



City of Fountain, Colorado

Annual Comprehensive Financial Report

Year ended December 31, 2023

Vision Statement:

“Fountain will purposely embrace the growth occurring throughout the region and continue developing into an even more contemporary, accomplished city, while maintaining its All-America hometown feel and strong sense of community.”

City of Fountain, Colorado

Annual Comprehensive Financial Report

Year Ended December 31, 2023

City of Fountain, Colorado

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Introductory Section



July 30, 2024

TRANSMITTAL LETTER

To the Honorable Mayor, Members of the City Council, and Citizens of the City of Fountain:

The Annual Comprehensive Financial Report (ACFR) of the City of Fountain, Colorado, for the fiscal year ended December 31, 2023, is hereby transmitted. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that are established for this purpose. Because the cost of internal controls should not outweigh the benefits, the City's internal controls have been designed to provide reasonable assurance that the financial statements will be free from material misstatements.

The City is required by Colorado law to have an annual audit conducted in accordance with generally accepted auditing standards by an independent certified public accountant licensed to practice in Colorado. The city must then submit the audit report to the Office of the State Auditor.

The City's financial statements have been audited by Haynie & Company, a licensed certified public accounting firm. The goal of the independent audit is to provide reasonable assurance that the City's financial statements for the fiscal year ended December 31, 2023, are free from material misstatements. The independent audit involves 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, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended December 31, 2023, are presented fairly and in conformity with Generally Accepted Accounting Principles. The independent auditors' report is presented on the first page of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

City Profile

The City of Fountain, Colorado, incorporated in 1903, is located on Colorado's Rocky Mountain Front Range, 10 miles south of Colorado Springs. The City occupies 22.08 square miles and serves a population of approximately 30,000.

The City is, by Charter, a Home Rule City with a Council-Manager form of government. Policy-making and legislative authority are vested in the City Council consisting of the mayor and six other members who are elected by and answer to the citizens of Fountain. A City Manager is appointed by the City Council to run the day-to-day operations of the City.

The City of Fountain provides a full range of services including police, fire, and emergency medical services, street and drainage maintenance, economic development, water and electric utilities, bus transit, parks & recreation, and general administrative services. The Fountain Urban Renewal Authority is a separate legal entity but is reported in the City's financial statement as a component unit.

Local Economy

The largest employer in the Fountain area is Fort Carson with more than 35,000 military, civilian employees and contractors. Residential housing developers have planned for large developments in and around Fountain and the City is working hard to provide the infrastructure required to keep up with the housing demand. In addition, the City continues to grow its business commercial base with a diversification among prime employer industries other than schools and government:

- Manufacturing
- Transportation & Logistics
- Retail
- Restaurants
- Professional Services
- Motorsports

For the first six months of 2024, year over year sales tax revenue is approximately 11.5% higher. Sales tax and impact fee revenues are above 2024 budgeted projections to date.

Strategic Planning

2023 represented the 2nd year of the City's three-year strategic planning cycle. The City's Strategic Plan, through City Council-adopted strategic priorities and associated objectives, represents the Council's direction to staff and is a key guide for allocating financial resources through the City's biennial budget. The City Council's strategic priorities for the 2022-2024 Strategic Plan are as follows:

Strategic Priority: Set conditions and facilitate responsible development and carefully managed city growth, focused on efforts that maintain or improve existing city-wide infrastructure and services, while building reasonable capacity to meet future community needs.

Strategic Priority: Develop, coordinate, and implement initiatives and programs, in collaboration with the community, that diversify city financial resources and invest in the Enduring Interests of the City Vision Statement.

Strategic Priority: Ensure highly professional, responsive and community focused public safety resources, that provide reliable access to public safety services throughout the City’s jurisdiction.

Strategic Priority: Improve the quality and availability of parks and recreation opportunities, including athletics, outdoor recreation areas, youth programs and community gathering places.

These priorities are represented through an additional thirty objectives that are specific, measurable, achievable, relevant, and time-bound, which are included in the budget. While the City prepares biennial budgets, those budgets are adopted as an annual operating budget of revenues and expenditures for the following year in accordance with State Statute and the City Charter. Included as a part of the City’s budget process, the City prepares a five-year summary financial plan for the major funds. The plan encompasses both revenue projections and operating and capital expenditures.

