3,231,686)
Public safety	4,589,961	243,252	17,345	-	(4,329,364)
Interest on long-term debt	1,965,875	-	-	-	(1,965,875)
TOTAL GOVERNMENTAL ACTIVITIES	28,973,526	9,052,240	451,697	231,780	(19,237,809)
GENERAL REVENUES:					
Taxes / Fees:					
Sales and Use					17,270,825
Tax increment financing (TIF)					11,144,560
Franchise					448,259
Property, levied for general purposes					719,015
Other					250,822
Investment earnings					2,352,415
TOTAL GENERAL REVENUES					32,185,896
CHANGE IN NET POSITION					12,948,087
NET POSITION - beginning					81,566,119
NET POSITION - ending					\$ 94,514,206

The notes to the basic financial statements are an integral part of this statement.

TOWN OF TIMNATH, COLORADO
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2024

	General Fund	Timnath Development Authority Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	\$ 16,711,619	\$ -	\$ -	\$ 16,711,619
Restricted cash and investments	21,046,001	2,745,677	-	23,791,678
Prepaid items	62,585	-	-	62,585
Due from other funds	-	-	531	531
Receivables:				
Property taxes	727,375	11,811,452	-	12,538,827
Sales tax	1,438,855	-	-	1,438,855
Other	504,651	-	-	504,651
TOTAL ASSETS	\$ 40,491,086	\$ 14,557,129	\$ 531	\$ 55,048,746
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 1,660,496	\$ 235,857	\$ 531	\$ 1,896,884
Retainage payable	673,174	-	-	673,174
Deposits payable	330,294	-	-	330,294
Accrued wages payable	515,882	-	-	515,882
Due to other funds	531	-	-	531
Other liabilities	17,711	-	-	17,711
TOTAL LIABILITIES	3,198,088	235,857	531	3,434,476
DEFERRED INFLOWS OF RESOURCES				
Unavailable property taxes	727,375	11,811,452	-	12,538,827
TOTAL DEFERRED INFLOWS OF RESOURCES	727,375	11,811,452	-	12,538,827
FUND BALANCES				
Nonspendable	62,585	-	-	62,585
Restricted	3,810,252	2,509,820	-	6,320,072
Committed	18,069,020	-	-	18,069,020
Assigned	9,145,912	-	-	9,145,912
Unassigned	5,477,854	-	-	5,477,854
TOTAL FUND BALANCES	36,565,623	2,509,820	-	39,075,443
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURNCES AND FUND BALANCES	\$ 40,491,086	\$ 14,557,129	\$ 531	\$ 55,048,746

The notes to the basic financial statements are an integral part of this statement.

TOWN OF TIMNATH, COLORADO
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2024

Total fund balance, governmental funds		\$ 39,075,443
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		102,546,077
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Other assets and deferred outflows resources represent an acquisition or consumption of net position that applies to future periods and, therefore, are not reported in the funds:

Leased assets, net	2,114,913		
SBITA, net	163,284		
Deferred outflows of resources - pensions	2,225,713		
Deferred outflows of resources - OPEB	230,591		
		4,734,501	

Long-term liabilities and deferred inflows of resources including lease payables, accrued interest and compensated absences payable, pension, OPEB, and debt payable, are not due and payable in the current period, therefore, are not reported in the funds:

Accrued compensated absences payable	(472,693)		
Accrued interest payable	(140,866)		
Net pension liability	(3,531,278)		
Net OPEB liability	(272,916)		
Lease payables	(1,909,962)		
Subscription payables	(127,622)		
Deferred inflows of resources - pensions	(3,627)		
Deferred inflows of resources - OPEB	(84,875)		
Long-term debt obligations	(45,297,976)		
		(51,841,815)	

Total net position of governmental activities		\$ 94,514,206
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The notes to the basic financial statements are an integral part of this statement.

TOWN OF TIMNATH, COLORADO
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGE IN FUND BALANCES – GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	General Fund	Timnath Development Authority Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes and fees:				
Sales and use tax	\$ 8,741,509	\$ 8,529,316	\$ -	\$ 17,270,825
Property tax	719,015	11,144,560	-	11,863,575
Franchise tax	448,259	-	-	448,259
Other taxes	105,023	-	-	105,023
Fines and forfeitures	158,394	-	-	158,394
Charges for services	4,672,494	305,943	-	4,978,437
Intergovernmental	2,290,976	-	-	2,290,976
Investment earnings	2,062,669	289,746	-	2,352,415
Licenses and permits	2,147,122	-	-	2,147,122
Miscellaneous	160,789	-	-	160,789
TOTAL REVENUES	21,506,250	20,269,565	-	41,775,815
EXPENDITURES				
Current:				
General government	5,112,413	718,652	7,644	5,838,709
Community development	2,281,405	-	-	2,281,405
Highways and streets	2,924,810	-	-	2,924,810
Parks and recreation	1,443,691	-	-	1,443,691
Public safety	4,130,292	-	-	4,130,292
Capital outlay	23,375,924	-	-	23,375,924
Debt service:				
Principal	1,083,550	6,065,000	-	7,148,550
Interest	350,040	1,637,845	-	1,987,885
TOTAL EXPENDITURES	40,702,125	8,421,497	7,644	49,131,266
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(19,195,875)	11,848,068	(7,644)	(7,355,451)
OTHER FINANCING SOURCES (USES)				
Lease financing	198,115	-	-	198,115
Sale of assets	33,665	-	-	33,665
Transfers from other funds	11,296,679	-	7,644	11,304,323
Transfers to other funds	(7,644)	(11,296,679)	-	(11,304,323)
TOTAL OTHER FINANCING SOURCES (USES)	11,520,815	(11,296,679)	7,644	231,780
NET CHANGE IN FUND BALANCES	(7,675,060)	551,389	-	(7,123,671)
FUND BALANCES - beginning	44,240,683	1,958,431	-	46,199,114
FUND BALANCES - ending	\$ 36,565,623	\$ 2,509,820	\$ -	\$ 39,075,443

The notes to the basic financial statements are an integral part of this statement.

TOWN OF TIMNATH, COLORADO
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGE IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

Net change in fund balances - total governmental funds: \$ (7,123,671)

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

Governmental funds report capital outlays as expenditures. However, in the
Statement of Activities the cost of those assets are allocated over their
estimated useful lives and reported as depreciation expense. This is the
amount by which capital outlay was greater than depreciation.

Capital outlay	17,155,073	
Lease asset additions	198,115	
Disposal of assets	(85,981)	
Depreciation expense	(3,990,261)	
Amortization expense - leases	(296,682)	
Amortization expense - SBITAs	<u>(42,596)</u>	12,937,668

The issuance of long-term debt (e.g., bonds, leases) 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. This amount
represents the schedule principal payments on existing debt.

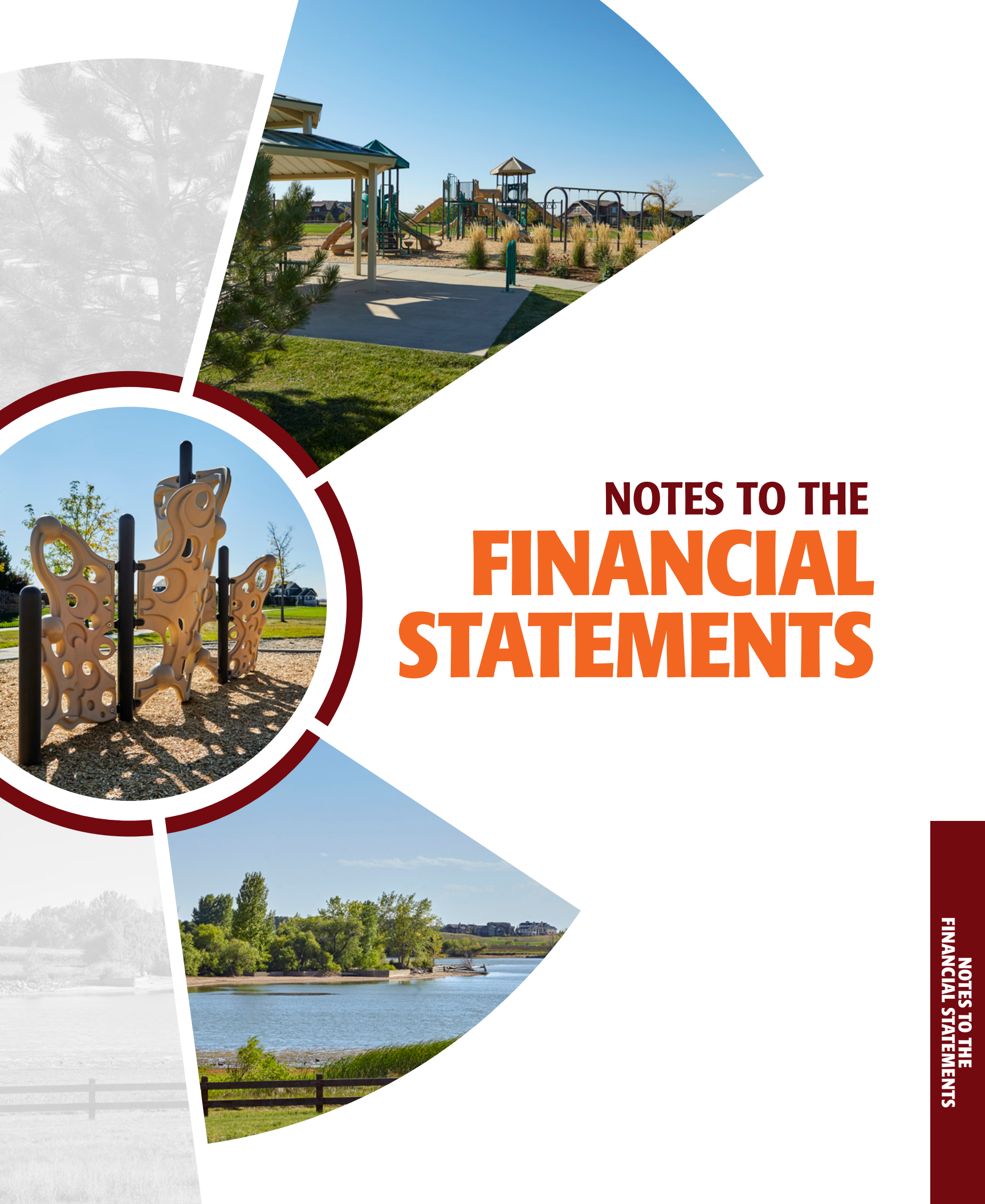
Long-term debt principal payments	7,148,550	
Lease proceeds	<u>(198,115)</u>	6,950,435

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.

Pension income (expense)	297,249	
OPEB income (expense)	16,549	
Accrued interest payable	22,010	
Accrued compensated absences payable	<u>(152,153)</u>	<u>183,655</u>

Change in net position of governmental activities \$ 12,948,087

The notes to the basic financial statements are an integral part of this statement.



NOTES TO THE **FINANCIAL STATEMENTS**

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NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Town of Timnath (Town) have been prepared in accordance with generally accepted accounting principles (GAAP) as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the Town's significant accounting policies applied in the preparation of these financial statements.

Reporting Entity

The Town is a municipal corporation, 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-Town 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.

Blended Component Unit

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

The Timnath Development Authority (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 Timnath Landing General Improvement District (GID), a public improvement district and a quasi-municipal corporation, was duly organized pursuant to Part 6, Article 25, Title 31, Colorado Revised Statutes (C.R.S) and Ordinance of the Town of Timnath (the "Town") on August 27, 2019. The GID was created to reimburse the Developer for extraordinary improvements including public streets, park and recreation, water, sanitation, and safety. The Town Council constitutes the Board of Directors of the GID and thereby the GID is included as a blended component unit of the Town. The GID does issue separate financial statements.

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

NOTES TO BASIC FINANCIAL STATEMENTS, *Continued*

Basis of Presentation – Government-Wide 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 blended component units. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by revenues from property taxes, sales taxes, intergovernmental and charges for service.

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.

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.

Basis of Presentation – Fund Financial Statements

Fund financial statements display information at the individual fund level. Each fund is considered to be a separate accounting entity. Funds are generally classified and summarized as governmental, proprietary, or fiduciary. Currently, the Town has only governmental type funds. Major individual governmental funds are reported as separate columns in the fund financial statements. Nonmajor funds are reported in the aggregate.

The Town reports the following major governmental funds:

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.

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. The TDA is reported as a special revenue fund.

The Town reports the following non-major governmental funds:

NOTES TO BASIC FINANCIAL STATEMENTS, *Continued*

GID Special Revenue Fund is used to account for the financial resources to be used for the general operations related to the GID.

GID Capital Projects Fund is used to account for financial resources to be used for the acquisition and construction of capital equipment and facilities related to the GID.

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

Measurement Focus and Basis of Accounting

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, 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.

Cash and Investments

The Town follows the practice of pooling cash and investments of all funds to maximize interest earnings. 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.

Property Taxes

Property taxes are levied by the Town Council. The levy is based on assessed valuations on January of each calendar year as determined by the Larimer County Assessor. 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.

NOTES TO BASIC FINANCIAL STATEMENTS, Continued

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.

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 acquisition cost or estimated acquisition cost if purchased or constructed. Donated capital assets are recorded at acquisition 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:

Description	Useful Lives (in years)
Buildings and Improvements	15 - 75 years
Infrastructure (Roads, etc.)	15 - 25 years
Parks and Recreation	15 - 25 years
Vehicles and Equipment	5 - 15 years

Leases

The Town determines if an arrangement is a lease at inception. Lease assets are included in capital assets and lease liabilities in the *Statement of Net Position*. Lease assets represent the Town’s control of the right to use an underlying asset for the lease term, as specific in the contract, in an exchange or exchange-like transaction.

NOTES TO BASIC FINANCIAL STATEMENTS, *Continued*

Lease assets are recognized at the commencement date based on the initial measurement of the lease liability, plus any payment made to the lessor at or before the commencement of the lease term and certain direct costs. Lease assets are amortized in a systematic and rational manner over the useful life of the underlying asset.

