

TOWN OF FIRESTONE COLORADO



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDING DECEMBER 31, 2022



2022



Annual Comprehensive Financial Report
For the Fiscal Year Ended
December 31, 2022

TOWN OF FIRESTONE
FIRESTONE, COLORADO



Prepared by the Finance Department

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TOWN OF FIRESTONE, COLORADO
 Comprehensive Annual Financial Report
 For the Fiscal Year Ended December 31, 2022

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June 2, 2023

To the Honorable Mayor, members of the Board of Trustees (the “Trustees”), and citizens of the Town of Firestone (the “Town”):

State law requires that all general-purpose local governments publish a complete set of financial statements presented in conformity with generally accepted accounting principles in the United States (“GAAP”) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the annual financial report of the Town of Firestone for the fiscal year ended December 31, 2022.

This report consists of managements representations concerning the finances of the Town. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the Town has established a comprehensive internal control framework that is designed both to protect the Town’s assets from loss, theft, or misuse, and to compile sufficient reliable information for the preparation of the Town’s financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Town’s internal controls have been designed to provide reasonable, rather than absolute assurance that the financial statements are free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Haynie & Company, a firm of licensed certified public accountants, has audited the Town’s financial statements. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Town for the fiscal year ended December 31, 2022 are free of material misstatement. The independent audit involved: examining on a test basis evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded that, based upon the audit, there was a reasonable basis for rendering an unmodified opinion that the Town’s financial statements for the fiscal year ended December 31, 2022, are fairly presented in conformity with GAAP. The independent auditors report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (“MD&A”). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Town’s MD&A can be found immediately following the report of the independent auditor.

PROFILE OF THE TOWN OF FIRESTONE

The Town incorporated in 1908, is located on the northern fringe of the Denver metropolitan area of Colorado. The Town has a current area of 14.62 square miles and serves a population of approximately 19,300 and is located in Weld County. The Town is empowered to levy a property tax on real properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing board and voter approval. On April 2, 1996, the taxpayers approved a ballot question to remove the Taxpayer Bill of Rights (“TABOR”) limits that were imposed on the Town in 1992.

The Town has operated under the Trustees-Town Manager form of government since its first meeting as a statutory Town. Policy-making and legislative authority are vested in the Board, consisting of the Mayor and six Trustees. The Town’s board is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the Town’s manager, attorney, treasurer, and clerk. The Town’s manager is responsible for: carrying out the goals, policies, and ordinances of the Board; for overseeing the day-to-day operations of the Town; and for appointing the heads of the various departments. The Board is elected on a nonpartisan basis. The Mayor is elected for a two-year term and the Trustees are elected for four-year terms. The Mayor and Trustees are elected at-large.

The Town provides a full range of services including: police protection; construction and maintenance of streets, parks, trails, and open space; and stormwater and water utilities. Other utility services such as sewer, electricity, natural gas, and trash removal are provided by organizations not affiliated with the Town, and therefore, are not reported in the Town’s financial statements.

The annual budget serves as the foundation for the Town’s financial planning and control. All departments of the Town are required to submit requests for appropriation to the Town’s Finance Department on or about the last day of August each year. The Finance Department and Town Manager use these requests as the starting point for developing a proposed budget. The finance department then presents the proposed budget to the Board by October 15. The Board is required to hold public hearings on the proposed budget and to adopt a final budget no later than December 15. The Town’s fiscal year is on a calendar year basis. The Town’s budget is prepared by fund (e.g. general) and department (e.g. police). However, the annual budget is appropriated and approved at the fund level by the Board and certified to the State of Colorado as such. Transfers of appropriations between funds require the approval of the Board.

Budget-to-actual comparisons are provided in this report for each individual fund for which an appropriated annual budget has been adopted. The General Fund, Firestone Urban Renewal Authority – Bighorn and Firestone Urban Renewal Authority – Northern comparisons are presented on page 77, 78 and 79, respectively, as part of the required supplementary information. For all other governmental and proprietary funds, the comparisons are presented in the other supplementary information subsection of this report, which begins on page 93.

FACTORS AFFECTING FINANCIAL CONDITION

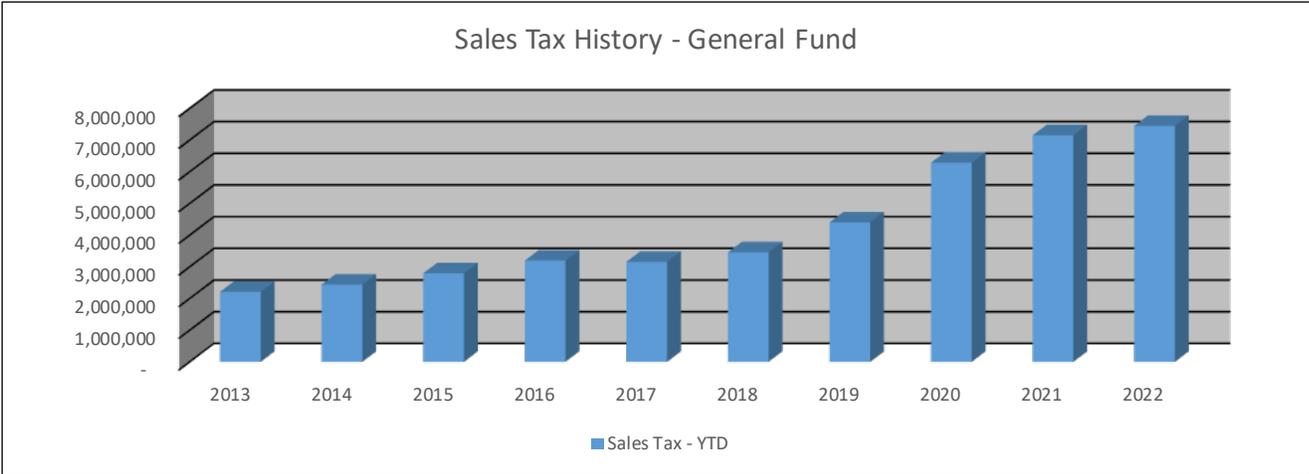
LOCAL ECONOMY

The Town is a unique community of citizens, businesses, and governments that are united in creating a stable, safe, prosperous, and healthy environment in which to live, work, worship, learn, and exercise the rights and freedoms provided by the United States Constitution. The Town has been recognized in several national and Colorado listings for its cost of home ownership, amenities, and for being a safe environment. During 2022, the Town was named the ninth safest community in Colorado by Safewise. The Town continues to grow and develop attracting additional retail and lodging facilities along with more residents. In 2022 multiple businesses opened including, QuikTrip, Jersey Mike’s, Dani West Bridal Boutique, The UPS Store, Marco’s Pizza, Big O Tires and Oak Meadows Dental Office. The area has a homeownership rate of 84.5 percent per worldpopulationreview.com. Firestone has a median household income of \$109,246 annually and the median home value in Firestone is \$587,000 per City-Data.com. In order to maximize commercial and residential development opportunities, the Town continued with a strategic and targeted economic development program in 2022. The objective of the plan is to attract new businesses and encourage expansion of existing businesses.

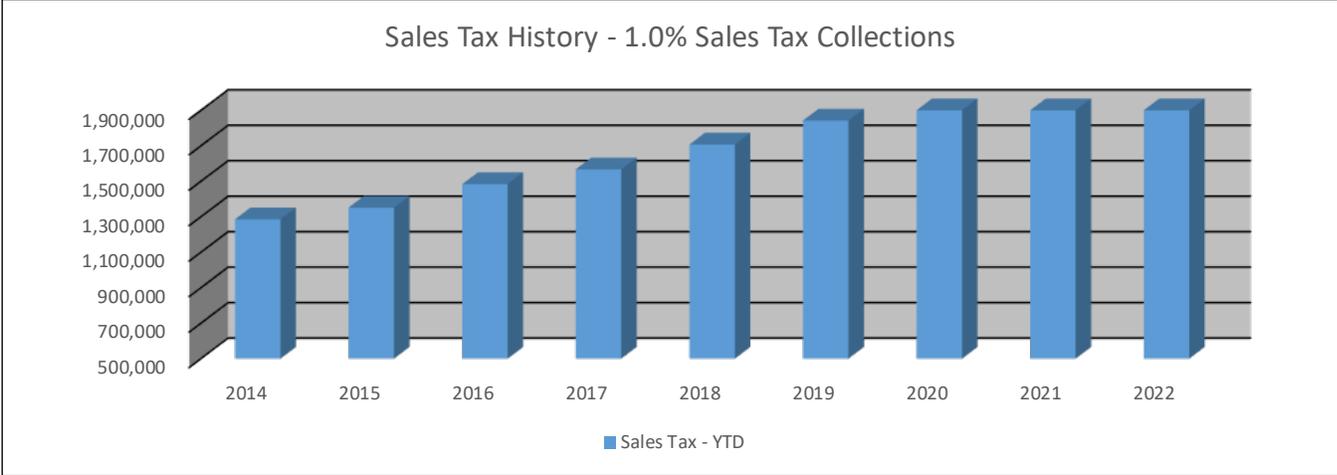
The Town is currently working to increase the number and variety of businesses throughout the community, including initiatives to enhance the economic success of historic Old Town Firestone. The tables below detail the Town’s taxable assessed value (AV) for the past ten years.

AV Year/Year Levied	Assessed Valuation
2012/2013	\$ 142,807,170
2013/2014	\$ 135,635,763
2014/2015	\$ 147,288,760
2015/2016	\$ 170,842,090
2016/2017	\$ 208,282,680
2017/2018	\$ 215,444,970
2018/2019	\$ 231,241,860
2019/2020	\$ 266,484,840
2020/2021	\$ 263,819,990
2021/2022	\$ 294,286,560
2022/2023	\$ 331,141,960

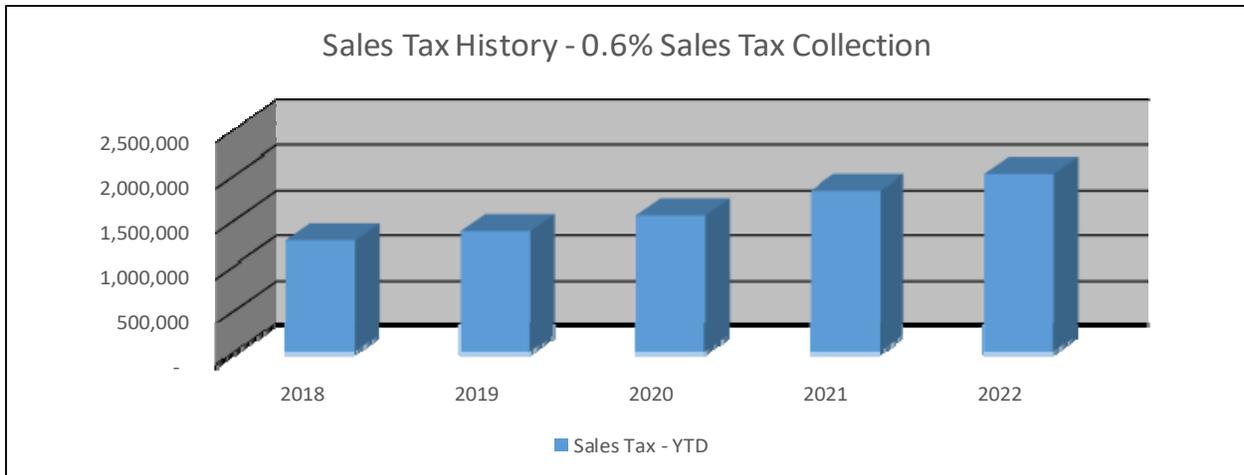
Because of the growth of the Town’s residential and retail base, sales tax revenues have shown significant growth throughout the past ten years. The retail trade sector has steadily employed more of the Town’s population in the past several years and significantly influences the Town’s economy. The chart on the next page reflects the increase in Sales tax revenues throughout the last ten years (as of December of each year).



In addition to the sales tax revenues shown in the previous chart, in November 2013, the Town’s citizens approved a 1 percent additional sales tax to be utilized for street and park capital projects, operation and maintenance and associated debt service issuances/payments. Collection of this additional tax began in 2014 and will provide for long term sustainability of the Town’s streets and park assets. Below is a chart reflecting the increase in 1% sales tax revenues for the past nine years (as of December of each year).



In 2018, the Town’s citizens approved a 0.6% Sales Tax increase for the purpose of constructing a Public Safety Facility that will house the police, the court, and will provide meeting space for the Town. In 2020, the Town’s citizens approved an expansion of the purposes for which the 0.6% Sales Tax can be used to include maintenance and construction of town facilities. The 0.6% Sales Tax will expire after 25 years beginning January 1st, 2018. The chart on the next page reflects the increase in .6% sales tax revenues for the past five years (as of December of each year).



LONG-TERM PLANNING

The Board and management are currently working on a major project that will impact the Town’s financial position. In 2005, the Board indicated its desire to pursue participation in Northern Integrated Supply Project (“NISP”) for future water needs. NISP is a joint project to develop water storage and supply facilities for a large group of water providers in the region. The Town maintains a long-range financial model in order to plan and provide future funding for this vital project.

The Town continuously monitors the status of its budget and will make adjustments, as warranted.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town for its annual comprehensive financial report for the fiscal year ended December 31, 2021. This was the sixteenth consecutive year that the Town has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principals and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program’s requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

We would like to express our appreciation to all staff members who assisted and contributed to the preparation of this report. The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance and Administrative Departments. Credit also must be given to the Mayor and the Board for their unfailing support for maintaining the highest standards of professionalism in the management of the Town’s finances.

Respectfully submitted,

Jessica Clanton
 Jessica Clanton, CPA
 Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

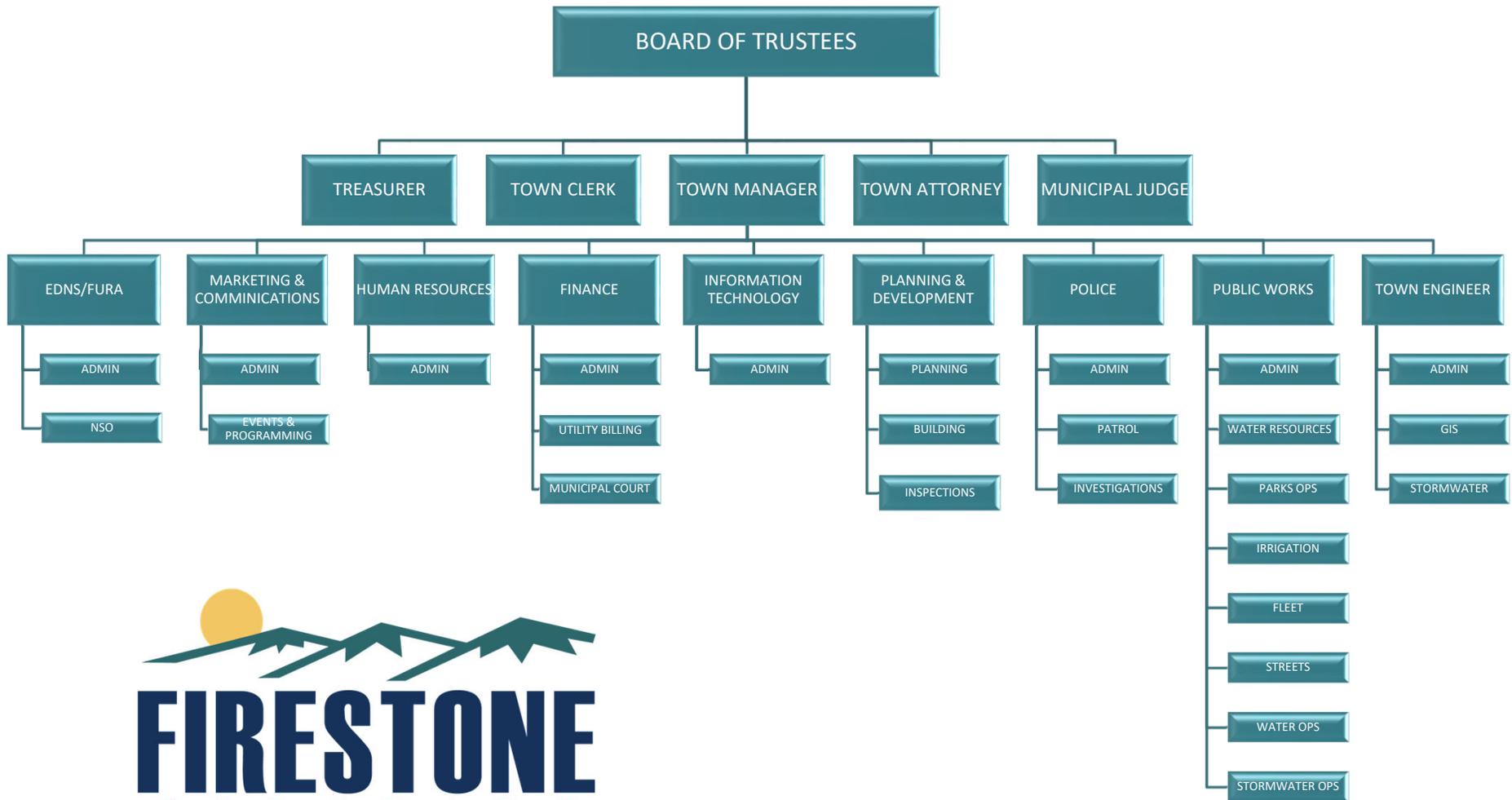
**Town of Firestone
Colorado**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2021

Christopher P. Morill

Executive Director/CEO



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LIST OF PRINCIPAL OFFICIALS – AS OF DECEMBER 31, 2022

Elected Officials

Mayor Drew Peterson
Mayor Pro-tem Frank A. Jimenez
Trustee Don Conyac
Trustee Sean Doherty
Trustee Matt Holcomb
Trustee Doug Sharp
Trustee David Whelan

Appointed Officials

Town Manager AJ Krieger
Deputy Town Clerk Miriam Luna Gonzalez
Town Treasurer Jessica Clanton, CPA
Town Attorney William Hayashi, Williamson & Hayashi, LLC
Municipal Judge Stephen Jones

Department Directors

Assistant to Town Manager Raelynn Ferrera
Chief of Police David Angelo
Economic Development Neighborhood Services and FURA Director Paula Mehle
Finance Director Jessica Clanton
Human Resource Director Janet Sloat
Marketing and Communications Director Katie Hansen
Planning Director Todd Bjerkaas
Public Works Director Julie Pasillas
Engineering Director/Town Engineer Matt Wiederspahn



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Independent Auditor's Report

Honorable Mayor and the Board of Trustees
Town of Firestone, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Firestone (the "Town") as of and for the year ended December 31, 2022 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Firestone, as of December 31, 2022 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of a Matter

As discussed in Note 1 to the basic financial statements, the Town implemented Governmental Accounting Standards Board ("GASB") Statement No. 87, Leases during the year. Our opinion is not modified with respect to this matter.

As discussed in Note 1 to the financial statements, the 2021 financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

Auditor's 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 auditor's report that includes our opinion. 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, and pension related schedules as listed in the table of contents, 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.

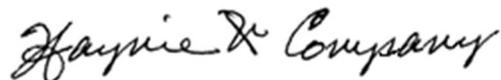
Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Firestone's basic financial statements. The accompanying budgetary comparison schedules, combining and individual nonmajor fund financial statements, and the combining and individual nonmajor proprietary financial statements 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. Such information has been subjected to the auditing procedures applied in the audit of the 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 budgetary comparison schedules, combining and individual nonmajor fund financial statements, and the combining and individual nonmajor proprietary financial statements 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 report. The other information comprises the introductory section, statistical section, and compliance section 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.



Littleton, Colorado
May 30, 2023

**TOWN OF FIRESTONE, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022**

As management of the Town, we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended December 31, 2022. We encourage readers to consider the information presented here in conjunction with additional information furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources as of December 31, 2022 by \$178 million. Of this amount, \$40.4 million is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.
- The Town's total net position increased by \$19.2 million, or 12.1%. Governmental net position increased by \$6.7 million, or 11.1%, and business-type net position increased by \$12.5 million, or 12.7%.
- As of December 31, 2022, the Town's governmental funds reported combined ending fund balances of \$27.4 million, an increase of \$3.3 million in 2022. Approximately 21% of this total amount or \$5.8 million is unassigned and available for discretionary spending for the benefit of Town citizens.
- Outlays for capital assets included construction of the new Public Works facility; Neighbor's Point Park; the St. Vrain Water Treatment Plant; water and storm water infrastructure; improvements to various parks; and acquisition of public works equipment. See the Capital Assets section of this management's discussion and analysis for more information.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

The statement of net position presents information on all of the Town's assets, deferred outflows of resources, liabilities and deferred inflows 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.

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

**TOWN OF FIRESTONE, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022**

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include general government, public safety, public works and parks. Business-type activities include the water system, storm drainage system and the water authority.

The government-wide financial statements can be found on pages 15 through 17 of this report.

Fund Financial Statements: A fund is a grouping of related accounts that is used to maintain control over resources, which have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories: governmental funds and proprietary funds.

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

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

The Town maintains 7 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Firestone Urban Renewal Authority – Bighorn, Firestone Urban Renewal Authority – Northern, the Capital Projects Fund, and the Debt Service Fund, which are all considered to be major funds. Data from the other 2 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The Town adopts an annual appropriated budget for each individual governmental fund. A budgetary comparison statement has been provided for all governmental funds to demonstrate compliance with these budgets.

The basic governmental fund financial statements can be found on pages 18 through 24 of this report.

Proprietary Funds: The Town maintains three individual proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide

**TOWN OF FIRESTONE, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022**

financial statements. The Town uses enterprise funds to account for its water, stormwater operations, and the water authority.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water operation and the stormwater operation, which are both considered to be major funds. Individual fund data for the non-major enterprise fund is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 25 through 27 of this report.

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 the financial statements begin on page 29 of this report.

Required Supplementary Information: Required supplementary information consists of budgetary comparison statements for the General Fund, Firestone Urban Renewal Authority – Bighorn, and Firestone Urban Renewal Authority – Northern, as well as, supporting pension and the other post-employment benefit schedules found on pages 75 through 90.

Other Information: The budgetary comparison statements for the Capital Projects Fund and the Debt Service Fund are presented immediately following the required supplementary information and begin on page 91 of this report. In addition, the combining statements and budget schedules for the nonmajor governmental funds, the budget schedules for proprietary funds, and the combining statements for the nonmajor enterprise fund are also presented in this section.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town, assets and deferred outflows exceeded liabilities and deferred inflows by \$178 million at December 31, 2022. The Town reported positive balances in net position for both governmental and business-type activities.

Total Assets increased by \$32.1 million or 12.5%. This is largely related to the addition and upgrades to the new Public Works Facility, as well as, the construction of the St. Vrain Water Treatment Plant, which will open middle of 2023.

**TOWN OF FIRESTONE, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022**

The following table reflects the Town's condensed Statement of Net Position (in thousands).

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
ASSETS						
Current and Other Assets	\$ 36,837	\$ 31,890	\$ 45,998	\$ 36,293	\$ 82,835	\$ 68,183
Capital Assets	66,266	65,711	140,795	123,875	207,061	189,586
Total Assets	103,103	97,601	186,793	160,168	289,896	257,769
TOTAL DEFERRED OUTFLOWS OF RESOURCES						
	2,220	3,171	285	402	2,505	3,573
LIABILITIES						
Long-Term Liabilities						
Outstanding	25,011	28,521	74,429	55,802	99,440	84,323
Other Liabilities	5,130	3,586	1,245	5,965	6,375	9,551
Total Liabilities	30,141	32,107	75,674	61,767	105,815	93,874
TOTAL DEFERRED INFLOWS OF RESOURCES						
	7,186	5,418	951	833	8,137	6,251
NET POSITION						
Net Investment in						
Capital Assets	42,881	44,753	88,506	89,787	131,387	134,540
Restricted	6,630	6,730	-	-	6,630	6,730
Unrestricted	18,485	9,730	21,946	8,182	40,431	17,912
Total Net Position	\$ 67,996	\$ 61,213	\$ 110,452	\$ 97,969	\$ 178,448	\$ 159,182

Total Liabilities increased by \$11.9 million or 12.7%. This is primarily due to the 2022 Water Revenue Bonds issued.

By far the largest portion of the Town's net position (73.6%) reflects its investment in capital assets (e.g., land, buildings, streets, water, storm drainage systems, equipment, and vehicles), less any related debt used to acquire those assets that is still outstanding. 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 its 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 cannot be used to liquidate these liabilities.

Restricted net position accounts for 3.7% of its total net position, representing resources that are subject to external restrictions on how they may be used. The remaining component of net position is unrestricted, representing 22.7% of the Town's total net position and may be used to meet ongoing obligations to the Town's residents and creditors.

The Town's Statement of Activities reflects an increase in revenues for 2022 of \$13.4 million or 31.9% from the prior year. This is partially due to the Town receiving an increase of \$2.2 million in property taxes. In 2022, the Town also received a large operating grant of \$2.3 million that will be used to offset future operating costs and contributed capital of \$4.4 million.

The Town's expenses for 2022 increased by \$1.4 million or 4.1% over 2021. These changes occurred primarily in the Governmental Activities. The Governmental Activities increase is due to additional personal added 2022. The following table is a comparison of 2022 to 2021 revenue and expenses (in thousands).

**TOWN OF FIRESTONE, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022**

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
PROGRAM REVENUES						
Charges for Services	\$ 4,008	\$ 4,456	\$ 18,805	\$ 8,918	\$ 22,813	\$ 13,374
Operating Grants and Contributions	2,098	315	251	13	2,349	328
Capital Grants and Contributions	2,152	2,350	2,287	655	4,439	3,005
GENERAL REVENUE						
Property Taxes	10,992	8,730	-	-	10,992	8,730
Sales and Use Taxes	13,546	13,116	-	-	13,546	13,116
Other Taxes	1,693	1,222	-	-	1,693	1,222
Other Revenue	(22)	272	(249)	13	(271)	285
Total Revenues	34,467	30,461	21,094	9,599	55,561	40,060
EXPENSES						
General Government	14,958	13,579	-	-	14,958	13,579
Public Safety	5,558	5,309	-	-	5,558	5,309
Public Works	4,858	4,886	-	-	4,858	4,886
Parks	1,506	1,774	-	-	1,506	1,774
Interest and Fiscal Charges	804	836	-	-	804	836
Water/Stormwater	-	-	8,575	8,462	8,575	8,462
Total Expenses	27,684	26,384	8,575	8,462	36,259	34,846
INCREASE IN NET POSITION BEFORE TRANSFERS						
	6,783	4,077	12,519	1,137	19,302	5,214
Transfers	-	-	(36)	-	(36)	-
INCREASE IN NET POSITION						
	6,783	4,077	12,483	1,137	19,266	5,214
Net Position - January 1, as restated	61,213	57,136	97,969	96,832	159,182	153,968
NET POSITION - DECEMBER 31	\$ 67,996	\$ 61,213	\$ 110,452	\$ 97,969	\$ 178,448	\$ 159,182

General Government Functions

The following schedule presents a summary of the governmental funds revenues (in thousands) from various sources for the fiscal year ended December 31, 2022 and the changes from the prior year.