Major Initiatives

Numerous Strategic Objectives continued to progress throughout 2023. Foremost among those were major water-related objectives relating to the design and eventual construction of a 36” water transmission line under I-25 and the design and permitting of the Fountain reservoir and treatment facility. Design work was largely completed with permitting work ongoing.

Additionally, the Council took major steps to stabilize the Water Fund. Through numerous steps, to include a short-term elimination of the payment in lieu of taxes from the Electric and Water Funds to the General Fund, a plan was created and adopted by resolution to eliminate the Water Fund’s reliance on the Electric Fund for financial needs. The first step is to establish a combined (Water and Electric) utilities operations and maintenance (O&M) reserve balance equal to three months of combined O&M expenditures. The second step is to eliminate the interfund payable between Water and Electric in order to further stabilize the respective Utilities funds. The final step is to work towards establishing an O&M reserve in the Water Fund in an amount equal to 3 months of water-related O&M expenditures.

The City completed and opened a new PFAS Joint Treatment Facility in Aga Park.

The City, through a performance contract with Veregy Energy, completed a 1.67-megawatt solar array that will provide all the electricity needed by all City facilities, to include buildings, street lights, and traffic lights. Funding was provided through the energy performance contract and a grant through the Department of Local Affairs.

Another major initiative identified in the Strategic Plan was the design and construction of a new shop building for the City Parks Department. That construction began at the end of 2023 and is completed at the time of this statement.

Awards and Acknowledgements

The GFOA awarded the Certificate of Achievement for Excellence in Financial Reporting (ACFR) to the City of Fountain for the fiscal year ended December 31, 2022. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

We wish to specifically acknowledge our auditors, Hinkle & Company, PC, for the assistance and guidance they provided in the preparation of the ACFR and for the professional manner in which they conducted the audit. We would additionally like to acknowledge and thank our entire Finance team and specifically, Megan Rungie and Jennifer Stevenson, who worked diligently to ensure that we could pull together all the necessary information for a quality audit.

We would also like to recognize the Mayor and City Council for their support and continued desire to ensure the highest standards of professionalism in the management of the City's financial affairs.