Subscription Based IT Agreements (SBITAs)

The Town obtains the right to use vendor's information technology software through various long-term contracts. The Town recognizes a subscription liability and an intangible right-to-use subscription asset in the applicable governmental activities column in the government-wide financial statements. At the commencement of a subscription, the Town initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of the subscription payments made. The right-to-use asset is initially measured as the initial amount of the subscription liability adjusted for subscription payments made at or before the subscription commencement date, plus certain initial implementation costs as needed. Right-to-use subscription assets useful lives are determined by the length of the subscription period and are amortized using the straight-line method. Key estimates and judgments include how the Town determines the discount rate and subscription term it uses to discount the expected subscription payments to present value. The Town uses the market rate of interest at the subscription's inception as the discount rate. The subscription's term includes the noncancelable period of the subscription. Subscription payments included in the measurement of the subscription payable are composed of fixed payments as outlined in the subscription.

Accrued Compensated Absences

It is the Town's policy to permit employees to accumulate earned but unused compensated absences. Compensated absences are accrued when incurred in the government-wide financial statements. As compensated absences are due and payable on demand, they are considered due within one year. A liability for this amount is reported in the governmental funds only if they have matured, for example, as a result of termination or retirement. For the year ended December 31, 2024, the Town implemented GASB Statement No. 101, *Compensated Absences*. The implementation of this standard had no significant impact on the Town.

Long-Term Obligations

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

NOTES TO BASIC FINANCIAL STATEMENTS, *Continued*

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants received before the eligibility requirements are met are recorded as unearned revenue.

Pension Liability and Other Postemployment Benefits (OPEB) Liability

The Town's net pension liability and OPEB liability, deferred outflows and inflows or resources related to pensions and OPEB, and pension/OPEB expense (income) have been determined on the basis reported by the Colorado Public Retirement Account (PERA).

Deferred Outflows and 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 assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The Town has two items that qualify for reporting in this category. Accordingly, the items, which are all related to pensions and OPEB 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.

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 assets 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 three items that qualify for reporting in this category. Accordingly, these items, unavailable property tax revenue, pensions, and OPEB related items, are deferred and recognized as inflows of resources in the period that the amounts become available.

Fund Balance / Net Position

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:

NOTES TO BASIC FINANCIAL STATEMENTS, *Continued*

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. The general fund is the only fund to report a positive fund balance.

GASB Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions* requires the highest legal authority to approve authorized commitments of fund balance and to approve who can authorize making assignments of fund balance. 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.

NOTES TO BASIC FINANCIAL STATEMENTS, *Continued*

NOTE 2. CASH AND INVESTMENTS

Cash and investments as of December 31, 2024, consist of the following:

Cash and Investments	\$ 16,711,619
Restricted cash and investments	23,791,678
Total cash and investments	<u><u>\$ 40,503,297</u></u>

Cash on hand	\$ 200
Cash deposits	7,288,285
Investments	33,214,812
Total cash and investments	<u><u>\$ 40,503,297</u></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, 2024, the town's cash deposits had a bank balance of \$7,366,231 and carrying balance of \$7,288,285.

Investments

The Town has adopted a formal investment policy. The Town generally limits its concentration of investments to the local government investment pool as there is minimal credit and interest rate risk, as well as 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.

NOTES TO BASIC FINANCIAL STATEMENTS, *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 includes:

- 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

COLOTRUST

The Authority invested in the Colorado Local Government Liquid Asset Trust (ColoTrust or the Trust), which is 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 ColoTrust.

ColoTrust offers shares in three portfolios, ColoTrust PRIME, ColoTrust Plus+, and ColoTrust EDGE. ColoTrust PRIME invests only in U.S. Treasury securities and government agencies and each share is equal in value to \$1. ColoTrust PLUS+ can invest in U.S. Treasury securities, government agencies, and in the highest-rated commercial paper and each share is equal to \$1. ColoTrust EDGE can invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, and highest rated commercial paper and is managed to approximate a \$10 transactional share price.

A designated custodial bank serves as custodian for ColoTrust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for ColoTrust'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

NOTES TO BASIC FINANCIAL STATEMENTS, *Continued*

Trust. The Authority's investments are measured under GASB Statement No. 72. The Trust is rated AAAM by Standard and Poor's and is measured at net asset value. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

As of December 31, 2024, the Town had the following investments:

Investment	Maturity	Amount
Colorado Local Government Liquid Asset Trust (Colotrust)	Weighted average under 60 days	\$ 33,214,812
		\$ 33,214,812

NOTE 3. FUND BALANCE CLASSIFICATION

Governmental fund balances were classified as follows as of December 31, 2024:

	General Fund	Timnath Development Authority Fund	Total Governmental Funds
Prepaid items	\$ 62,585	\$ -	\$ 62,585
Restricted			
Emergencies (TABOR reserve)	697,000	-	697,000
Conservation trust	625,424	-	625,424
Capital projects	2,487,828	-	2,487,828
Debt service	-	2,438,434	2,438,434
Urban renewal revitalization	-	71,386	71,386
Total	3,810,252	2,509,820	6,320,072
Committed			
Capital projects	14,160,020	-	14,160,020
Working capital reserve	3,909,000	-	3,909,000
Total	18,069,020	-	18,069,020
Assigned			
Prior year carry-over access	9,145,912	-	9,145,912
Unassigned	5,477,854	-	5,477,854
Total fund balance	\$ 36,565,623	\$ 2,509,820	\$ 39,075,443

NOTES TO BASIC FINANCIAL STATEMENTS, *Continued*

NOTE 4. INTERFUND TRANSFERS

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. The following interfund transfers occurred during the year for the purposes of reimbursing the Town for related infrastructure, expenses and administrative costs or as required per IGA as shown below:

	Transfers In		
	General Fund	Timnath Landings GID	Total
<u>Transfers Out:</u>			
General Fund	\$ -	\$ 7,644	\$ 7,644
Timnath Development Authority (TDA)	8,508,917	-	8,508,917
Timnath Development Authority (TDA Capital)	2,787,762	-	2,787,762
Total	<u>\$ 11,296,679</u>	<u>\$ 7,644</u>	<u>\$ 11,304,323</u>

NOTES TO BASIC FINANCIAL STATEMENTS, *Continued*

NOTE 5. CAPITAL ASSETS

The following is an analysis of the change in the Town's capital assets, leased assets, and subscription – based IT assets for the year ended December 31, 2024:

	Balances as of December 31, 2023	Additions and Transfers	Deletions and Transfers	Balances as of December 31, 2024
<u>Capital Assets</u>				
Capital Assets, not being depreciated:				
Land	\$ 7,545,208	\$ -	\$ -	\$ 7,545,208
Construction in process	5,934,605	16,680,543	(1,507,390)	21,107,758
Total capital assets, not being depreciated	13,479,813	16,680,543	(1,507,390)	28,652,966
Capital Assets, being depreciated:				
Buildings and improvements	23,914,858	1,290,880	-	25,205,738
Infrastructure	60,065,253	-	-	60,065,253
Parks and recreation	16,637,635	202,637	-	16,840,272
Vehicles and equipment	3,542,444	474,530	(141,680)	3,875,294
Total capital assets, being depreciated	104,160,190	1,968,047	(141,680)	105,986,557
Less accumulated depreciation:				
Buildings and improvements	(1,295,977)	(365,658)	-	(1,661,635)
Infrastructure	(22,314,070)	(2,539,931)	-	(24,854,001)
Parks and recreation	(2,737,810)	(688,565)	-	(3,426,375)
Vehicles and equipment	(1,823,620)	(396,107)	68,292	(2,151,435)
Total accumulated depreciation	(28,171,477)	(3,990,261)	68,292	(32,093,446)
Total capital assets being depreciated, net	75,988,713	(2,022,214)	(73,388)	73,893,111
Total Governmental Activities capital assets, net	\$ 89,468,526	\$ 14,658,329	\$ (1,580,778)	\$ 102,546,077
<u>Right-to-use assets - Leases</u>				
Leases, being amortized				
Land	\$ 1,673,929	\$ -	\$ -	\$ 1,673,929
Vehicles and equipment	1,020,425	198,115	(113,768)	1,104,772
Total leases, being amortized	2,694,354	198,115	(113,768)	2,778,701
Accumulated Amortization				
Land	(167,392)	(82,368)	-	(249,760)
Vehicles and equipment	(260,760)	(214,314)	61,046	(414,028)
Total accumulated amortization	(428,152)	(296,682)	61,046	(663,788)
Total leases being amortized, net	\$ 2,266,202	\$ (98,567)	\$ (52,722)	\$ 2,114,913

NOTES TO BASIC FINANCIAL STATEMENTS, *Continued*

Right-to-use assets - SBITAs

SBITAs, being amortized

Right to use - Subscription	\$ 212,979	\$ -	\$ -	\$ 212,979
Total SBITAs, being amortized	<u>212,979</u>	<u>-</u>	<u>-</u>	<u>212,979</u>

Accumulated Amortization

Right to use - Subscription	(7,099)	(42,596)	-	(49,695)
Total accumulated amortization	<u>(7,099)</u>	<u>(42,596)</u>	<u>-</u>	<u>(49,695)</u>

Total SBITAs being amortized, net	<u>\$ 205,880</u>	<u>\$ (42,596)</u>	<u>\$ -</u>	<u>\$ 163,284</u>
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Depreciation and amortization expense related to capital assets, leased assets, and subscription – based IT assets were charged to functions/programs for governmental activities as follows:

	Governmental Activities
General government	\$ 180,523
Parks and recreation	831,336
Public safety	508,423
Public works	2,809,257
Total depreciation and amortization	<u>\$ 4,329,539</u>

NOTE 6. LEASES PAYABLE

The Town recognizes a lease payable for the following contracts in which the Town, acting as a lessee, is granted the right to use the asset of another entity. The following leases are:

	Balances as of December 31, 2023	Additions	Deletions	Balances as of December 31, 2024	Due in one year
<u>Governmental Activities:</u>					
Reservoir	\$ 1,558,918	\$ -	\$ (60,952)	\$ 1,497,966	\$ 63,372
Police vehicles	452,772	-	(220,769)	232,003	232,003
Copier equipment	67,078	198,115	(85,200)	179,993	37,318
Total Lease Payable	<u>\$ 2,078,768</u>	<u>\$ 198,115</u>	<u>\$ (366,921)</u>	<u>\$ 1,909,962</u>	<u>\$ 332,693</u>

Reservoir

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). At the Town's sole discretion, the lease may be extended up to two times, each extension being for a term of five years, commencing concurrently after 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

NOTES TO BASIC FINANCIAL STATEMENTS, *Continued*

due in 12 equal installments payable on or before the 15th day of the month for which such payment is due. Additionally, the Town agrees to pay up to \$10,000 annually to the lessor for the annual premium payment on lessor's insurance policy. Outflow of resources for this lease is in the General Fund.

Police Vehicles

On May 17, 2022, the Town entered into a lease agreement with GM Financial to acquire fourteen (14) police vehicles. The lease bears an annual interest rate of 5.09%, and requires annual payments of \$243,806 starting on May 17, 2022 and the last payment on May 17, 2025.

Outflow of resources for this lease is in the General Fund. Events of default on behalf of the Town include (i) failure to pay any rental payment (ii) failure to perform any condition of the agreement or remedy condition after a period of 30 days after written notice (iii) make any false representation (iii) provide false or misleading statements (iv) institute bankruptcy, insolvency or reorganization proceedings. Remedies of default from lessor include making all rental payments due and immediately payable and/or take possession of leased equipment.

Copier Equipment

On May 10, 2019 the Town entered into a lease agreement with All Copy Products for copiers and printers for Town office buildings. Additional copiers were added on March 1, 2023. On July 1, 2024, the Town entered into new lease with All Copy Products which replaced the prior lease entered into. The lease bears an annual interest rate of 3.90% and requires annual payments of \$43,676 with the last payment to be June 1, 2029.

Annual debt service requirements for the leases payable is as follows:

<u>December 31,</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 332,693	\$ 75,278
2026	104,689	59,476
2027	108,845	55,319
2028	113,167	50,998
2029	95,644	46,682
2030 - 2034	416,772	185,672
2035 - 2039	506,348	96,097
2040 - 2041	231,804	9,175
	<u>\$ 1,909,962</u>	<u>\$ 578,697</u>

NOTES TO BASIC FINANCIAL STATEMENTS, *Continued*

NOTE 7. SUBSCRIPTION – BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The Town recognizes a subscription-based liability for the following contracts in which the Town is granted the right to use a subscription-based asset of another entity. The following arrangements are:

The Town entered into one qualified SBITA agreement as the subscriber for software.

	Balances as of December 31 2023	Additions	Deletions	Balances as of December 31 2024	Due in one year
<u>Governmental Activities:</u>					
Police vehicle software	\$ 166,553	\$ -	\$ (38,931)	\$ 127,622	\$ 40,683
Total SBITA Payable	\$ 166,553	\$ -	\$ (38,931)	\$ 127,622	\$ 40,683

Police Vehicle Software

The subscription liability for software used in conjunction with cameras in police vehicles was entered into on November 1, 2023 and includes a 60-month term due in 2027.

Total annual principal and interest payments are \$46,426 and an interest rate of 4.5%. The outflow of resources for this subscription is reported in the General Fund.

Annual debt service requirements for the SBITA payable is as follows:

December 31,	Principal	Interest
2025	\$ 40,683	\$ 5,743
2026	42,513	3,912
2027	44,426	1,999
	\$ 127,622	\$ 11,654

NOTES TO BASIC FINANCIAL STATEMENTS, *Continued*

NOTE 8. LONG-TERM DEBT

The following is an analysis of the changes in the Town's long-term obligations for the year ended December 31, 2024:

	Balances as of December 31 2023	Additions	Deletions	Balances as of December 31 2024	Due within one year
<u>Governmental activities - Direct borrowings:</u>					
2018 Town Hall Certificates of Participation, refinanced interest rate of 3.90%, original amount \$9,120,000, due 2030	\$ 5,947,000	\$ -	\$ (731,700)	\$ 5,215,300	\$ 767,900
<u>Component Units:</u>					
<i>Timnath Development Authority</i>					
2015 Development Loan Payable, 2022 refinanced interest rate of 3.90%, original amount of \$50,000,000, due 2029	26,240,000	-	(3,900,000)	22,340,000	4,080,000
2018 Development Loan Payable, 2022 refinanced interest rate of 3.90%, original amount of \$20,000,000, due 2029	14,955,000	-	(2,165,000)	12,790,000	2,285,000
<i>Timnath Landing General Improvement District</i>					
Developer Advances	4,952,676	-	-	4,952,676	-
Total Notes Payable	<u>52,094,676</u>	<u>-</u>	<u>(6,796,700)</u>	<u>45,297,976</u>	<u>7,132,900</u>
<u>Other Liabilities:</u>					
Compensated absences	320,540	429,896	(277,743)	472,693	472,693
Total	<u>\$ 52,415,216</u>	<u>\$ 429,896</u>	<u>\$ (7,074,443)</u>	<u>\$ 45,770,669</u>	<u>\$ 7,605,593</u>

Certificates of Participation

On July 17, 2018, the Town issued Certificates of Participation (the Certificates) totaling \$9,120,000 for construction of the new Town Center with an initial interest rate of 4.89% payable semi-annually on June 1 and December 1 commencing December 1, 2018. In 2022, the Town refinanced the debt reducing the interest rate to 3.90%. The Certificates mature on December 1, 2030. Principal and interest payments are subject to annual appropriation.