REVENUE SOURCE	2022		2021		Increase (Decrease)	
	Amount	Percent	Amount	Percent	Amount	Percent
Taxes	\$ 24,827	76.1 %	\$ 22,060	76.2 %	\$ 2,767	12.5%
Intergovernmental	1,750	5.4	1,189	4.1	561	47.2
Licenses, Fees and Charges	3,903	12.0	4,611	15.9	(708)	(15.4)
Fines	127	0.4	105	0.4	22	21.0
Grants	1,988	6.1	817	2.8	1,171	143.3
Miscellaneous	39	0.1	151	0.5	(112)	(74.2)
Total Revenue (\$000s)	<u>\$ 32,634</u>	100.0%	<u>\$ 28,933</u>	100.0%	<u>\$ 3,701</u>	12.8%

**TOWN OF FIRESTONE, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022**

Overall, 2022 revenue increased by 12.8% or \$3.7 million over 2021 revenue. In the prior year, grant funds that were received but not earned were incorrectly included in grant revenue. Therefore, \$2.03 million was removed from grant revenue for 2021.

The largest source of revenue for 2022 was derived from taxes, 76.1% of total revenues. Overall tax revenue increased by 12.5% or \$2.8 million. Increase in tax revenue is due to the increase in assessed valuation of the Town causing an increase in property tax collected. Property tax revenue in 2022 increased by \$2.3 million or 25.9% over 2021. For more information on this refer to page 11. The Town has maintained its mill levy at 6.805 mills for over ten years. Sales and Use taxes increased by \$0.43 million or 3.3% due to sales tax continuing to be collected for online sales and continued economic recovery in 2022.

Intergovernmental revenue remained consistent with the prior year, while grant revenue increased due to a one-time ARPA grant received in 2022 for \$2 million.

Licenses, Fees and Charges shows a 15.4% decrease from 2021 due to decrease in building permits. The miscellaneous revenue line decreased as a result of improved tracking which provides better transparency on income.

The following schedule presents a summary of the governmental fund's expenditures (in thousands) for the fiscal year ended December 31, 2022 and the changes from the prior year.

	2022		2021		Increase (Decrease)	
	Amount	Percent	Amount	Percent	Amount	Percent
EXPENDITURES						
General Government	\$ 16,201	54.0 %	\$ 13,099	38.8 %	\$ 3,102	23.7 %
Public Safety	4,732	15.8	4,463	13.2	269	6.0
Public Works	1,988	6.6	2,389	7.1	(401)	(16.8)
Parks	1,624	5.4	1,392	4.1	232	16.7
Capital Outlay	2,898	9.7	10,112	29.9	(7,214)	(71.3)
Debt Service	2,574	8.6	2,321	6.9	253	10.9
Total Expenditures (\$000s)	<u>\$ 30,017</u>	100.0%	<u>\$ 33,776</u>	100.0%	<u>\$ (3,759)</u>	-11.1%

Overall expenditures for 2022 decreased by \$3.8 million or 11.1% over the prior year.

General government expenditures increased by \$3.1 million in 2022 due to costs related to the Firestone Urban Renewal Authority – Bighorn and Firestone Urban Renewal Authority - Northern of \$5.3 million compared to \$4.6 million in 2021. An increase of eight new positions in 2022 was added to general government staff.

Public Safety and Parks remained consistent with the prior year. Public Works decreased by \$0.4 million due to implementation of GASB87. Parks increased by \$0.2 million due to increase of personnel. Capital outlay decreased by \$7.2 million or 71.3% partly due to the completion of the Public Works Facility of \$3.9 million. The Town also spent \$1.7 million at Neighbor's Point subdivision to build a park.

Financial Analysis of the Town's Funds

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

**TOWN OF FIRESTONE, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022**

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

As of December 31, 2022, the Town's governmental funds reported combined ending fund balances of \$27.4 million, an increase of \$3.3 million compared to prior year. Approximately 21.3% of the total fund balance constitutes unassigned fund balance, which is available for spending to meet the needs of Town Citizens. The remainder of fund balance is separated into four categories.

- Nonspendable fund balance includes amounts that cannot be spent because they are either not in a spendable form or they are legally or contractually required to be maintained intact. For 2022, this is \$0.1 million.
- Restricted fund balance has constraints placed on the use of these resources either externally imposed by creditors, grantors, contributors, or have been imposed by law through constitutional provisions or enabling legislation. For 2022, this includes:
 - Emergency reserves required by TABOR of \$0.5 million;
 - Conservation Trust funds as stipulated by State statute of \$0.1 million;
 - Debt Service reserves in compliance with 2018 Certificates of Participation (COP) for \$1 million
 - Facility Construction funds as stipulated by the outstanding COPs of \$3.9 million;
 - Lodging taxes have been restricted for the purchase, development and maintenance of open space within the Town for a fund balance of \$0.5 million;
 - And, parks and streets as stipulated by the sales tax regulations imposed by voter approval for \$0.5 million.
- Committed Fund balances are reported pursuant to resolutions passed by the Board of Trustees.
 - Fund balances related to the Finance Urban Renewal Authorities – Southern, Northern, Central, and Bighorn, are committed for projects within these four blighted areas in the amount of \$4.7 million;
 - Impact fees collected for Roadway, Drainage, Local Parks, Regional Parks, and Municipal Facilities, have been committed for related capital projects of \$5.1 million.
- Assigned Fund balances are constrained by the Town's intent to use them for a specific purpose.
 - Working reserve is determined by calculating a minimum of 25% of the General Funds appropriations in the current year.

The General Fund is the chief operating fund of the Town. At December 31, 2022, unassigned fund balance of the General Fund was \$5.9 million while total fund balance increased to \$11.7 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and a total fund balance to total fund expenditures (including transfers). Unassigned fund balance represents 33.9% of total General Fund expenditures (including transfers out), while total fund balance represents 68.2% of that same amount.

**TOWN OF FIRESTONE, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022**

The Town has established a working reserve of just over 25%, or \$4 million, of current year General Fund appropriations.

The fund balance of the Town's General Fund increased by \$1.5 million during 2022. This increase is due primarily from increase in taxes. Property tax increased by \$2.3 million or 25.9% from 2021. In addition, sales tax increased \$0.4 million or 3.3% from 2021.

The Firestone Urban Renewal Authority (FURA) – Bighorn was established in 2019 with the first revenue occurring in 2021. This FURA was established to develop and implement a plan to renew and revitalize a specific area of Firestone.

The Capital Projects Fund is for better transparency of capital improvement projects. The fund balance saw a decrease of \$0.16 million during 2022. This was mainly due to the completion of the Public Works facility (\$3.9 million) and the completion of a park in Neighbor's Point subdivision (\$1.7 million).

The Debt Service Fund is used for payments of all governmental debt service. The fund balance remained consistent with prior year.

Proprietary Funds. The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. All three of the Town's proprietary funds are enterprise funds engaged in business-type activities.

The total net position of the enterprise funds as of December 31, 2022, was \$110 million, of which \$21.9 million is unrestricted. Total net position increased \$12.4 million over the prior year, with unrestricted net position increasing \$13.8 million.

The following schedule provides the breakdown of revenues (in thousands) by source for 2022:

REVENUE SOURCE	2022		2021		Increase (Decrease)	
	Amount	Percent	Amount	Percent	Amount	Percent
Charges for Services	\$ 18,333	86.9 %	\$ 8,535	88.9 %	\$ 9,798	114.8 %
Licenses and fees	117	0.6	383	4.0	(266)	(69.5)
Interest Earnings	(249)	(1.2)	13	0.1	(262)	(2015.4)
Pension Investments	200	0.9	-	-	200	100
OPEB Investments	155	0.7	-	-	155	100
Capital Contributions	2,287	10.8	655	6.8	1,632	249.2
Miscellaneous	251	1.2	13	0.1	238	1830.8
Total Revenue (\$000s)	<u>\$ 21,094</u>	100.0%	<u>\$ 9,599</u>	100.0%	<u>\$ 11,495</u>	119.8%

Proprietary Funds rely on charges for services to support related expenses. Charges for services of \$18.3 million for Proprietary Funds represented 86.9% of 2022 revenues, and increased \$9.8 million, or 114.8%, compared to the prior year. The other primary source of revenue, representing 10.8% of revenues comes primarily from capital contributions in the form of donated capital assets. This source of revenue was an increase of 249% when compared to 2021.

Proprietary Fund expenses are \$8.5 million in 2022, an increase of \$0.1 million, or 4.1% compared to 2021. This is a result of increased allocation of administration costs related to the enterprise funds.

**TOWN OF FIRESTONE, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022**

General Fund Budgetary Highlights

The Town's original budget for the General Fund anticipated a surplus of \$0.2 million, reflecting revenues of \$15.2 million, expenditures of \$18.1 million and other financing sources, net of other financing uses of \$3 million. The Town's amended budget for the General Fund reflected an increase in net of other financing uses of \$0.2 million. This increase in net of other financing uses is a transfer to the capital projects fund.

Actual results in total fund balance for the General Fund was an increase of \$1.5 million. Expenditures in total reflect a decrease compared to the budget. Expenditures was \$1.1 million under the original budget.

Capital Asset and Debt Administration

Capital Assets. The Town's investment in capital assets for its governmental and business-type activities as of December 31, 2022 amounts to \$207.1 million (net of accumulated depreciation). This investment in capital assets includes land, land improvements, water shares, construction in progress, buildings and improvements, infrastructure, and equipment and vehicles. The total net increase in the Town's capital assets for the current fiscal year was \$17.5 million.

The Town's capital assets consists of the following (in thousands) at December 31, 2022:

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
CAPITAL ASSETS						
Land	\$ 6,920	\$ 6,920	\$ 5,606	\$ 5,606	\$ 12,526	\$ 12,526
Water Shares	-	-	54,591	52,471	54,591	52,471
Construction in Progress	1,038	5,358	34,136	42,132	35,174	47,490
Land Improvements	3,209	1,724	-	-	3,209	1,724
Buildings and Improvements	24,413	21,330	-	-	24,413	21,330
Infrastructure	26,648	27,338	46,090	23,248	72,738	50,586
Leases	1,150	-	-	-	1,150	-
Equipment and Vehicles	2,888	3,041	372	418	3,260	3,459
Total Capital Assets (\$000s)	<u>\$ 66,266</u>	<u>\$ 65,711</u>	<u>\$ 140,795</u>	<u>\$ 123,875</u>	<u>\$ 207,061</u>	<u>\$ 189,586</u>

Additional information on the Town's capital assets can be found in Note 6 on pages 45 and 46 of the financial statements.

Long-Term Debt: At the end of 2022, the Town had \$2.3 million in sales tax revenue bonds reported in the governmental funds. In addition, the Town governmental funds had Certificiates of Participation outstanding totaling \$22.1 million. For 2022, the Town experienced a \$19 million increase overall in outstanding debt from 2021.

**TOWN OF FIRESTONE, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022**

The Town's debt consists of the following (in thousands) at December 31, 2022:

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenue Bonds	\$ 2,346	\$ 2,518	\$ 74,348	\$ 54,871	\$ 76,694	\$ 57,389
Certificate of Participation	21,009	22,391	-	-	21,009	22,391
Leases	1,045	-	-	-	1,045	-
Net Pension Liability	-	2,686	-	545	-	3,231
Net OPEB	-	369	-	75	-	444
Compensated Absences	610	557	81	66	691	623
Total Long-Term Debt (\$000s)	\$ 25,010	\$ 28,520	\$ 74,429	\$ 55,557	\$ 99,439	\$ 84,077

State Statutes limit the amount of general obligation debt the Town may issue up to 3% of estimated actual valuation, except for debt incurred to supply water. The Town's outstanding debt is below this limit. Additional information on the Town's long-term debt can be found in Note 7 in the financial statements and the statistical section of this report.

Economic Factors and Next Year's Budget and Rates

There are several factors that drive the Town's budget and financial performance. The factors include but are not limited to the following: area employment rates, sales and use tax revenues, building permit valuation and issuance, population growth, and capital asset construction requirements.

- Currently, the Town's residential building permit valuation and issuance drives a reasonable part of the budgeted revenue for corresponding capital expenditures. The Town receives capital revenues from impact fees and water tap fees during the fiscal year, which will be utilized in future years to acquire or construct capital assets to serve future residents. A significant decrease in housing permits would have a significant adverse effect on impact fee revenues and corresponding capital projects.
- The Town has set aside significant amounts of reserves in the General Fund to enable it to continue to provide required services should an economic downturn occur.
- The Town has several key initiatives identified as priorities for the years 2023-2027. The overriding objective for the Town is to create vitalization throughout the Town. This initiative is meant to lay the foundation for future planning, development, and redevelopment. Staff changes have been made that allows the Town to focus on marketing the Town to potential businesses, and evaluating the sustainability of providing services given the current land-use and fiscal policies. While an emphasis has been placed on planning for the future, the Town has also committed to delivering services at current levels and to find ways to continuously improve the delivery of those services.
- In 2018, a 5-year water and stormwater rate increase plan was implemented to raise funds to complete capital projects over the next decade.

All of these factors were considered in preparing the Town's budget for 2023.

**TOWN OF FIRESTONE, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022**

Requests for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town of Firestone Finance Director, 9950 Park Ave, Firestone, Colorado 80504.

TOWN OF FIRESTONE
STATEMENT OF NET POSITION
December 31, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	\$ 29,064,022	\$ 23,203,190	\$ 52,267,212
Receivables	4,117,473	516,761	4,634,234
Prepaid Items	116,880	30,581	147,461
Cash and Investments, Restricted	1,016,205	22,058,863	23,075,068
Capital Assets, Non-Depreciable	7,958,013	94,332,935	102,290,948
Capital Assets, Net	58,307,958	46,461,962	104,769,920
Net Pension Asset - FPPA	1,723,710	-	1,723,710
Net Pension Asset - PERA	451,530	106,296	557,826
OPEB Asset	347,655	81,842	429,497
Total Assets	<u>103,103,446</u>	<u>186,792,430</u>	<u>289,895,876</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pensions - FPPA	1,010,850	-	1,010,850
Pensions - PERA	1,009,568	237,666	1,247,234
OPEB	199,166	46,887	246,053
Total Deferred Outflows of Resources	<u>2,219,584</u>	<u>284,553</u>	<u>2,504,137</u>
LIABILITIES			
Accounts Payable	523,581	517,129	1,040,710
Retainage Payable	184,209	217,262	401,471
Accrued Liabilities	514,152	90,305	604,457
Accrued Interest Payable	103,502	182,730	286,232
Deposits Payable	1,230,998	-	1,230,998
Unearned Revenues	2,573,863	-	2,573,863
Noncurrent Liabilities:			
Customer Deposits	-	237,546	237,546
Long-Term Liabilities			
Due Within One Year	1,780,608	3,056,653	4,837,261
Lease Liability	288,784	-	288,784
Due After One Year	22,184,775	71,372,364	93,557,139
Lease Liability	756,662	-	756,662
Total Liabilities	<u>30,141,134</u>	<u>75,673,988</u>	<u>105,815,122</u>
DEFERRED INFLOWS OF RESOURCES			
Property Tax Revenues	1,714,748	-	1,714,748
Intergovernmental Revenues	134,779	-	134,779
Pensions - FPPA	1,297,465	-	1,297,465
Pensions - PERA	3,913,362	921,258	4,834,620
OPEB	125,287	29,494	154,781
Total Deferred Inflows of Resources	<u>7,185,641</u>	<u>950,752</u>	<u>8,136,393</u>
NET POSITION			
Net Investment in Capital Assets	42,881,134	88,505,610	131,386,744
Restricted for:			
Emergencies	485,618	-	485,618
Conservation Trust	160,776	-	160,776
Debt Service	1,018,705	-	1,018,705
Facility Construction	3,948,745	-	3,948,745
Open Space	482,824	-	482,824
Parks and Streets	533,221	-	533,221
Unrestricted	<u>18,485,232</u>	<u>21,946,632</u>	<u>40,431,864</u>
Total Net Position	<u>\$ 67,996,255</u>	<u>\$ 110,452,242</u>	<u>\$ 178,448,497</u>

The accompanying notes are an integral part of these financial statements.

**TOWN OF FIRESTONE
STATEMENT OF ACTIVITIES
Year Ended December 31, 2022**

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
General Government	\$ 14,958,771	\$ 2,795,781	\$ 1,772,468	\$ 243,219
Public Safety	5,557,826	131,784	75,712	-
Public Works	4,857,983	616,336	-	1,908,213
Parks	1,505,774	464,461	250,000	350
Interest on Long-Term Debt	803,953	-	-	-
Total Governmental Activities	<u>27,684,306</u>	<u>4,008,362</u>	<u>2,098,180</u>	<u>2,151,782</u>
BUSINESS-TYPE ACTIVITIES				
Water	7,583,115	17,811,410	250,985	1,545,550
Stormwater	932,106	933,682	-	741,280
St Vrain Water Authority	59,342	60,096	-	-
Total Business-Type Activities	<u>8,574,563</u>	<u>18,805,188</u>	<u>250,985</u>	<u>2,286,830</u>
Total	<u>\$ 36,258,869</u>	<u>\$ 22,813,550</u>	<u>\$ 2,349,165</u>	<u>\$ 4,438,612</u>

GENERAL REVENUES:

Property Taxes
Sales and Use Taxes
Highway Users Taxes
Specific Ownership Taxes
Other Shared Taxes
Investment Earnings/(Loss)
Miscellaneous
Loss on Sale of Assets
Total General Revenues

Transfers In (Out)

CHANGE IN NET POSITION

NET POSITION - BEGINNING OF YEAR, AS RESTATED

NET POSITION - END OF YEAR

The accompanying notes are an integral part of these financial statements.

Net (Expense) Revenues and
Changes in Net Position

Governmental Activities	Business- Type Activities	Total
\$ (10,147,303)	\$ -	\$ (10,147,303)
(5,350,330)	-	(5,350,330)
(2,333,434)	-	(2,333,434)
(790,963)	-	(790,963)
(803,953)	-	(803,953)
<u>(19,425,982)</u>	<u>-</u>	<u>(19,425,982)</u>
-	12,024,830	12,024,830
-	742,856	742,856
-	754	754
<u>-</u>	<u>12,768,440</u>	<u>12,768,440</u>
<u>\$ (19,425,982)</u>	<u>\$ 12,768,440</u>	<u>\$ (6,657,542)</u>
10,992,020	-	10,992,020
13,546,388	-	13,546,388
505,099	-	505,099
111,746	-	111,746
1,076,595	-	1,076,595
(67,554)	(249,452)	(317,006)
112,470	-	112,470
(104,090)	-	(104,090)
<u>26,172,674</u>	<u>(249,452)</u>	<u>25,923,222</u>
<u>36,120</u>	<u>(36,120)</u>	<u>-</u>
6,782,812	12,482,868	19,265,680
<u>61,213,443</u>	<u>97,969,374</u>	<u>159,182,817</u>
<u>\$ 67,996,255</u>	<u>\$ 110,452,242</u>	<u>\$ 178,448,497</u>

The accompanying notes are an integral part of these financial statements.

**TOWN OF FIRESTONE
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2022**

	General Fund	Firestone Urban Renewal Authority - Bighorn	Firestone Urban Renewal Authority - Northern	Capital Projects Fund
ASSETS				
Cash and Investments	\$ 12,147,281	\$ 3,122,707	\$ 1,097,154	\$ 11,986,100
Receivables	3,289,486	-	11	827,892
Prepaid Items	115,473	-	1,407	-
Cash and Investments, Restricted	-	-	-	-
Total Assets	<u>15,552,240</u>	<u>3,122,707</u>	<u>1,098,572</u>	<u>12,813,992</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	269,497	-	534	250,017
Retainage Payable	-	-	-	184,209
Accrued Liabilities	422,333	-	54,288	-
Deposits Payable	1,230,998	-	-	-
Unearned Revenues	28,301	-	-	2,545,562
Total Liabilities	<u>1,951,129</u>	<u>-</u>	<u>54,822</u>	<u>2,979,788</u>
DEFERRED INFLOWS OF RESOURCES				
Property Tax Revenues	1,714,748	-	-	-
Intergovernmental Revenue	139,446	-	-	-
Total Deferred Inflows of Resources	<u>1,854,194</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	115,473	-	1,407	-
Restricted for:				
Conservation Trust	-	-	-	-
Debt Service	-	-	-	-
Emergencies	485,618	-	-	-
Facility Improvements and Maintenance	-	-	-	3,948,745
Mills from Metro Districts	771,092	-	-	250,000
Open Space (Occupation Tax)	482,824	-	-	-
Parks and Streets (Sales Tax)	-	-	-	533,221
Committed for:				
FURA Improvements	-	3,122,707	1,042,343	-
Impact Fees	-	-	-	5,102,238
Assigned for:				
Working Reserve	4,046,813	-	-	-
Unassigned	5,845,097	-	-	-
Total Fund Balances	<u>11,746,917</u>	<u>3,122,707</u>	<u>1,043,750</u>	<u>9,834,204</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 15,552,240</u>	<u>\$ 3,122,707</u>	<u>\$ 1,098,572</u>	<u>\$ 12,813,992</u>

The accompanying notes are an integral part of these financial statements.

Debt Service Fund	Total Nonmajor Funds	Total Governmental Funds
\$ 2,500	\$ 708,280	\$ 29,064,022
-	84	4,117,473
-	-	116,880
<u>1,016,205</u>	<u>-</u>	<u>1,016,205</u>
<u>1,018,705</u>	<u>708,364</u>	<u>34,314,580</u>
-	3,533	523,581
-	-	184,209
-	37,531	514,152
-	-	1,230,998
<u>-</u>	<u>-</u>	<u>2,573,863</u>
<u>-</u>	<u>41,064</u>	<u>5,026,803</u>
-	-	1,714,748
<u>-</u>	<u>-</u>	<u>139,446</u>
<u>-</u>	<u>-</u>	<u>1,854,194</u>
-	-	116,880
-	160,776	160,776
1,018,705	-	1,018,705
-	-	485,618
-	-	3,948,745
-	-	1,021,092
-	-	482,824
-	-	533,221
-	506,524	4,671,574
-	-	5,102,238
-	-	4,046,813
<u>-</u>	<u>-</u>	<u>5,845,097</u>
<u>1,018,705</u>	<u>667,300</u>	<u>27,433,583</u>
<u>\$ 1,018,705</u>	<u>\$ 708,364</u>	<u>\$ 34,314,580</u>

The accompanying notes are an integral part of these financial statements.

**TOWN OF FIRESTONE
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
December 31, 2022**

Total Fund Balance - Governmental Funds	\$ 27,433,583
Amounts reported for governmental activities on the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.	66,265,971
Long-term liabilities, including interest payable, leases, compensated absences, and certificates of participation, are not due and payable from current financial resources, and therefore, are not reported as liabilities in the governmental funds.	(25,114,331)
Revenues not received within 60 days of year-end are classified as deferred inflows of resources in the governmental funds.	4,667
Net pension assets are not available to pay for current-period expenditures and, therefore, are unavailable in the governmental funds.	2,175,240
Pension related deferred outflows of resources used in governmental activities are not financial resources and, therefore are not reported in the governmental funds.	2,020,418
Pension related deferred inflows of resources used in governmental activities are not due and payable in the current year and, therefore, are not reported in the governmental funds.	(5,210,827)
Net OPEB asset is not available from current financial resources and, therefore, are not reported in the governmental funds.	347,655
OPEB related deferred outflows of resources used in governmental activities are not financial resources and, therefore are not reported in the governmental funds.	199,166
OPEB related deferred inflows of resources used in governmental activities are not due and payable in the current year and, therefore, are not reported in the governmental funds.	<u>(125,287)</u>
Net Position - Governmental Activities	<u><u>\$ 67,996,255</u></u>

The accompanying notes are an integral part of these financial statements.

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TOWN OF FIRESTONE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2022

	General Fund	Firestone Urban Renewal Authority - Bighorn	Firestone Urban Renewal Authority - Northern
REVENUES			
Taxes	\$ 10,880,042	\$ 3,825,495	\$ 2,920,676
Intergovernmental	1,393,951	-	-
Licenses, Fees and Charges	2,597,991	-	-
Fines	126,665	-	-
Grants	216,202	-	20,000
Investment Earnings/(Loss)	(78,154)	103,884	30,152
Miscellaneous	106,242	-	-
Total Revenues	<u>15,242,939</u>	<u>3,929,379</u>	<u>2,970,828</u>
EXPENDITURES			
Current:			
General Government			
Town Administration	5,690,785	2,551,922	2,721,738
Engineering	257,134	-	-
Planning	1,201,157	-	-
Public Safety	4,732,368	-	-
Public Works	1,987,999	-	-
Parks	1,624,224	-	-
Capital Outlay	1,489,396	-	-
Debt Service:			
Interest Expense	30,382	-	-
Principal Expense	211,482	-	-
Total Expenditures	<u>17,224,927</u>	<u>2,551,922</u>	<u>2,721,738</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>(1,981,988)</u>	<u>1,377,457</u>	<u>249,090</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	3,003,425	-	-
Transfers Out	(153,000)	-	-
Lease Financing	684,183	-	-
Total Other Financing Sources (Uses)	<u>3,534,608</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	1,552,621	1,377,457	249,090
FUND BALANCES - BEGINNING OF YEAR, RESTATED	<u>10,194,296</u>	<u>1,745,250</u>	<u>794,660</u>
FUND BALANCES - END OF YEAR	<u>\$ 11,746,917</u>	<u>\$ 3,122,707</u>	<u>\$ 1,043,750</u>

The accompanying notes are an integral part of these financial statements.