Respectfully submitted,



Scott Trainor
City Manager



Shawna Dail
Finance Director

CITY COUNCIL



Sharon Thompson, Mayor
Term Expires: 11/2025



Gordon Rick, Council Member
Ward: #1
Term Expires: 11/2025



Tamara Estes, Mayor Pro-Tem
Ward: #2
Term Expires: 11/2027



Cory Applegate, Council Member
Ward: #3



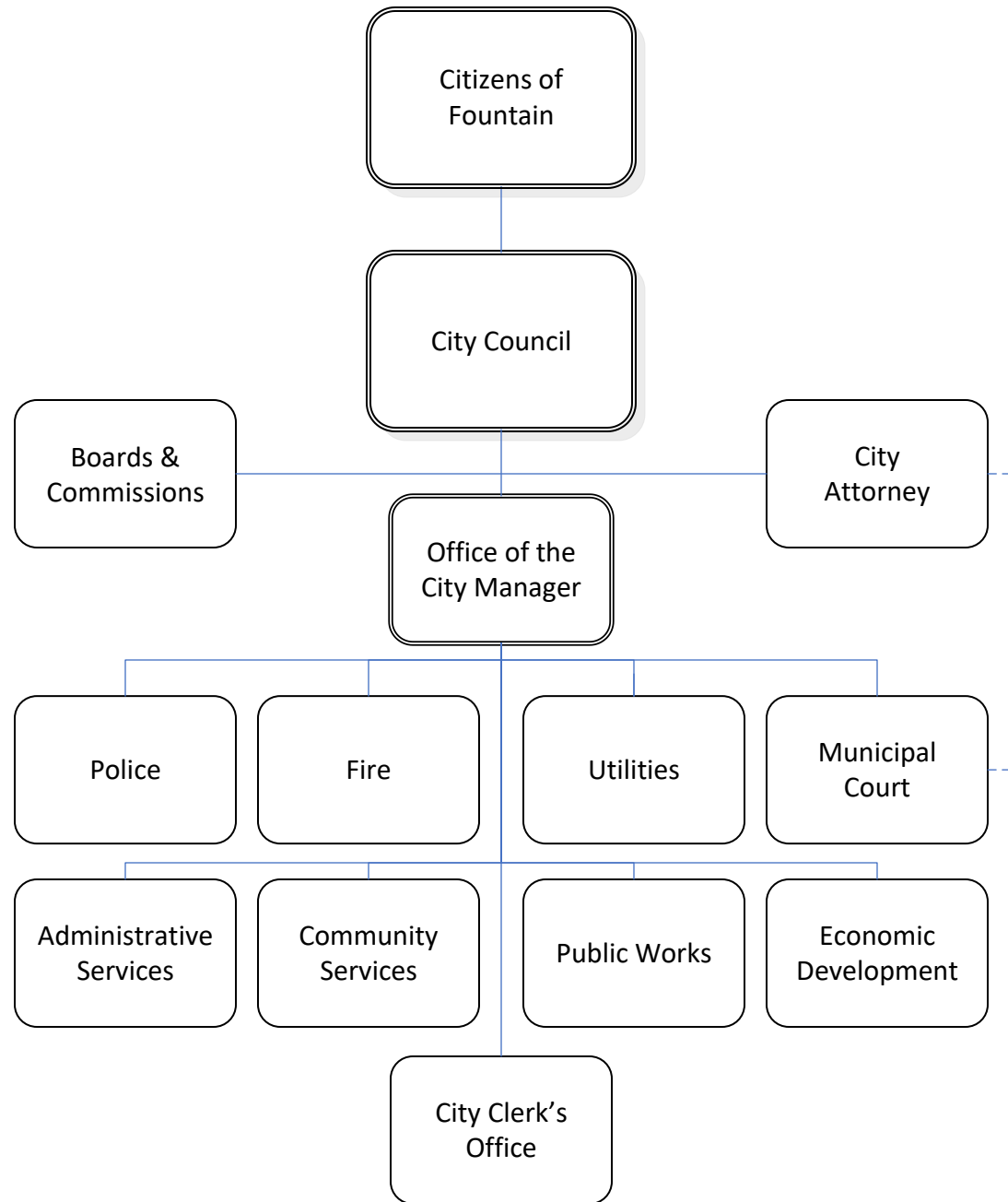
Frederick Hinton, Council Member
Ward: At-Large
Term Expires: 11/2025



Jennifer Herzberg, Council Member
Ward: At-Large
Term Expires: 11/2027



Detra Duncan, Council Member
Ward: At Large
Term Expires: 11/2027





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Fountain
Colorado**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2022

Christopher P. Morill

Executive Director/CEO

Financial Section



**HINKLE &
COMPANY**
Strategic ^{PC}
Business Advisors

Independent Auditors' Report

Honorable Mayor and Members of the City Council
City of Fountain, Colorado
Fountain, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Fountain (the City), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2023, 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.

We did not audit the financial statements of Fountain Urban Renewal Authority, which represents entirety of the discretely presented component unit. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Fountain Urban Renewal Authority is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (GAS), issued by the Comptroller General of the United States. 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 City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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Denver, CO
Frisco, CO
Tulsa, OK

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FAX: 303.796.1001
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Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City'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 opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and GAS 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 GAAS and GAS, 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 City'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 City'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 and budgetary comparison information 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.

Other Information

Management is responsible for the other information included in the Supplementary Information and the local highway finance report, as listed in the table of contents. The other information comprises the Supplementary Information and the local highway finance report 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.