Per the refinancing loan agreement, the certificates are not subject to redemption prior to maturity, in whole or in part, at the option of the Town.

The occurrence of any one or more of the following events by the Town shall constitute an event of default:

- Failure to pay any base or additional rentals, which have been appropriated by the Town within 5 business days after the date on which they are due;
- Failure to vacate or surrender possession of the property by March 1 of any renewal term in which the Town fails to appropriate annual rental payments; or

NOTES TO BASIC FINANCIAL STATEMENTS, *Continued*

- Failure to observe and perform any covenant, condition or agreement for a period of 30 days after written notice, unless the Trustee agrees in writing to extension.

In the event of default, the Trustee may do as follows: (i) terminate the lease (ii) sell, lease or sublease the property (iii) recover from the Town any appropriated rental fees during which the Town occupies the property and will be entitled to any escrow funds related to this agreement.

TDA Loans Payable

On April 1, 2011, the TDA entered into a loan agreement and promissory note (2011 Note) 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 established accounts.

On February 10, 2012, the 2011 loan agreement was amended 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 (2014 Note) to borrow \$36,725,000.

On September 29, 2015, the TDA refinanced its 2014 Note (the 2015 Loan). The 2015 Loan has a principal amount of \$50,000,000 with a fixed interest rate of 4.44% paid semi-annually on June 1 and December 1. The 2015 Loan matures on December 1, 2029. In 2022, the Town refinanced the debt reducing the interest rate to 3.90%. The purposes of the 2015 Loan 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.

On November 20, 2018 the TDA issued a \$20,000,000 loan. The 2018 Loan has a fixed interest rate of 4.99% paid semi-annually on June 1 and December 1. The 2018 Loan matures on December 1, 2029. In 2022, the Town refinanced the debt reducing the interest rate to 3.90%. The purposes of the 2018 Loan were as follows: (a) funding of TDA capital projects; and (b) paying costs of issuance.

Together with the issuance of the 2018 Loan, the original 2015 Loan Agreement was combined into a new Loan Agreement (Loan Agreement) that includes both the 2015

NOTES TO BASIC FINANCIAL STATEMENTS, *Continued*

Loan and the 2018 Loan. Per the refinancing loan agreement, the loans are not subject to prepayment prior to maturity at the option of the Town.

The occurrence of any one or more of the following events by the Town shall constitute an event of default:

- Failure to pay the principal or interest on the loan when due;
- Failure to deposit any pledged revenue as required to the lender; or
- Failure to observe and perform any covenant, agreement or conditions of the note and fails to remedy any condition to the satisfaction of the lender within 45 days after the occurrence;
- Failure to replenish the reserve fund to the reserve requirement;
- Provide financial information to the borrower that proves to be untrue or misleading in any material aspect and shall not be corrected and communicated to lender within 30 days;
- Have an outstanding final judgement in excess of \$10,000 that is unpaid 30 days following payment deadline;
- Commence any bankruptcy, insolvency, reorganization or relief of debtors;
- Change in financial or operating conditions that will have a materially adverse impact on the ability of the Town to generate revenues sufficient to satisfy the obligations under this agreement and fails to cure condition within 45 days;
- Any funds or investments on deposit in escrow become subject to any writ, judgement, warrant or attachment;
- Any determination, decision, or decree by the IRS, or by any court that the interest payable on the loan is includable in the gross income for federal income tax purposes of the lender, if determination is not being appealed or contested by the Town; or
- Defaults in the performance of any of the covenants, agreements or conditions of the financing documents and fails to remedy to the satisfaction of the lender within 30 days;

In the event of default, the lender may accelerate and declare all amounts immediately due and will be entitled to all pledged revenue accounts held at the time of default. Pledged revenue as described in the loan document includes the revenue fund, loan payment fund, 2018 Project fund, and reserve fund. On December 31, 2024, pledged revenue account balances totaled \$1,607,522.

NOTES TO BASIC FINANCIAL STATEMENTS, *Continued*

Developer Advances – Timnath Landings General Improvement District

The Town and CAC Timnath, LLC (the “Developer” entered into a certain Amended and Restates Master Subdivision Improvement Agreement for the Timnath Landing, dated October 24, 2017 (“SIA”). Pursuant to the SIA, the Town and Developer agreed to cooperate to organize a general improvement district for the purpose of reimbursing the Developer for its share of the extraordinary improvements described in the SIA and associated with the project known as Timnath Landing. The costs of organizing and administering the Timnath Landing General Improvement District (the “District”) are reimbursed to the Town on a first priority basis, followed by reimbursement of the Developer share of extra-ordinary costs. The Developer’s reimbursed share consists of the actual amount contributed by the Developer. The Developer is not entitled to interest on these reimbursed amounts.

Annual debt service requirements for the Notes Payable and Certificates of Participation as follows:

December 31,	General Fund		Timnath Development Authority		Governmental Activities	
	Certificate of Participation, Series 2018		Loan Combined, Series 2015 & 2018		Total	
	(\$9,120,000)		(\$70,000,000)			
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 767,900	\$ 203,396	\$ 6,365,000	\$ 1,389,099	\$ 7,132,900	\$ 1,592,495
2026	805,800	173,448	6,670,000	1,137,416	7,475,800	1,310,864
2027	845,600	142,022	7,000,000	873,673	7,845,600	1,015,695
2028	887,400	109,044	7,370,000	598,517	8,257,400	707,561
2029	931,200	74,436	7,725,000	305,459	8,656,200	379,895
2030	977,400	38,118	-	-	977,400	38,118
	<u>\$ 5,215,300</u>	<u>\$ 740,464</u>	<u>\$ 35,130,000</u>	<u>\$ 4,304,164</u>	<u>\$ 40,345,300</u>	<u>\$ 5,044,628</u>

NOTE 9. NET POSITION

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

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 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.

NOTES TO BASIC FINANCIAL STATEMENTS, *Continued*

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, leases, and other borrowings that are attributable to the acquisition, construction, or improvements of those assets. As of December 31, 2024, the Town had net investment in capital assets calculated as follows:

Capital Assets, net of accumulated depreciation and amortization	\$ 104,824,274
Long-term debt related to acquisition of capital assets	(42,382,884)
Retainage payable	(673,174)
Net Investment in Capital Assets	<u>\$ 61,768,216</u>

NOTE. 10 COMMITMENTS

As of December 31, 2024, the Town had unexpended commitments from major construction contracts for the County Road 5 Bridge, Parkway, and the Reservoir Phase 2 projects totaling \$1,239,024. Of this amount, \$496,619 was recorded as retainage payable.

NOTE 11. EMPLOYEE RETIREMENT PENSION PLANS

The Town participates in 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 net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense (income), information about the fiduciary net position (FNP) and additions to/deductions from the FNP of the LGDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: *Concerning Modifications To the Public Employees’ Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years.*

The bill was signed into law by Governor Hickenlooper on June 4, 2018. SB 18-200 made changes to certain benefit provisions.

NOTES TO BASIC FINANCIAL STATEMENTS, *Continued*

Plan description.

Eligible employees of the Town are provided with pensions through the LGDTF—a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues publicly available annual comprehensive financial report (ACFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided

PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

The lifetime retirement benefit for all eligible retiring employees under the PERA benefit structure is the greater of the:

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit.
- The value of the retiring employee's member contribution account plus a 100% match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

In all cases the service retirement benefit is limited to 100% of highest average salary and cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50% or 100% on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

NOTES TO BASIC FINANCIAL STATEMENTS, *Continued*

As of December 31, 2023, benefit recipients who elect to receive a lifetime retirement benefit generally receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S., once certain criteria are met. Pursuant to SB 18-200, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, and all eligible benefit recipients of the DPS benefit structure will receive an annual increase of 1.25% unless adjusted by the automatic adjustment provision (AAP) pursuant to C.R.S § 24-51-413. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lesser of an annual increase of 1.25% or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed 10% of PERA's Annual Increase Reserve (AIR) for the LGDTF. The AAP may raise or lower the aforementioned annual increase by up to 0.25% based on the parameters specified in C.R.S § 24-51-413.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the lifetime retirement benefit formula(s) shown above considering a minimum 20 years of service credit, if deemed disabled.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

Contributions

Eligible employees of the Town are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements for the LGDTF are established under C.R.S. § 24-51-401, *et seq.* Eligible employees were required to contribute 9% of their PERA-includable salary during the period of January 1, 2024 through December 31, 2024.

The employer contribution requirements during the period of January 1, 2023 through December 31, 2023 and January 1, 2024 through December 31, 2024 are summarized in the table below:

NOTES TO BASIC FINANCIAL STATEMENTS, *Continued*

	January 1, 2023 Through December 31, 2023	January 1, 2024 Through December 31, 2024
Employer Contribution Rate	11.00 %	11.00 %
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02)%	(1.02)%
Amount apportioned to the Trust Fund	9.98 %	9.98 %
Amortization equalization disbursement (AED) as Specified in C.R.S. § 24-51-411	2.20 %	2.20 %
Supplemental amortization equalization disbursement (SAED) as Specified in C.R.S. § 24-51-411	1.50 %	1.50 %
Defined contribution supplement as specified in C.R.S. § 24-51-415	0.06 %	0.08 %
Total Employer Contribution Rate to the LGDTF	13.74 %	13.76 %

Note: Rates are expressed as a percentage of salary
as defined in C.R.S. § 24-51-101(42).

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the Town is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF the Town were \$767,790 for the year ended December 31, 2024.

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

At December 31, 2024, the Town reported a liability of \$3,531,278 for its proportionate share of the net pension liability. The net pension liability for the LGDTF was measured as of December 31, 2023, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. Standard update procedures were used to roll-forward the TPL to December 31, 2023. The Town's proportion of the net pension liability was based on the Town's contributions to the LGDTF for the calendar year 2023 relative to the total contributions of participating employers.

At December 31, 2023, the Town's proportion was 0.48107%%, which was an increase of 0.006772% from its proportion measured as of December 31, 2022.

NOTES TO BASIC FINANCIAL STATEMENTS, *Continued*

For the year ended December 31, 2024 the Town recognized pension income of \$110,149. At December 31, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	\$ 191,102	\$ 3,627
Changes of Assumptions or other Inputs	-	-
Net Difference between Projected and Actual		
Earnings on Pension Plan Investments	1,031,148	-
Changes in Proportion and Differences between		
Contributions Recognized and Proportionate Share		
of Contributions	235,673	-
Contributions Subsequent to the Measurement Date	767,790	-
Total	\$ 2,225,713	\$ 3,627

\$767,790 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, 2025. 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>	<u>Amount</u>
2025	\$ 431,962
2026	436,709
2027	869,666
2028	(284,041)
2029	-
Thereafter	-
	\$ 1,454,296

Actuarial assumptions

The TPL in the December 31, 2022, actuarial valuation was determined using the following actuarial cost method, actuarial assumptions, and other inputs:

NOTES TO BASIC FINANCIAL STATEMENTS, *Continued*

Actuarial Cost Method	Entry Age
Price Inflation	2.30%
Real Wage Growth	0.70%
Wage Inflation	3.00%
Salary Increases, Including Wage Inflation	
Members other than State Troopers	3.20% - 11.30%
State Troopers ¹	3.20% - 12.40%
Long-Term Investment Rate of Return, Net of Pension Plan	
Investment Expenses, Including Price Inflation	7.25%
Discount rate	7.25%
Post Retirement Benefit Increases:	
PERA Benefit Structure Hired Prior to January 1, 2007; and DPS Benefit Structure (Compounded Annually)	1.00%
PERA Benefit Structure hired after December 31, 2006 ²	Financed by the Annual Increase Reserve

¹Post-retirement benefit increases are provided by the AIR, accounting separately within each Division Trust Fund, and subject to moneys being available; therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

As of December 31, 2023, measurement date, the FNP and related disclosure components of the Local Government Division reflected payments related to the disaffiliation of Tri-County Health Department as a PERA affiliated employer, effective December 31, 2022. As of December 31, 2023, year-end PERA recognized two additions for accounting and financial reporting purposes: \$24,000 payment received on December 4, 2023 and a \$2,000 receivable. The employer disaffiliation payment and receivable allocations to the LGDTF and HCTF were \$24,967 and \$1,033, respectively.

The mortality tables described below are generational mortality tables developed on a benefit-weighted basis. Pre-retirement mortality assumptions for members other than State Troopers were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019. Pre-retirement mortality assumptions for State Troopers were based upon the PubS-2010 Employee Table with generational project using scale MP-2019.

Post-retirement non-disabled mortality assumptions for members other than State Troopers were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

NOTES TO BASIC FINANCIAL STATEMENTS, *Continued*

- **Males:** 94% of the rates prior to age 80 and 90% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- **Females:** 87% of the rates prior to age 80 and 107% of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- **Males:** 97% of the rates for all ages, with generational projection using scale MP-2019.
- **Females:** 105% of the rates for all ages, with generational projection using scale MP-2019.

Disabled mortality assumptions for members other than State Troopers were based upon the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.

The actuarial assumptions used in the December 31, 2022, valuation were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and 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 percentages and then adding expected inflation.

NOTES TO BASIC FINANCIAL STATEMENTS, *Continued*

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation, and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>30-Year Expected Geometric Real Rate of Return</u>
Global Equity	54.00 %	5.60 %
Fixed Income	23.00	1.30
Private Equity	8.50	7.10
Real Estate	8.50	4.40
Alternatives	6.00	4.70
Total	100.00 %	

Discount rate

The discount rate used to measure the TPL was 7.25%. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year and the required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the required adjustments resulting from the 2018 and 2020 AAP assessments.