Capital Projects Fund	Debt Service Fund	Total Nonmajor Funds	Total Governmental Funds
\$ 5,065,407	\$ -	\$ 2,135,724	\$ 24,827,344
250,000	-	106,538	1,750,489
1,305,423	-	-	3,903,414
-	-	-	126,665
1,751,568	-	-	1,987,770
(177,460)	17,240	36,784	(67,554)
-	-	-	106,242
<u>8,194,938</u>	<u>17,240</u>	<u>2,279,046</u>	<u>32,634,370</u>
1,702,077	5,481	2,070,435	14,742,438
-	-	-	257,134
-	-	-	1,201,157
-	-	-	4,732,368
-	-	-	1,987,999
-	-	-	1,624,224
1,357,533	-	50,785	2,897,714
-	862,455	-	892,837
-	1,470,000	-	1,681,482
<u>3,059,610</u>	<u>2,337,936</u>	<u>2,121,220</u>	<u>30,017,353</u>
<u>5,135,328</u>	<u>(2,320,696)</u>	<u>157,826</u>	<u>2,617,017</u>
153,000	2,337,066	-	5,493,491
(5,304,371)	-	-	(5,457,371)
-	-	-	684,183
<u>(5,151,371)</u>	<u>2,337,066</u>	<u>-</u>	<u>720,303</u>
(16,043)	16,370	157,826	3,337,321
<u>9,850,247</u>	<u>1,002,335</u>	<u>509,474</u>	<u>24,096,262</u>
<u>\$ 9,834,204</u>	<u>\$ 1,018,705</u>	<u>\$ 667,300</u>	<u>\$ 27,433,583</u>

The accompanying notes are an integral part of these financial statements.

**TOWN OF FIRESTONE
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2022**

Net Change in Fund Balances - Total Governmental Funds	\$ 3,337,321
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 these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation in the current period exceeds capital outlay.	(1,821,732)
Contributions of capital assets by developers increase net position in the Statement of Activities but do not appear in the governmental funds because they are not financial resources.	1,908,213
Net value of disposed capital assets	(104,090)
Repayment of debt principal is an expenditure in the governmental funds. However, these payments are not an expenditure in the Statement of Activities. These payments are reflected as a reduction in long-term debt obligations in the Statement of Net Position.	1,681,482
The issuance of financing leases are shows as "other financing sources" in the governmental funds, but are shown on the statement of net position as lease liabilities.	(684,183)
Actual 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.	<u>2,465,801</u>
Change in Net Position of Governmental Activities	<u>\$ 6,782,812</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF FIRESTONE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2022

	Water Fund	Stormwater Fund	Non-Major Fund	Total
CURRENT ASSETS				
Cash and Investments	\$ 21,161,811	\$ 2,034,111	\$ 7,268	\$ 23,203,190
Receivables	374,620	82,045	60,096	516,761
Prepaid Items	29,877	704	-	30,581
Cash and Investments, Restricted	22,058,863	-	-	22,058,863
Total Current Assets	<u>43,625,171</u>	<u>2,116,860</u>	<u>67,364</u>	<u>45,809,395</u>
NONCURRENT ASSETS				
Capital Assets:				
Land	5,606,403	-	-	5,606,403
Water Rights	54,590,398	-	-	54,590,398
Utility Systems	44,277,895	9,089,273	-	53,367,168
Construction in Progress	33,905,054	231,080	-	34,136,134
Equipment	564,670	476,843	-	1,041,513
Less Accumulated Depreciation	(6,885,276)	(1,061,443)	-	(7,946,719)
OPEB Asset	54,155	27,687	-	81,842
PERA Pension Asset	70,336	35,960	-	106,296
Total Noncurrent Assets	<u>132,183,635</u>	<u>8,799,400</u>	<u>-</u>	<u>140,983,035</u>
Total Assets	<u>175,808,806</u>	<u>10,916,260</u>	<u>67,364</u>	<u>186,792,430</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pensions - PERA	157,263	80,403	-	237,666
OPEB	31,025	15,862	-	46,887
Total Deferred Outflows of Resources	<u>188,288</u>	<u>96,264</u>	<u>-</u>	<u>284,553</u>
CURRENT LIABILITIES				
Accounts Payable	502,841	3,250	11,038	517,129
Retainage Payable	217,262	-	-	217,262
Accrued Liabilities	49,743	40,562	-	90,305
Accrued Interest Payable	182,730	-	-	182,730
Accrued Compensated Absences	18,810	5,450	-	24,260
Total Current Liabilities	<u>971,386</u>	<u>49,262</u>	<u>11,038</u>	<u>1,031,686</u>
NONCURRENT LIABILITIES				
Customer Deposits	235,810	1,736	-	237,546
Accrued Compensated Absences	43,890	12,717	-	56,607
Debt Payable	74,348,150	-	-	74,348,150
Total Noncurrent Liabilities	<u>74,627,849</u>	<u>14,453</u>	<u>-</u>	<u>74,642,303</u>
Total Liabilities	<u>75,599,235</u>	<u>63,715</u>	<u>11,038</u>	<u>75,673,988</u>
DEFERRED INFLOWS OF RESOURCES				
Pensions - PERA	609,595	311,663	-	921,258
OPEB	19,516	9,978	-	29,494
Total Deferred Inflows of Resources	<u>629,111</u>	<u>321,641</u>	<u>-</u>	<u>950,752</u>
NET POSITION				
Net Investment in Capital Assets	80,020,315	8,485,295	-	88,505,610
Unrestricted	19,748,432	2,141,873	56,326	21,946,632
Total Net Position	<u>\$ 99,768,748</u>	<u>\$ 10,627,168</u>	<u>\$ 56,326</u>	<u>\$ 110,452,242</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF FIRESTONE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year Ended December 31, 2022

	Water Fund	Stormwater Fund	Non-Major Fund	Total
OPERATING REVENUES				
Charges for Services	\$ 17,593,585	\$ 678,983	\$ 60,096	\$ 18,332,664
Licenses and Fees	1,675	115,372	-	117,047
Other Operating Revenues	250,985	-	-	250,985
Pension Revenue - PERA	114,641	85,490	-	200,131
OPEB Revenue	101,509	53,837	-	155,346
Total Operating Revenues	<u>18,062,395</u>	<u>933,682</u>	<u>60,096</u>	<u>19,056,173</u>
OPERATING EXPENSES				
Operations	1,177,292	439,332	-	1,616,624
Administration	643,245	267,087	59,342	969,674
Resources	1,698,340	-	-	1,698,340
Water Treatment and Tap Fees	2,136,005	-	-	2,136,005
Depreciation	491,763	225,687	-	717,450
Total Operating Expenses	<u>6,146,645</u>	<u>932,106</u>	<u>59,342</u>	<u>7,138,093</u>
OPERATING INCOME (LOSS)	<u>11,915,750</u>	<u>1,576</u>	<u>754</u>	<u>11,918,080</u>
NONOPERATING REVENUES (EXPENSES)				
Investment Earnings/(Loss)	(228,975)	(20,477)	-	(249,452)
Interest Expense	(1,436,470)	-	-	(1,436,470)
Total Nonoperating Revenues (Expenses)	<u>(1,665,445)</u>	<u>(20,477)</u>	<u>-</u>	<u>(1,685,922)</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	10,250,305	(18,901)	754	10,232,158
Contributed Capital Assets	1,545,550	741,280	-	2,286,830
Transfers Out	<u>(36,120)</u>	<u>-</u>	<u>-</u>	<u>(36,120)</u>
CHANGE IN NET POSITION	11,759,735	722,379	754	12,482,868
NET POSITION - BEGINNING OF YEAR	<u>88,009,013</u>	<u>9,904,789</u>	<u>55,572</u>	<u>97,969,374</u>
NET POSITION - END OF YEAR	<u>\$ 99,768,748</u>	<u>\$ 10,627,168</u>	<u>\$ 56,326</u>	<u>\$ 110,452,242</u>

The accompanying notes are an integral part of these financial statements.

**TOWN OF FIRESTONE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended December 31, 2022**

	Business-Type Activities			Total
	Water Fund	Stormwater Fund	Non-Major Fund	
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	\$ 17,711,272	\$ 783,587	\$ -	\$ 18,494,859
Cash Paid to Suppliers	(5,420,286)	(202,324)	(271,514)	(5,894,124)
Cash Paid to and for Employees	(1,434,032)	(638,347)	-	(2,072,379)
Other Receipts	467,135	111,640	-	578,775
Net Cash Provided by Operating Activities	<u>11,324,089</u>	<u>54,556</u>	<u>(271,514)</u>	<u>11,107,131</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers to Other Funds	(36,120)	-	-	(36,120)
Net Cash Provided by Noncapital Financing Activities	<u>(36,120)</u>	<u>-</u>	<u>-</u>	<u>(36,120)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Financing Proceeds	18,062,400	-	-	18,062,400
Acquisition of Capital Assets	(19,112,350)	(247,752)	-	(19,360,102)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(1,049,950)</u>	<u>(247,752)</u>	<u>-</u>	<u>(1,297,702)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment Income (Loss)	(228,975)	(20,477)	-	(249,452)
Net Cash Provided (Used) by Investing Activities	<u>(228,975)</u>	<u>(20,477)</u>	<u>-</u>	<u>(249,452)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	10,009,044	(213,673)	(271,514)	9,523,857
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>33,211,630</u>	<u>2,227,648</u>	<u>278,782</u>	<u>35,718,060</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 43,220,674</u>	<u>\$ 2,013,975</u>	<u>\$ 7,268</u>	<u>\$ 45,241,917</u>
RECONCILIATION OF TOTAL CASH TO THE STATEMENT OF NET POSITION				
Unrestricted cash and cash equivalents	21,161,811	2,034,111	7,268	23,203,190
Restricted cash and cash equivalents	22,058,863	-	-	22,058,863
	<u>\$ 43,220,674</u>	<u>\$ 2,034,111</u>	<u>\$ 7,268</u>	<u>\$ 45,262,053</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES				
Operating Income (Loss)	\$ 11,915,750	\$ 1,576	\$ 754	\$ 11,918,080
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows from Operating Activities				
Depreciation and Amortization	491,763	225,687	-	717,450
(Increase) Decrease in Accounts Receivable	(758)	(36,719)	(60,096)	(97,573)
(Increase) Decrease in Prepaid Expenses	(26,316)	(440)	-	(26,756)
Increase (Decrease) in Customer Deposits	(7,721)	(1,736)	-	(9,457)
Increase (Decrease) in Retainage Payable	(1,075,353)	-	-	(1,075,353)
Increase (Decrease) in Accounts Payable	296,471	(35,706)	(212,172)	48,593
Increase (Decrease) in Accrued Expenses	(269,747)	(98,106)	-	(367,853)
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 11,324,089</u>	<u>\$ 54,556</u>	<u>\$ (271,514)</u>	<u>\$ 11,107,131</u>
NON-CASH INVESTING AND FINANCING TRANSACTIONS				
Contributed Capital Assets	\$ 1,545,550	\$ 741,280	\$ -	\$ 2,286,830
NON-CASH INVESTING AND FINANCING TRANSACTIONS	<u>\$ 1,545,550</u>	<u>\$ 741,280</u>	<u>\$ -</u>	<u>\$ 2,286,830</u>

The accompanying notes are an integral part of these financial statements.

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TOWN OF FIRESTONE, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Town of Firestone (the Town), have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following is a summary of the more significant accounting policies.

Financial Reporting Entity

The Town was incorporated in 1908 as a statutory municipality. The governing body of the Town consists of a mayor and six Board of Trustee members. The Town's major operations include general administrative services, municipal court, planning and development, engineering, public safety, public works, parks, utility billing, water services, and street and storm drainage systems.

In conformance with governmental accounting and financial reporting standards, the Town is the reporting entity for financial reporting purposes. The Town is the primary government financially accountable for all activities of the Town. The Town meets the criteria of a primary government: its Town Board of Trustees is the publicly elected governing body; it is a legally separate entity; and it is fiscally independent. The Town is not included in any other governmental reporting entity.

As defined by GAAP established by the GASB, the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. The Town is financially accountable for an organization if the Town appoints a voting majority of the organization's governing board and (1) the Town is able to significantly influence the programs or services performed or provided by the organizations; or (2) the Town is legally entitled to or can otherwise access the organization's resources; the Town is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Town is obligated for the debt of the organization.

Based on the application of the above criteria, the Town considers the Firestone Urban Renewal Authorities, and the St. Vrain Water Authority as blended component units. The Firestone Urban Renewal Authorities were established to develop and implement a plan to renew and revitalize portions of the northern, central, southern and bighorn Firestone areas. The Firestone Urban Renewal Authority – Southern did not have any activity during 2022. The St. Vrain Water Authority was formed in 2019 for the purpose of owning and operating the St. Vrain Water Treatment Plant to provide potable water for the benefit of the Members, the Town of Firestone and the Little Thompson Water District. While the Firestone Urban Renewal Authorities are considered special revenue funds, the St. Vrain Water Authority is a nonmajor enterprise fund. The basis for blending the Firestone Urban Renewal Authorities and the St. Vrain Water Authority is that the Town's Board acts as the governing board for the entities or appoints the voting majority of the governing board. Also, the Firestone Urban Renewal Authority exists to exclusively serve the Town and the St. Vrain Water Treatment Plant exists to almost exclusively serve the Town. Separate financial statements are not issued for either of the two entities.

Joint Ventures

The Town may participate in joint ventures created for special purposes which are not part of the Town's reporting entity. The following is a description of the only joint venture in which the Town participated in during the year ended December 31, 2022.

TOWN OF FIRESTONE, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

The **E911 Emergency Telephone Service Authority Board** (E911 Authority) was created by intergovernmental agreements pursuant to Article 11 of Title 29, C.R.S., as amended, that authorizes the county, municipalities within the county, and special districts within the county to enter into an agreement for the purpose of providing 911 emergency telephone services. Per the state statute cited above, the agreement creates a separate legal entity which is responsible for administering the operations of the 911 emergency telephone service program in Weld County. The authority board consists of seven members with four selected by the Weld County Commissioners, one member each is selected by the City of Greeley, City of Fort Lupton and Weld County Sheriff. Under the by-laws of E911 Authority, Weld County is required to pay all operating costs. They are to maintain all accounts and have accounts audited. State statute requires that all funds be maintained by the Weld County Treasurer. The operation of the E911 Authority is done contractually by the Weld County Communication Regional Center. The financial statements are prepared for E911 Emergency Telephone Service Authority Board by Weld County, Colorado. In conformity with generally accepted accounting principles (GAAP) as applied to a government unit the E911 Authority's financial reports are a component unit in the Weld County Annual Comprehensive Financial Report (ACFR). Complete financial statements of this joint venture are available at:

<https://www.weldgov.com/Government/Departments/Finance-and-Administration/Accounting-Department/Annual-Report>.

Investments in joint ventures are recorded as expenditures at the time the investment is made.

Government-Wide and Fund Financial Statements

The government-wide statements include the Statement of Net Position and the Statement of Activities, which display information about the primary government (the Town) and its component units. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are changes for interfund services reasonably equivalent to the services provided. These statements distinguish between the *governmental* and *business-type activities* of the Town. Governmental activities are generally financed through taxes, intergovernmental revenues and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

The Statement of Activities presents a comparison between direct expenses and program revenues for the business-type activity of the Town and for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function.

Separate financial statements are provided for governmental funds and proprietary funds. The Town does not operate any fiduciary funds. Major individual governmental funds and proprietary funds are reported as separate columns in the fund financial statements.

Governmental Funds

Governmental funds are those through which governmental functions of the Town are financed. The acquisition, use and balances of the Town's expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is upon determination of and

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changes in financial position rather than upon net income. The following are the Town's major governmental funds:

The General Fund is the general operating fund of the Town. It is used to account for financial resources except those required to be accounted for in another fund.

The Capital Projects Fund accounts for the activities associated with the procurement, construction and rehabilitation of non-enterprise infrastructure and facilities. In the prior year, grant funds that were received but not earned were incorrectly included in revenue. The effect of the restatement reduces ending fund balance by \$2,033,042. Beginning balance in the Capital Projects Fund was reduced from \$11,883,289 to \$9,850,247, and the beginning balance in net position was reduced from \$161,215,860 to \$159,182,817

The Debt Service Fund accounts for principal and interest payments on general long-term liabilities. Only debt service payments are processed through the Debt Service Fund.

The Firestone Urban Renewal Authority - Bighorn Fund accounts for the activities associated with the urban renewal area including Tax Increment Financing (TIF) revenue and approved expenditures to help improve this blighted area.

Other Governmental Funds are non-major funds and include Special Revenue Funds (Conservation Trust, Firestone Urban Renewal Authority – Southern (currently there is no activity in this fund), Firestone Urban Renewal Authority – Northern, and Firestone Urban Renewal Authority – Central) which have been established to account for revenues derived from specific taxes or other earmarked revenue sources which finance specific activities as required by law or administrative action.

Proprietary Funds

Proprietary funds focus on the determination of the changes in net position, financial position and cash flows and are classified as enterprise funds. Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The Town reports the following major enterprise funds:

The Water Fund accounts for the financial transactions related to the water service operations of the Town.

The Stormwater Fund accounts for the financial transactions related to the stormwater service operations of the Town.

The Town has one nonmajor enterprise fund, St. Vrain Water Authority. The authority was established to oversee the water treatment plant and any revenues or expenses that are incurred to operate this facility.

Measurement Focus, Basis of Accounting

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Property taxes are reported as revenue in the fiscal year for which the taxes are levied. Revenue from grants and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

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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 60 days after year-end. Property taxes, sales tax, grants and intergovernmental revenues are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt and claims and judgments, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating revenues consist of charges to customers for service provided. The operating expenses for the proprietary funds include the cost of administrative expenses, services and supplies, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Budgets and Budgetary Accounting

In accordance with the State Budget Law, the Town Board of Trustees annually adopts the Budget Resolution for all operating funds of the Town. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all funds, with the exception of the proprietary funds, which are budgeted on a non-GAAP basis of accounting. All annual appropriations are at the fund level and lapse at fiscal year-end.

By October 20 of each year, a proposed operating budget is submitted to the Board of Trustees for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. Public hearings are conducted by the Town to obtain taxpayer comments.

Prior to December 15, the budget is legally adopted through passage of a resolution for all Town funds. Revisions that increase the expenditure of any fund must be approved by the Board of Trustees by passage of a subsequent resolution. The Budgets for the General Fund, Capital Projects Funds, Water Fund and the Stormwater Fund were amended by the Board of Trustees through Resolution 22-108.

Cash and Investments

All cash is pooled and invested by the Town. The Town makes investments pursuant to its investment policy and relevant State of Colorado statutes. For purposes of the Statement of Cash Flows, cash equivalents are defined as liquid investments with original maturity dates of 90 days or less at the time of purchase.

Investments at December 31, 2022, consisted of money market funds; investment in a local government investment pool; CSAFE – Cash Portfolio, CSAFE – Colorado Core, and ColoTrust in accordance with GASB Statement 72 "Fair Value Measurement and Application"; and investments with Morgan Stanley Smith Barney, LLC.

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Investments in Corporate Bonds, U.S. Government agency securities, and U.S. Treasury notes are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is a market-based measurement, not an entity-specific measurement. For some assets and liabilities, observable market transactions or market information might be available; for others, it might not be available. However, the objective of a fair value measurement in both cases is the same – that is, to determine the price at which an orderly transaction to sell the asset or to transfer the liability would take place between the market and participants at the measurement date under current market conditions. Fair value is an exit price at the measurement date from the perspective of a market participant that controls the asset or is obligated for the liability. Purchases and sales of securities are recorded on a trade-date basis. See Note 3 for additional information regarding fair value measures. Earnings on investments are recognized when earned and include realized and unrealized gains/(loss) on investments. Investment earnings are allocated to the various funds based on their pooled cash and investment balances.

Receivables and Payables

Receivables, not including property tax receivables, are shown net of an allowance for uncollectible amounts. Activities between funds where an outstanding balance is present at year-end and is expected to be repaid within one year are reported as “due to/from other funds” in the fund financial statements. If such balances are expected to remain outstanding for more than one year from the current year-end date, the balances are reported as “advances to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

No allowance is provided for utility service charges since delinquent amounts are certified as a lien against the property billed and are expected to be fully collectible.

Property Tax Calendar

Property taxes are not due and payable until after the assessment year has ended and are not included in the budget or Statement of Revenues, Expenditures and Changes in Fund Balance of the assessment year.

Property taxes are recorded as deferred inflows of resources in the year they are levied and measurable. The deferred property tax revenues are recorded as revenue in the year they are available or collected.

By December 15th of each year, property taxes for the Town are levied by the Board of Trustees and certified to Weld County (the County) for collection in the subsequent year. These taxes attach as an enforceable lien on property as of January 1 of the succeeding year and are payable in full by April 20 or in two installments by June 15 in the year of collection. The taxes are collected by the County Treasurer on behalf of the Town. A 1% collection fee is retained by the County as compensation for collecting the taxes.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond year end are recorded as prepaid items in the government-wide and fund financial statements and will be reported as expenses/expenditures in the following year.

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Capital Assets

Capital assets, which include land, water rights, buildings and improvements, land improvements, infrastructure, equipment and vehicles, and construction in progress are reported in the government-wide financial statements. The Town defines capital assets as assets with an initial, individual cost of \$5,000 or more and a useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Major outlays for capital assets and improvements are classified and depreciated, or dedicated to other entities, after the projects are completed.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Land Improvements	5-30 years
Buildings and Improvements	10-30 years
Infrastructure	5-50 years
Equipment and Vehicles	3-30 years

Compensated Absences

It is the Town's policy to permit employees to accumulate earned but unused paid time off (PTO) and compensatory time. It is the Town's policy to permit employees to accumulate earned but unused paid time off up to a maximum of 320 hours, dependent on length of service. Compensatory time is allowed to accrue up to 32 hours. All paid time off is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured. Compensated absences for governmental activities are paid from the General Fund.

Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund-type Statement of Net Position. Long-term debt premiums and discounts are amortized over the life of the related debt using the effective interest method. Debt issuance costs are reported as an outflow of resources and are reported as expenses in the period incurred.

In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Net Position

Net position is classified in three components. Net investment in capital assets consists of capital assets, net of accumulated depreciation, and is reduced by the outstanding balances of any borrowings used to finance the purchase or construction of those assets. Any unspent proceeds of debt are not included in the determination of net investment in capital assets. Restricted net position is noncapital assets that must be used for a particular purpose, as specified by creditors, grantors, or contributors external to the

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Town. Unrestricted net position is the remaining net position that does not meet the definition of net investment in capital assets or restricted net position.

Leases

Lessee: The Town is a lessee for several leases of vehicles. The Town recognizes lease liabilities and intangible right-to-use lease assets (lease assets) in the government-wide financial statements. The Town recognizes lease liabilities with an initial, individual value of \$5,000 or more for vehicle leases.

At the commencement of a lease, the Town initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgements related to leases include how the Town determines 1) the discount rate it uses to discount the expected lease payments to present value, 2) lease term, and 3) lease payments.

- The Town uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Town generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and the purchase option price that the Town is reasonably certain to exercise.

The Town monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Fund Balance

In the governmental fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable: amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

Restricted: amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

Committed: amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Trustees, the Town's highest level of decision-making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Trustees.

Assigned: amounts the Town intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. The Board of Trustees has the authority to assign amounts for specific purposes.

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Unassigned: a residual classification within the General Fund. The General Fund is the only fund that would report a positive amount in unassigned fund balance. Negative fund balances in other governmental funds are reported as unassigned once other purposes of that fund were reduced.

For the General Fund, in the event that an expenditure can be considered restricted or unrestricted (committed, assigned, or unassigned) and both categories have available amounts, the funds will be first applied against the most restrictive fund balance classification, unless the Town has provided otherwise in its commitment or assignment actions.

Contribution of Capital

Contributions of capital arise from outside contributions of capital assets, or from grants or outside contributions of resources for capital acquisition and construction.

Interfund Transactions

Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as transfers.

Deferred Outflows and Inflows of Resources

In addition to assets and liabilities, the Statement of Net Position will sometimes report separate sections for deferred outflows of resources and deferred inflows of resources. A deferred outflow of resources represents a consumption of net assets that applies to future periods, and a deferred inflow of resources represents an acquisition of net assets that applies to future periods. Both deferred outflows and inflows are reported in the Statement of Net Position but are not recognized in the financial statements as revenues and expenses until the period(s) to which they relate.

The Town has certain items that relate to its pension and other post-employment benefit plans that qualify for reporting as deferred outflows of resources and deferred inflows of resources. See Notes 8, 10, and 13 for more information. Deferred inflows of resources also consist of property taxes receivable. Property tax revenue is considered a deferred inflow of resources in the year the taxes are levied and measurable and are recognized as an inflow of resources in the period they are collected.

Pensions

The Town participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). In addition, the Town participates in the Statewide Defined Benefit Plan ("SWDB"), a cost sharing multiple-employer defined benefit pension plan administered by the Fire and Police Pension Association of Colorado ("FPPA").

The net pension liability, net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the plans 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.

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Postemployment Benefits Other Than Pensions (OPEB)

The Town participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan administered by the Public Employees' Retirement Association of Colorado (PERA). For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the HCTF administered by PERA and additions to/deductions from the HCTF's fiduciary net position have been determined on the same basis as they are reported by the HCTF. For this purpose, the HCTF recognizes benefit payments when due and payable in accordance with benefit terms. Investments are reported at fair value.

Fire and Police Pension Association of Colorado (FPPA) administers the Statewide Death & Disability Plan discussed in Note 8, which qualifies as a cost sharing multiple-employer defined benefit OPEB plan under the standard. This plan covers substantially all active full-time (and some part-time) employees of fire and police departments in Colorado. As it pertains to the requirements in Statement No. 75 regarding the FPPA Statewide Death & Disability Plan and the Town, FPPA concluded that because all contributions to the plan are considered member contributions (and not employer), the employers' proportionate share of any FPPA Net OPEB liability (asset) is zero.

Use of Estimates

The preparation of financial statements, in conformity with GAAP, requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates and could be material.