Hick & Company, PC

Englewood, Colorado
July 31, 2024



City of Fountain, Colorado
Management's Discussion & Analysis
December 31, 2023

This discussion and analysis of the City of Fountain's (the City) financial performance provides an overview of the City's financial activities for the fiscal year ended December 31, 2023. Please read it in conjunction with the City's financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Financial Highlights

- The assets and deferred outflows of the City of Fountain exceeded its liabilities and deferred inflows at the close of 2023 by \$214 million (net position). Of this amount, \$36.4 million (unrestricted net position) may be used to pay the City's obligations to citizens and creditors.
- At December 31, 2023, the City of Fountain's governmental funds reported combined ending fund balance for restricted and unrestricted of \$27.5 million, an increase of approximately \$6.2 million in comparison with the prior year. This increase was primarily due to the increased sales and use tax revenues, charges for services and intergovernmental revenues. Approximately \$15 million of the unrestricted fund balance is available for spending at the government's discretion.
- The unrestricted fund balance for the General Fund was \$15 million, or 49.34% of the total General Fund expenditures, compared to \$11 million or 38.2% for fiscal year 2022. An additional \$1,015,000 of fund balance in the General Fund is restricted by the State of Colorado for emergencies in 2023.
- Sales Tax, the City's largest source of General Fund revenue, was \$17.6 million for 2022 as compared to \$17.2 million for the prior year, an increase of 2%.
- Property tax increased due to a new voter approved 6.1 mill levy increase that is restricted for certain Public Safety expenditures beginning in 2023 including the hiring of six (6) new police personnel and six (6) new fire personnel and any necessary equipment. This new property tax revenue brought in approximately \$1.7 million during 2023.
- Deferred outflows for the City of Fountain increased by \$392 thousand and deferred inflows decreased by \$2.9 million, primarily due to changes in pension valuations and an increase in property taxes.
- No new long-term debt was acquired in 2023. After payments on debt, long term liabilities for both governmental and business-type activities, including OPEB decreased by \$2 million during 2023.

Using this Annual Report

This discussion and analysis is intended to serve as an introduction to the City of Fountain's basic financial statements. The City of Fountain's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide Financial Statements

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

City of Fountain, Colorado
Management's Discussion & Analysis
December 31, 2023

The ***statement of net position*** presents information on all of the City of Fountain's assets and liabilities, with the difference between the two 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 City of Fountain is improving or deteriorating.

The ***statement of activities*** presents information showing how the City of Fountain'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 reported in this statement for some items will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Fountain 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 City of Fountain include General Government, Public Safety, Public Works, Health and Welfare, Culture and Recreation and Interest Expense. The Business-type Activities of the City of Fountain include Water, Electric, Ambulance, and Drainage. Also included in the government-wide financial statements is the Fountain Urban Renewal Authority (FURA). FURA is legally separate from the city, however the members of the governing board are appointed by the City Council. FURA is categorized as a discretely presented component unit rather than a part of the primary government. FURA's financial information is, therefore, presented in a separate column in the government-wide financial statements.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Fountain, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the City's funds can be divided into three categories: Governmental Funds, Proprietary Funds, and Fiduciary Funds.

Governmental funds – Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. The governmental funds include the general fund and eight special revenue funds. The funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental funds statements provide a detailed short-term view of cash, the governmental fund operations, and the basic services it provides.

City of Fountain, Colorado
Management's Discussion & Analysis
December 31, 2023

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 funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Proprietary funds – The *enterprise fund* type of proprietary funds is used to report the same functions presented as business-type activities in the government-wide financial statements, but provide more detail and additional information, such as cash flow. Fountain's proprietary funds include the water and electric utilities, the ambulance and drainage funds and the insurance fund, which is an internal service fund. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities.

Fiduciary funds-Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The volunteer fire pension is Fountain's only fiduciary fund. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

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 can be found on pages 12-42 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. This supplementary information can be found on pages 43-71 of this report. The City of Fountain's progress in funding its obligation to provide pension benefits to volunteer fire fighters is located on page 43 of this report. The Schedule of Funding Progress Postemployment Benefit Plan is located on page 45. The Budgetary Comparison Schedule for the General Fund and other required supplementary information can be found on pages 43-52

Supplementary information, including the combining statements, referred to earlier in connection with non-major Governmental Funds and Enterprise Funds, are presented immediately following the required supplementary information on pensions and the General Fund. Combining and individual fund statements and schedules can be found on pages 53-71.