NOTES TO BASIC FINANCIAL STATEMENTS, *Continued*

- Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the LGDTF's FNP was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on pension plan investments was applied to all periods of projected benefit payments to determine the TPL. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

Sensitivity of the Town's proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

NOTES TO BASIC FINANCIAL STATEMENTS, *Continued*

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the Net Pension Liability (Asset)	\$ 6,921,698	\$ 3,531,278	\$ 691,250

Detailed information about the LGDTF's FNP is available in PERA's ACFR which can be obtained at www.copera.org/investments/pera-financial-reports.

The Town's general fund is used to liquidate the net pension liability.

Voluntary Investment Program (PERAPlus 401(k) Plan)

Plan Description

Employees of the Town that are also members of the LGDTF may voluntarily contribute to the Voluntary Investment Program (PERAPlus 401(k) Plan), an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available ACFR which includes additional information on the PERAPlus 401(k) Plan. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy

The PERAPlus 401(k) Plan is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended.

NOTE 12. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan description

Eligible employees of the Town are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. Title 24, Article 51, Part 12 of the C.R.S., as amended, sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies.

NOTES TO BASIC FINANCIAL STATEMENTS, *Continued*

PERA issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.copera.org/investments/pera-financial/reports.

Benefits provided

The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit. For members who retire having service credit with employers in the Denver Public Schools (DPS) Division and one or more of the other four Divisions (State, School, Local Government and Judicial), the premium subsidy is allocated between the HCTF and the Denver Public Schools Health Care Trust Fund (DPS HCTF). The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

C.R.S. § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy.

The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure and all retirees under the DPS benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare. Upon the death of a DPS benefit structure retiree, no further subsidy is paid.

Eligibility to enroll in PERACare is voluntary and includes, among others, benefit recipients and their eligible dependents, as well as certain surviving spouses, divorced spouses, and guardians. Eligible benefit recipients may enroll into the program upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period.

PERA Benefit Structure

The maximum service-based premium subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The basis for the maximum service-based subsidy, in each case, is for benefit recipients with retirement

NOTES TO BASIC FINANCIAL STATEMENTS, *Continued*

benefits based on 20 or more years of service credit. There is a 5% reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, C.R.S. § 24-51-1206(4) provides an additional subsidy. According to the statute, PERA cannot charge premiums to benefit recipients without Medicare Part A that are greater than premiums charged to benefit recipients with Part A for the same plan option, coverage level, and service credit. Currently, for each individual PERACare enrollee, the total premium for Medicare coverage is determined assuming plan participants have both Medicare Part A and Part B and the difference in premium cost is paid by the HCTF or the DPS HCTF on behalf of benefit recipients not covered by Medicare Part A.

Contributions

Pursuant to Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, School, Local Government, and Judicial Divisions are required to contribute at a rate of 1.02% of PERA-includable salary into the HCTF.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the Town is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from Town were \$56,915 for the year ended December 31, 2024.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At December 31, 2024 the Town reported a liability of \$272,916 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2023, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2022. Standard update procedures were used to roll-forward the TOL to December 31, 2023. The Town's proportion of the net OPEB liability was based on the Town's contributions to the HCTF for the calendar year 2023 relative to the total contributions of participating employers to the HCTF. At December 31, 2023, the Town's proportion was 0.03823%, which was an increase of 0.00491% from its proportion measured as of December 31, 2022.

NOTES TO BASIC FINANCIAL STATEMENTS, *Continued*

For the year ended December 31, 2024 the Town recognized OPEB income of \$2,742. At December 31, 2024 the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	\$ -	\$ 55,937
Changes of Assumptions or other Inputs	3,209	28,938
Net Difference between Projected and Actual		
Earnings on OPEB Plan Investments	8,441	-
Changes in Proportion and Differences between		
Contributions Recognized and Proportionate Share		
Share of Contributions	162,026	-
Contributions Subsequent to the Measurement Date	56,915	-
Total	\$ 230,591	\$ 84,875

The \$56,915 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended December 31,</u>	<u>Amount</u>
2025	\$ 14,250
2026	28,430
2027	26,887
2028	9,062
2029	7,041
Thereafter	3,131
Total	\$ 88,801

Actuarial assumptions

The TOL in the December 31, 2022 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

NOTES TO BASIC FINANCIAL STATEMENTS, *Continued*

Actuarial Cost Method	Entry Age
Price Inflation	2.30%
Real Wage Growth	0.70%
Wage Inflation	3.00%
Salary Increases, Including Wage Inflation	3.20% - 11.30%
Long-Term Investment Rate of Return, Net of OPEB	
Plan Investment Expenses, Including Price Inflation	7.25%
Discount rate	7.25%
Health Care Cost Trend Rates	
PERA benefit structure:	
Service-based Premium Subsidy	0.00%
	7.00% in 2023
PERACare Medicare plans	gradually decreasing to 4.50% in 2033
	3.50% in 2023
Medicare Part A Premiums	gradually increasing to 4.50% in 2035

The TOL for the Trust Fund, as of the December 31, 2023, measurement date, was adjusted to reflect the disaffiliation, allowable under C.R.S. § 24-51-313, of Tri-County Health Department (Tri-County Health), effective December 31, 2022. As of December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: \$24,000 payment received on December 4, 2023 and a \$2,000 receivable. The employer disaffiliation payment and receivable allocations to the HCTF and Local Government Division Trust Fund were \$1,033 and \$24,967, respectively.

Each year the per capita health care costs are developed by plan option; currently based on the 2023 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, the UnitedHealthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors are then applied to estimate individual retiree and spouse costs by age, gender, and health care cost trend. This approach applies for all members and is adjusted accordingly for those not eligible for premium-free Medicare Part A for the PERA benefit structure.

NOTES TO BASIC FINANCIAL STATEMENTS, *Continued*

AGE-RELATED MORBIDITY ASSUMPTIONS

Participant Age	Annual Increase (Male)	Annual Increase (Female)
65-68	2.2%	2.3%
69	2.8%	2.2%
70	2.7%	1.6%
71	3.1%	0.5%
72	2.3%	0.7%
73	1.2%	0.8%
74	0.9%	1.5%
75-85	0.9%	1.3%
86 and older	0.0%	0.0%

MAPD PPO #1 with Medicare Part A Retire/Spouse			MAPD PPO #1 without Medicare Part A Retire/Spouse		
Sample Age	Male	Female	Male	Female	
65	\$ 1,692	\$ 1,406	\$ 6,469	\$ 5,373	
70	1,901	1,573	7,266	6,011	
75	2,100	1,653	8,026	6,319	

MAPD PPO #2 with Medicare Part A Retire/Spouse			MAPD PPO #2 without Medicare Part A Retire/Spouse		
Sample Age	Male	Female	Male	Female	
65	\$ 579	\$ 481	\$ 4,198	\$ 3,487	
70	650	538	4,715	3,900	
75	718	566	5,208	4,101	

NOTES TO BASIC FINANCIAL STATEMENTS, *Continued*

Sample Age	MAPD HMO (Kaiser) with Medicare Part A Retire/Spouse		MAPD HMO (Kaiser) without Medicare Part A Retire/Spouse	
	Male	Female	Male	Female
65	\$ 1,913	\$ 1,589	\$ 6,719	\$ 5,581
70	2,149	1,778	7,546	6,243
75	2,374	1,869	8,336	6,563

The 2023 Medicare Part A premium is \$506 (in actual dollars) per month. All costs are subject to the health care cost trend rates, as discussed below.

Health care cost trend rates reflect the change in per capita health costs over time due to factors such as medical inflation, utilization, plan design, and technology improvements. For the PERA benefit structure, health care cost trend rates are needed to project the future costs associated with providing benefits to those PERACare enrollees not eligible for premium-free Medicare Part A.

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators, and projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services. Effective December 31, 2022, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

The PERA benefit structure health care cost trend rates used to measure the TOL are summarized in the table below:

NOTES TO BASIC FINANCIAL STATEMENTS, *Continued*

Year	PERACare Medicare Plans	Medicare Part A Premiums
2023	7.00%	3.50%
2024	6.75%	3.50%
2025	6.50%	3.75%
2026	6.25%	3.75%
2027	6.00%	4.00%
2028	5.75%	4.00%
2029	5.50%	4.00%
2030	5.25%	4.25%
2031	5.00%	4.25%
2032	4.75%	4.25%
2033	4.50%	4.25%
2034	4.50%	4.25%
2035+	4.50%	4.50%

Mortality assumptions used in the December 31, 2022, valuation for the State Division, School Division, Local Government Division, and Judicial Division Trust Funds as shown below, reflect generational mortality and were applied, as applicable, in the December 31, 2022, valuation for the HCTF, but developed on a headcount-weighted basis. Affiliated employees of these four Division Trust Funds participate in the HCTF.

Pre-retirement mortality assumptions for the State and Local Government Divisions (members other than Safety Troopers) were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the State and Local Government Divisions (members other than Safety Officers) were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

- **Males:** 94% of the rates prior to age 80 and 90% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- **Females:** 87% of the rates prior to age 80 and 107% of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

NOTES TO BASIC FINANCIAL STATEMENTS, *Continued*

- **Males:** 97% of the rates for all ages, with generational projection using scale MP-2019.
- **Females:** 105% of the rates for all ages, with generational projection using scale MP-2019.

Disabled mortality assumptions for members other than Safety Officers were based upon the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.

The following health care costs assumptions were updated and used in the roll-forward calculation for the HCTF:

- Per capita health care costs in effect as of the December 31, 2022, valuation date for those PERACare enrollees under the PERA benefit structure who are expected to be age 65 and older and are not eligible for premium-free Medicare Part A benefits have been updated to reflect costs for the 2023 plan year.
- The morbidity rates used to estimate individual retiree and spouse costs by age and by gender were updated effective for the December 31, 2022, actuarial valuation. The revised morbidity rate factors are based on a review of historical claims experience by age, gender, and status (active versus retired) from actuary's claims data.
- The health care cost trend rates applicable to health care premiums were revised to reflect the current expectation of future increases in those premiums.

Actuarial assumptions pertaining to per capita health care costs and their related trend rates are analyzed and updated annually by PERA Board's actuary, as discussed above.

The actuarial assumptions used in the December 31, 2022, valuations were based on the 2020 experience analysis, dated October 28, 2020, and November 4, 2020, for the period January 1, 2016, through December 31, 2019. Revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020.

The long-term expected return on plan assets is reviewed as part of regularly scheduled experience studies prepared at least every five years, and asset/liability studies, performed every three to five years for PERA. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

NOTES TO BASIC FINANCIAL STATEMENTS, *Continued*

Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and 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 percentages and then adding expected inflation.

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>30-Year Expected Geometric Real Rate of Return</u>
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives	6.00%	4.70%
Total	100.00%	

Note: 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 nominal rate of return assumption of 7.25%.

Sensitivity of the Town's proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates. The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

NOTES TO BASIC FINANCIAL STATEMENTS, *Continued*

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare Trend Rate	5.75%	6.75%	7.75%
Ultimate PERACare Medicare Trend Rate	3.50%	4.50%	5.50%
Initial Medicare Part A Trend Rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A Trend Rate	3.50%	4.50%	5.50%
Proportionate Share of the Net OPEB Liability	\$ 265,083	\$ 272,916	\$ 281,437

Discount Rate

The discount rate used to measure the TOL was 7.25%. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2023, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the FNP for each of the HCTF's was projected to be available to make all projected future benefit payments of current members.

NOTES TO BASIC FINANCIAL STATEMENTS, *Continued*

Therefore, the long-term expected rate of return of 7.25% on OPEB plan investments was applied to all periods of projected benefit payments to determine the TOL. The discount rate determination did not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

Sensitivity of the Town’s proportionate share of the net OPEB liability to changes in the discount rate. The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.25%) or one-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate Share of the Net OPEB Liability	\$ 322,349	\$ 272,916	\$ 230,627

OPEB plan fiduciary net position. Detailed information about the HCTF’s FNP is available in PERA’s ACFR which can be obtained at www.copera.org/investments/pera-financial-reports.

The Town’s general fund is used to liquidate the net OPEB liability.

NOTE 13. DEFERRED COMPENSATION PLAN – ASSETS IN TRUST

The Town has a deferred compensation plan (the plan) created in accordance with Internal Revenue Code (IRC) Section 457. The plan is administered by Mission Square 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 14. MAJOR TAXPAYERS

For the year ending December 31, 2024, approximately 79% of the Town’s sales tax revenue was received from five taxpayers, and of those five taxpayers, two taxpayers constituted approximately 70% of the total sales tax revenue.

NOTES TO BASIC FINANCIAL STATEMENTS, *Continued*

NOTE 15. 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 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 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).

NOTES TO BASIC FINANCIAL STATEMENTS, *Continued*

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.

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 a final total cost of \$12,171,499 (including the cost of the project acquisition settlement), 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.

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 with the final total costs being \$1,801,381.

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 are completed with the final shared costs being \$4,000,000.

NOTES TO BASIC FINANCIAL STATEMENTS, *Continued*

In 2021, the BBRSA started a groundwater mitigation project due to exposed ground water from the original East Side Detention Facility construction. The first phase of this project was completed in 2022 and the BBRSA is monitoring to determine if additional mitigation will be required. Overall project cost has been estimated to be \$2,000,000 if all mitigation construction is needed. These costs would be shared between Timnath, Larimer County, and City of Fort Collins.

Boxelder Basin “B” Dams

In the early 1900’s, several major floods along the Boxelder Creek watershed led to the construction of 5 floodwater retardation structures (called B-2 thru B-6) to the north and west of Wellington in the 1970s and 80s. The structures were funded by multiple agencies, including the USDA Natural Resources Conservation Service (NRCS), with maintenance the responsibility of the North Poudre Irrigation Company (NPIC).

In 2013, the NRCS and State Engineers Office determined that due to development downstream, the dams were raised from “Significant” to “High” hazard class and therefore did not meet current safety requirements. The NRCS and NPIC started a study of the dams and what improvements would be needed to bring them into compliance. Around 2018, NPIC notified BBRSA that they could not fund the required improvements, and that if funding could not be found, they were prepared to breach the dams as required by NRCS. As breaching the dams would cause the improvements (below B-2 thru B-6) just completed by BBRSA to become irrelevant, and negate the floodplain in reductions thru all communities, the members of the BBRSA formed a separate workgroup in 2019 to review the NRCS findings and come up with a solution to fix the dams.