GASB Pronouncements Implemented by the Town

GASB Statement No. 87, Leases. This Statement was issued in June 2017 and increases the usefulness of government financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The requirements of this Statement were effective for reporting periods beginning after June 15, 2021. The Town has implemented this Statement in fiscal year 2022.

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of certain differences between the governmental fund Balance Sheet and the government-wide Statement of Net Position.

The governmental fund Balance Sheet includes a reconciliation between fund balance-total governmental funds and net position-governmental activities as reported in the government-wide Statement of Net Position.

**TOWN OF FIRESTONE, COLORADO
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Reconciliation of Government-Wide and Fund Financial Statements

Capital Assets		
Non-Depreciable	\$ 7,958,013	
Depreciable	108,846,025	
Accumulated Depreciation	<u>(50,538,067)</u>	66,265,971
Long-Term Debt	(24,401,041)	
Compensated Absences	(609,788)	
Accrued Interest Payable	<u>(103,502)</u>	(25,114,331)
Recognize Deferred Inflow of Resource		4,667
Net Pension Asset	2,175,240	
Pension related Deferred Outflow of Resources	2,020,418	
Pension related Deferred Inflow of Resources	<u>(5,210,827)</u>	(1,015,169)
Net OPEB Asset	347,655	
OPEB related Deferred Outflow of Resources	199,166	
OPEB related Deferred Inflow of Resources	<u>(125,287)</u>	421,534
Net Adjustment to Fund Balance		<u><u>\$ 40,562,672</u></u>

**TOWN OF FIRESTONE, COLORADO
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Explanation of certain differences between the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the government-wide Statement of Activities.

The governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances includes reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide Statement of Activities.

Reconciliation of Government-Wide and Fund Financial Statements

Capital Outlays	\$ 2,897,714	
Depreciation Expense	<u>(4,719,446)</u>	(1,821,732)
Contributed Capital Assets		1,908,213
Disposed Capital Assets	<u>(104,090)</u>	
Net Value of Disposed Capital Assets		(104,090)
Debt Principal Expended in Governmental Funds		1,681,482
Right-To-Use Lease Liability		(684,183)
Change in Compensated Absences	(52,732)	
Change in Accrued Interest on Long Term Debt	5,251	
Long Term Debt Premium Amortization	83,633	
Change in Deferred Inflow of Resource	(7,494)	
Pension Income	1,739,266	
OPEB Income	<u>697,877</u>	2,465,801
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities		<u><u>\$ 3,445,491</u></u>

NOTE 3 - CASH AND INVESTMENTS

At December 31, 2022, the Town’s cash and investments are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and Investments	\$ 52,267,212
Cash and Investments, Restricted	<u>23,075,068</u>
Total Cash and Investments	<u><u>\$ 75,342,280</u></u>

**TOWN OF FIRESTONE, COLORADO
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At December 31, 2022, the Town's cash and investments consist of the following:

Cash on Hand	\$	1,649
Cash Deposits		1,143,418
Investments		74,197,213
Total Cash and Investments		\$ 75,342,280

CASH DEPOSITS

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash be 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 PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits.

INVESTMENTS

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

- Obligations of the United States and certain U.S. government agencies' securities
- Certain international agency securities
- General obligation and revenue bonds for U.S. local government entities
- Bankers' acceptance of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain securities lending agreements
- Certain money market mutual funds
- Guaranteed investment contracts
- Local government investment pools
- Certain corporate bonds

COLOTRUST

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

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asset value method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

CSAFE

The Town invested in the Colorado Surplus Asset Fund Trust (CSAFE) (the Trust), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The Trust offers funds in two portfolios, CSAFE Cash (CSAFE) and CSAFE Colorado Core (CORE). The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust is similar to a money market fund, with each share valued at \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper. A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE is rated AAmmf by Fitch Ratings. CSAFE measures all of its investments at amortized cost with a weighted average maturity of 60 days or less. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period. CORE authorized securities primarily include highly rated commercial paper and corporate bonds, bank deposits (collateralized through PDPA) and other Colorado LGIP funds inclusive of other funds offered by the Trust as allowed. CORE operates similarly to a money market fund and each share is equal in value to \$2.00. CORE measures all of its investments at amortized cost with a weighted average maturity of 180 days or less. CORE is rated AAAf/S1 by Fitch Ratings.

Credit Risk

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. It is the Town's policy to limit its investments to U.S. Treasury obligations, repurchase agreements, government backed securities, money market mutual funds, local government investment pools, and corporate obligations.

The Town's investment policy is to "invest idle public funds in a manner to meet the daily cash flow demands of the Town with the primary objective in priority order, being: a) safety of principal b) liquidity and c) return on investments." Investments shall be diversified so as to minimize the risk of loss and to maximize the rate of return.

Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, the Town's investment policy does not allow investment maturities to exceed five years. This limit on investment maturities is a means of limiting exposure to adverse fair market value changes arising from increasing interest rates.

Custodial Credit Risk

For investments, custodial credit risk is the risk that in the event of a failure of a counter party, the Town would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town manages its credit risk by limiting its investment to certain types of securities allowed by State statutes, by pre-qualifying financial institutions, brokers/dealers, intermediaries, and advisors.

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Fair Value

The Town, when applicable, categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value.

Level 1: Quoted prices (unadjusted) in active markets for an identical asset or liability that a government can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3: Unobservable inputs for an asset or liability.

For the Town, the following fair value techniques were utilized in measuring the fair value of its investments:

U.S. Treasury securities. These investments are reported at fair value based on quoted market prices obtained from exchanges.

U.S. Government agency securities. U.S. Government securities are reported at fair value based on bullet (noncall) spread scale for each issuer for maturities going out 40 years. These spreads represent credit risk and are obtained from the new issue market, secondary trading and dealer quotes.

An Option Adjusted Spread (OAS) model is incorporated to adjust spreads of issues that have early redemption features. Final spreads are added to a U.S. Treasury curve. A cash discounting yield/price routine calculates prices from final yields to accommodate odd coupon payment dates typical of medium term notes.

Corporate Bonds. These investments are reported at fair value based on evaluation using markets sources and integrating relative credit information, observed market movements, and sector news into the evaluated pricing applications and models.

The Town has no assets reported at fair value on a nonrecurring basis and other investments meeting the fair value disclosure requirements of Governmental Accounting Standards Board (GASB) Statement No. 72.

The following table presents the minimum rating, actual rating, investment portfolio percentage and weighted average maturity in years for each investment type as required by the Town's investment policy as of December 31, 2022.

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Investment Type	Balance	Minimum Rating Required	S&P Rating	Moody's Rating	Total Investment Portfolio Percentage	Weighted Average Maturity	Fair Value Measure- ment
Investments Measured at Fair Value:							
Federated Hrms Trs Inst	\$ 14,412	N/A	AA+	Aaa	0%	-	Level 2
United States Treasury	13,085,745	N/A	AA+	Aaa	18%	1.62	Level 1
Federal Home Loan Banks	3,348,119	N/A	AA+	Aaa	5%	2.28	Level 2
Berkshire Hathaway Inc	497,860	N/A	AA	Aa2	1%	0.20	Level 2
Federal National Mortgage Association	1,811,630	N/A	AA+	Aaa	2%	2.65	Level 2
Austin Tex Municipal	98,610	N/A	AAA	Aa1	0%	2.67	Level 2
Federal Home Loan Mortgage Corp	976,029	N/A	AA+	Aaa	1%	2.35	Level 2
The Toronto-Dominion Bank	970,221	N/A	A-1+	P-1	1%	0.41	Level 2
Toyota Motor Credit Corp	967,244	N/A	A-1+	P-1	1%	0.50	Level 2
CDP Financial Inc	975,954	N/A	A-1+	P-1	1%	0.29	Level 2
Investments Measured at Amortized Cost:							
Colorado Surplus Asset Fund Trust (CSAFE) - Cash Portfolio	2,390,794	N/A	AAAm	NR	3%	-	Level 1
Colorado Surplus Asset Fund Trust (CSAFE) - Colorado CORE	48,044,391	N/A	AAAm	NR	65%	-	Level 1
Investments Measured at Net Asset Value:							
Colorado Local Government Liquid Asset Trust (COLOTRUST)	1,016,204	N/A	AAAm	NR	1%	-	Level 1
	<u>\$ 74,197,213</u>				<u>100%</u>	<u>1.00</u>	

NOTE 4 - ACCOUNTS RECEIVABLE

Receivables at December 31, 2022, consist of the following:

Receivables	Governmental Activities	Business - Type Activities	Total
Taxes	\$ 3,604,113	\$ -	\$ 3,604,113
Customer Utilities	20,407	418,173	438,580
Other	492,953	98,588	591,541
Total Funds	<u>\$ 4,117,473</u>	<u>\$ 516,761</u>	<u>\$ 4,634,234</u>

**TOWN OF FIRESTONE, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 5 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Transfers to and from the various funds consist of the following:

<u>Transfers Out</u>	<u>Transfers In</u>			<u>Total</u>
	<u>General</u>	<u>Capital Projects</u>	<u>Debt Service</u>	
Major Fund				
General	\$ -	\$ 153,000	\$ -	\$ 153,000
Capital Projects	2,967,305	-	2,337,066	5,304,371
Water	36,120	-	-	36,120
Total	<u>\$3,003,425</u>	<u>\$ 153,000</u>	<u>\$ 2,337,066</u>	<u>\$ 5,493,491</u>

Transfers to and from the various funds were to cover the costs of operations, capital expenditures and debt service. The transfer to the General Fund from the Capital Projects Fund is to cover the expenditures related to parks and streets. The transfer into the Debt Service Fund from the Capital Project Fund is pledged revenue for the purpose of paying debt related costs. The transfer from the Water Fund into the General Fund is to cover the expenditures related to the lease payment of vehicles used by the Water Fund. This money has always been legally restricted to meet the guidelines of the Colorado Department of Revenue.

**TOWN OF FIRESTONE, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2022, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Governmental Activities</u>				
Capital Assets Not Being Depreciated:				
Land	\$ 6,920,060	\$ -	\$ -	\$ 6,920,060
Construction in Progress	5,358,477	1,408,317	5,728,841	1,037,953
Total Capital Assets Not Being Depreciated	<u>12,278,537</u>	<u>1,408,317</u>	<u>5,728,841</u>	<u>7,958,013</u>
Other Capital Assets:				
Land Improvements	7,407,291	1,785,939	-	9,193,230
Buildings and Improvements	23,647,023	3,937,859	270,614	27,314,268
Infrastructure	62,213,843	1,913,256	-	64,127,099
Leases	-	1,337,562	-	1,337,562
Equipment and Vehicles	6,551,137	724,582	401,853	6,873,866
Total Other Capital Assets	<u>99,819,294</u>	<u>9,699,198</u>	<u>672,467</u>	<u>108,846,025</u>
Less Accumulated Depreciation for:				
Land Improvements	(5,683,610)	(300,498)	-	(5,984,108)
Buildings and Improvements	(2,317,054)	(800,495)	216,011	(2,901,538)
Infrastructure	(34,875,906)	(2,603,583)	-	(37,479,489)
Equipment and Vehicles	(3,510,428)	(827,564)	352,366	(3,985,626)
Total Accumulated Depreciation	<u>(46,386,998)</u>	<u>(4,532,140)</u>	<u>568,377</u>	<u>(50,350,761)</u>
Less Accumulated Amortization for:				
Leases	-	(187,306)	-	(187,306)
Total Accumulated Amortization	<u>-</u>	<u>(187,306)</u>	<u>-</u>	<u>(187,306)</u>
Other Capital Assets, Net	<u>53,432,296</u>	<u>4,979,752</u>	<u>104,090</u>	<u>58,307,958</u>
Governmental Activities Capital Assets, Net	<u>\$ 65,710,833</u>	<u>\$ 6,388,069</u>	<u>\$ 5,832,931</u>	<u>\$ 66,265,971</u>

Depreciation expense for governmental activities capital assets was allocated as follows:

Governmental Activities:	
General Government	\$ 316,822
Public Safety	851,486
Public Works	3,250,640
Parks	300,498
Total	<u><u>\$4,719,446</u></u>

**TOWN OF FIRESTONE, COLORADO
NOTES TO FINANCIAL STATEMENTS
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	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Business-Type Activities</u>				
Capital Assets Not Being Depreciated:				
Land	\$ 5,606,403	\$ -	\$ -	\$ 5,606,403
Water Rights	52,470,398	2,120,000	-	54,590,398
Construction in Progress	42,132,219	13,174,705	21,170,790	34,136,134
Total Capital Assets Not Being Depreciated	<u>100,209,020</u>	<u>15,294,705</u>	<u>21,170,790</u>	<u>94,332,935</u>
Other Capital Assets:				
Infrastructure	29,909,550	23,457,618	-	53,367,168
Equipment and Vehicles	985,768	55,745	-	1,041,513
Total Other Capital Assets	<u>30,895,318</u>	<u>23,513,363</u>	<u>-</u>	<u>54,408,681</u>
Less Accumulated Depreciation for:				
Infrastructure	(6,661,309)	(615,431)	-	(7,276,740)
Equipment and Vehicles	(567,960)	(102,019)	-	(669,979)
Total Accumulated Depreciation	<u>(7,229,269)</u>	<u>(717,450)</u>	<u>-</u>	<u>(7,946,719)</u>
Other Capital Assets, Net	<u>23,666,049</u>	<u>22,795,913</u>	<u>-</u>	<u>46,461,962</u>
Business-Type Activity Capital Assets, Net	<u>\$123,875,069</u>	<u>\$38,090,618</u>	<u>\$21,170,790</u>	<u>\$140,794,897</u>

Depreciation expense was charged to business-type activities capital assets as follows:

Business-Type Activities:	
Water	\$ 491,763
Stormwater	<u>225,687</u>
Total	<u><u>\$ 717,450</u></u>

Currently, the Town is constructing a water treatment plant. It will be dedicated by the Firestone Water Fund to the St. Vrain Water Authority upon completion and acceptance by the St. Vrain Water Authority.

NOTE 7 - LONG-TERM DEBT

Pledged Revenues

During 2006 and 2008, the Town executed two reimbursement agreements (an Amended and Restated Public Improvements Reimbursement Agreement and Retail Infrastructure Funding Agreement) (the "Plan") with a developer (the "Developer") see Note 17 for additional information. Pursuant to the Plan, the Town will reimburse the Developer for costs incurred in constructing certain assets that were conveyed to the Town upon completion. Reimbursements are made based on a percentage of revenues derived from sales tax charged by the Town, commencing with the date the assets were completed by the developer and conveyed to the Town. Any unpaid balance accrues interest at the Wall Street Journal Prime Rate, capped at 7 percent per annum, compounding monthly until the balance is paid in full.

The Town follows guidance provided in GASB No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, to account for the assets received, and payments made in connection with these agreements. Accordingly, the pledged revenues are treated as an obligation of the Town, until fully repaid. The assets have been capitalized and are depreciated over their useful lives in the government-wide financial statements. At December 31, 2022, there is no balance due to the Developer.

**TOWN OF FIRESTONE, COLORADO
NOTES TO FINANCIAL STATEMENTS
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Following is a schedule of changes in long-term debt for the year ended December 31, 2022:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions/ Adjustments</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<u>Governmental Activities</u>					
Direct Borrowings and Direct Placements					
2018 Certificates of Participation	\$ 13,105,000	\$ -	\$ (400,000)	\$12,705,000	\$ 425,000
Premium on 2018 COPs	1,075,675	-	(81,761)	993,914	79,554
2019 Certificates of Participation	4,575,000	-	(525,000)	4,050,000	540,000
2020 Certificates of Participation	3,635,000	-	(375,000)	3,260,000	380,000
Bonds					
2014 Sales Tax Revenue Bonds	2,505,000	-	(170,000)	2,335,000	175,000
Premium on 2014 Bonds	13,553	-	(1,872)	11,681	1,768
Other					
Right-to-Use Lease Liability	-	1,256,928	(211,482)	1,045,446	288,784
Net Pension Liability	2,685,747	-	(2,685,747)	-	-
Total OPEB Liability	368,813	-	(368,813)	-	-
Compensated Absences	557,056	763,548	(710,816)	609,788	179,286
Total Governmental Long-Term Debt	<u>\$ 28,520,844</u>	<u>\$ 2,020,476</u>	<u>\$ (5,530,491)</u>	<u>\$25,010,829</u>	<u>\$ 2,069,392</u>
<u>Business-Type Activities</u>					
Bonds					
2020 Water Revenue Bonds	\$ 45,955,000	\$ -	\$ -	\$45,955,000	\$ 915,000
2022 Water Revenue Bonds	-	20,000,000	-	20,000,000	1,595,000
Premium on 2020 Bonds	8,915,543	-	(522,393)	8,393,150	522,393
Other					
Net Pension Liability	545,339	-	(545,339)	-	-
Net OPEB Liability	74,887	-	(74,887)	-	-
Compensated Absences	66,171	115,280	(100,584)	80,867	24,260
Total Business-Type Long-Term Debt	<u>\$ 55,556,940</u>	<u>\$ 20,115,280</u>	<u>\$ (1,243,203)</u>	<u>\$74,429,017</u>	<u>\$ 3,056,653</u>

For the Governmental Activities, net OPEB Obligation, Compensated Absences and Pension Benefits Payable are generally liquidated by the General Fund. The Town has no debt outstanding subject to legal debt limitations.

Certificates of Participation

In April 2018, the Town entered into a Lease Purchase Agreement with a financial institution for the Certificates of Participation, Series 2018 in the amount of \$14,830,000, the proceeds of which were for the purpose of financing the construction of the Town's new Public Safety Facility, funding the reserve fund, and paying the costs of issuing the certificates. The 2018 Certificates of Participation are to be retired over a 25-year period with interest rates ranging from 3.00% to 5.00%.

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NOTES TO FINANCIAL STATEMENTS
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The 2018 Certificates of Participation are subject to annual appropriation and do not constitute a general obligation or other indebtedness or multiple fiscal year obligation of the Town within the meaning of any constitutional statutory debt limitation. Principal payments are due annually and interest payments are due semiannually through November 15, 2042. These payments are payable from the Debt Service Fund.

Annual debt service requirements to maturity for certificates outstanding at December 31, 2022 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	425,000	577,000	1,002,000
2024	435,000	560,000	995,000
2025	450,000	542,600	992,600
2026	470,000	526,600	996,600
2027	490,000	507,800	997,800
2028 - 2032	2,740,000	2,230,400	4,970,400
2033 - 2037	3,380,000	1,595,850	4,975,850
2038 - 2042	4,315,000	668,500	4,983,500
Total	<u>\$ 12,705,000</u>	<u>\$ 7,208,750</u>	<u>\$ 19,913,750</u>

In June 2019, the Town entered into a Lease Purchase Agreement with a financial institution for the Certificates of Participation, Series 2019 in the amount of \$5,585,000, the proceeds of which were for the purpose of financing the construction of a new Town Hall, financing improvements to the Public Works facility, and paying the costs of issuing the certificates. The 2019 Certificates of Participation are to be retired over a 10-year period with a fixed interest rate of 2.45%.

The 2019 Certificates of Participation are subject to annual appropriation and do not constitute a general obligation or other indebtedness or multiple fiscal year obligation of the Town within the meaning of any constitutional statutory debt limitation. Principal payments are due annually and interest payments are due semiannually through November 15, 2029. These payments are payable from the Debt Service Fund. Annual debt service requirements to maturity for certificates outstanding at December 31, 2022 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	540,000	99,225	639,225
2024	550,000	85,995	635,995
2025	565,000	72,520	637,520
2026	580,000	58,677	638,677
2027	590,000	44,468	634,468
2028 - 2029	1,225,000	45,203	1,270,203
Total	<u>\$ 4,050,000</u>	<u>\$ 406,087</u>	<u>\$ 4,456,087</u>

In September 2020, the Town entered into a Lease Purchase Agreement with a financial institution for the Certificates of Participation, Series 2020 in the amount of \$4,000,000, the proceeds of which were for the purpose of financing the construction of a new Town Hall, financing improvements to Public Works Facility, retiring the 2005 Certificates of Participation, and paying the costs of issuing the certificates. The 2020 Certificates of Participation are to be retired over a 10-year period with a fixed interest rate of 1.82%.

**TOWN OF FIRESTONE, COLORADO
NOTES TO FINANCIAL STATEMENTS
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The 2020 Certificates of Participation are subject to annual appropriation and do not constitute a general obligation or other indebtedness or multiple fiscal year obligation of the Town within the meaning of any constitutional statutory debt limitation. Principal payments are due annually and interest payments are due semiannually through December 1, 2030. These payments are payable from the Debt Service Fund. Annual debt service requirements to maturity for certificates outstanding at December 31, 2022 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	380,000	59,332	439,332
2024	390,000	52,416	442,416
2025	395,000	45,318	440,318
2026	405,000	38,129	443,129
2027	410,000	30,758	440,758
2028 - 2030	1,280,000	46,865	1,326,865
Total	<u>\$ 3,260,000</u>	<u>\$ 272,818</u>	<u>\$ 3,532,818</u>

The collateral for the 2019, and 2020 Certificates of Participation direct placements consists of the existing Town Hall facility, current site, and the premises as well as the newly constructed Town Hall and site. In the event of default, the lessor has the right to re-lease the property. The Town's outstanding debt from direct placements contain provisions, regarding certain events of default, which are customary and consistent with normal municipal financings. Acceleration is not a remedy for such events of default.

Sales Tax Revenue Bonds

Sales Tax Revenues Bonds, Series 2014, in the amount of \$3,795,000 were issued on April 8, 2014, to pay or reimburse the costs of the acquisition, development, construction, repair, replacement, expansion, rehabilitation and renovation of existing and planned streets and parks. The interest rate on the debt ranges from 2.00 to 3.625 percent. The bonds mature December 1, 2033. Annual debt service requirements as of December 31, 2022 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	175,000	86,482	261,482
2024	185,000	81,012	266,012
2025	190,000	75,000	265,000
2026	200,000	68,588	268,588
2027	200,000	61,588	261,588
2028 - 2032	1,130,000	188,601	1,318,601
2033	255,000	10,200	265,200
Total	<u>\$ 2,335,000</u>	<u>\$ 571,471</u>	<u>\$ 2,906,471</u>

Water Enterprise Revenue Bonds

Water Enterprise Revenues Bonds, Series 2020, in the amount of \$45,955,000 were issued on July 28, 2020, to pay or reimburse the costs of construction of the St. Vrain Water Treatment Plant, non-potable water project, to retire the CWCB loan, and to pay the costs of issuing the revenue bonds. The net revenues from charges for services and tap fee collections were pledged by the Town. The interest rate on the debt ranges from 2.00 to 5 percent. The bonds mature December 1, 2049. Net revenues, as defined in the bond document, serve to secure required annual bond payments.

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Annual debt service requirements as of December 31, 2022 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	915,000	1,937,600	2,852,600
2024	935,000	1,919,300	2,854,300
2025	985,000	1,872,550	2,857,550
2026	1,030,000	1,823,300	2,853,300
2027	1,085,000	1,771,800	2,856,800
2028 - 2032	6,285,000	7,990,250	14,275,250
2033 - 2037	7,925,000	6,350,700	14,275,700
2038 - 2042	9,660,000	4,616,200	14,276,200
2043 - 2047	11,750,000	2,524,000	14,274,000
2048 - 2049	5,385,000	325,200	5,710,200
Total	<u>\$ 45,955,000</u>	<u>\$ 31,130,900</u>	<u>\$ 77,085,900</u>

Water Enterprise Revenues Bonds, Series 2022, in the amount of \$20,000,000 were issued on December 20, 2022, to pay or reimburse the costs of capital improvements to the water system and acquiring water rights for the water system. The net revenues from charges for services and tap fee collections were pledged by the Town. The interest rate on the debt is 3.89 percent. The bonds mature December 1, 2032. Net revenues, as defined in the bond document, serve to secure required annual bond payments.

Annual debt service requirements as of December 31, 2022 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	1,595,000	736,939	2,331,939
2024	1,750,000	715,955	2,465,955
2025	1,815,000	647,880	2,462,880
2026	1,885,000	577,276	2,462,276
2027	1,960,000	503,950	2,463,950
2028 - 2032	10,995,000	1,315,594	12,310,594
Total	<u>\$ 20,000,000</u>	<u>\$ 4,497,594</u>	<u>\$ 24,497,594</u>

Right-to-Use Lease Liability

The Town has entered into multiple lease agreements as lessee. The leases allow the right-to-use vehicles over the term of the lease. The Town is required to make monthly payments at its incremental borrowing rate or the interest rate stated or implied within the leases.

The lease rate, term and ending lease liability are as follows:

	<u>Interest Rate</u>	<u>Liability at Commencement</u>	<u>Lease Term in Years</u>	<u>Ending Balance</u>
Governmental activities				
Leased vehicles	3.15% -7.45%	\$ 1,337,562	4	\$ 1,045,446
Total governmental activities				<u>\$ 1,045,446</u>

**TOWN OF FIRESTONE, COLORADO
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The future principal and interest lease payments as of fiscal year end are as follows:

Fiscal Year	Principal	Interest	Total
<u>Ending</u>			
2023	288,784	45,655	334,439
2024	366,564	31,269	397,833
2025	207,448	17,083	224,531
2026	182,650	6,775	189,425
Total governmental activities	<u>\$ 1,045,446</u>	<u>\$ 100,782</u>	<u>\$ 1,146,228</u>

The value of the right-to-use assets for governmental activities as of the end of the current fiscal year was \$1,337,562 and had accumulated amortization of \$187,306

NOTE 8 – FIRE AND POLICE PENSION ASSOCIATION (FPPA)

Plan Description

The Town contributes to the Statewide Defined Benefit Plan (SWDB), a cost-sharing multiple-employer defined benefit pension plan administered by the Colorado Fire and Police Pension Association (FPPA). The Statewide Defined Benefit Plan (SWDB) provides retirement benefits for members and beneficiaries.

The Town participates in the Statewide Death & Disability Plan, a cost-sharing multiple-employer defined benefit death and disability plan. FPPA administers the plan. Plan benefits provide 24-hour coverage, both on- and off-duty and are available for members not eligible for normal retirement under a defined benefit plan, or members who have not met 25 years of accumulated service and age 55 under a money purchase plan. In case of an on-duty death, benefits may be payable to the surviving spouse or dependent children of active members who were eligible to retire, but were still working.

FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for both the Statewide Defined Benefit Plan and the Statewide Death and Disability Plan. The annual comprehensive financial report can be obtained on FPPA’s website at <http://www.fppaco.org>.

Benefits Provided

A member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55. Effective January 1, 2021, a member may also qualify for a normal retirement pension if the member’s combined years of service and age equals at least 80, with a minimum age of 50 (Rule of 80).

The annual normal retirement benefit is 2 percent of the average of the member’s highest three years’ pensionable earnings for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members covered under Statewide Defined Benefit Social Security Component will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefits adjustments paid to retired members are evaluated annually and may be re-determined every October 1. The amount of any increase is based on the Board’s discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).

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A member is eligible for an early retirement after completion of 30 years of service or attainment of age 50 with at least five years of credited service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5 percent as interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the Plan and remain eligible for a retirement pension at age 55 equal to 2 percent of the member's average highest three years' pensionable earnings for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

Contributions

Contribution rates can be amended by state statute or election of the membership. Effective January 1, 2021, contribution rates for employers and members may be increased equally by the FPPA Board of Directors upon approval through an election by both the employers and members.

In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of pensionable earnings. Employer contributions will increase 0.5 percent annually beginning in 2021 through 2030 to a total of 13 percent of pensionable earnings. In 2021, members of the SWDB plan and their employers are contributing at the rate of 11.5 percent and 8.5 percent, respectively, of the pensionable earnings for a total contribution rate of 20 percent. Contributions to the SWDB plan and the Statewide Death & Disability Plan from the Town were \$251,446 and \$74,620, respectively, for the year ended December 31, 2022.

Actuarial Valuation Dates

The total net pension liability (asset) as of December 31, 2021 is based upon the January 1, 2022 actuarial valuation. The actuarially determined contributions as of December 31, 2021 are based upon the January 1, 2021 actuarial valuation.

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

At December 31, 2022, the Town reported an asset of \$1,723,709 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2021, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation. The Town's proportion of the net pension asset was based on the Town's share of contributions to the pension plan relative to the contributions of all participating entities. At December 31, 2021, the Town's proportion was .3180664376 percent, which was an increase of .0088597953 percent from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the Town recognized pension expense of \$208,226. At December 31, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

**TOWN OF FIRESTONE, COLORADO
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	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between Expected and Actual Experience	\$ 493,589	\$ 40,202
Changes of Assumptions or other Inputs	245,813	-
Net Difference between Projected and Actual		
Earnings on Pension Plan Investments	-	1,153,603
Changes in Proportion and Differences between		
Contributions Recognized and Proportionate		
Share of Contributions	20,002	103,660
Contributions Subsequent to the Measurement Date	<u>251,446</u>	<u>-</u>
Total	<u>\$ 1,010,850</u>	<u>\$ 1,297,465</u>

The \$251,446 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2023.

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>
2023	(170,024)
2024	(289,351)
2025	(168,762)
2026	(57,974)
2027	91,211
Thereafter	56,839
	<u>\$ (538,061)</u>

Actuarial Assumptions

The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	Total Pension Liability	Actuarial Determined Contributions
Actuarial Valuation Date	January 01, 2022	January 01, 2021
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, Open
Amortization Period	N/A	30 Years
Long-term Investment Rate of Return*	7.0%	7.0%
Projected Salary Increases*	4.25-11.25%	4.25-11.25%
Cost of Living Adjustments (COLA)	0.0%	0.0%
*Includes Inflation at	2.5%	2.5%

For determining the total pension liability (asset), the post-retirement mortality tables for non-disabled retirees uses the 2006 central rates from the RP-2014 Annuitant Mortality Tables projected to 2018 using the MP-2017 projection scales, and projected prospectively using the ultimate rates of the scale for all

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years. The pre-retirement off-duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.

At least every five years, the FPPA’s Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2018 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by FPPA’s actuaries based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2019. The actuarial assumptions impact actuarial factors for benefit purposes such as the purchases of service credit and other benefits were actuarial factors are used.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent).

Best estimates of arithmetic real rates of return for each major asset class included in the Fund’s target asset allocation as of December 31, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equity	39.00%	8.23%
Equity Long/Short	8.00%	6.87%
Private Markets	26.00%	10.63%
Fixed Income - Rates	10.00%	4.01%
Fixed Income - Credit	5.00%	5.25%
Absolute Return	10.00%	5.60%
Cash	2.00%	2.32%
Total	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total pension liability (asset) was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the FPPA Board’s funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWDB plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the Town’s proportionate share of the net pension liability (asset) calculated using the discount rate of 7.00 percent, as well as the Town’s proportionate share of the net pension liability

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(asset) would be if it were calculated using a discount rate that is 1-percentage point lower (6.00 percent) or 1-percentage point higher (8.00 percent) than the current rate:

	1% Decrease 6.00%	Single Discount Rate Assumption 7.00%	1% Increase 8.00%
Proportionate Share of the Net Pension Liability (Asset)	\$ (237,710)	\$ (1,723,710)	\$ (2,954,777)

NOTE 9 - FIRE AND POLICE PENSION ASSOCIATION (FPPA) – 457 PLAN

Plan Description

Employees of the Town who are members of the FPPA Statewide Defined Benefit Plan (see Note 8) may voluntarily contribute to the FPPA 457 Deferred Compensation Plan (457 Plan), an Internal Revenue Code Section 457 defined contribution plan administered by FPPA. Plan participation is voluntary, and contributions are separate from others made to FPPA. FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for the 457 Plan. That report may be obtained by writing to FPPA of Colorado, 5290 DTC Parkway, Suite 100, Englewood, Colorado 80111 or by calling FPPA at 303-770-3772 in the Denver Metro area, or 1-800-332-FPPA (3772) from outside the metro area.

Funding Policy

The 457 Plan is funded by voluntary member contributions of up to a maximum limit set by the IRS (\$20,500 for 2022 and \$22,500 for 2023). Catch-up contributions up to \$6,500 for the calendar years 2022 and 2023 are allowed for participants who had attained age 50 before the close of the plan year. For the year ended December 31, 2022, 2021 and 2020, the 457 Plan member contributions from the Town of Firestone were \$36,028, \$24,314, and \$20,693, respectively.

NOTE 10 – PUBLIC EMPLOYEES’ RETIREMENT ASSOCIATION (PERA)

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, 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.

Plan Description

Eligible employees of the Town of Firestone are provided with pensions through the Local Government Division Trust Fund (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 a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

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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 percent and then multiplied by years of service credit
- The value of the retiring employee's member contribution account plus a 100 percent 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 percent of highest average salary and also 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 percent or 100 percent 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.

Upon meeting certain criteria, 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. Subject to the automatic adjustment provision (AAP) pursuant to C.R.S. § 24-51-413, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007 will receive the maximum annual increase (AI) or AI cap of 1.00 percent unless adjusted by the AAP. 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 the 1.00 percent AI cap or the average increase of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed a determined increase that would exhaust 10 percent of PERA's Annual Increase Reserve (AIR) for the LGDTF. The AAP may raise or lower the aforementioned AI cap by up to 0.25 percent 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.* and §

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24-51-413. Employee contribution rates for the period of January 1, 2022 through December 31, 2022 are summarized in the table below.

	January 1, 2021 Through June 30, 2022	July 1, 2022 Through December 31, 2022
Employee contribution ¹ (all employees other than State Troopers)	8.50 %	9.00 %

¹ Rates are expressed as a percentage of salary as defined in CRS § 24-51-101 (42).

The employer contribution requirements for all employees other than State Troopers are summarized in the following table:

	January 1, 2021 Through December 31, 2021	January 1, 2022 Through December 31, 2022
Employer Contribution Rate	10.50 %	10.50 %
Amount of Employer Contribution Apportioned to the health Care Trust Fund as Specified in C.R.S. § 24-51-208(1)(f) ¹	(1.02)%	(1.02)%
Amount Apportioned to the LGDTF ¹	9.48 %	9.48 %
Amortization Equalization Disbursement (AED) as Specified in C.R.S. § 24-51-411 ¹	2.20 %	2.20 %
Supplemental Amortization Equalization Disbursement (SAED) as Specified in C.R.S. § 24-51-411 ¹	1.50 %	1.50 %
Defined Contribution Supplement as specified in C.R.S. § 24-51-415	0.02 %	0.02 %
Total Employer Contribution Rate to the LGDTF	13.20 %	13.20 %

Contribution Rates are expressed as a percentage of salary as defined in CRS § 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 from the Town were \$773,738 for the year ended December 31, 2022.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2022, the Town reported an asset of \$557,826 for its proportionate share of the net pension liability. The net pension liability (asset) for the LGDTF was measured as of December 31, 2021, and the total pension liability (TPL) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll-forward the TPL to December 31, 2021. The Town's proportion of the net pension liability (asset) was based on the Town's contributions to the LGDTF for the calendar year 2021 relative to the total contributions of participating employers to the LGDTF.

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At December 31, 2022, the Town's proportion was .6506243251 percent, which was an increase of .0306054162 percent from its proportion measured as of December 31, 2021.

For the year ended December 31, 2022, the Town recognized pension income of \$705,986. At December 31, 2022, 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	\$ 27,261	\$ 9,317
Changes of Assumptions or other Inputs	189,091	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	4,825,303
Changes in Proportion and Differences between Contributions Recognized and Proportionate Share of Contributions	257,144	-
Contributions Subsequent to the Measurement Date	773,738	-
Total	\$ 1,247,234	\$ 4,834,620

\$773,738 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, 2023.

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 Dec 31,</u>	<u>Amount</u>
2023	(811,657)
2024	(1,799,691)
2025	(1,164,240)
2026	(585,536)
	<u>\$ (4,361,124)</u>

Actuarial Assumptions

The TPL in the December 31, 2021 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

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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 Pension Plan Investment Expenses, Including Price Inflation	7.25%
Discount rate	7.25%
Future Post Retirement Benefit Increases:	
PERA Benefit Structure Hired Prior to January 1, 2007	1.00%
PERA Benefit Structure hired after December 31, 2006	Financed by the Annual Increase Reserve (AIR)

The TPL as of December 31, 2021, includes the anticipated adjustments to contribution rates and the AI cap, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022.

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 projection 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:

- **Males:** 94 percent 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 percent 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 percent of the rates for all ages, with generational projection using scale MP-2019.
- **Females:** 105 percent 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, 2020, valuation was based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were

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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 four to 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.

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	<u>100.00%</u>	

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 rate of return assumption of 7.25 percent.

Discount Rate

The discount rate used to measure the TPL was 7.25 percent. 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 percent.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the required adjustments resulting from the 2018 AAP assessment, and the additional 0.50 percent resulting from the 2020 AAP assessment, statutorily recognized July 1,

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2021, and effective July 1, 2022. 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 AAP assessment, and the additional 0.50 percent resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103 percent at which point the AED and SAED will each drop 0.50 percent every year until they are zero. 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 fiduciary net position 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 percent 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 percent. 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 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate 7.25%	1% Increase (8.25%)
Proportionate Share of the Net Pension Liability	\$ 3,824,780	\$ (557,826)	\$ (4,223,684)

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Pension Plan Fiduciary Net Position

Detailed information about the LGDTF's fiduciary net position is available in PERA's Annual Report which can be obtained at www.copera.org/investments/pera-financial-reports.

NOTE 11 - PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION (PERA) VOLUNTARY INVESTMENT PROGRAM

Defined Contribution Pension Plans

Voluntary Investment Program

Plan Description

Employees of the Town that are also members of the LGDTF may voluntarily contribute to the Voluntary Investment Program, 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 Annual Comprehensive Financial Report which includes additional information on the Voluntary Investment Program. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy

The Voluntary Investment Program 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. Employees are immediately vested in their own contributions and investment earnings. For the year ended December 31, 2022, program members contributed \$12,594.

Defined Contribution Retirement Plan (PERA DC Plan)

Plan Description

Eligible employees of the LGDTF hired on or after January 1, 2019, have the option to participate in the LGDTF, a cost-sharing multiple-employer defined benefit pension plan, or the Defined Contribution Retirement Plan (PERA DC Plan).

The PERA DC Plan is an Internal Revenue Code Section 401(a) governmental profit-sharing defined contribution plan. Title 24, Article 51, Part 15 of the C.R.S., as amended, assigns the authority to establish Plan provisions to the PERA Board of Trustees. The DC Plan is also included in PERA's Annual Comprehensive Financial Report as referred to above.

Funding Policy

All participating employees in the PERA DC Plan and the Town are required to contribute a percentage of the participating employees' PERA-includable salary to the PERA SC Plan. The employee and employer contribution rates for the period January 1, 2022 through December 31, 2022 are summarized in the tables below:

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	January 1, 2021 Through December 31, 2021	July 1, 2021 Through December 31, 2021	January 1, 2022 Through December 31, 2022	July 1, 2022 Through December 31, 2022
Employee Contribution Rate				
All employees other than State Troopers	8.50 %	8.50 %	8.50 %	9.50 %
State Troopers	12.00 %	12.50 %	12.50 %	13.00 %
Employer Contribution Rate				
All employees other than State Troopers	10.00 %	10.00 %	10.00 %	10.00 %
State Troopers	12.85 %	12.85 %	12.85 %	12.85 %

Contribution rates are expressed as a percentage of salary as defined in CRS § 24-51-101 (42).

Additionally, the employers are required to contribute AED, SAED, and other statutory amounts for employees other than State Troopers to the LGDTF, as follows:

	January 1, 2021 Through December 31, 2021	January 1, 2022 Through June 30, 2022	July 1, 2022 Through December 31, 2022
Amortization Equalization Disbursement (AED) as Specified in C.R.S. § 24-51-411	2.20 %	2.20 %	2.20 %
Supplemental Amortization Equalization Disbursement (SAED) as Specified in C.R.S. § 24-51-411	1.50 %	1.50 %	1.50 %
Automatic Adjustment Provision (AAP) as specified in C.R.S. § 24-51-411	0.50 %	0.50 %	1.00 %
Defined Contribution Supplement as specified in C.R.S. § 24-51-415	0.02 %	0.03 %	0.03 %
Total Employer Contribution Rate to the LGDTF	4.22 %	4.23 %	4.73 %

Contribution rates are expressed as a percentage of salary as defined in CRS § 24-51-101 (42).

Additionally, the employers are required to contribute AED, SAED, and other statutory amounts for State Troopers to the LGDTF, as follows:

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	January 1, 2021 Through December 31, 2021	January 1, 2022 Through June 30, 2022	July 1, 2022 Through December 31, 2022
Amortization Equalization Disbursement (AED) as Specified in C.R.S. § 24-51-411	2.20 %	2.20 %	2.20 %
Supplemental Amortization Equalization Disbursement (SAED) as Specified in C.R.S. § 24-51-411	1.50 %	1.50 %	1.50 %
Automatic Adjustment Provision (AAP) as specified in C.R.S. § 24-51-411	0.50 %	0.50 %	1.00 %
Defined Contribution statutory contribution as specified in C.R.S. § 24-51-1505	0.25 %	0.25 %	0.25 %
Defined Contribution Supplement as specified in C.R.S. § 24-51-415	0.02 %	0.03 %	0.03 %
Total Employer Contribution Rate to the LGDTF	4.47 %	4.48 %	4.98 %

Contribution rates are expressed as a percentage of salary as defined in CRS § 24-51-101 (42).

Contribution requirements are established under Title 24, Article 51, Section 1505 of the C.R.S., as amended. Participating employees of the PERA DC Plan are immediately vested in their own contributions and investment earnings and are immediately 50 percent vested in the amount of employer contributions made on their behalf. For each full year of participation, vesting of employer contributions increases by 10 percent. Forfeitures are used to pay expenses of the PERA DC Plan in accordance with PERA Rule 16.80 as adopted by the PERA Board of Trustees in accordance with Title 24, Article 51, Section 204 of the C.R.S. As a result, forfeitures do not reduce pension expense. Participating employees in the PERA DC Plan contributed \$10,529.

NOTE 12 – MissionSquare – 401(A) PLAN & 457 PLAN

Plan Description

Employees of the Town may voluntarily contribute to the Voluntary Investment Program, an Internal Revenue Code Section 401(a) defined contribution plan or an Internal Revenue Code Section 457 defined contribution plan. Both of these plans are administered by MissionSquare. MissionSquare issues an annual report that can be obtained at <https://www.missionsq.org>.

Funding Policy for 401(a) Plan

The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Section 401(a). Employees are immediately vested in their own contributions and investment earnings. For the year ended December 31, 2022, program members contributed \$3,250.

Funding Policy for 457 Plan

The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Section 457(b). Employees are immediately vested in their own contributions and investment earnings. For the year ended December 31, 2022, program members contributed \$12,184.

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The Town is contractually obligated to contribute to both MissionSquare 401(a) and 457. All of the Town's contributions will be vested in accordance with the Town's vesting schedule. For the year ended December 31, 2022, the Town made the required contributions of \$6,500 and \$23,843 to MissionSquare 401(a) and 457, respectively.

NOTE 13 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

The Town participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position (FNP) and additions to/deductions from the FNP of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

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, and 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. Colorado State law provisions may be amended by the Colorado General Assembly. 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.

Enrollment in PERACare is voluntary and is available to benefit recipients and their eligible dependents, certain surviving spouses, and divorced spouses and guardians, among others. Eligible benefit recipients

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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 maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5 percent 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 percent 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 of Firestone is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the Town were \$48,629 for the year ended December 31, 2022.

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

At December 31, 2022, the Town reported a liability of \$429,497 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2021, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2020. The Town's proportion of the net OPEB liability was based on the Town's contributions to the HCTF for the calendar year 2021 relative to the total contributions of participating employers to the HCTF.

At December 31, 2021, the Town's proportion was .0498080573 percent, which was an increase of .0031138287 from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the Town recognized OPEB expense of \$54,396. At December 31, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between Expected and Actual Experience	\$ 654	\$ 101,839
Changes of Assumptions or other Inputs	8,892	23,298
Net Difference between Projected and Actual		
Earnings on OPEB Plan Investments	-	26,586
Changes in Proportion and Differences between		
Contributions Recognized and Proportionate		
Share of Contributions	187,878	3,058
Contributions Subsequent to the Measurement Date	48,628	-
Total	<u>\$ 246,053</u>	<u>\$ 154,781</u>

\$48,628 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, 2023.

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 Dec 31,</u>	<u>Amount</u>
2023	16,212
2024	15,213
2025	3,438
2026	3,669
2027	3,522
Thereafter	590
	<u>\$ 42,644</u>

Actuarial assumptions

The total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

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%
PERACare Medicare Plans	4.50% in 2021, 6.00% in 2022, gradually decreasing to 4.50% in 2029
Medicare Part A Premiums	3.75% in 2021, gradually increasing to 4.50% in 2029

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Calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each actuarial valuation and on the pattern of sharing of costs between employers of each fund to that point.

In determining the additional liability for PERACare enrollees who are age 65 or older and who are not eligible for premium-free Medicare Part A, the following monthly costs/premiums are assumed for 2020 for the PERA Benefit Structure:

Medicare Plan	Initial Costs for Members without Medicare Part A		
	Monthly Cost	Monthly Premium	Monthly Cost Adjusted to Age 65
Medicare Advantage/Self-Insured Rx	\$ 633	\$ 230	\$ 591
Kaiser Permanente Medicare Advantage HMO	596	199	562

The 2021 Medicare Part A premium is \$471 (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. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2020, 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 that were used to measure the total OPEB liability are summarized in the table below:

Year	PERACare Medicare Plans	Medicare Part A Premiums
2021	4.50%	3.75%
2022	6.00%	3.75%
2023	5.80%	4.00%
2024	5.60%	4.00%
2025	5.40%	4.00%
2026	5.10%	4.25%
2027	4.90%	4.25%
2028	4.70%	4.25%
2029+	4.50%	4.50%

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Mortality assumptions used in the December 31, 2020, valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below, reflect generational mortality and were applied, as applicable, in the determination of the TOL for the HCTF, but developed using a headcount-weighted basis. Affiliated employers of the State, School, Local Government and Judicial Divisions participate in the HCTF.

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

- **Males:** 94 percent of the rates prior to age 80 and 90 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- **Females:** 87 percent of the rates prior to age 80 and 107percent 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 percent of the rates for all ages, with generational projection using scale MP-2019.
- **Females:** 105 percent 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 following health care costs assumptions were updated and used in the roll-forward calculation for the Trust Fund:

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2021 plan year.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A 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, 2020, valuation was based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were

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DECEMBER 31, 2022**

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 four to 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.

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:

Asset Class	Target Allocation	30-Year Expected Geometric Real Rate of Return
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	<u>100.00%</u>	

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25 percent.

Sensitivity of the Town’s proportionate share of the net OPEB liability to changes in the healthcare cost trend rates

The following presents the Town of Firestone’s 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:

	<u>1% Decrease in Trend Rates</u>	<u>Current Trend Rates</u>	<u>1% Increase in Trend Rates</u>
Initial PERACare Medicare Trend Rate	3.50%	4.50%	5.50%
Ultimate PERACare Medicare Trend Rate	3.50%	4.50%	5.50%
Initial Medicare Part A Trend Rate	2.75%	3.75%	4.75%
Ultimate Medicare Part A Trend Rate	3.50%	4.50%	5.50%
Proportionate Share of the Net OPEB Liability	\$ 417,163	\$ 429,497	\$ 443,785

Discount Rate

The discount rate used to measure the total OPEB liability was 7.25 percent. 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:

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- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2021, 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 HCTF’s fiduciary net position was projected to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent. 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 percent, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Proportionate Share of the Net OPEB Liability	\$498,816	\$429,497	\$370,287

OPEB plan fiduciary net position

Detailed information about the HCTF’s fiduciary net position is available in PERA’s Annual Comprehensive Financial Report which can be obtained at www.copera.org/investments/pera-financial-reports.

**TOWN OF FIRESTONE, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 14 - COMMITMENTS AND CONTINGENCIES

Construction Commitments

At December 31, 2022, the Town had unexpended construction related contract commitments in the governmental funds of approximately \$1,096,405 and \$23,189,506 in the proprietary funds. These projects are expected to be completed in 2023.

TABOR Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20 (the Taxpayer Bill of Rights, otherwise known as TABOR), which has several limitations, including revenue raising, spending abilities and other specific requirements of state and local governments. The amendment is complex and subject to judicial interpretation. The Town believes it is in compliance with the requirements of the amendment. However, the Town has made certain interpretations of the amendment's language in order to determine its compliance.

The Amendment also requires local governments to establish emergency reserves to be used for declared emergencies only. An emergency, as defined by the Amendment, excludes economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% or more of fiscal year spending (excluding bonded debt service). The Town has restricted \$485,618 for this purpose.

On April 2, 1996, the voting citizens of the Town of Firestone authorized the Town to collect retain, and expend the full proceeds of the Town's sales and use tax, property tax revenues, non-federal grants, fees and other revenues collected and received during the year 1996 and each subsequent year, for capital projects, basic municipal services or other lawful municipal purposes, notwithstanding any state limitation on fiscal year revenue and spending, including without limitation the restrictions of Article X, Section 20 of the Colorado Constitution or any other law. This effectively removed all revenue and spending limits imposed by TABOR.

The Town believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions will require judicial interpretation.

Litigation

Management is not aware of any outstanding claims that could have a material adverse effect on the Town's financial statements.

NOTE 15 – FUND BALANCE CLASSIFICATION

In the fund financial statements, governmental funds report restrictions of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. As required by the State Constitution amendment addressed in Note 14, the Town is required to provide for Emergency Reserves.

The rationale of the fund balance classifications are as follows:

- Nonspendable
 - These are payments made to vendors for services that will benefit periods extending beyond the current fiscal year.

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- Restricted
 - Emergencies – a portion restricted for emergencies as defined under TABOR (Note 14)
 - Conservation Trust – restricted under state statutes for future payments on maintenance and capital expenditures
 - Open Space – per legal restrictions on the use of lodging taxes collected
- Committed
 - Impact Fees – committed by Board of Trustees resolution for capital projects related to roadways, local parks, regional parks, municipal facilities, drainage, and raw water
 - FURA Improvements – committed by Board of Trustees resolution to mitigate blight in the Southern, Northern, Central or Bighorn Firestone Urban Renewal Authority boundaries
- Assigned
 - Working Reserve – Town Policy adopted by Resolution of the Board of Trustees to establish a working reserve of at least 25% of the current year General Fund operating expenditures
- Unassigned – any remaining fund balance that does not fall into one of the other categories. The General Fund should be the only fund that reports a positive unassigned fund balance.

The Town's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year, in that order.

NOTE 16 - RISK MANAGEMENT

Since January 1, 2010, the Town has been a member of the Colorado Intergovernmental Risk Sharing Agency ("CIRSA") which provides sufficient liability and property coverage to protect against property damage to all the Town's capital assets and equipment. Other coverage includes general liability coverage as well as supplemental liability coverage for employee benefits, employment practices, law enforcement activities, vehicle and auto liability, crimes against the Town and a general umbrella liability policy. In addition, the Town has secured additional coverage for Town events and volunteers. The Town maintains the state required worker's compensation insurance with Pinnacol Assurance, the primary provider of worker's compensation coverage in Colorado.

NOTE 17 - DEVELOPER AGREEMENTS

The Town is involved in developer agreements to promote commercial growth within its boundaries. These agreements are structured so that future revenues are committed to meet development obligations, but only as the revenues are earned. If revenues are not earned from the sources outlined in the agreements, the Town of Firestone is not obligated to fund the expenditures from other sources. These agreements fall under Government Accounting Standard Board Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues* for pledged revenues. The obligations to be repaid through these pledged revenues are summarized below:

American Furniture Warehouse (AFW) and THF/TFD Firestone Development, L.L.C.

An Amended and Restated Public Improvements Reimbursement Agreement (the "PIRA") between AFW and THF/TFD Firestone Development (the "Developers") was approved by the Town on July 31, 2006. The PIRA will finance the construction of certain public improvements in connection with the Town City

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Centre development, located at I-25 and Firestone Blvd. Under the PIRA, the Developers will receive 1.25 percent (the "Credit PIF") of the Town's 3.6 percent sales and use tax on the sale or provision of goods in the development. The amount of eligible cost that could be reimbursed to the Developers from Credit PIF Revenues is limited to \$11,000,000, plus interest accruing at the Wall Street Journal Prime Rate (3.25% at December 31, 2022), capped at 7 percent per annum. The Developers have 20 years (2026) to receive the maximum reimbursable amount.