The State Engineer’s Office also recently changed the State’s Dam Safety Rules, which impacts the findings by the NRCS in 2009. The Town along with Larimer County, City of Fort Collins, and Town of Wellington, are currently working with the State Engineer’s office to apply the new rules to the “B” dam structures, to determine what improvements are now required. The study is continuing on all of the structures to determine a final solution, with input and concurrence from the State.

As of 2023, the final report is pending approval from the State Engineer’s Office for the required updates. The communities involved are also working on an IGA regarding the funding of the improvements and long-term maintenance requirements.

NOTES TO BASIC FINANCIAL STATEMENTS, *Continued*

Lower Poudre Augmentation Plan

On October 13, 2020, the Town entered into an agreement with the Lower Poudre Augmentation Company to enter the two wells at the Timnath Reservoir into the Lower Poudre Augmentation Plan. The terms of the agreement stipulate that the Town will pay an up-front fee for a proportional share of costs incurred by the Lower Poudre Augmentation Company for the development of the augmentation decree. In addition, the Town agrees to pay court proceeding fees associated with the final decree. Annual fees will be paid by the Town for legal and engineering associated with the Plan, costs of obtaining permits, metering and monitoring and all other administration and operation of the Plan, including expenses related to purchase and/or lease of water rights or structures and purchase of construction of capital improvements to operate the Plan.

City of Fort Collins – I-25 Interchange

On May 20, 2019, the Town entered into an intergovernmental agreement with the City of Fort Collins (Fort Collins), related to the reconstruction of the interchange at Interstate Highway 25 and Prospect Road. The interchange is owned by the State of Colorado, and the Colorado Department of Transportation (CDOT) estimates the total cost of the interchange project to be \$31,000,000, of which CDOT is funding \$12,000,000. CDOT asked Fort Collins to fund the remaining \$19,000,000, of which the Town's portion is \$2,500,000 or approximately 13% of the project based on estimated current volumes of traffic and long-term growth. During 2019, Fort Collins issued Certificates of Participation (COPs) for a term of 20 years related to the project. To repay its portion of the COPs, the Town will make annual payments starting in March, 2020 through 2039 of \$168,346 to Fort Collins.

Timnath Landing General Improvement District

On December 10, 2019, the Town entered into an intergovernmental agreement with the Timnath Landing General Improvement District (GID) wherein the Town agrees to loan to the GID sums of money not to exceed \$50,000 per year for five years, up to \$250,000 for the GID's annual operating costs. The GID agrees to reimburse the Town for such advances prior to any advances to be reimbursed to the GID's Developer. As of December 31, 2024, the total advance from the Town was \$83,801.

NOTE 16. CONTINGENCIES

The Town has been named in threatened litigations or claims. The ultimate outcome/resolution of the matters are not known at this time. The Town is monitoring the progress of these matters and has referred them to the Town's Attorney for

NOTES TO BASIC FINANCIAL STATEMENTS, *Continued*

consultation and representation. Claims are insured and representation is provided by Colorado intergovernmental Risk Sharing Agency.

NOTE 17. RISK MANAGEMENT

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 18. 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, 2024, the Town reserved \$697,000 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.

NOTES TO BASIC FINANCIAL STATEMENTS, *Continued*

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.



REQUIRED SUPPLEMENTARY INFORMATION



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REQUIRED SUPPLEMENTARY INFORMATION

General Fund

Timnath Development Authority Fund

Schedule of the Town's Proportionate Share of the Net Pension Liability

Schedule of the Town's Proportionate Share of the OPEB Liability

Notes to the Required Supplementary Information

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TOWN OF TIMNATH, COLORADO
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING
SOURCES (USES), AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL FOR YEAR ENDED DECEMBER 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes and fees:				
Sales and use tax	\$ 8,530,705	\$ 8,530,705	\$ 8,741,509	\$ 210,804
Property tax	690,169	690,169	719,015	28,846
Franchise tax	450,655	450,655	448,259	(2,396)
Other taxes	120,200	120,200	105,023	(15,177)
Fines and forfeitures	141,119	141,119	158,394	17,275
Charges for services	5,231,213	5,231,213	4,672,494	(558,719)
Intergovernmental	947,118	947,118	2,290,976	1,343,858
Investment earnings	862,358	862,358	2,062,669	1,200,311
Licenses and permits	2,277,969	2,277,969	2,147,122	(130,847)
Miscellaneous	173,000	173,000	160,789	(12,211)
TOTAL REVENUES	<u>19,424,506</u>	<u>19,424,506</u>	<u>21,506,250</u>	<u>2,081,744</u>
EXPENDITURES				
Departments:				
Administrative	5,123,487	5,123,487	5,087,027	36,460
Community development	2,977,187	2,977,187	2,281,405	695,782
Municipal court	40,896	40,896	25,386	15,510
Parks and recreation	2,258,740	2,233,229	1,443,691	815,049
Public safety	5,434,782	5,434,782	4,130,292	1,304,490
Public works	4,161,580	4,342,091	2,924,810	1,356,770
Capital outlay	33,618,346	33,583,346	23,375,924	10,242,422
Debt service:				
Principal	731,700	731,700	1,083,550	(351,850)
Interest	231,933	231,933	350,040	(118,107)
TOTAL EXPENDITURES	<u>54,578,651</u>	<u>54,698,651</u>	<u>40,702,125</u>	<u>13,996,526</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES		(35,274,145)	(19,195,875)	16,078,270
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	-	33,665	33,665
Lease financing	-	-	198,115	198,115
Transfers from other funds	12,624,018	12,624,018	11,296,679	(1,327,339)
Transfers to other funds	(10,000)	(10,000)	(7,644)	2,356
TOTAL OTHER FINANCING SOURCES (USES)	<u>12,614,018</u>	<u>12,614,018</u>	<u>11,520,815</u>	<u>(1,093,203)</u>
NET CHANGES IN FUND BALANCE	<u>\$(22,540,127)</u>	<u>\$ (22,660,127)</u>	<u>(7,675,060)</u>	<u>\$ (13,007,985)</u>
FUND BALANCE - beginning			44,240,683	
FUND BALANCE - ending			<u>\$ 36,565,623</u>	

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TOWN OF TIMNATH, COLORADO
TIMNATH DEVELOPMENT AUTHORITY FUND
SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING
SOURCES (USES), AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL FOR YEAR ENDED DECEMBER 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes:				
Property	\$ 10,302,845	\$ 10,302,845	\$ 11,144,560	\$ 841,715
Sales	8,918,303	8,918,303	8,529,316	(388,987)
Charges for services	-	-	305,943	305,943
Investment earnings	15,000	15,000	289,746	274,746
TOTAL REVENUES	<u>19,236,148</u>	<u>19,236,148</u>	<u>20,269,565</u>	<u>1,033,417</u>
EXPENDITURES				
Materials and services	369,215	369,215	718,652	(349,437)
Debt Service:				
Principal	6,065,000	6,065,000	6,065,000	-
Interest	1,633,382	1,633,382	1,637,845	(4,463)
TOTAL EXPENDITURES	<u>8,067,597</u>	<u>8,067,597</u>	<u>8,421,497</u>	<u>(353,900)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	11,168,551	11,168,551	11,848,068	679,517
OTHER FINANCING SOURCES (USES)				
Transfers to other funds	(11,806,972)	(11,956,972)	(11,296,679)	660,293
TOTAL OTHER FINANCING SOURCES (USES)	<u>(11,806,972)</u>	<u>(11,956,972)</u>	<u>(11,296,679)</u>	<u>660,293</u>
NET CHANGES IN FUND BALANCE	<u>\$ (638,421)</u>	<u>\$ (788,421)</u>	551,389	<u>\$ 1,339,810</u>
FUND BALANCE - beginning			1,958,431	
FUND BALANCE - ending			<u>\$ 2,509,820</u>	

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TOWN OF TIMNATH, COLORADO

REQUIRED SUPPLEMENTARY INFORMATION (PENSIONS)

YEAR ENDED DECEMBER 31, 2024

Fiscal Year	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Plan Measurement Date	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014
Town's Proportion of the Net Pension Liability (Asset)	0.48107%	0.41335%	0.35225%	0.27366%	0.18841%	0.17750%	0.16912%	0.14354%	0.10242%	0.09677%
Town's Proportionate Share of the Net Pension Liability (Asset)	\$ 3,531,278	\$ 4,144,056	\$ (302,012)	\$ 1,426,127	\$ 1,377,990	\$ 2,231,496	\$ 1,882,987	\$ 1,938,325	\$ 1,128,221	\$ 867,395
Town's Covered Payroll	4,226,274	3,271,632	2,719,283	1,256,997	1,189,966	1,066,854	870,052	581,655	530,278	414,377
Town's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered payroll	83.6%	126.7%	(11.1%)	113.5%	115.8%	209.2%	216.4%	333.2%	212.8%	209.3%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	88.03%	82.99%	101.49%	90.88%	86.26%	75.96%	79.37%	73.60%	76.90%	80.70%

* The amounts presented for each fiscal year were determined as of December 31 based on the measurement date of the Plan.

Fiscal Year	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily Required Contributions	\$ 767,790	\$ 580,690	\$ 441,009	\$ 358,945	\$ 162,455	\$ 150,888	\$ 135,277	\$ 110,323	\$ 73,754	\$ 67,239
Contributions in Relation to the Statutorily Required Contribution	767,790	580,690	441,009	358,945	162,455	150,888	135,277	110,323	73,754	67,239
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 5,579,871	\$ 4,226,274	\$ 3,271,632	\$ 2,719,283	\$ 1,256,997	\$ 1,189,966	\$ 1,066,854	\$ 870,052	\$ 581,655	\$ 530,278
Contributions as a Percentage of Covered Payroll	13.76%	13.74%	13.48%	13.20%	12.92%	12.68%	12.68%	12.68%	12.68%	12.68%

TOWN OF TIMNATH, COLORADO

REQUIRED SUPPLEMENTARY INFORMATION (OPEB)

YEAR ENDED DECEMBER 31, 2024

Fiscal Year	2024	2023	2022	2021	2020	2019	2018
Plan Measurement Date	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017
Town's Proportion of the Net Pension Liability (Asset)	0.03823%	0.03332%	0.02738%	0.02086%	0.01443%	0.01375%	0.01314%
Town's Proportionate Share of the Net Pension Liability (Asset)	\$ 272,916	\$ 272,051	\$ 236,127	\$ 198,184	\$ 162,190	\$ 187,108	\$ 170,781
Town's Covered Payroll	4,226,274	3,271,632	2,719,283	1,256,997	1,189,966	1,066,854	870,052
Town's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered payroll	6.46%	8.32%	8.68%	15.77%	13.63%	17.54%	19.63%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	46.16%	38.57%	39.40%	32.78%	24.49%	17.03%	17.53%

* The amounts presented for each fiscal year were determined as of December 31 based on the measurement date of the Plan. Information earlier than 2017 was not available.

Fiscal Year	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily Required Contributions	\$ 56,915	\$ 43,108	\$ 33,420	\$ 27,737	\$ 12,815	\$ 12,138	\$ 10,882	\$ 8,875	\$ 5,933
Contributions in Relation to the Statutorily Required Contribution	56,915	43,108	33,420	27,737	12,815	12,138	10,882	8,875	5,933
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 5,579,871	\$ 4,226,274	\$ 3,271,632	\$ 2,719,283	\$ 1,256,997	\$ 1,189,966	\$ 1,066,854	\$ 870,052	\$ 581,655
Contributions as a Percentage of Covered Payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

TOWN OF TIMNATH, COLORADO

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

NOTE A. BUDGETARY INFORMATION

The Town adopts an annual budget for all governmental funds on a basis consistent with general accepted accounting principles and Colorado Local Budget Law.

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

Prior to October 1, the Town Manager submits to the Town Council at a work session a proposed operating budget by fund and department for the fiscal year commencing the following January 1.

During October, the draft budget is made available on the Town website and comments gathered via email.

At the first reading of the budget in November, a notice is published indicating that the proposed budget will be open for public hearing in December.

Prior to December 15th, Town Council holds a public hearing, and the budget is legally adopted by Town Council with the second reading of the ordinance. All operating budget appropriations lapse at year-end, although unexpended appropriations may be re-appropriated for the next year. The legal level of budgetary control is exercised at the fund level.

Department directors, with approval of the town manager and finance director, may reallocate the department budget between line-item expenditures and/or approve transfers between departments within the same fund.

The Town Council may modify the budget by transferring appropriations between funds and by adopting supplemental budgets. For the fiscal year ended December 31, 2024, two supplemental budget ordinances were approved for the General Fund and Timnath Development Authority.

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SUPPLEMENTARY INFORMATION

Non-major Fund Statements

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TOWN OF TIMNATH, COLORADO
COMBINING BALANCE SHEET – NON-MAJOR FUNDS
DECEMBER 31, 2024

	Special Revenue		Capital Projects	Total Non-Major
	Grants	Timnath Landings	Timnath Landings	Governmental
	Fund	GID*	GID*	Funds
ASSETS				
Due from other funds	\$ -	\$ 531	\$ -	\$ 531
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 531</u>	<u>\$ -</u>	<u>\$ 531</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ -	\$ 531	\$ -	\$ 531
TOTAL LIABILITIES	<u>-</u>	<u>531</u>	<u>-</u>	<u>531</u>
FUND BALANCES				
Restricted	-	-	-	-
TOTAL FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES, DEFFERED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ -</u>	<u>\$ 531</u>	<u>\$ -</u>	<u>\$ 531</u>

*General Improvement District

TOWN OF TIMNATH, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCES – NON-MAJOR FUNDS
YEAR ENDED DECEMBER 31, 2024

	Special Revenue		Capital Projects	Total Non-Major
	Grants	Timnath Landings	Timnath Landings	Governmental
	Fund	GID*	GID*	Funds
REVENUES				
Intergovernmental grants	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	-	-	-	-
EXPENDITURES				
Materials and services	-	7,644	-	7,644
TOTAL EXPENDITURES	-	7,644	-	7,644
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES	-	(7,644)	-	(7,644)
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	-	7,644	-	7,644
Transfers to other funds	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	7,644	-	7,644
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCES - beginning	-	-	-	-
FUND BALANCES - ending	\$ -	\$ -	\$ -	\$ -

*General Improvement District

TOWN OF TIMNATH, COLORADO
GRANTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2024

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Federal grants	\$ 1,262,046	\$ -	\$ (1,262,046)
Other grants	5,000	-	(5,000)
TOTAL REVENUES	<u>1,267,046</u>	<u>-</u>	<u>(1,267,046)</u>
EXPENDITURES			
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,267,046	-	(1,267,046)
OTHER FINANCING SOURCES (USES)			
Transfers to other funds	<u>(1,267,046)</u>	<u>-</u>	<u>1,267,046</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,267,046)</u>	<u>-</u>	<u>1,267,046</u>
NET CHANGES IN FUND BALANCE	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
FUND BALANCE - beginning		<u>-</u>	
FUND BALANCE - ending		<u>\$ -</u>	

TOWN OF TIMNATH, COLORADO
GENERAL FUND – TIMNATH LANDING GID
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2024

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
TOTAL REVENUES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
EXPENDITURES			
Materials and services	<u>50,000</u>	<u>7,644</u>	<u>42,356</u>
TOTAL EXPENDITURES	<u>50,000</u>	<u>7,644</u>	<u>42,356</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(50,000)	(7,644)	42,356
OTHER FINANCING SOURCES (USES)			
Transfers from other funds	<u>50,000</u>	<u>7,644</u>	<u>(42,356)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>50,000</u>	<u>7,644</u>	<u>(42,356)</u>
NET CHANGES IN FUND BALANCE	<u>\$ -</u>	-	<u>\$ -</u>
FUND BALANCE - beginning		-	
FUND BALANCE - ending		<u>\$ -</u>	

TOWN OF TIMNATH, COLORADO
CAPITAL PROJECTS FUND – TIMNATH LANDING GID
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2024

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
TOTAL REVENUES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
EXPENDITURES			
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)			
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGES IN FUND BALANCES	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
FUND BALANCE - beginning		<u>-</u>	
FUND BALANCE - ending		<u>\$ -</u>	

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OTHER FINANCIAL SCHEDULES

Schedule of Impact Fees

Schedule of Future Debt Service
Requirements

Local Highway Finance Report

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TOWN OF TIMNATH, COLORADO
SCHEDULE OF IMPACT FEES
YEAR ENDED DECEMBER 31, 2024

Impact fees	Balance at December 31, 2023	Additions ¹	Reductions for Capital Expenditure	Balance at December 31, 2024
Transportation	\$ 5,759,487	\$ 674,418	\$ (3,000,209)	\$ 3,433,696
Parks	4,119,814	1,287,901	(930,275)	4,477,440
Public Buildings	-	349,611	-	349,611
Stormwater	1,395,222	139,405	-	1,534,627
Police	-	165,107	(132,388)	32,719
Total	<u>\$ 11,274,523</u>	<u>\$ 2,616,442</u>	<u>\$ (4,062,872)</u>	<u>\$ 9,828,093</u>

¹ Additions include fees collected plus interest earned less administrative fees.

TOWN OF TIMNATH, COLORADO
SCHEDULE OF FUTURE DEBT SERVICE REQUIREMENTS
YEAR ENDED DECEMBER 31, 2024

Principal Payments

	General Fund	Timnath Development Authority	
	2018 Certificate of Participation (\$9,120,000)	2015 Loan (\$50,000,000)	2018 Loan (\$20,000,000)
December 31,			
2025	\$ 767,900	\$ 4,080,000	\$ 2,285,000
2026	805,800	4,265,000	2,405,000
2027	845,600	4,460,000	2,540,000
2028	887,400	4,660,000	2,710,000
2029	931,200	4,875,000	2,850,000
2030	977,400	-	-
	<u>\$ 5,215,300</u>	<u>\$ 22,340,000</u>	<u>\$ 12,790,000</u>

Interest Payments

	General Fund	Timnath Development Authority	
	2018 Certificate of Participation (\$9,120,000)	2015 Loan (\$50,000,000)	2018 Loan (\$20,000,000)
December 31,			
2025	\$ 203,396	\$ 883,361	\$ 505,738
2026	173,448	722,031	415,385
2027	142,022	553,386	320,288
2028	109,044	378,063	220,454
2029	74,436	192,766	112,692
2030	38,118	-	-
	<u>\$ 740,464</u>	<u>\$ 2,729,607</u>	<u>\$ 1,574,557</u>

Combined Debt Service Payments

	General Fund	Timnath Development Authority	
	2018 Certificate of Participation (\$9,120,000)	2015 Loan (\$50,000,000)	2018 Loan (\$20,000,000)
December 31,			
2025	\$ 971,296	\$ 4,963,361	\$ 2,790,738
2026	979,248	4,987,031	2,820,385
2027	987,622	5,013,386	2,860,288
2028	996,444	5,038,063	2,930,454
2029	1,005,636	5,067,766	2,962,692
2030	1,015,518	-	-
	<u>\$ 5,955,764</u>	<u>\$ 25,069,607</u>	<u>\$ 14,364,557</u>

TOWN OF TIMNATH, COLORADO
LOCAL HIGHWAY FINANCE REPORT
YEAR ENDED DECEMBER 31, 2024

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

Form Approved
OMB No. 2125-0032

LOCAL HIGHWAY FINANCE REPORT		STATE: COLORADO			
		YEAR ENDING (mm/yy): 12/2024			
This Information From The Records Of: TOWN OF TIMNATH		Prepared By: Lisa Gagliardi, Finance Director, lgagliardi@timnathgov.com			
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. EXPENDITURES FOR ROAD AND STREET PURPOSES			
ITEM	AMOUNT	ITEM	AMOUNT		
A. Receipts from local sources:		A. Local highway expenditures:			
1. Local highway-user taxes		1. Capital outlay (from page 2)	\$ 10,675,313.97		
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	\$ 1,507,938.25		
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:			
c. Total (a.+b.)		a. Traffic control operations	\$ 125,809.70		
2. General fund appropriations	\$ 8,128,426.44	b. Snow and ice removal	\$ 266,225.30		
3. Other local imposts (from page 2)	\$ 2,070,193.38	c. Other	\$ 5,069.93		
4. Miscellaneous local receipts (from page 2)	\$ 405,105.83	d. Total (a. through c.)	\$ 397,104.93		
5. Transfers from toll facilities		4. General administration & miscellaneous	\$ 322,521.56		
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety			
a. Bonds - Original Issues		6. Total (1 through 5)	\$ 12,902,878.71		
b. Bonds - Refunding Issues		B. Debt service on local obligations:			
c. Notes		1. Bonds:			
d. Total (a. + b. + c.)	\$ -	a. Interest			
7. Total (1 through 6)	\$ 10,603,725.65	b. Redemption			
8. Private Contributions		c. Total (a. + b.)	\$ -		
C. Receipts from State government (from page 2)	\$ 356,319.08	2. Notes:			
D. Receipts from Federal Government (from page 2)	\$ -	a. Interest			
E. Total receipts (A.7 + B.3 + C.4 + D.5)	\$ 10,960,044.73	b. Redemption			
		c. Total (a. + b.)	\$ -		
		3. Total (1.c + 2.c)	\$ -		
		C. Payments to State for highways			
		D. Payments to toll facilities			
		E. Total expenditures (A.6 + B.3 + C.4 + D.5)	\$ 12,902,878.71		
IV. LOCAL HIGHWAY DEBT STATUS (Show all entries at par)					
	Opening Debt	Amount Issued	Redemptions	Closing Debt	
A. Bonds (Total)				\$ -	
1. Bonds (Refunding Portion)				\$ -	
B. Notes (Total)				\$ -	
V. LOCAL ROAD AND STREET FUND BALANCE (RECEIPTS AND DISBURSEMENTS ONLY)					
	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	\$ 6,867,201.58	\$ 10,960,044.73	\$ 12,902,878.71	\$ 4,924,367.60	\$ -
Notes and Comments:					

TOWN OF TIMNATH, COLORADO

LOCAL HIGHWAY FINANCE REPORT

YEAR ENDED DECEMBER 31, 2024

LOCAL HIGHWAY FINANCE REPORT		STATE: COLORADO	
		YEAR ENDING (mm/yy): 12/2024	

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assesments		a. Interest on investments	\$ 382,956.40
b. Other local imposts:		b. Traffic Fines & Penalties	\$ -
1. Sales Taxes	\$ 1,294,998.75	c. Parking Garage Fees	\$ -
2. Infrastructure & Impact Fees	\$ 674,418.46	d. Parking Meter Fees	\$ -
3. Liens	\$ -	e. Sale of Surplus Property	\$ -
4. Licenses	\$ -	f. Charges for Services	\$ -
5. Specific Ownership &/or Other	\$ 100,776.17	g. Other Misc. Receipts	\$ -
6. Total (1. through 5.)	\$ 2,070,193.38	h. Other	\$ 22,149.43
c. Total (a. + b.)	\$ 2,070,193.38	i. Total (a. through h.)	\$ 405,105.83
(Carry forward to page 1)		(Carry forward to page 1)	
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes (from Item I.C.5.)	\$ 329,761.67	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	\$ -
a. State bond proceeds		b. FEMA	\$ -
b. Project Match	\$ -	c. HUD	\$ -
c. Motor Vehicle Registrations	\$ 26,557.41	d. Federal Transit Administration	\$ -
d. DOLA Grant	\$ -	e. U.S. Corps of Engineers	\$ -
e. Other	\$ -	f. Other Federal ARPA	\$ -
f. Total (a. through e.)	\$ 26,557.41	g. Total (a. through f.)	\$ -
4. Total (1. + 2. + 3.f)	\$ 356,319.08	3. Total (1. + 2.g)	\$ -
(Carry forward to page 1)		(Carry forward to page 1)	

III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			\$ -
b. Engineering Costs		\$ 487,030.97	\$ 487,030.97
c. Construction:			
(1). New Facilities			\$ -
(2). Capacity Improvements		\$ 10,085,115.00	\$ 10,085,115.00
(3). System Preservation			\$ -
(4). System Enhancement And Operation		\$ 103,168.00	\$ 103,168.00
(5). Total Construction (1)+(2)+(3)+(4)	\$ -	\$ 10,188,283.00	\$ 10,188,283.00
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)	\$ -	\$ 10,675,313.97	\$ 10,675,313.97
(Carry forward to page 1)			
Notes and Comments:			

FORM FHWA-536

STATISTICAL SECTION



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STATISTICAL SECTION

Financial Trends

Revenue Capacity

Debt Capacity

Demographic and Economic Information

Operating Information

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TOWN OF TIMNATH, COLORADO

NET POSITION BY COMPONENT

Last Ten Fiscal Years

(Accrual Basis of Accounting; in thousand's)

	Fiscal Year Ended									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities										
Primary government										
Net investment in capital assets	\$ 8,447	\$ 9,188	\$ 13,779	19,457	\$ 21,590	\$ 25,843	\$ 24,120	\$ 36,683	\$ 42,902	\$ 61,768
Restricted	697	214	537	760	1,230	2,054	4,231	8,563	5,623	6,179
Unrestricted	9,075	10,592	10,552	12,504	16,738	21,425	25,236	21,899	33,041	26,567
Total primary government net position	\$ 18,219	\$ 19,994	\$ 24,868	\$ 32,722	\$ 39,558	\$ 49,322	\$ 53,586	\$ 67,145	\$ 81,566	\$ 94,514

Source: The information for this table was obtained from the Statement of Net Position of this report.

TOWN OF TIMNATH, COLORADO

CHANGE IN NET POSITION

Last Ten Fiscal Years

(Accrual Basis of Accounting; in thousand's)

	Fiscal Year Ended									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental activities:										
General government	\$ 1,869	2,429	\$ 2,611	\$ 3,414	\$ 3,945	\$ 4,040	\$ 3,333	\$ 3,777	\$ 4,533	\$ 5,988
Community development	943	783	900	980	1,157	2,261	2,668	2,216	2,551	2,280
Highways and streets	4,572	6,451	5,448	6,020	8,044	5,589	10,518	6,618	6,644	9,112
Parks and recreation	234	244	256	442	614	738	969	1,148	1,709	5,038
Public safety	434	862	1,194	1,360	1,206	1,824	2,337	2,937	4,247	4,590
Interest on long-term debt	1,796	2,282	2,204	2,246	3,420	3,213	2,962	2,600	2,195	1,966
Total governmental activities expenses	9,848	13,051	12,613	14,462	18,386	17,665	22,787	19,297	21,880	28,974
Program Revenues										
Governmental activities:										
General government	62	84	70	114	110	371	195	576	1,716	3,033
Community development	899	600	670	801	1,194	2,558	2,800	1,798	2,105	2,318
Highways and streets	837	1,068	1,749	3,263	3,740	2,176	5,747	3,003	2,095	2,318
Parks and recreation	909	1,054	1,335	1,749	1,754	1,803	2,471	1,563	1,830	1,806
Public safety	41	85	185	275	262	263	423	218	526	261
Total governmental activities program revenues	2,749	2,892	4,009	6,202	7,060	7,170	11,636	7,159	8,272	9,736
Net (Expense) Revenue										
Governmental activities										
Total net (expenses) revenues	(7,099)	(10,159)	(8,604)	(8,260)	(11,326)	(10,496)	(11,151)	(12,138)	(13,608)	(19,238)
General Revenues										
Governmental activities:										
Sales and use tax	6,709	7,140	8,379	9,453	11,001	12,308	14,512	15,426	16,112	17,271
Tax increment financing (TIF) - Property	3,014	4,348	4,666	5,692	6,106	7,397	7,669	8,812	8,949	11,145
Franchise fees	128	148	173	189	235	235	330	391	429	448
Property taxes, levied for general purpose	38	73	95	134	153	243	288	392	385	719
Other revenues	61	143	141	364	139	241	619	2	82	217
Interest and investment earnings	20	81	134	302	528	171	37	674	2,072	2,352
Gain on disposition of capital assets	-	-	-	112	-	-	-	-	-	34
Total governmental activities	9,971	11,934	13,587	16,245	18,162	20,595	23,455	25,697	28,029	32,186
Change in Net Position										
Governmental activities										
Total primary government	\$ 2,871	\$ 1,775	\$ 4,983	\$ 7,986	\$ 6,836	\$ 10,099	\$ 12,304	\$ 13,560	\$ 14,421	\$ 12,948

Source: The information for this table was obtained from the Statement of Activities of this report.