THF Firestone Development, L.L.C.

A Retail Infrastructure Funding Agreement (the "RIFA") with THF Firestone Development (the "THF Developer") was approved by the Town on September 4, 2008. The RIFA supplements the PIRA and is intended to help finance the construction of additional public improvements in connection with the development of a portion of the retail area at I-25 and Firestone Boulevard. Under the RIFA, the THF Developer imposed a Retail Transaction Fee ("RTF") in the amount of 0.25 percent of the Town's 3.6 percent sales and use tax on the sale or provision of goods in the project area. The amount of eligible cost that could be reimbursed to the Developers from RTF Revenues is limited to \$4,000,000, plus interest accruing at the Wall Street Journal Prime Rate (3.25% at December 31, 2022), capped at 7 percent per annum. The Developers have 20 years (2029) to receive the maximum reimbursable amount.

**TOWN OF FIRESTONE
REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
Year Ended December 31, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 10,617,651	\$ 10,617,651	\$ 10,880,042	\$ 262,391
Intergovernmental	1,335,306	1,335,306	1,393,951	58,645
Licenses, Fees and Charges	3,042,811	3,042,811	2,597,991	(444,820)
Fines	106,473	106,473	126,665	20,192
Grants	9,000	9,000	216,202	207,202
Investment Earnings/(Loss)	60,451	60,451	(78,154)	(138,605)
Miscellaneous	50,000	50,000	106,242	56,242
Total Revenues	<u>15,221,692</u>	<u>15,221,692</u>	<u>15,242,939</u>	<u>21,247</u>
EXPENDITURES				
Town Administration	6,291,631	6,291,631	5,690,785	600,846
Engineering	280,943	280,943	257,134	23,809
Planning	1,470,282	1,470,282	1,201,157	269,125
Public Safety	5,029,020	5,029,020	4,732,368	296,652
Public Works	2,455,392	2,455,392	1,987,999	467,393
Parks	1,960,050	1,960,050	1,624,224	335,826
Capital Outlay	587,936	587,936	1,489,396	(901,460)
Total Expenditures	<u>18,075,254</u>	<u>18,075,254</u>	<u>16,983,063</u>	<u>1,092,191</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,853,562)</u>	<u>(2,853,562)</u>	<u>(1,740,124)</u>	<u>1,113,438</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	3,009,880	3,009,880	3,003,425	(6,455)
Transfers Out	-	(153,000)	(153,000)	-
Lease Financing	-	-	684,183	684,183
Interest Expense	-	-	(30,382)	(30,382)
Principal Expense	-	-	(211,482)	(211,482)
Total Other Financing Sources (Uses)	<u>3,009,880</u>	<u>2,856,880</u>	<u>3,292,745</u>	<u>435,865</u>
NET CHANGE IN FUND BALANCE	<u>\$ 156,318</u>	<u>\$ 3,318</u>	1,552,621	<u>\$ 1,549,303</u>
FUND BALANCE AT BEGINNING OF YEAR			<u>10,194,296</u>	
FUND BALANCE AT END OF YEAR			<u>\$ 11,746,917</u>	

**TOWN OF FIRESTONE
REQUIRED SUPPLEMENTARY INFORMATION
FIRESTONE URBAN RENEWAL AUTHORITY - BIGHORN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
Year Ended December 31, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes - TIF	\$ 3,805,312	\$ 3,805,312	\$ 3,825,495	\$ 20,183
Investment Earnings	804	804	103,884	103,080
Total Revenues	<u>3,806,116</u>	<u>3,806,116</u>	<u>3,929,379</u>	<u>123,263</u>
EXPENDITURES				
General Government	1,969,652	1,969,652	2,551,922	(582,270)
Capital Outlay	1,500,000	1,500,000	-	1,500,000
Total Expenditures	<u>3,469,652</u>	<u>3,469,652</u>	<u>2,551,922</u>	<u>917,730</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>336,464</u>	<u>336,464</u>	<u>1,377,457</u>	<u>1,040,993</u>
NET CHANGE IN FUND BALANCE	<u>\$ 336,464</u>	<u>\$ 336,464</u>	<u>1,377,457</u>	<u>\$ 1,040,993</u>
FUND BALANCE AT BEGINNING OF YEAR			<u>1,745,250</u>	
FUND BALANCE AT END OF YEAR			<u>\$ 3,122,707</u>	

**TOWN OF FIRESTONE
REQUIRED SUPPLEMENTARY INFORMATION
FIRESTONE URBAN RENEWAL AUTHORITY - NORTHERN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
Year Ended December 31, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes - TIF	\$ 2,881,966	\$ 2,881,966	\$ 2,920,676	\$ 38,710
Licenses, Fees and Charges	-	-	20,000	20,000
Investment Earnings	2,257	2,257	30,152	27,895
Total Revenues	<u>2,884,223</u>	<u>2,884,223</u>	<u>2,970,828</u>	<u>86,605</u>
EXPENDITURES				
General Government	2,759,603	2,759,603	2,721,738	37,865
Total Expenditures	<u>2,759,603</u>	<u>2,759,603</u>	<u>2,721,738</u>	<u>37,865</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>124,620</u>	<u>124,620</u>	<u>249,090</u>	<u>124,470</u>
NET CHANGE IN FUND BALANCE	<u>\$ 124,620</u>	<u>\$ 124,620</u>	249,090	<u>\$ 124,470</u>
FUND BALANCE AT BEGINNING OF YEAR			<u>794,660</u>	
FUND BALANCE AT END OF YEAR			<u>\$ 1,043,750</u>	

TOWN OF FIRESTONE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY/(ASSET)

FPPA - STATEWIDE DEFINED BENEFIT PLAN

Last Ten Years

	2022	2021	2020	2019
Town's Proportion of the Net Pension Liability (Asset)	0.31807%	0.30921%	0.31584%	0.30161%
Town's Proportionate Share of the Net Pension Liability (Asset)	\$ (1,723,709)	\$ (671,289)	\$ (178,626)	\$ 381,312
Town's Covered Payroll	\$ 2,483,607	\$ 2,327,822	\$ 2,327,822	\$ 2,020,327
Town's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	-69.40%	-28.84%	-7.67%	18.87%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	101.90%	101.90%	101.90%	95.20%

* The amounts presented for each fiscal year were determined as of December 31 of the prior year.

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

2018	2017	2016	2015	2014
0.27030%	0.27198%	0.23771%	0.25066%	0.25271%
\$ (388,872)	\$ 98,278	\$ (4,191)	\$ (282,914)	\$ (316,152)
\$ 1,581,069	\$ 1,349,000	\$ 1,253,350	\$ 1,127,325	\$ 1,097,600
-24.60%	7.29%	-0.33%	-25.10%	-28.80%
106.30%	98.21%	100.10%	106.80%	105.80%

TOWN OF FIRESTONE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY/(ASSET)

PERA - LOCAL GOVERNMENT DIVISION TRUST FUND
Last Ten Years

	2022	2021	2020	2019
Town's proportionate share of the net pension liability/(asset)	0.65062%	0.62002%	0.52746%	0.39639%
Town's proportion of the net pension liability/(asset)	\$ (557,826)	\$ 3,231,086	\$ 3,857,762	\$ 4,983,456
Town's covered payroll	\$ 5,737,211	\$ 4,646,448	\$ 3,609,894	\$ 2,571,702
Town's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	-9.72%	74.34%	106.87%	193.78%
Plan fiduciary net position as a percentage of the total pension	101.49%	90.88%	86.26%	75.96%

* The amounts presented for each fiscal year were determined as of December 31 of the prior year.

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

2018	2017	2016	2015	2014
0.30200%	0.32290%	0.32673%	0.30410%	0.28906%
\$ 3,362,833	\$ 4,360,194	\$ 3,599,155	\$ 2,725,702	\$ 2,167,416
\$ 1,905,298	\$ 1,957,152	\$ 1,855,551	\$ 1,666,348	\$ 1,542,145
176.50%	222.78%	193.97%	163.57%	140.55%
79.37%	73.65%	76.87%	80.72%	77.66%

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TOWN OF FIRESTONE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY/(ASSET)

PERA - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS
Last Ten Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Town's proportionate share of the net OPEB liability/(asset)	0.04981%	0.04669%	0.03980%	0.03041%	0.02347%
Town's proportion of the net OPEB liability/(asset)	\$ 429,497	\$ 443,700	\$ 447,372	\$ 413,696	\$ 304,999
Town's covered payroll	\$ 5,737,211	\$ 4,346,448	\$ 3,609,894	\$ 2,571,702	\$ 1,905,298
Town's proportionate share of the net OPEB liability/(asset) as a percentage of its covered payroll	7.49%	10.21%	12.39%	16.09%	16.01%
Plan fiduciary net position as a percentage of the total OPEB	39.40%	24.49%	24.49%	17.03%	17.53%

* The amounts presented for each fiscal year were determined as of December 31 of the prior year.

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

**TOWN OF FIRESTONE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE TOWN'S CONTRIBUTIONS**

FPPA - STATEWIDE DEFINED BENEFIT PLAN
Last Ten Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually Required Contribution	\$ 251,446	\$ 217,643	\$ 198,686	\$ 186,226
Contributions in Relation to the Contractually Required Contribution	<u>251,446</u>	<u>217,643</u>	<u>198,686</u>	<u>186,226</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's Covered Payroll	\$ 2,799,383	\$ 2,563,107	\$ 2,483,607	\$ 2,327,822
Contributions as a Percentage of Covered Payroll	9.0%	8.5%	8%	8%

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

2018	2017	2016	2015	2014	2013
\$ 161,626	\$ 126,486	\$ 107,920	\$ 100,268	\$ 90,186	\$ 87,808
161,626	126,486	107,920	100,268	90,186	87,808
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 2,020,327	\$ 1,581,069	\$ 1,349,000	\$ 1,253,350	\$ 1,127,325	\$ 1,097,600
8%	8%	8%	8%	8%	8%

**TOWN OF FIRESTONE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE TOWN'S CONTRIBUTIONS**

**PERA - LOCAL GOVERNMENT DIVISION TRUST FUND
Last Ten Years**

	2022	2021	2020	2019
Statutorily required contributions	\$ 757,312	\$ 637,977	\$ 551,130	\$ 457,735
Contributions in relation to the statutorily required contribution	<u>773,738</u>	<u>638,335</u>	<u>562,044</u>	<u>455,430</u>
Contribution deficiency (excess)	<u>\$ (16,427)</u>	<u>\$ (358)</u>	<u>\$ (10,914)</u>	<u>\$ 2,304</u>
Covered payroll	5,737,211	4,833,157	4,346,448	3,609,894
Contribution as a percentage of covered payroll	13.20%	13.20%	12.68%	12.68%

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

2018	2017	2016	2015	2014	2013
\$ 326,092	\$ 241,592	\$ 248,166	\$ 235,284	\$ 211,293	\$ 195,544
329,666	241,592	248,166	235,284	211,293	195,544
\$ (3,574)	\$ -	\$ -	\$ -	\$ -	\$ -
2,571,702	1,905,298	1,957,152	1,855,551	1,666,348	1,542,145
12.68%	12.68%	12.68%	12.68%	12.68%	12.68%

**TOWN OF FIRESTONE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE TOWN'S CONTRIBUTIONS**

PERA - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS
Last Ten Years

	2022	2021	2020	2019	2018
Statutorily required contributions	\$ 58,520	\$ 49,298	\$ 44,334	\$ 36,821	\$ 26,231
Contributions in relation to the statutorily required contribution	58,520	49,298	44,334	36,821	26,231
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	5,737,211	4,833,157	4,346,448	3,609,894	2,571,702
Contribution as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%

This schedule is presented to show information for 10 years.
Until information for the full 10-year period is available,
information will be presented for the years it is available.

TOWN OF FIRESTONE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2022

NOTE 1. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

The Board of Trustees annually adopts the Budget Resolution for all operating funds of the City. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all funds, with the exception of the enterprise funds, which are budgeted on a non-GAAP basis of accounting. All annual appropriations lapse at fiscal year-end.

No later than October 15, the Town Manager submits to the Mayor and Trustees a proposed budget for the calendar year commencing the following January 1. The budget is prepared by fund, department, program, and activity, and includes information on the past year, current year estimates and requested appropriations and estimated revenues for the next calendar year. The Board of Trustees holds public hearings and may add to, subtract from or change appropriations except for expenditures required by law, debt service expenditures or for estimated cash deficits. No change to the budget shall increase the authorized expenditures to any amount greater than the total amount of available funds, which includes unreserved fund balance.

The Board of Trustees shall adopt the budget by resolution in accordance with the State Budget Law. Once adopted, the Board of Trustees may at any time, by ordinance, amend the budget. The individual boards of the Town's component units approve their respective annual budgets.

Expenditures may not legally exceed budgeted appropriations at the fund level. Funds are defined as the major operating units of the Town. Those funds are the General Fund, Capital Projects Fund, Debt Service Fund, Water Fund, and Stormwater Fund.

NOTE 2. CHANGE IN CONTRIBUTIONS FOR PENSIONS – FIRE AND POLICE PENSION ASSOCIATION (FPPA)

In 2014, the members elected to increase the member contribution rate to the Statewide Defined Benefit (SWDB) plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of pensionable earnings. Employer contributions are 8 percent and 8.5 percent in 2020 and 2021, respectively. Employer contributions will increase 0.5 percent annually beginning in 2021 through 2030 to a total of 13 percent of pensionable earnings. In 2022, members of the SWDB plan and their employers are contributing at the rate of 12 percent and 9 percent, respectively, of pensionable earnings for a total contribution rate of 21 percent.

For additional information, see note 8 on page 51 of the Notes section.

NOTE 3. CHANGE IN CONTRIBUTIONS FOR PENSIONS – PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION (PERA)

Eligible employees and the Town of Firestone are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Employees are required to contribute 9 percent of their PERA-includable salary during the period of January 1, 2022 through December 31, 2022.

**TOWN OF FIRESTONE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2022**

The employer contribution requirements for all employees are summarized in the table below:

	January 1, 2021 Through December 31, 2021	January 1, 2022 Through December 31, 2022
Employer Contribution Rate ¹	10.50 %	10.50 %
Amount of Employer Contribution Apportioned to the health Care Trust Fund as Specified in C.R.S. § 24-51-208(1)(f) ¹	(1.02)%	(1.02)%
Amount Apportioned to the LGDTF ¹	9.48 %	9.48 %
Amortization Equalization Disbursement (AED) as Specified in C.R.S. § 24-51-411 ¹	2.20 %	2.20 %
Supplemental Amortization Equalization Disbursement (SAED) as Specified in C.R.S. § 24-51-411 ¹	1.50 %	1.50 %
Defined Contribution Supplement as specified in C.R.S. § 24-51-415	0.02 %	0.02 %
Total Employer Contribution Rate to the LGDTF¹	13.20 %	13.20 %

Contribution Rates for the LGDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

For additional information, see Note 10 on page 55 of the Notes section.

**TOWN OF FIRESTONE
OTHER SUPPLEMENTARY INFORMATION
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
Year Ended December 31, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 4,377,315	\$ 4,377,315	\$ 5,065,407	\$ 688,092
Intergovernmental	-	-	250,000	250,000
Licenses, Fees and Charges	5,199,343	5,199,343	1,305,423	(3,893,920)
Grants	-	-	1,751,568	1,751,568
Investment Earnings/(Loss)	19,844	19,844	(177,460)	(197,304)
Total Revenues	<u>9,596,502</u>	<u>9,596,502</u>	<u>8,194,938</u>	<u>(1,401,564)</u>
EXPENDITURES				
General Government	-	-	1,702,077	(1,702,077)
Capital Outlay	3,113,171	4,354,671	1,357,533	2,997,138
Total Expenditures	<u>3,113,171</u>	<u>4,354,671</u>	<u>3,059,610</u>	<u>1,295,061</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>6,483,331</u>	<u>5,241,831</u>	<u>5,135,328</u>	<u>(106,503)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	153,000	153,000	-
Transfers Out	(5,312,087)	(5,312,087)	(5,304,371)	7,716
Total Other Financing Sources (Uses)	<u>(5,312,087)</u>	<u>(5,159,087)</u>	<u>(5,151,371)</u>	<u>7,716</u>
NET CHANGE IN FUND BALANCE	<u>\$ 1,171,244</u>	<u>\$ 82,744</u>	(16,043)	<u>\$ (98,787)</u>
FUND BALANCE AT BEGINNING OF YEAR, RESTATED			<u>9,850,247</u>	
FUND BALANCE AT END OF YEAR			<u>\$ 9,834,204</u>	

**TOWN OF FIRESTONE
OTHER SUPPLEMENTARY INFORMATION
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
Year Ended December 31, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment Earnings	\$ -	\$ -	\$ 17,240	\$ 17,240
Total Revenues	<u>-</u>	<u>-</u>	<u>17,240</u>	<u>17,240</u>
EXPENDITURES				
Principal Payments	1,470,000	1,470,000	1,470,000	-
Interest Expenditures	862,827	862,827	862,455	372
Administrative Fees	5,500	5,500	5,481	19
Total Expenditures	<u>2,338,327</u>	<u>2,338,327</u>	<u>2,337,936</u>	<u>391</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,338,327)</u>	<u>(2,338,327)</u>	<u>(2,320,696)</u>	<u>17,631</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	2,338,327	2,338,327	2,337,066	(1,261)
Total Other Financing Sources (Uses)	<u>2,338,327</u>	<u>2,338,327</u>	<u>2,337,066</u>	<u>(1,261)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	16,370	<u>\$ 16,370</u>
FUND BALANCE AT BEGINNING OF YEAR			<u>1,002,335</u>	
FUND BALANCE AT END OF YEAR			<u>\$ 1,018,705</u>	

**TOWN OF FIRESTONE
OTHER SUPPLEMENTARY INFORMATION
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2022**

	Conservation Trust	Firestone Urban Renewal Authority - Central	Total Nonmajor Governmental Funds
ASSETS			
Cash and Investments	\$ 160,760	\$ 547,520	\$ 708,280
Receivables	16	68	84
Total Assets	160,776	547,588	708,364
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	-	3,533	3,533
Other Liabilities	-	37,531	37,531
Total Liabilities	-	41,064	41,064
FUND BALANCES			
Conservation Trust	160,776	-	160,776
Committed for:			
FURA Improvements	-	506,524	506,524
Total Fund Balances	160,776	506,524	667,300
Total Liabilities and Fund Balances	\$ 160,776	\$ 547,588	\$ 708,364

**TOWN OF FIRESTONE
OTHER SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2022**

	Conservation Trust	Firestone Urban Renewal Authority - Central	Total Nonmajor Governmental Funds
REVENUES			
Taxes	\$ -	\$ 2,135,724	\$ 2,135,724
Intergovernmental	106,538	-	106,538
Investment Earnings	4,321	32,463	36,784
Total Revenues	110,859	2,168,187	2,279,046
EXPENDITURES			
General Government	-	2,070,435	2,070,435
Capital Outlay	50,785	-	50,785
Total Expenditures	50,785	2,070,435	2,121,220
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	60,074	97,752	157,826
NET CHANGE IN FUND BALANCES	60,074	97,752	157,826
FUND BALANCES - BEGINNING OF YEAR	100,702	408,772	509,474
FUND BALANCES - END OF YEAR	\$ 160,776	\$ 506,524	\$ 667,300

**TOWN OF FIRESTONE
OTHER SUPPLEMENTARY INFORMATION
CONSERVATION TRUST FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
Year Ended December 31, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 102,230	\$ 102,230	\$ 106,538	\$ 4,308
Investment Earnings	84	84	4,321	4,237
Total Revenues	<u>102,314</u>	<u>102,314</u>	<u>110,859</u>	<u>8,545</u>
EXPENDITURES				
Capital Outlay	125,000	125,000	50,785	74,215
Total Expenditures	<u>125,000</u>	<u>125,000</u>	<u>50,785</u>	<u>74,215</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(22,686)</u>	<u>(22,686)</u>	<u>60,074</u>	<u>82,760</u>
NET CHANGE IN FUND BALANCE	<u>\$ (22,686)</u>	<u>\$ (22,686)</u>	60,074	<u>\$ 82,760</u>
FUND BALANCE AT BEGINNING OF YEAR			<u>100,702</u>	
FUND BALANCE AT END OF YEAR			<u>\$ 160,776</u>	

**TOWN OF FIRESTONE
OTHER SUPPLEMENTARY INFORMATION
FIRESTONE URBAN RENEWAL AUTHORITY - CENTRAL
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
Year Ended December 31, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes - TIF	\$ 2,125,884	\$ 2,125,884	\$ 2,135,724	\$ 9,840
Investment Earnings	504	504	32,463	31,959
Total Revenues	<u>2,126,388</u>	<u>2,126,388</u>	<u>2,168,187</u>	<u>41,799</u>
EXPENDITURES				
General Government	2,088,493	2,088,493	2,070,435	18,058
Total Expenditures	<u>2,088,493</u>	<u>2,088,493</u>	<u>2,070,435</u>	<u>18,058</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>37,895</u>	<u>37,895</u>	<u>97,752</u>	<u>59,857</u>
NET CHANGE IN FUND BALANCE	<u>\$ 37,895</u>	<u>\$ 37,895</u>	97,752	<u>\$ 59,857</u>
FUND BALANCE AT BEGINNING OF YEAR			<u>408,772</u>	
FUND BALANCE AT END OF YEAR			<u>\$ 506,524</u>	

**TOWN OF FIRESTONE
OTHER SUPPLEMENTARY INFORMATION
WATER FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION -
BUDGET AND ACTUAL (NON GAAP BUDGETARY BASIS)
Year Ended December 31, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
OPERATING REVENUES				
Charges for Services	\$ 20,767,235	\$ 20,767,235	\$ 17,593,585	\$ (3,173,650)
Licenses and Fees	400	400	1,675	1,275
Intergovernmental	35,000	35,000	250,985	215,985
Total Operating Revenues	<u>20,802,635</u>	<u>20,802,635</u>	<u>17,846,245</u>	<u>(2,956,390)</u>
OPERATING EXPENSES				
Operations	1,521,375	1,521,375	1,177,292	344,083
Administration	550,920	550,920	643,245	(92,325)
Resources	1,578,605	1,578,605	1,698,340	(119,735)
Water Treatment and Tap Fees	2,100,000	2,100,000	2,136,005	(36,005)
Capital Outlay	12,788,293	46,415,579	15,102,696	31,312,883
Total Operating Expenses	<u>18,539,193</u>	<u>52,166,479</u>	<u>20,757,578</u>	<u>31,408,901</u>
OPERATING INCOME (LOSS)	<u>2,263,442</u>	<u>(31,363,844)</u>	<u>(2,911,333)</u>	<u>28,452,511</u>
NONOPERATING REVENUES (EXPENSES)				
Investment Earnings	30,000	30,000	(228,975)	(258,975)
Interest Expense	(1,937,600)	(1,937,600)	(1,436,470)	501,130
Total Nonoperating Revenues (Expenses)	<u>(1,907,600)</u>	<u>(1,907,600)</u>	<u>(1,665,445)</u>	<u>242,155</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>355,842</u>	<u>(33,271,444)</u>	<u>(4,576,777)</u>	<u>28,694,667</u>
OTHER FINANCING SOURCES				
Transfers out	<u>(36,120)</u>	<u>(36,120)</u>	<u>(36,120)</u>	<u>-</u>
Change in Net Position - Budget Basis	<u>\$ 319,722</u>	<u>\$ (33,307,564)</u>	<u>(4,612,897)</u>	<u>\$ 28,694,667</u>
RECONCILIATION TO GAAP BASIS:				
Capital Contributions			1,545,550	
Pension Income			114,641	
OPEB Expense			101,509	
Capital Outlay			15,102,696	
Depreciation			(491,763)	
Change in Net Position - GAAP Basis			<u>11,759,735</u>	
TOTAL NET POSITION - BEGINNING			<u>88,009,013</u>	
TOTAL NET POSITION - ENDING			<u>\$ 99,768,748</u>	

TOWN OF FIRESTONE
OTHER SUPPLEMENTARY INFORMATION
STORMWATER FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION -
BUDGET AND ACTUAL (NON GAAP BUDGETARY BASIS)
Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
OPERATING REVENUES				
Charges for Services	\$ 670,586	\$ 670,586	\$ 678,983	\$ 8,397
Licenses and Fees	115,092	115,092	115,372	280
Total Operating Revenues	<u>785,678</u>	<u>785,678</u>	<u>794,355</u>	<u>8,677</u>
OPERATING EXPENSES				
Operations	503,215	503,215	439,332	63,883
Administration	286,760	286,760	267,087	19,673
Capital Outlay	122,000	471,083	247,752	223,331
Total Operating Expenses	<u>911,975</u>	<u>1,261,058</u>	<u>954,171</u>	<u>306,887</u>
OPERATING INCOME (LOSS)	<u>(126,297)</u>	<u>(475,380)</u>	<u>(159,816)</u>	<u>315,564</u>
NONOPERATING REVENUES				
Investment Earnings/(Loss)	10,000	10,000	(20,477)	(30,477)
Total Nonoperating Revenues	<u>10,000</u>	<u>10,000</u>	<u>(20,477)</u>	<u>(30,477)</u>
Change in Net Position - Budget Basis	<u>\$ (116,297)</u>	<u>\$ (465,380)</u>	(180,293)	<u>\$ 285,087</u>
RECONCILIATION TO GAAP BASIS:				
Capital Contributions			741,280	
Pension Income			85,490	
OPEB Income			53,837	
Capital Outlay			247,752	
Depreciation			<u>(225,687)</u>	
Change in Net Position - GAAP Basis			722,379	
TOTAL NET POSITION - BEGINNING			<u>9,904,789</u>	
TOTAL NET POSITION - ENDING			<u>\$ 10,627,168</u>	

**TOWN OF FIRESTONE
OTHER SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF NET POSITION
NON-MAJOR PROPRIETARY FUND
December 31, 2022**

	<u>St Vrain Water Authority</u>
CURRENT ASSETS	
Cash and Investments	\$ 7,268
Receivables	60,096
Total Current Assets	<u>67,364</u>
 CURRENT LIABILITIES	
Accounts Payable	<u>11,038</u>
Total Current Liabilities	<u>11,038</u>
 NET POSITION	
Unrestricted	<u>56,326</u>
Total Net Position	<u><u>\$ 56,326</u></u>

**TOWN OF FIRESTONE
OTHER SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
NON-MAJOR PROPRIETARY FUND
Year Ended December 31, 2022**

	<u>St Vrain Water Authority</u>
OPERATING REVENUES	
Charges for Services	\$ 60,096
Total Operating Revenues	<u>60,096</u>
 OPERATING EXPENSES	
Administration	<u>59,342</u>
Total Operating Expenses	<u>59,342</u>
 OPERATING INCOME (LOSS)	 <u>754</u>
 CHANGE IN NET POSITION	 754
 NET POSITION - BEGINNING OF YEAR	 <u>55,572</u>
 NET POSITION - END OF YEAR	 <u><u>\$ 56,326</u></u>

**TOWN OF FIRESTONE
OTHER SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR PROPRIETARY FUNDS
Year Ended December 31, 2022**

	Business-Type Activities
	St Vrain Water Authority
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Paid to Suppliers	\$ (271,514)
Net Cash Provided (Used) by Operating Activities	(271,514)
Net Increase (Decrease) in Cash and Cash Equivalents	(271,514)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	278,782
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 7,268
 RECONCILIATION OF OPERATING INCOME TO NET CASH FROM OPERATING ACTIVITIES	
Operating Income	\$ 754
Adjustments to Reconcile Operating Income to Net Cash Flows from Operating Activities	
(Increase) Decrease in Accounts Receivable	(60,096)
Increase (Decrease) in Accounts Payable	(212,172)
NET CASH FLOWS FROM OPERATING ACTIVITIES	\$ (271,514)

**TOWN OF FIRESTONE
OTHER SUPPLEMENTARY INFORMATION
ST VRAIN WATER AUTHORITY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION -
BUDGET AND ACTUAL (NON GAAP BUDGETARY BASIS)
Year Ended December 31, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for Services	\$ 650,323	\$ 650,323	\$ 60,096	\$ (590,227)
Total Revenues	<u>650,323</u>	<u>650,323</u>	<u>60,096</u>	<u>(590,227)</u>
EXPENDITURES				
General Government	650,323	650,323	59,342	590,981
Total Expenditures	<u>650,323</u>	<u>650,323</u>	<u>59,342</u>	<u>590,981</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>754</u>	<u>754</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	754	<u>\$ 754</u>
FUND BALANCE AT BEGINNING OF YEAR			<u>55,572</u>	
FUND BALANCE AT END OF YEAR			<u>\$ 56,326</u>	

**TOWN OF FIRESTONE, COLORADO
STATISTICAL SECTION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022**

This part of the Town of Firestone's Comprehensive Annual Financial Report presents detailed information spanning multiple years to provide a historical context for understanding, interpreting and analyzing the information presented in the financial statements, note disclosures, and supplementary information about the Town's overall financial condition.