TOWN OF TIMNATH, COLORADO

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting; in thousand's)

	Fiscal Year Ended									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Nonspendable	\$ -	\$ -	\$ -	\$ 26	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 63
Restricted	696	1,089	537	5,244	1,727	2,049	4,226	3,508	3,664	3,810
Committed	3,796	2,790	4,548	7,975	11,788	15,380	14,324	15,298	18,414	18,069
Assigned	-	-	-	-	-	-	7,402	-	8,769	9,146
Unassigned	6,376	6,690	5,573	6,178	6,830	10,033	10,285	16,929	13,393	5,478
Total general fund	10,868	10,568	10,658	19,424	20,346	27,462	36,237	35,736	44,241	36,566
All other governmental funds										
Restricted	16,679	9,722	2,007	21,782	15,489	10,826	6,156	5,055	1,958	2,510
Assigned	-	-	-	-	5	-	-	-	-	-
Unassigned	-	-	-	-	(6)	(1)	-	-	-	-
Total all other governmental funds	\$ 16,679	\$ 9,722	\$ 2,007	\$ 21,782	\$ 15,494	\$ 10,825	\$ 6,156	\$ 5,055	\$ 1,958	2,510
Total governmental fund balances										
General Fund	\$ 10,868	\$ 10,568	\$ 10,658	\$ 19,424	\$ 20,346	\$ 27,462	\$ 36,237	\$ 35,736	\$ 44,241	\$ 36,566
Timnath Development Authority (TDA)	16,677	9,720	2,007	21,781	15,492	10,814	6,152	5,055	1,958	2,510
Grants	2	3	-	2	2	6	5	-	-	-
Timnath Foundation	-	-	-	-	-	5	-	-	-	-
Total governmental fund balances	\$ 27,547	\$ 20,291	\$ 12,665	\$ 41,206	\$ 35,840	\$ 38,287	\$ 42,393	\$ 40,790	\$ 46,199	\$ 39,076

Source: The information for this table was obtained from the Balance Sheet.

TOWN OF TIMNATH, COLORADO

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting; in thousand's)

	Fiscal Year Ended									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues:										
Sales and use tax	6,684	7,153	8,336	9,401	10,945	12,247	14,443	15,426	16,112	17,271
Property tax	3,052	4,421	4,760	5,826	6,259	7,640	7,957	9,203	9,335	11,864
Franchise fees	128	148	173	189	235	235	330	315	429	449
Other taxes	25	30	43	52	56	60	70	78	82	105
Fines and forfeitures	10	30	35	52	38	52	112	138	131	158
Charges for services	1,480	1,818	2,859	4,806	5,237	4,206	8,076	3,982	3,373	4,978
Intergovernmental	252	510	431	506	553	593	786	1,031	995	2,291
Investment earnings	16	20	135	302	528	171	37	674	2,072	2,352
Licenses and permits	941	634	684	838	1,325	2,080	2,662	1,845	2,161	2,147
Miscellaneous	61	43	53	164	139	481	560	163	187	161
Total revenues	12,649	14,807	17,509	22,136	25,315	27,765	35,033	32,856	34,875	41,776
Expenditures:										
Current:										
General government	1,754	2,346	2,435	3,162	3,865	3,787	3,012	4,051	3,628	5,839
Community development	943	778	897	977	1,161	2,258	2,660	2,215	2,527	2,281
Highways and streets	1,069	1,268	1,531	1,669	2,067	2,445	2,453	3,715	3,826	2,925
Parks and recreation	200	168	214	298	283	488	556	516	881	1,444
Public safety	453	786	950	1,056	1,260	1,799	2,164	2,778	3,826	4,130
Capital outlay	6,201	12,592	14,804	10,102	15,906	6,752	14,732	15,814	6,364	23,376
Debt service:										
Principal	1,538	1,837	2,189	3,287	3,900	4,363	4,992	6,331	6,879	7,148
Interest	215	2,290	2,201	2,275	3,437	3,230	3,039	2,600	2,217	1,988
Total expenditures	12,373	22,064	25,221	22,826	31,877	25,122	33,608	38,019	30,149	49,131
Excess (deficiency) of revenues over (under) expenditures	276	(7,257)	(7,713)	(691)	(6,562)	2,643	1,425	(5,163)	4,727	(7,355)
Other Financing Sources (Uses):										
Developer advances	-	-	-	-	1,190	144	2,681	937	72	-
Lease financing ¹	-	-	-	-	-	-	-	2,622	213	198
Subscription financing ²	-	-	-	-	-	-	-	-	397	-
Proceeds from debt issuance	50,000	-	-	29,120	-	-	-	-	-	-
Debt refunding from debt issuance	(35,605)	-	-	-	-	-	-	-	-	-
Proceeds from sale of asset	-	-	-	112	-	-	-	-	-	34
Transfers from other funds	-	-	5,830	3,989	9,357	11,431	12,262	9,901	12,216	11,304
Transfers to other funds	-	-	(5,830)	(3,989)	(9,357)	(11,431)	(12,262)	(9,901)	(12,216)	(11,304)
Total other financing sources (uses)	14,395	-	-	29,232	1,190	144	2,681	3,560	682	232
Net change in fund balances	\$ 14,671	\$ (7,257)	\$ (7,713)	\$ 28,541	\$ (5,372)	\$ 2,787	\$ 4,106	\$ (1,603)	\$ 5,409	\$ (7,123)

Debt service as a percentage of noncapital expenditures	28%	44%	42%	44%	46%	41%	43%	40%	38%	35%
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Source: The information for this table was obtained from the Statement of Revenue, Expenditures, and Changes in Fund Balances.

¹ Lease Financing was implemented by the Town in 2022 from GASB Statement No. 87. Information prior to 2022 is not available.

² Subscription Financing was implemented by the Town in 2023 from GASB Statement No. 96. Information prior to 2023 is not available.

TOWN OF TIMNATH, COLORADO

TAXABLE SALES

Last Ten Fiscal Years

Sales Tax Collections in Aggregate of All Filers¹

Fiscal Year	General Fund	Timnath Development Authority	Total Sales Tax
2015	1,490,989	3,771,813	5,262,802
2016	1,393,776	4,294,672	5,688,447
2017	1,564,516	4,787,520	6,352,036
2018	1,807,091	5,228,621	7,035,713
2019	2,422,662	5,794,283	8,216,945
2020	2,597,623	6,754,246	9,351,868
2021	3,242,044	7,379,944	10,621,987
2022	4,244,933	8,217,096	12,462,029
2023	4,550,523	8,017,934	12,568,457
2024	4,837,071	8,529,316	13,366,387

Source: Town of Timnath Finance Department

¹ As a Home rule City, the Town of Timnath started collecting sales tax in 2009. The taxes collected within the Town are 3.0%.

Note:

- (a) The Town has experienced consistent growth over the last ten years; however, Colorado State Statutes and the Town of Timnath Ordinances prohibit disclosure of individual sales tax returns. As the Town continues to grow, the specific industry segments may be disclosed.

TOWN OF TIMNATH, COLORADO
SALES TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Fiscal Years

Fiscal Year Ended December 31,	State	Larimer County	Town		
			Sales	Food & Home Consumption	Lodging
2015	2.90%	0.65%	3.00%	2.25%	3.00%
2016	2.90%	0.65%	3.00%	2.25%	3.00%
2017	2.90%	0.65%	3.00%	2.25%	3.00%
2018	2.90%	0.55%	3.00%	2.25%	3.00%
2019	2.90%	0.80%	3.00%	2.25%	3.00%
2020	2.90%	0.80%	3.00%	2.25%	3.00%
2021	2.90%	0.80%	3.00%	2.25%	3.00%
2022	2.90%	0.80%	3.00%	2.25%	3.00%
2023	2.90%	0.80%	3.00%	2.25%	3.00%
2024	2.90%	0.80%	3.00%	2.25%	3.00%

Source: State of Colorado CRS (39) 26-105.1(a), Larimer County Annual Reports and Budgets and the Town of Timnath Finance Department.

TOWN OF TIMNATH, COLORADO
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

Fiscal Year Ended December 31,	Total Tax Levy for Fiscal Year	General Fund Collected¹	Percentage of Levy
2015	33,230	38,151	115%
2016	73,426	73,288	100%
2017	94,675	94,529	100%
2018	134,121	133,825	100%
2019	152,949	151,974	99%
2020	248,804	242,730	98%
2021	288,879	287,902	100%
2022	393,015	391,614	100%
2023	397,920	397,446	100%
2024	688,420	688,688	100%

Source: Town of Timnath Finance Department

¹ Collections in 2014 and 2015, included prior year property taxes collected that were deemed uncollectible at that time.

TOWN OF TIMNATH, COLORADO

PROPERTY TAX RATES

DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Fiscal Years

Town		Overlapping Rates								
Fiscal Year Ended December 31,	Tax Rate	Poudre School District	Larimer County	Fire Protection Districts	Poudre River Public Library District	Health District of Northern Larimer County	Water & Sanitation Districts	Pest Control District	Metro Districts	Total Direct and Overlapping
2015	6.749	52.630	22.459	7.855 - 10.595	3.024	2.167	0.489 - 1.500	0.142	25.000 - 35.000	113.766 - 134.266
2016	6.749	52.630	21.882	7.248 - 10.595	3.016	2.167	0.476 - 1.500	0.142	35.000 - 35.000	122.561 - 133.681
2017	6.688	52.630	22.521	7.714 - 10.595	3.034	2.167	0.500 - 1.500	0.142	35.000 - 35.000	123.708 - 134.277
2018	6.688	52.630	22.092	7.699 - 10.595	3.000	2.167	0.500 - 1.500	0.142	35.000 - 49.750	123.230 - 148.564
2019	6.688	52.630	22.403	7.559 - 10.595	3.000	2.167	0.494 - 1.500	0.142	35.000 - 49.750	123.395 - 148.875
2020	6.688	56.000	21.863	8.061 - 10.665	3.000	2.167	0.470 - 1.500	0.142	16.699 - 50.350	108.402 - 152.375
2021	6.688	55.000	22.458	8.058 - 10.639	3.000	2.167	0.500 - 1.500	0.142	16.699 - 50.349	108.024 - 151.943
2022	6.688	54.207	22.425	7.994 - 10.639	3.017	2.167	0.500 - 1.500	0.142	16.699 - 50.000	107.151 - 150.785
2023	6.688	55.865	22.436	8.250 - 10.824	3.018	2.167	0.493 - 1.500	0.142	16.699 - 54.924	109.070 - 157.564
2024	6.688	57.370	22.461	8.250 - 11.047	3.015	2.167	0.403 - 1.360	0.142	17.821 - 61.593	138.764 - 192.978

Source: Larimer County Assessor's Office

Note: Tax rates are per \$1,000 of assessed value. There are several water and sanitation, fire protection, and metropolitan district entities located within the Town that have various mill levies.

TOWN OF TIMNATH, COLORADO

**ASSESSED VALUE AND ESTIMATED REAL MARKET VALUE OF
TAXABLE PROPERTY**

Last Ten Fiscal Years
(in thousand's)

Fiscal Year	Assessed Value						Tax Increment	Net (AV)	Timnath Mill Levy Rate	RMV	Assessed Value as a Percentage of RMV
	Residential	Commercial	Agricultural, Natural Resources & Utilities	Industrial	Vacant Land	Total Assessed Value (AV)		General Fund		Estimated Real Market Value (RMV)	
2015	-	-	-	-	-	41,669	36,745	4,924	6.749	373,652	11%
2016	36,340	11,837	303	478	14,090	63,048	52,168	10,880	6.749	559,393	11%
2017	43,651	12,448	300	500	12,379	69,278	55,122	14,156	6.688	874,898	8%
2018	53,669	15,212	335	491	18,354	88,062	68,008	20,054	6.688	874,898	10%
2019	64,377	15,919	355	481	14,637	95,769	72,900	22,869	6.688	1,002,371	10%
2020	79,238	21,579	317	602	24,211	125,947	88,745	37,202	6.688	1,269,291	10%
2021	95,148	21,900	315	590	17,459	135,412	92,218	43,194	6.688	1,469,578	9%
2022	114,815	27,386	2,112	551	21,147	166,010	107,246	58,764	6.688	1,782,163	9%
2023	127,570	25,552	2,755	565	9,627	166,069	106,571	59,498	6.688	1,969,520	8%
2024	172,324	38,053	3,022	919	26,343	240,660	137,727	102,934	7.688	2,816,963	9%

Source: Larimer County Assessor's Office

Non-residential real property assessment rates were as follows:

<u>Fiscal Year</u>	<u>Rate</u>	
2015 – 2022	29.0%	
2023	27.9%	<i>and reduces each parcel actual value by \$30,000 prior to assessment rate</i>

Residential real property assessment rates were as follows:

<u>Fiscal Year</u>	<u>Rate</u>	
2015 – 2017	7.96%	
2018 – 2019	7.20%	
2020 – 2022	7.15%	
2023	6.77%	<i>and reduces each parcel actual value by \$15,000 prior to assessment rate</i>
2024	6.70%	<i>and reduces each parcel actual value by \$55k per assessment rate</i>

Note:

- (a) Total Assessed Value is reduced by the Tax Increment for the general fund Net Assessed Value. The tax increment value is captured within the Timnath Development Authority.
- (b) The Town is geographically located primarily in Larimer County, but also has two parcels in Weld County. Due to the immateriality of the Weld County assessments, these are excluded from the schedule above.

TOWN OF TIMNATH, COLORADO

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

Taxpayer	2024			2015		
	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Kitchell Lake F3 Development Corp	7,495,576	1	3%			
Costco	5,781,908	2	2%	4,748,709	1	11%
Wal-Mart	5,217,300	3	2%	4,489,142	2	11%
Timnath Trail LLC	5,207,488	4	2%			
Public Service Co of CO (Xcel)	2,955,230	5	1%			
Connell LLC	2,659,241	6	1%			
Timnath Lakes CO	2,175,726	7	1%			
Microvast Inc	1,763,253	8	1%			
Harmony LLC	1,489,303	9	1%	694,586	7	2%
Arnold Family Holdings LLC	1,433,781	10	1%			
NVH WIP LLLP				2,920,814	3	7%
Timnath Ranch LLC				1,297,601	4	3%
Serratoga Falls First Filing LLC				710,326	6	2%
Cache La Poudre Investors				665,704	8	2%
Nelson, Rodney				631,718	9	2%
Meritage Homes of Colorado				574,707	10	1%
Melody Homes Inc.				1,374,165	5	3%
Subtotal, Top Ten Taxpayers	36,178,806		15%	18,107,472		43%
All Other Taxpayers within the Town	204,481,434		85%	23,561,268		57%
Total Taxpayers	\$ 240,660,240		100%	\$ 41,668,740		100%

Source: Larimer County Assessor's Office

TOWN OF TIMNATH, COLORADO

RATIOS OF OUTSTANDING DEBT

Last Ten Fiscal Years

Fiscal Year Ended December 31,	Certificate of Participation	Capital Leases	SBITAs	Other Obligations	Revenue Loans	Total Primary Government	Percentage of Personal Income ¹	Town Population ²	Per Capita
2015	\$ -	\$ 14,917	\$ -	\$ 858,602	\$ 50,200,000	\$ 51,073,519	115%	955	\$ 53,480
2016	-	108,779	-	821,420	48,400,000	49,330,199	107%	957	51,547
2017	-	105,738	-	782,379	46,250,000	47,138,117	95%	960	49,102
2018	9,120,000	102,112	-	1,675,437	63,345,000	74,242,549	81%	1,700	43,672
2019	8,545,100	129,489	-	2,388,631	60,020,000	71,083,220	45%	2,811	25,288
2020	7,941,800	253,391	-	2,056,283	56,260,000	66,511,474	17%	6,739	9,870
2021	7,308,700	149,343	-	4,261,108	51,995,000	63,714,151	12%	7,797	8,172
2022	6,644,300	720,219	-	4,952,676	46,975,000	59,292,195	9%	9,344	6,345
2023	5,947,000	452,772	166,553	4,952,676	41,195,000	52,714,001	6%	10,646	4,952
2024	5,215,300	232,003	127,622	4,952,676	35,130,000	45,657,601	5%	10,848	4,209

Source: Town of Timnath Finance Department

¹ Calculation uses the personal income (in thousands) provided on schedule Demographic and Economic Statistics divided by the total debt of the primary government.

² Population data sourced from U.S. Census Bureau and World Population View.

TOWN OF TIMNATH, COLORADO

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

Last Ten Fiscal Years

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable to Timnath¹</u>	<u>Timnath's Share of Debt</u>
Town of Timnath - Debt Applicable to Debt Limit	\$ 35,130,000	100%	\$ 35,130,000
Poudre R-1 School District	396,636,184	5%	\$ 19,334,442
Total			<u>\$ 54,464,442</u>

Source: Governmental entity.

¹ Applicable percents are calculated from the ratio of gross assessed valuation of taxable property within the Town to assessed valuation of the overlapping unit.

TOWN OF TIMNATH, COLORADO

LEGAL DEBT MARGIN

Last Ten Fiscal Years

Policy 1

	2015	2016	2017	2018	2019
Government Expenditures	\$ 41,668,740	\$ 63,048,011	\$ 69,278,280	\$ 88,061,884	\$ 95,768,978
Debt Limit 15% of Town's Assessed Value	\$ 6,250,311	\$ 9,457,202	\$ 10,391,742	\$ 13,209,283	\$ 14,365,347
Total net debt applicable to the limit	-	-	-	9,120,000	9,120,000
Legal debt margin	\$ 6,250,311	\$ 9,457,202	\$ 10,391,742	\$ 4,089,283	\$ 5,245,347
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	69.04%	63.49%

	2020	2021	2022	2023	2024
Government Expenditures	\$ 125,946,740	\$ 135,411,520	\$ 166,010,084	\$ 166,068,509	\$ 240,660,240
Debt Limit 15% of Town's Assessed Value	\$ 18,892,011	\$ 20,311,728	\$ 24,901,513	\$ 24,910,276	\$ 36,099,036
Total net debt applicable to the limit	8,545,100	7,941,800	7,308,700	6,644,300	5,947,000
Legal debt margin	\$ 10,346,911	\$ 12,369,928	\$ 17,592,813	\$ 18,265,976	\$ 30,152,036
Total net debt applicable to the limit as a percentage of debt limit	45.23%	39.10%	29.35%	26.67%	16.47%

Policy 2

	2015	2016	2017	2018	2019
Government Expenditures	\$ 8,052,282	\$ 10,768,562	\$ 10,409,062	\$ 12,216,068	\$ 14,965,990
Debt Limit 15% of Government Expenditures	\$ 1,207,842	\$ 1,615,284	\$ 1,561,359	\$ 1,832,410	\$ 2,244,899
Total net debt applicable to the limit	-	-	-	-	1,020,868
Legal debt margin	\$ 1,207,842	\$ 1,615,284	\$ 1,561,359	\$ 1,832,410	\$ 1,224,031
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	45.48%

	2020	2021	2022	2023	2024
Government Expenditures	\$ 14,452,456	\$ 19,825,322	\$ 16,696,767	\$ 21,878,836	\$ 28,973,526
Debt Limit 15% of Government Expenditures	\$ 2,167,868	\$ 2,973,798	\$ 2,504,515	\$ 3,281,825	\$ 4,346,029
Total net debt applicable to the limit	1,021,155	1,021,454	977,176	956,428	963,634
Legal debt margin	\$ 1,146,713	\$ 1,952,344	\$ 1,527,339	\$ 2,325,397	\$ 3,382,395
Total net debt applicable to the limit as a percentage of debt limit	47.10%	34.35%	39.02%	29.14%	22.17%

Source: Town of Timnath Finance Department and Larimer County Tax Assessor

Note:

- For the purposes of this calculation, the Town COP is the only debt attributable to this policy.
- Town debt policy will strive to limit its general obligation debt to 15% of the Town's total assessed valuation. In addition, it will strive to maintain its general obligation debt service costs for government activities at a level of not greater than 15% of the Town's governmental expenditures. TDA and Revenue bonds are not subject to the debt level restrictions.

TOWN OF TIMNATH, COLORADO

PLEDGED-REVENUE COVERAGE

Last Ten Fiscal Years

Timnath Development Authority (TDA) 2015 and 2018 Notes Payable

Fiscal Year	Gross Property TIF	Less Shareback Per IGAs	Net Property TIF	Direct Operating Expenses	Net Revenue Available for Debt Service	Pledged Sales Tax Revenue to Meet Debt Service		Principal	Interest	Total Debt Service	Coverage Ratio
						Service					
2015	4,144,353	(1,130,163)	3,014,190	(1,311,463)	1,702,727	1,468,066		1,800,000	1,370,793	3,170,793	1.00
2016	6,016,779	(1,668,569)	4,348,210	(2,463,219)	1,884,991	2,172,009		1,800,000	2,257,000	4,057,000	1.00
2017	6,459,104	(1,793,168)	4,665,936	(2,149,904)	2,516,032	1,803,771		2,150,000	2,169,803	4,319,803	1.00
2018	8,165,249	(2,473,360)	5,691,889	(2,412,372)	3,279,517	1,498,501		2,705,000	2,073,018	4,778,018	1.00
2019	8,754,662	(2,648,316)	6,106,346	(2,654,941)	3,451,405	2,869,970		3,325,000	2,996,375	6,321,375	1.00
2020	11,147,726	(3,750,709)	7,397,017	(848,060)	6,548,957	-		3,863,300	2,233,386	6,096,686	1.07
2021	11,613,759	(3,944,805)	7,668,954	(576,118)	7,092,836	-		4,048,100	2,052,170	6,100,270	1.16
2022	13,325,435	(4,513,878)	8,811,557	(1,133,410)	7,678,147	-		4,234,400	1,867,480	6,101,880	1.26
2023	13,501,872	(4,552,776)	8,949,096	(509,588)	8,439,508	-		5,780,000	1,857,469	7,637,469	1.11
2024	17,348,101	(6,203,541)	11,144,560	(718,653)	10,425,907	-		6,065,000	1,637,844	7,702,844	1.35

Source: Town of Timnath Finance Department

Note: Per the loan agreements of the TDA, additional pledged sales tax will be utilized in instances where the property tax increment is insufficient to meet the debt obligations.

TOWN OF TIMNATH, COLORADO

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years

Fiscal Year	Population	Median Household Income	Per Capita Personal Income	Personal Income (in thousands)	Median Age	% of High School Graduate or Higher	Unemployment Rate (Larimer County)
2015	955	122,083	46,451	44,361	34.3	95.9	3.20%
2016	957	122,083	48,079	46,012	34.3	95.9	2.80%
2017	960	122,083	51,432	49,375	34.3	95.9	2.40%
2018	1,700	122,083	53,689	91,271	36.2	98.58	2.70%
2019	2,811	162,976	56,220	158,034	36.2	98.58	2.40%
2020	6,739	162,976	59,762	402,736	36.2	98.58	6.10%
2021	7,797	162,976	65,501	510,711	36.2	98.58	5.00%
2022	9,344	162,976	67,849	633,981	36.2	98.58	2.90%
2023	10,646	162,976	79,715	848,646	36.2	98.59	3.10%
2024	10,848	172,206	88,711	962,337	36.0	98.9	4.10%

Sources:

- Population Data: U.S. Census Bureau and World Population View
- Median Household Income: US Census Bureau, American Community Survey Table
- Personal Per Capita Income: Bureau of Economic Analysis - CAINC1 County and MSA personal income summary
- Median Age: US Census Bureau, American Community Survey Table
- % High School Graduate: US Census Bureau, American Community Survey Table
- Unemployment Rate: Bureau of Labor Statistics

TOWN OF TIMNATH, COLORADO

PRINCIPAL EMPLOYERS Current Year and Nine Years Ago

Employer	2024			2015 - not available ¹		
	Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Walmart	254	1	12%			
Mill Brothers Landscape & Nursery	220	2	10%			
Costco	157	3	7%			
Timnath Middle High School	80	4	4%			
Town of Timnath	71	5	3%			
Timnath Elementary School	66	6	3%			
Alpine Cabinets	60	7	3%			
Bethke Elementary School	60	8	3%			
Landmark Home Harmony Townhomes	41	9	2%			
Hartford Homes	38	10	2%			
Subtotal, Top Ten Employers	1,047		49%	-		0%
All Other Employers within the Town	1,085		51%	-		0%
Total Employed	2,132		100%	-		0%

Source: Larimer County Economic and Workforce Development

¹ Data not available. Larimer County did not collect data prior to 2023 and previous sources to obtain data are not available.

TOWN OF TIMNATH, COLORADO
FULL-TIME EQUIVALENT OF TOWN GOVERNMENT EMPLOYEES
BY FUNCTION
Last Ten Fiscal Years

Function / Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government	3.00	5.00	6.00	5.00	5.00	8.00	10.00	10.00	12.00	13.67
Public Safety	5.00	7.00	7.00	8.00	10.00	13.00	15.00	17.00	23.00	27.00
Community Development	1.00	1.00	1.00	1.00	1.00	2.00	3.00	4.00	5.00	8.00
Parks and Recreation	1.00	1.00	1.00	2.00	2.00	2.00	4.00	3.00	6.00	12.76
Public Works	2.00	3.00	3.00	4.00	4.00	6.00	7.00	7.00	7.00	10.00
Total FTEs	12.00	17.00	18.00	20.00	22.00	31.00	39.00	41.00	53.00	71.43
Town Population	955	957	960	1,700	2,811	6,739	7,797	9,344	10,646	10,848
FTEs per 1,000 of population	12.57	17.76	18.75	11.76	7.83	4.60	5.00	4.39	4.98	6.58

Source: Town of Timnath Finance and Human Resource Departments

TOWN OF TIMNATH, COLORADO

OPERATING INDICATORS BY FUNCTION

Last Ten Fiscal Years

Function / Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government										
# of New Businesses Licensed	79	83	92	177	299	242	571	607	811	936
# of Visitors to Events	3,000	11,350	12,952	9,547	12,917	694	10,727	22,114	17,741	21,209
Public Safety										
Traffic Citations	*	*	*	*	*	*	1,271	1,391	1,203	1,615
Total Arrests	*	*	*	*	*	*	148	186	182	254
Calls for Service	*	*	*	*	*	*	6,574	12,101	11,645	10,830
Community Development										
# of Building Permits Issued	485	462	792	624	756	841	1,037	844	917	925
# of Building Inspections Performed	5,890	5,474	8,801	7,718	14,237	15,702	19,049	17,270	13,761	17,813
# of Plan Reviews	815	694	1,143	1,248	1,589	1,711	1,973	1,579	1,911	1,669
# of Land Use Reviews	25	28	21	11	11	17	23	34	31	49
Parks & Recreation										
# of Trees	*	*	*	*	*	*	*	*	649	654
# of Reservoir Permits	*	*	*	*	*	*	1,453	2,038	2,216	1,583
# of Field, Pavilion and Room Reservations	*	*	*	*	*	*	*	*	*	1,089

* Information is not available.

Source: Town of Timnath Departments

TOWN OF TIMNATH, COLORADO

CAPITAL ASSET STATISTICS BY FUNCTION

Last Ten Fiscal Years

Function / Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government										
Operating Buildings	1.0	1.0	1.0	2.0	2.0	2.0	2.0	2.0	3.0	3.0
Town-owned Buildings	3.0	3.0	4.0	5.0	7.0	7.0	7.0	7.0	6.0	6.0
Land Parcel	2.0	2.0	3.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Public Safety										
Police Stations	-	-	-		-	-	-	-	1	1
Patrol Unit Vehicles	*	*	*	*	11	14	16	24	24	27
Parks & Recreation										
# of Parks Maintained	*	*	*	*	*	*	*	3	3	3
Public Works										
Miles of Streets (street lane miles)	83.5	88.3	100.9	105.8	105.8	118.1	125	130	138.2	144.6
# of Traffic signals	*	*	*	*	*	*	*	*	8	8
# of Snowplows										5

* Information is not available.

Source: Town of Timnath Capital Asset Records and Departments

Town of Timnath Finance Department

Lisa Gagliardi, Finance Director

Bonnie Dennis, Accounting Manager

**Timnath Town Center
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