The Statistical Section is organized as follows -

	<u>Pages</u>
<i>Financial Trends:</i>	
Information on the Town's financial performance and health over time.	104-113
<i>Revenue:</i>	
Information on the Town's ability to generate tax revenue over time.	115-124
<i>Debt Capacity:</i>	
Information on the Town's outstanding debt and that of overlapping governments.	125-133
<i>Demographics:</i>	
Information on demographic and economic measures that affect the Town and its provision of services to its constituents.	134-136
<i>Operating Information:</i>	
Information on the Town's operations, staffing and other data.	137-139

**Town of Firestone
Net Position by Component
Last Ten Years**

	2013	2014	2015	2016
Governmental Activities				
Net Investment in Capital Assets	\$ 27,884,672	\$ 25,318,630	\$ 29,781,019	\$ 35,226,064
Restricted	360,606	2,896,206	555,109	620,745
Unrestricted	5,368,759	7,080,617	10,668,886	12,805,734
Total Governmental Activities Net Position	33,614,037	35,295,453	41,005,014	48,652,543
Business-Type Activities				
Net Investment in Capital Assets	54,207,452	54,887,599	56,976,448	61,740,243
Restricted	-	-	-	-
Unrestricted	4,747,092	5,700,790	6,330,768	7,468,575
Total Business-Type Activities Net Position	58,954,544	60,588,389	63,307,216	69,208,818
Primary Government				
Net Investment in Capital Assets	82,092,124	80,206,229	86,757,467	96,966,307
Restricted	360,606	2,896,206	555,109	620,745
Unrestricted	10,115,851	12,781,407	16,999,654	20,274,309
Total Primary Government Net Position	\$ 92,568,581	\$ 95,883,842	\$ 104,312,230	\$ 117,861,361

Source: Town of Firestone Finance Department

	2017	2018	2019	2020	2021	2022
\$	34,650,364	\$ 28,109,970	\$ 41,257,735	\$ 40,994,563	\$ 44,752,972	\$ 42,881,134
	803,119	13,864,260	10,522,696	13,582,233	8,763,677	6,629,889
	13,822,992	11,968,347	7,855,505	2,567,164	9,729,837	18,485,232
	<u>49,276,475</u>	<u>53,942,577</u>	<u>59,635,936</u>	<u>57,143,960</u>	<u>63,246,486</u>	<u>67,996,255</u>
	64,408,047	80,031,398	78,690,632	91,857,202	89,787,113	88,505,610
	-	-	-	-	-	-
	7,945,531	9,309,495	14,462,030	4,966,268	8,182,261	21,946,632
	<u>72,353,578</u>	<u>89,340,893</u>	<u>93,152,662</u>	<u>96,823,470</u>	<u>97,969,374</u>	<u>110,452,242</u>
	99,058,411	108,141,368	119,948,367	132,851,765	134,540,085	131,386,744
	803,119	13,864,260	10,522,696	13,582,233	8,763,677	6,629,889
	21,768,523	21,277,842	22,317,535	7,533,432	17,912,098	40,431,864
\$	<u>121,630,053</u>	<u>\$ 143,283,470</u>	<u>\$ 152,788,598</u>	<u>\$ 153,967,430</u>	<u>\$ 161,215,860</u>	<u>\$ 178,448,497</u>

**Town of Firestone
Changes in Net Position
Last Ten Years**

	2013	2014	2015	2016
Expenses				
Governmental Activities:				
General Government	\$ 1,835,993	\$ 2,156,089	\$ 2,207,436	\$ 2,348,047
Public Safety	2,272,091	2,436,446	2,671,801	2,969,834
Public Works	2,554,525	2,974,941	3,248,015	3,090,882
Health & Welfare	174,160	141,181	154,023	141,260
Economic Development	72,636	176,249	177,493	43,704
Parks	837,008	899,216	1,113,830	1,012,945
Interest on Long-Term Debt	58,494	205,068	156,411	159,656
Total Governmental Activities Expenses	7,804,907	8,989,190	9,729,009	9,766,328
Business-Type Activities:				
Water	2,079,861	2,311,358	2,473,529	2,744,992
Stormwater	63,537	82,369	167,672	227,901
St Vrain Water Authority	-	-	-	-
Total Business-Type Activities Expenses	2,143,398	2,393,727	2,641,201	2,972,893
Total Primary Government Activities Expenses	\$ 9,948,305	\$ 11,382,917	\$ 12,370,210	\$ 12,739,221
Program Revenues				
Governmental Activities:				
Charges for Services				
General Government	\$ 437,671	\$ 629,638	\$ 1,029,753	\$ 1,003,617
Public Safety	170,871	187,039	249,393	242,676
Public Works	1,055,226	1,750,915	3,368,729	2,697,973
Parks	-	-	-	-
Operating Grants and Contributions	238,962	397,245	1,276,205	853,006
Capital Grants and Contributions				
General Government	51,500	-	-	-
Capital Grants and Contributions	105,660	462,805	1,479,388	4,785,207
Total Governmental Activities Program Revenues	2,059,890	3,427,642	7,403,468	9,582,479
Business-Type Activities:				
Charges for Services				
Water	2,452,756	2,726,634	3,208,033	3,416,947
Stormwater	114,700	118,585	278,433	449,677
St Vrain Water Authority	-	-	-	-
Operating Grants and Contributions	6,064	29,756	5,300	1,074
Capital Grants and Contributions	595,603	1,115,070	2,301,727	3,228,775
Total Business-Type Activities Program Revenues	3,169,123	3,990,045	5,793,493	7,096,473
Total Primary Government Program Revenues	\$ 5,229,013	\$ 7,417,687	\$ 13,196,961	\$ 16,678,952
Net (Expense) Revenue				
Governmental Activities	(5,745,017)	(5,561,548)	(2,325,541)	(183,849)
Business-Type Activities	1,025,725	1,596,318	3,152,292	4,123,580
Total Primary Government Net Expense	\$ (4,719,292)	\$ (3,965,230)	\$ 826,751	\$ 3,939,731

	2017	2018	2019	2020	2021	2022
\$	5,513,764	\$ 6,569,854	\$ 7,346,775	\$ 9,933,121	\$ 13,578,564	\$ 14,958,771
	3,261,233	3,935,427	3,998,914	5,270,936	5,309,476	5,557,826
	4,880,477	4,125,894	4,333,351	4,906,755	4,886,034	4,857,983
	-	-	-	-	-	-
	-	-	-	-	-	-
	900,040	1,038,690	1,686,172	1,910,253	1,773,954	1,505,774
	145,887	553,631	769,762	784,951	835,897	803,953
	14,701,401	16,223,496	18,134,974	22,806,016	26,383,925	27,684,306
	4,017,740	3,881,323	4,491,369	6,331,037	7,342,985	7,583,115
	148,496	232,813	369,739	696,055	878,329	932,106
	-	-	-	-	240,220	59,342
	4,166,236	4,114,136	4,861,108	7,027,092	8,461,534	8,574,563
\$	18,867,637	\$ 20,337,632	\$ 22,996,082	\$ 29,833,108	\$ 34,845,459	\$ 36,258,869
\$	1,944,779	\$ 2,399,646	\$ 2,951,584	\$ 2,586,062	\$ 2,937,899	\$ 2,795,781
	215,919	245,411	167,956	110,028	106,552	131,784
	1,451,035	1,348,846	977,560	714,874	762,109	616,336
	557,611	1,481,911	978,632	611,001	649,767	464,461
	201,916	508,227	689,690	407,270	2,347,686	2,098,180
	-	-	-	-	-	-
	-	-	-	-	-	-
	1,181,103	2,198,384	2,261,265	630,570	2,349,763	2,151,782
	5,552,363	8,182,425	8,026,687	5,059,805	9,153,776	8,258,324
	5,741,998	5,795,460	6,624,512	7,123,839	7,805,808	17,811,410
	503,901	562,356	831,519	790,534	824,565	933,682
	-	-	-	-	287,361	60,096
	22,616	10,342	67,297	24,870	12,951	250,985
	400,981	13,936,292	900,824	607,315	655,365	2,286,830
	6,669,496	20,304,450	8,424,152	8,546,558	9,586,050	21,343,003
\$	12,221,859	\$ 28,486,875	\$ 16,450,839	\$ 13,606,363	\$ 18,739,826	\$ 29,601,327
	(9,149,038)	(8,041,071)	(10,108,287)	(17,746,211)	(17,230,149)	(19,425,982)
	2,503,260	16,190,314	3,563,044	1,519,466	1,124,516	12,768,440
\$	(6,645,778)	\$ 8,149,243	\$ (6,545,243)	\$ (16,226,745)	\$ (16,105,633)	\$ (6,657,542)

Town of Firestone
Changes in Net Position (continued)
Last Ten Years

General Revenues and Other Changes in Net Position

Governmental Activities:

	2013	2014	2015	2016
Taxes				
Property Taxes - General	\$ 892,840	\$ 918,746	\$ 990,689	\$ 1,158,501
Property Taxes - Debt Service	79,607	-	-	-
Property Taxes - Urban Renewal	31,910	27,839	679,422	472,096
Specific Ownership Taxes	64,770	77,454	66,868	72,990
Sales & Use Taxes	2,973,413	4,692,078	5,448,691	6,072,395
Hwy Users, Road & Bridge, Motor Vehicle				
Taxes	485,282	507,865	545,634	551,515
Other Shared Taxes	-	-	-	-
Franchise Fees (1)	396,128	406,612	435,073	481,156
Interest Earnings	7,362	29,615	48,372	75,918
Other Miscellaneous	394,184	601,620	1,121,028	702,061
Gain on Sale of Capital Assets	-	-	-	-
Transfers	43,823	(18,865)	(94,741)	(1,755,254)
Total Governmental Activities	5,369,319	7,242,964	9,241,036	7,831,378
Business-Type Activities				
Investment Earnings	10,433	13,801	20,061	22,768
Other Miscellaneous	13,535	4,861	97,063	-
Transfers	(28,843)	18,865	94,741	1,755,254
Total Business-Type Activities	(4,875)	37,527	211,865	1,778,022
Total Primary Government	\$ 5,364,444	\$ 7,280,491	\$ 9,452,901	\$ 9,609,400
Changes in Net Position				
Governmental Activities	(375,698)	1,681,416	6,915,495	7,647,529
Business-Type Activities	1,020,850	1,633,845	3,364,157	5,901,602
Total Primary Government	\$ 645,152	\$ 3,315,261	\$ 10,279,652	\$ 13,549,131

Source: Town of Firestone Finance Department
(1) Franchise Fees were previously included under General Revenues. Per GASB-S37, these should be under charge for service when not based on gross receipts. Therefore, they are now included in charge for service under the

	2017	2018	2019	2020	2021	2022
\$	1,415,101	\$ 1,455,589	\$ 1,439,646	\$ 1,702,409	\$ 5,433,457	\$ 8,856,296
	-	-	-	-	-	-
	890,758	1,455,337	1,681,342	2,461,018	3,296,422	2,135,724
	110,069	112,203	105,737	86,076	97,538	111,746
	6,093,407	8,122,999	10,166,807	11,106,914	13,116,296	13,546,388
	401,994	532,150	541,420	424,728	553,896	505,099
	493,796	563,148	748,438	683,855	571,018	1,076,595
	517,269	-	-	-	-	-
	116,195	518,530	640,060	248,512	(25,620)	(67,554)
	309,380	474,089	426,503	437,694	240,343	112,470
	-	-	51,693	70,132	57,756	(104,090)
	(575,000)	(250,000)	-	-	-	36,120
	9,772,969	12,984,045	15,801,646	17,221,338	23,341,106	26,208,794
	61,555	383,847	248,725	184,239	12,957	(249,452)
	4,945	188,214	-	-	-	-
	575,000	250,000	-	-	-	(36,120)
	641,500	822,061	248,725	184,239	12,957	(285,572)
\$	10,414,469	\$ 13,806,106	\$ 16,050,371	\$ 17,405,577	\$ 23,354,063	\$ 25,923,222
	623,931	4,942,975	5,693,359	(524,873)	6,110,957	6,782,812
	3,144,760	17,012,375	3,811,769	1,703,705	1,137,473	12,482,868
\$	3,768,691	\$ 21,955,350	\$ 9,505,128	\$ 1,178,832	\$ 7,248,430	\$ 19,265,680

Town of Firestone
Fund Balances of Governmental Funds
Last Ten Years

	2013	2014	2015	2016
General Fund				
Nonspendable	\$ 27,847	\$ 30,524	\$ 11,265	\$ 9,928
Restricted	207,290	294,883	419,510	419,510
Committed	-	-	-	-
Assigned	62,084	62,084	-	-
Unassigned	2,022,351	2,675,982	4,174,872	6,024,085
Total General Fund	\$ 2,319,572	\$ 3,063,473	\$ 4,605,647	\$ 6,453,523
All Other Governmental Funds				
Nonspendable	\$ -	\$ -	\$ -	\$ 1,318
Restricted	153,316	2,601,323	135,599	201,235
Committed	1,984,022	3,301,212	6,438,705	6,586,504
Assigned	1,402,256	1,158,717	1,407,111	1,693,642
Unassigned	-	-	-	-
Total of All Other Governmental Funds	\$ 3,539,594	\$ 7,061,252	\$ 7,981,415	\$ 8,482,699

Source: Town of Firestone Finance Department

2017	2018	2019	2020	2021	2022
\$ 63,850	\$ 116,814	\$ 120,797	\$ 45,940	\$ 125,672	\$ 115,473
803,119	939,501	7,312,893	2,039,838	1,862,940	1,739,534
7,166,423	6,429,983	8,221,410	-	-	-
2,237,467	2,682,429	3,329,528	3,605,481	3,821,161	4,046,813
5,881,921	4,869,230	3,795,451	3,495,144	4,384,523	5,845,097
\$ 16,152,780	\$ 15,037,957	\$ 22,780,079	\$ 9,186,403	\$ 10,194,296	\$ 11,746,917
\$ -	\$ -	\$ -	\$ -	\$ 5,527	\$ 1,407
-	12,924,759	3,209,803	11,542,395	6,900,738	5,911,447
1,074,337	1,057,094	1,457,191	8,260,405	9,028,744	9,773,812
-	-	-	-	-	-
(38,302)	(27,641)	-	(41,375)	-	-
\$ 1,036,035	\$ 13,954,212	\$ 4,666,994	\$ 19,761,425	\$ 15,935,008	\$ 15,686,666

Town of Firestone
Changes in Fund Balances of Governmental Funds
Last Ten Years

	2013	2014	2015	2016
Revenues				
Taxes	\$ 6,066,305	\$ 8,691,142	\$ 11,854,063	\$ 11,638,871
Intergovernmental	238,962	397,246	1,276,205	853,006
Licenses, Fees and Charges	580,715	777,802	1,183,137	1,164,279
Fines	170,871	187,039	249,393	242,676
Grants	-	-	-	-
Investment Earnings	7,362	29,615	48,372	75,918
Miscellaneous	178,991	143,822	648,687	409,154
Total Revenues	7,243,206	10,226,666	15,259,857	14,383,904
Expenditures				
General Government	1,745,644	2,013,681	2,120,898	2,241,403
Public Safety	2,190,954	2,393,303	2,699,483	2,916,172
Public Works	725,448	1,138,594	1,168,995	931,942
Health & Welfare	174,160	141,181	154,023	141,260
Economic Development	72,636	176,249	177,493	43,704
Parks and Open Space	467,477	532,995	719,125	627,552
Capital Outlay	1,375,169	2,833,046	5,234,670	2,967,231
Debt Service				
Principal	250,424	344,939	264,848	250,755
Interest	61,608	131,175	163,244	159,471
Debt Issuance Costs	-	62,443	-	-
Total Expenditures	7,063,520	9,767,606	12,702,779	10,279,490
Excess of Revenues				
Over (Under) Expenditures	179,686	459,060	2,557,078	4,104,414
Other Financing Sources (Uses)				
Operating Transfers In	1,343,895	3,180,869	4,269,478	2,451,310
Operating Transfers Out	(1,315,052)	(3,199,734)	(4,364,219)	(4,206,564)
Lease Proceeds	-	-	-	-
Proceeds from Debt Issuance	-	3,795,000	-	-
Premium on Issuance of Debt	-	30,364	-	-
Total Other Financing Sources (Uses)	28,843	3,806,499	(94,741)	(1,755,254)
Net Changes in Fund Balance	\$ 208,529	\$ 4,265,559	\$ 2,462,337	\$ 2,349,160
Debt Service as a percentage of				
Noncapital Expenditures	5.49%	6.93%	5.73%	5.56%

Source: Town of Firestone Finance Department

2017	2018	2019	2020	2021	2022
\$ 8,597,266	\$ 11,235,451	\$ 13,489,106	\$ 15,430,861	\$ 22,060,103	\$ 24,827,344
1,096,057	1,044,700	1,360,479	1,224,429	1,189,078	1,750,489
3,752,927	4,474,448	4,910,146	4,138,622	4,610,517	3,903,414
212,529	243,821	165,586	107,683	104,567	126,665
5,367	369,489	448,366	191,151	2,851,012	1,987,770
116,195	518,530	640,060	248,512	(25,620)	(67,554)
1,242,364	1,331,650	553,325	289,700	176,576	106,242
15,022,705	19,218,089	21,567,068	21,630,958	30,966,233	32,634,370
4,579,269	6,188,354	7,420,638	9,306,105	13,098,895	16,200,729
3,224,787	3,661,060	3,970,905	4,331,301	4,462,747	4,732,368
1,639,613	1,500,029	1,406,210	2,038,527	2,389,145	1,987,999
-	-	-	-	-	-
-	-	-	-	-	-
435,065	681,902	1,484,645	1,516,621	1,391,866	1,624,224
1,905,964	9,435,637	12,557,891	2,117,734	10,112,203	2,897,714
260,000	1,170,976	935,461	1,875,000	1,430,000	892,837
150,414	535,305	836,414	870,695	891,470	1,681,482
-	175,259	85,000	107,117	-	-
12,195,112	23,348,522	28,697,164	22,163,100	33,776,326	30,017,353
2,827,593	(4,130,433)	(7,130,096)	(532,142)	(2,810,093)	2,617,017
10,094,527	5,644,059	11,982,877	3,134,847	4,968,239	5,493,491
(10,669,527)	(5,894,059)	(11,982,877)	(3,134,847)	(4,968,239)	(5,457,371)
-	-	-	-	-	684,183
-	14,830,000	5,585,000	4,000,000	-	-
-	1,353,786	-	-	-	-
(575,000)	15,933,786	5,585,000	4,000,000	-	720,303
\$ 2,252,593	\$ 11,803,353	\$ (1,545,096)	\$ 3,467,858	\$ (2,810,093)	\$ 3,337,321
3.94%	12.26%	10.98%	13.70%	9.81%	9.49%

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Town of Firestone
General Governmental Tax Revenues By Source
Last Ten Years

Year	Property Tax	Specific Ownership Tax	Franchise Tax ⁽¹⁾	Sales & Use Tax	Severance Tax	Cigarette Tax	Other	Total
2013	1,004,357	64,770	396,128	2,973,413	157,655	15,382	542,418	5,154,123
2014	946,639	77,454	406,612	4,692,078	325,426	16,192	623,990	7,088,392
2015	1,670,111	66,868	435,073	5,448,691	354,052	17,402	646,521	8,638,718
2016	1,630,597	72,990	481,156	6,072,395	178,086	18,236	648,099	9,101,560
2017	2,305,859	110,069	517,269	6,093,407	80,794	18,187	796,809	9,922,394
2018	2,910,926	112,203	-	8,122,999	137,952	22,894	934,452	12,241,426
2019	3,120,988	105,737	-	10,166,807	323,257	22,214	944,387	14,683,390
2020	4,163,427	86,076	-	11,106,914	235,352	34,190	839,041	16,465,000
2021	8,729,879	97,538	-	13,196,791	85,311	32,334	1,007,269	23,149,122
2022	10,992,020	111,746	-	13,546,388	532,576	16,757	1,032,361	26,231,848

Source: Town of Firestone Finance Department

⁽¹⁾ In 2018, the Franchise Fees were documented differently to follow GASB Statement No. 37

Year	Taxable Revenue Sales Tax	% Change	Taxable Revenue Use Tax	% Change
2013	\$ 115,592,482	--	\$ 13,946,250	71.59%
2014	124,703,183	7.88%	22,125,050	58.65%
2015	135,100,169	8.34%	36,912,350	66.84%
2016	148,351,395	9.81%	39,452,175	6.88%
2017	156,684,562	5.62%	33,806,900	-14.31%
2018	196,750,193	25.57%	39,999,704	18.32%
2019	242,240,088	23.12%	55,621,667	39.06%
2020	276,328,806	14.07%	44,579,885	-19.85%
2021	322,821,611	16.83%	60,585,115	35.90%
2022	338,859,639	4.97%	39,865,115	-34.20%

**Town of Firestone
Sales Tax Trends
Last Ten Years**

	2013	2014	2015	2016	2017
Motor Vehicle Taxes	\$ 482,771	\$ 576,613	\$ 751,155	\$ 926,406	\$ 776,835
Hotel/Motels	75,068	144,952	141,172	110,806	133,528
Restaurants	337,268	599,105	638,306	674,929	774,683
Retail - Grocery	269,046	400,796	433,788	468,049	470,009
Retail - Other	516,102	1,117,043	1,241,644	1,339,173	1,526,329
Bars/Liquor Stores	70,579	117,811	126,508	132,458	133,684
Other	42,593	100,965	99,141	121,590	120,886
Services	35,848	67,023	72,966	81,868	123,542
Banking and Financial	23,949	70,361	72,858	86,020	102,249
Utilities and Communications	357,889	529,765	568,173	736,228	558,466
Agriculture	-	-	-	-	-
Mining, Utilities and Construction	-	-	-	-	-
Wholesale, Retail, Transport and Warehouse	-	-	-	-	-
Information	-	-	-	-	-
Professional Services	-	-	-	-	-
Education, Health and Social Assistance	-	-	-	-	-
Accomodation and Food Services	-	-	-	-	-
Other Services	-	-	-	-	-
Developer Reimbursement Obligation ¹	483,325	525,090	564,623	605,824	673,326
TOTAL	\$ 2,694,438	\$ 4,249,525	\$ 4,710,334	\$ 5,283,351	\$ 5,393,537

¹ Pledged revenues from sales tax for PIRA and RIFA agreements (See Note 17)

In 2020, the Town used the NAICS code for the groupings as it was determined to provide more reliable data.

2018	2019	2020	2021	2022
\$ 1,103,314	\$ 1,199,261	\$ 1,279,147	\$ 1,446,893	\$ 1,665,559
175,898	184,652	-	-	-
989,526	1,131,681	-	-	-
588,765	658,831	-	-	-
2,252,453	2,574,875	-	-	-
170,261	240,926	-	-	-
138,859	187,631	-	-	-
193,857	311,615	-	-	-
108,368	55,069	-	-	-
721,318	900,194	-	-	-
-	-	2,426	-	3,115
-	-	913,260	1,042,543	786,503
-	-	4,960,314	5,514,976	6,700,514
-	-	125,043	156,154	166,897
-	-	245,106	300,432	304,893
-	-	2,688	1,935	3,947
-	-	1,227,777	1,493,146	1,834,826
-	-	98,928	136,507	314
769,331	890,561	994,920	123,780	630,570
\$ 7,211,949	\$ 8,335,296	\$ 9,849,609	\$ 10,216,367	\$ 12,097,138

Town of Firestone
Assessed and Estimated Actual Value of Taxable Property
Last Ten Years

Year ¹	Residential Property	Commercial Property	Industrial Property	Agricultural Property	Oil & Gas Property	Vacant Land
2013	56,630,930	36,827,340	3,838,980	526,100	31,052,063	5,345,770
2014	58,161,240	37,162,960	3,862,400	589,250	40,321,950	5,013,430
2015	74,765,710	37,099,070	4,784,810	728,010	44,078,640	5,977,080
2016	81,440,220	38,234,500	5,168,420	956,120	74,448,970	4,770,570
2017	94,651,970	42,820,800	5,055,340	1,044,270	61,193,030	6,393,710
2018	99,929,150	44,280,990	4,467,370	1,024,170	71,906,320	4,833,110
2019	121,972,990	55,475,240	4,735,120	817,040	67,683,540	10,098,490
2020	129,654,860	60,530,070	5,087,100	783,970	51,769,760	9,135,080
2021	147,512,380	64,314,200	4,594,920	938,510	58,281,100	11,409,310
2022	153,906,110	69,732,120	5,530,400	887,220	83,172,270	8,061,150

% of Assessed Valuation	50.1%	21.9%	1.6%	0.3%	19.8%	3.9%
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Source: Weld County Assessor's Office

¹ Taxes are levied on November 1 of the prior year based on the prior year's assessed valuation on January 1.

² Includes tax-exempt property

						Assessed
	Less:	Total		Total	Grand	Value
	Tax Exempt	Taxable	Percent	Direct Tax	Total	as a
	Real	Assessed	Change	Rate	Actual	Percentage
Other	Property	Value			Taxable	of Actual
					Value	Value ²
1,414,580	10,905,230	135,635,763	-5.0%	6.805	953,953,862	15.36%
2,177,530	12,263,170	147,288,760	8.6%	6.805	1,001,239,462	15.94%
3,408,770	13,207,650	170,842,090	16.0%	6.805	1,219,182,510	15.10%
3,263,880	13,207,650	208,282,680	21.9%	6.805	1,346,732,610	16.45%
4,285,850	14,607,160	215,444,970	3.4%	6.805	1,653,001,095	13.92%
4,800,750	15,817,050	231,241,860	11.0%	6.805	1,743,703,006	14.17%
5,702,420	17,486,610	266,484,840	15.2%	6.805	2,128,107,378	13.34%
6,859,150	19,372,740	263,819,990	-1.0%	6.805	2,240,491,910	12.64%
7,236,140	24,110,330	294,286,560	11.5%	6.805	2,535,303,091	12.56%
9,852,690	25,866,874	357,008,834	21.3%	6.805	2,743,234,797	13.96%

2.5%

100%

**Town of Firestone
Property Tax Levy from Direct and Overlapping Governments
Last Ten Years**

Year	Town of Firestone	Weld County	RE1J School District	Frederick Firestone Fire Protection District	Mountain View Fire Rescue District	N. Colo. Water Conservation District	The Greens Metro District
Rates (In mills)							
2013	6.805	16.804	53.679	12.277	11.747	1.000	50.000
2014	6.805	15.800	53.673	12.250	11.747	1.000	50.000
2015	6.805	15.800	53.887	12.121	11.747	1.000	50.000
2016	6.805	15.800	56.945	12.058	11.747	1.000	50.000
2017	6.805	15.800	56.394	12.058	11.747	1.000	55.456
2018	6.805	15.800	56.394	12.058	11.747	1.000	55.456
2019	6.805	15.038	56.385	11.961	16.247	1.000	55.456
2020	6.805	15.038	56.542	14.383	16.247	1.000	55.838
2021	6.805	15.038	57.358	14.369	16.247	1.000	55.838
2022	6.805	15.038	58.385	15.394	16.247	1.000	57.445

Source: Weld County Assessor's Office

¹ Formerly known as the Weld County Library District.

The Springs Metro District	Cottonwood Hollow Res Metro Dist	Cottonwood Hollow Com Metro Dist	Stoneridge Metro District	Neighbor's Point Metro Dist	St. Vrain Sanitation District	Carbon Valley Recreation District	High Plains Library District ¹
42.000	50.000	50.000	50.000	45.000	0.680	6.657	3.264
42.000	50.000	46.000	50.000	45.000	0.685	6.710	3.267
42.000	50.000	46.000	50.000	50.000	0.585	6.794	3.308
42.000	50.000	46.000	50.000	45.000	0.519	7.055	3.271
42.000	61.911	46.000	50.000	45.000	0.517	5.955	3.256
42.000	61.911	46.000	50.000	45.000	0.517	5.955	3.256
42.000	61.911	46.000	50.000	45.000	0.519	4.619	3.252
-	65.734	60.000	34.000	45.000	0.475	4.427	3.181
6.000	65.734	60.000	23.373	45.000	0.473	4.427	3.197
6.000	65.321	53.941	23.435	56.046	0.373	4.427	3.181

**Town of Firestone
Principal Taxpayers
Current Year and Ten Years Ago**

Principal Taxpayer	2022		% Total		2013		Total Assessed Value
	Assessed Value	Rank	Assessed Value	Rank	Assessed Value	Rank	
Crestone Peak Resources, LP	\$ 64,862,820	1	2.56%				
Kerr-McGee Oil & Gas Onshore LP	10,351,600	2	0.41%		13,887,490	1	1.46%
American Furniture Warehouse	9,017,220	3	0.36%		8,969,660	2	0.94%
Extraction Oil & Gas LLC	5,728,600	4	0.23%				
Kerr McGee Gathering LLC	5,345,430	5	0.21%				
Gateway North Holdings LLC	3,942,380	6	0.16%				
Dillon Companies Inc	3,198,340	7	0.13%		1,900,190	9	0.20%
Quadrant Management Inc	2,630,940	8	0.10%				
United Power Inc	2,606,740	9	0.10%				
Home Depot	2,364,190	10	0.09%		2,022,000	8	0.21%
SRC Energy Inc			0.00%				
Savanna Drilling LLC			0.00%				
Crestone Peak Resource Holdings LLC			0.00%				
Synergy Resources Corp							
Noble Energy					3,121,404	4	0.33%
Sunsecured Financing LLC							
High Plains Marketplace LLC							
Advance Forming Technology Inc							
Crestone Peak Resource Holdings LLC							
Sundance Energy					1,711,990	10	0.18%
Top Operating Company					2,719,827	5	0.29%
Advance Forming Technology LLC					2,218,510	7	0.23%
Encana Oil & Gas (USA) Inc					8,262,352	3	0.87%
Flatiron Construction Inc					2,679,380	6	0.28%
	<u>\$ 110,048,260</u>		<u>4.34%</u>		<u>\$ 47,492,803</u>		<u>4.98%</u>

Source: Weld County Assessor's Office

**Town of Firestone
Property Tax Levies and Collections
Last Ten Years**

Levy Year	Collection Year	Total Tax Levy ¹	Current Tax Collections	Percent of Levy Collected
2012	2013	968,422	964,774	99.62
2013	2014	920,014	914,425	99.00
2014	2015	932,961	990,714	106.00 ²
2015	2016	1,158,501	1,158,493	100.00 ²
2016	2017	1,375,530	1,404,373	102.00 ²
2017	2018	1,400,949	1,455,590	104.00 ²
2018	2019	1,480,347	1,439,646	97.25
2019	2020	1,705,336	1,702,409	99.83
2020	2021	1,490,247	1,486,351	99.74
2021	2022	1,599,923	2,110,125	131.89 ²

Source: Weld County Assessor's Office

¹ Taxes are levied on November 1 of the prior year based on the prior year's assessed valuation at January 1.

² Amounts showing greater than 100% collected include previous year abatements that were overruled.

**Town of Firestone
Largest Water Customers
12/31/2022**

	2022					
	Billings/ Payments	% of Total ¹	Rank ⁴	Gallons Used	% of Total ²	
Commercial (Government) ³	\$ 323,759	4.88%	1	64,709,677	7.59%	
Commercial (Government) ³	224,564	3.38%	2	44,507,027	5.22%	
Mobile Home Park	238,780	3.60%	3	34,960,990	4.10%	
Commercial	57,432	0.86%	4	10,414,644	1.22%	
Irrigation	49,121	0.74%	5	5,674,465	0.67%	
Commercial	28,640	0.43%	6	5,462,583	0.64%	
Irrigation (Government) ³	41,406	0.62%	7	5,117,245	0.60%	
Commercial	31,369	0.47%	8	5,111,875	0.60%	
Irrigation (Government) ³	39,876	0.60%	9	4,912,187	0.58%	
Commercial	30,626	0.46%	10	4,868,854	0.57%	
 Total	<u>\$ 1,065,572</u>	<u>16.05%</u>		<u>185,739,547</u>	<u>21.79%</u>	
 YTD Amounts	<u>\$ 6,640,123</u>	<u>100%</u>		<u>852,418,584</u>	<u>100%</u>	

¹ Based on total Charges for Services

² Based on total Gallons used

³ These accounts are related to the same governmental entity; however, due to different base rates, they are billed and paid as separate accounts.

⁴ Rank is based on total Gallons used

Customers by Class - 2022

Customer Class	# Accounts
Residential	5,326
Commercial (including multifamily)	522
Industrial	2
Total	<u>5,850</u>

**Town of Firestone
Ratios of Outstanding Debt by Type
Last Ten Years**

Fiscal Year	Governmental Activities				Business - Type Activities			Total Primary Government	Weld County	
	General Obligation Bond	Sales Tax Revenue Bonds	Certificates of Participation	Capital Leases	Water Loans	Water Bonds	Capital Leases		Percent Personal Income	Per Capita
2013	-	-	1,445,000	100,542	-	-	15,782	1,561,324	493.31%	148
2014	-	3,650,364	1,355,000	20,603	-	-	-	5,025,967	1420.70%	450
2015	-	3,496,419	1,260,000	755	-	-	-	4,757,174	1067.67%	413
2016	-	3,344,113	1,160,000	-	-	-	-	4,504,113	1015.57%	349
2017	-	3,186,868	1,055,000	-	1,580,000	-	-	5,821,868	1031.82%	441
2018	-	3,029,687	16,464,635	1,192,568	1,580,000	-	-	22,266,890	3946.41%	1,611
2019	-	2,867,569	21,520,483	892,107	5,905,801	-	-	31,185,960	6238.01%	2,099
2020	-	2,690,516	23,734,559	577,207	-	55,392,936	-	82,395,218	12578.87%	5,093
2021	-	2,518,553	22,390,675	-	-	54,870,543	-	79,779,771	10681.10%	4,533
2022	-	2,346,681	21,008,914	-	-	74,348,150	-	97,703,745	11058.91%	5,062

Details regarding the Town's outstanding debt can be found in Note 7 to the financial statements.

**Town of Firestone
Ratio of General Bonded Debt Outstanding
Last Ten Years**

Year	Population ¹	Actual Taxable Value ²	General Bonded Debt	General Bonded Debt to Actual Taxable Valuation	General Bonded Debt Per Capita
2013	10,555	953,953,862	-	0.00%	-
2014	11,175	1,001,239,462	-	0.00%	-
2015	11,524	1,219,182,510	-	0.00%	-
2016	12,917	1,346,732,610	-	0.00%	-
2017	13,187	1,653,001,095	-	0.00%	-
2018	13,826	1,743,703,006	-	0.00%	-
2019	14,860	2,128,107,378	-	0.00%	-
2020	16,177	2,240,491,910	-	0.00%	-
2021	17,600	2,535,303,091	-	0.00%	-
2022	19,300	2,743,234,797	-	0.00%	-

Source: ¹ U.S. Census Bureau
² Weld County Assessor's Office

Town of Firestone
Direct and Overlapping General Bonded Debt
December 31, 2022

	Debt Outstanding⁽¹⁾	Estimated Percentage Applicable	Amount Applicable to the Town
Direct Debt:			
Town of Firestone	\$ 23,355,595	100%	\$ 23,355,595
Total Direct Debt	<u>23,355,595</u>		<u>23,355,595</u>
Overlapping General Obligation Debt:			
Frederick-Firestone Fire Protection District	19,680,000	39%	7,748,934
St Vrain Valley School District	396,760,000	7%	28,498,228
Total Overlapping General Bonded Debt	<u>416,440,000</u>		<u>36,247,162</u>
Total Direct and Overlapping General Bonded Debt	<u>\$ 439,795,595</u>		<u>\$ 59,602,757</u>

⁽¹⁾ Provided by each governmental entity

The determination of debt applicable to the Town is calculated using the Assessed Values for each entity as reported by Weld County Assessor's abstract.

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**Town of Firestone
Pledged Revenue - Developer Reimbursement Obligations
Last Ten Years**

Fiscal Year	Sales Tax Collected		Assets Dedicated		Debt Service Payments	
	PIRA 1.25%	RIFA 0.25%	General Fund	Enterprise Fund	General Fund	Enterprise Fund
2013	402,771	80,554	-	-	483,325	-
2014	437,575	87,515	-	-	525,090	-
2015	470,519	94,104	1,479,388	1,396,328	564,623	-
2016	504,853	100,971	4,801,570	3,103,643	410,226	-
2017	600,156	73,171	1,181,103	400,981	410,414	-
2018	680,027	89,304	1,478,016	2,120,403	1,170,976	-
2019	786,309	104,252	2,261,266	880,824	935,461	-
2020	871,141	123,780	630,570	607,315	2,189,900	-
2021	906,170	126,022	1,567,367	655,365	2,007,207	-
2022	1,036,318	153,105	1,908,213	2,286,830	1,470,000	-

NOTE: 2018 General Fund debt service payment amount changed to exclude amortization of premiums.

**Town of Firestone
 Legal Debt Margin Information
 Last Ten Years**

	2013	2014	2015	2016	2017
Debt limit - 3% of Actual Valuation	\$ 28,618,616	\$ 30,037,184	\$ 36,575,475	\$ 40,401,978	\$ 49,590,033
Total Net Debt Applicable to Limit	-	-	-	-	-
Legal Debt Margin	<u>\$ 28,618,616</u>	<u>\$ 30,037,184</u>	<u>\$ 36,575,475</u>	<u>\$ 40,401,978</u>	<u>\$ 49,590,033</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%	0.00%

Source: Town of Firestone Finance Department

2018	2019	2020	2021	2022
\$ 52,311,090	\$ 63,843,221	\$ 67,214,757	\$ 76,059,093	\$ 82,297,044
-	-	-	-	-
<u>\$ 52,311,090</u>	<u>\$ 63,843,221</u>	<u>\$ 67,214,757</u>	<u>\$ 76,059,093</u>	<u>\$ 82,297,044</u>
0.00%	0.00%	0.00%	0.00%	0.00%

**Town of Firestone
Net Revenues and Pro-Forma Debt Service Coverage
Last Ten Years**

Fiscal Year	2015 ³	2016	2017	2018
Gross Revenues				
Charges for Services	\$ 2,872,033	\$ 3,166,697	\$ 4,017,893	\$ 4,444,869
Tap/Connection Fee Revenue	336,000	399,000	1,724,105	1,350,295
Other Operating Income	122,296	25,000	84,509	379,637
Total Gross Revenues	3,330,329	3,590,697	5,826,507	6,174,801
Operation and Maintenance Expenses¹	2,092,654	2,338,213	2,087,426	2,408,119
Net Revenues	\$ 1,237,675	\$ 1,252,484	\$ 3,739,081	\$ 3,766,682
Combined Maximum Annual Principal and Interest Requirements²	\$ 2,857,550	\$ 2,857,550	\$ 2,857,550	\$ 2,857,550
Pro-Forma Coverage	0.43	0.44	1.31	1.32

¹ This figure includes all operating expense properly allocable to the System pursuant to GAAP, but excludes depreciation, amortization, interest paid on outstanding bonds or net tap fees paid to Central Weld, which are booked as expenses pursuant to GAAP.

² This represents the Combined Maximum Annual Principal and Interest Requirements payable on the 2020 Bonds, after taking the Refunding Project into account (\$2,857,550 in years 2025 and 2032).

³ Revenue breakout is not readily available from the Town's records prior to 2015.

2019	2020	2021	2022
\$ 4,553,938	\$ 5,296,193	\$ 5,830,133	\$ 16,809,035
1,729,800	1,776,600	1,840,200	1,015,200
628,872	24,870	12,951	252,660
6,912,610	7,097,663	7,683,284	18,076,895
1,793,310	2,209,620	2,771,671	3,508,929
\$ 5,119,300	\$ 4,888,043	\$ 4,911,613	\$ 14,567,966
\$ 2,857,550	\$ 2,857,550	\$ 2,857,550	\$ 2,857,550
1.79	1.71	1.72	5.10

**Town of Firestone
Demographic and Economic Statistics
Last Ten Years**

Year	Weld County					
	Town of Firestone Population ¹	Personal Income (amounts expressed in thousands)	Per Capita Income ³	Median Age ¹	School Enrollment ²	Unemployment Rate ³
2013	10,555	316,502	29,986	33.7	29,382	8.7
2014	11,175	353,767	31,657	33.7	30,195	5.9
2015	11,524	445,564	38,664	33.7	31,076	3.7
2016	12,917	443,505	34,335	34.0	31,776	4.5
2017	13,187	564,232	42,787	33.7	32,171	2.5
2018	13,826	499,934	36,159	33.7	32,421	2.7
2019	14,860	655,029	44,080	34.3	32,639	2.7
2020	16,177	746,924	46,172	33.8	31,736	3.0
2021	17,600	883,485	50,198	34.8	32,406	7.2
2022	19,300	1,004,642	52,054	34.6	32,789	5.7

Sources: ¹ U.S. Census Bureau
² St. Vrain Valley School District
³ Upstate Colorado

Weld County information is provided due to a lack of availability of Town of Firestone statistics.

**Town of Firestone
Principal Employers
Current Year and Ten Years Ago**

Employer	2022			2013				
	# of Employees	Rank	Type of Business	% Total Town Employment	# of Employees	Rank	Type of Business	% Total Town Employment
American Furniture Warehouse	380	1	Retail	4.66%	73	7	Retail	2.92%
ARC Worldwide	201	2	Retail	2.46%	*		Retail	0.00%
King Soopers Store - Firestone	191	3	Grocery	2.34%	134	3	Grocery	5.36%
Home Depot	155	4	Home Improv.	1.90%	99	5	Home Improv.	3.96%
Town of Firestone	115	5	Government	1.41%	45	9	Government	1.80%
Safeway Store - Firestone	113	6	Grocery	1.39%	96	6	Grocery	3.84%
Coal Ridge Middle School ¹	62	7	Education	0.76%	*		Education	0.00%
McDonald's	50	8	Fast Food	0.61%	*		Education	0.00%
Centennial Lending	50	9	Financial	0.61%	*		Financial	0.00%
Prairie Ridge Elementary	48	10	Education	0.59%	*		Financial	0.00%
Flatiron	*		Construction	0.00%	160	2	Construction	6.40%
St. Vrain School District ¹	*		Government	0.00%	166	1	Government	6.64%
Advanced Forming Technologies	*		Manufacturing	0.00%	104	4	Manufacturing	4.16%
St. Vrain Sanitation District	*		Government	0.00%	47	8	Government	1.88%
Ehrlich I-25 Kia	*		Retail	0.00%	41	10	Retail	1.64%
Total	1,365			16.74%	965			38.60%
Total Town Employment (estimated)	8,156				2,500			

Source: Firestone Finance Department & Planning Department

* Information is not available.

**Town of Firestone
Property Value and Construction
Last Ten Years**

Year	Actual Property Value ⁽¹⁾			Commercial Construction ⁽²⁾		Residential Construction ⁽²⁾	
	Commercial	Residential	Total	# Units	Value	# Units	Value
2013	126,990,855	711,483,814	838,474,669	7	4,625,128	78	20,178,465
2014	128,148,022	730,710,535	858,858,557	5	2,289,245	132	37,324,080
2015	127,927,625	939,194,775	1,067,122,400	16	5,428,715	221	56,330,300
2016	131,842,824	1,023,041,946	1,154,884,770	37	15,823,875	191	56,478,538
2017	147,657,928	1,314,690,408	1,462,348,336	46	14,087,021	167	45,594,678
2018	152,692,770	1,387,985,939	1,540,678,709	57	40,232,129	133	36,020,629
2019	191,293,787	1,705,925,376	1,897,219,163	26	25,549,857	260	74,086,365
2020	208,724,174	1,813,367,258	2,022,091,432	21	22,069,498	252	70,427,254
2021	221,772,900	2,063,103,259	2,284,876,159	19	11,144,358	322	94,444,891
2022	240,455,532	2,217,273,144	2,457,728,676	7	4,927,446	198	77,479,814

Source:

⁽¹⁾Weld County Assessor's Office

⁽²⁾Town of Firestone Building Department (Community Core - Issued Permits Report)

Town of Firestone
Full-Time Equivalent Town Government Employees by Function
Last Ten Years

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government	12.0	15.0	8.3	9.8	11.0	19.0	24.5	30.0	33.0	41.0
Public Safety										
Police	19.0	22.0	23.0	26.0	24.5	33.0	32.5	32.5	29.8	38.0
CSO	2.0	2.0	2.0	2.0	3.0	3.0	3.0	3.0	2.0	1.0
Public Works	-	-	-	-	6.5	8.1	9.0	10.0	9.0	14.0
Parks and Recreation	-	-	-	-	4.0	10.0	12.0	12.0	10.0	18.0
Community Development	13.0	13.0	19.4	21.7	-	-	-	-	-	-
Water	2.0	2.0	2.5	2.6	5.7	5.8	3.0	4.0	5.0	8.0
StormWater	-	-	-	-	1.1	2.1	2.0	2.0	3.0	4.0
Total	48.0	54.0	55.2	62.1	55.8	81.0	86.0	93.5	91.8	124.0

Source: Town of Firestone Finance Department

**Town of Firestone
Miscellaneous Statistics
Last Ten Years**

Date of Incorporation 1908
Form of Government Trustees & Town Manager

	2013	2014	2015	2016
Number of Employees				
Non-Exempt (Hourly)	38	44	45	52
Exempt (Salary)	10	10	13	10
Town of Firestone's Facilities and Services				
Streets Paved/Gravel, in Miles ¹	74	74	74	74
Parks:				
Number of Parks ¹	18	18	18	18
Number of Park, Open Space, and Undeveloped Acres Maintained	998	998	998	998
Parks Maintained, by Acreage ¹				
Open Space Maintained, by Acreage ¹				
Town Owned Property-Maintained, by Acreage ¹				
Number of Trail & Sidewalk Miles Maintained	5	18	18	18
Trails, in Miles ¹				
Police Protection:				
Number of Stations	1	1	1	1
Number of Police Personnel and Officers	23	23	25	28
Number of Patrol Units	16	17	14	21
Water System:				
Linear Feet of Water Lines Maintained ¹	288,482	288,482	288,482	288,482
Linear Feet of Water Lateral Lines ¹	*	*	*	*
Number of Customer Accounts	3,435	3,533	3,763	3,910
Services not Included in the Reporting Entity:				
Frederick Firestone Fire Protection District				
Electrical services by Xcel Energy or United Power				
Gas services by Source Gas				
Sewer services by St. Vrain Sanitation District				
School Districts				
Weld County School District RE-1				
St Vrain Valley School District				

Source: Town of Firestone Departments

* Information is not available

¹ The Town of Firestone has developed a GIS department. In implementing this process, the tracking of assets is considered to be more reliable than the information used in the past.

² Decrease in number of parks and acreage of parks maintained in 2022 is due to the elimination of two dog parks and a park.

2017	2018	2019 ¹	2020 ¹	2021 ¹	2022 ^{1,2}
51	65	61	66	66	66
9	16	25	26	26	26
74	74	95	100	116	119
18	18	17	18	18	17
998	998				
		400	400	400	396
		204	204	204	228
		171	171	171	171
18	18				
		28	28	28	28
1	1	1	1	1	1
28	28	37	37	39	39
23	23	24	27	27	27
288,482	288,482	342,754	352,615	352,615	352,615
*	*	179,685	188,057	188,057	188,057
4,200	5,358	5,625	5,814	5,831	5,851

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

LOCAL HIGHWAY FINANCE REPORT	City or County: Town of Firestone
	YEAR ENDING : December 2022

This Information From The Records Of (example - City of _ or County of Town of Firestone	Prepared By: Jessica Clanton Phone:303.531.6279
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I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES	III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES
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ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	370,027
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	792,800
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	0
2. General fund appropriations		b. Snow and ice removal	77,483
3. Other local imposts (from page 2)	3,430,261	c. Other	1,702,077
4. Miscellaneous local receipts (from page 2)	36,044	d. Total (a. through c.)	1,779,560
5. Transfers from toll facilities		4. General administration & miscellaneous	
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	2,942,387
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	3,466,305	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	587,885	2. Notes:	
D. Receipts from Federal Government (from page 2)	1,520,521	a. Interest	91,582
E. Total receipts (A.7 + B + C + D)	5,574,711	b. Redemption	170,000
		c. Total (a. + b.)	261,582
		3. Total (1.c + 2.c)	261,582
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	3,203,969

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

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	2,505,000		170,000	2,335,000
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		5,574,711	3,203,969		

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2022	
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 Assessments		a. Interest on investments	(177,460)
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	2,731,312	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	402,832	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	213,504
5. Specific Ownership &/or Other	296,117	g. Other Misc. Receipts	
6. Total (1. through 5.)	3,430,261	h. Other	
c. Total (a. + b.)	3,430,261	i. Total (a. through h.)	36,044
	(Carry forward to page 1)		(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	505,099	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	59,163	d. Federal Transit Admin	
d. Other (Specify) - Fuel tax reimb	23,623	e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal - ARPA	1,520,521
f. Total (a. through e.)	82,786	g. Total (a. through f.)	1,520,521
4. Total (1. + 2. + 3.f)	587,885	3. Total (1. + 2.g)	
			(Carry forward to page 1)
		ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)
		TOTAL (c)	
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		0	0
(4). System Enhancement & Operation		370,027	370,027
(5). Total Construction (1) + (2) + (3) + (4)		0	370,027
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)		0	370,027
			(Carry forward to page 1)
Notes and Comments:			