City of Fountain, Colorado
Management's Discussion & Analysis
December 31, 2023

Financial Analysis of the City as a Whole

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Fountain, assets exceeded liabilities by \$214 million at the close of 2023, an increase of \$8 million from the end of 2022.

Statement of Net Position (in thousands)

	Governmental Activities		Business-type Activities		Total	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Current and other assets	\$ 44,806	\$ 43,489	\$ 25,517	\$ 19,226	\$ 70,323	\$ 62,715
Capital assets	71,510	74,394	157,221	160,041	228,731	234,435
Total assets	116,316	117,883	182,738	179,267	299,054	297,150
Deferred outflows of resource	5,059	4,609	810	867	5,869	5,476
Long-term liabilities outstanding	6,189	6,588	58,888	64,517	65,077	71,105
Other liabilities	11,359	10,845	7,876	4,929	19,235	15,774
Total liabilities	17,548	17,433	66,764	69,446	84,312	86,879
Deferred inflows of resources	6,463	9,395	-	-	6,463	9,395
Net position:						
Net investment in capital asset	66,931	85,199	102,002	99,187	168,933	184,386
Restricted	8,765	8,385	-	3,178	8,765	11,563
Unrestricted	21,667	2,080	14,783	8,323	36,450	10,403
Total net position	\$ 97,363	\$ 95,664	\$116,785	\$110,688	\$214,148	\$206,352

The largest portion of the City of Fountain's net position (68.7%) is reflected in the net investment in capital assets (e.g., land, buildings, infrastructure, vehicles, equipment, etc.), less any related debt still outstanding (current and long-term), that was used to acquire those assets, excluding unspent bond and lease financing proceeds. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City'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. Unrestricted net position may be used to meet the City's ongoing obligations to citizens and creditors.

City of Fountain, Colorado
Management's Discussion & Analysis
December 31, 2023

A small portion of the City of Fountain's net position (9%) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position (\$36.4 million) may be used to meet the City's ongoing obligations to citizens and creditors.

City of Fountain, Colorado
Management's Discussion & Analysis
December 31, 2023

Changes in Net Position (in thousands)

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program Revenues:						
Charges for services	\$ 4,797	\$ 2,452	\$ 43,595	\$ 41,637	\$ 48,392	\$ 44,089
Operating grants and contributions	1,855	2,641	1,759	1,542	3,614	4,183
Capital grants and Contributions	-	-	1,020	423	1,020	423
General Revenues:						
Property taxes	4,887	3,225	-	-	4,887	3,225
Sales and use taxes	21,973	21,595	-	-	21,973	21,595
Spec. Own. taxes	525	340	-	-	525	340
Franchise taxes	1,974	2,404	-	-	1,974	2,404
Other revenues	553	596	2,109	2,623	2,662	3,219
Investment earnings	1,165	200	515	84	1,680	284
Total revenues	<u>37,729</u>	<u>33,453</u>	<u>48,998</u>	<u>46,309</u>	<u>86,727</u>	<u>79,762</u>
Program expenses:						
General government	14,501	12,934	-	-	14,501	12,934
Public Safety	15,492	11,381	-	-	15,492	11,381
Public Works	3,382	2,862	-	-	3,382	2,862
Health and welfare	613	440	-	-	613	440
Culture and recreation	1,323	1,229	-	-	1,323	1,229
Interest expense	521	360	-	-	521	360
Water utility	-	-	11,573	11,739	11,573	11,739
Electric utility	-	-	29,606	29,172	29,606	29,172
Ambulance	-	-	1,921	1,655	1,921	1,655
Total expenses	<u>35,832</u>	<u>29,206</u>	<u>43,100</u>	<u>42,566</u>	<u>78,932</u>	<u>71,772</u>
Excess/(Deficiency) Before transfers	1,897	4,247	5,898	3,743	7,795	7,990
Transfers In (Out)	<u>(199)</u>	<u>530</u>	<u>199</u>	<u>(530)</u>	<u>-</u>	<u>-</u>
Increase/(Decrease) in net position	1,698	4,777	6,097	3,213	7,795	7,990
Net position, beginning	\$ 95,664	\$ 90,887	\$ 110,688	\$ 107,475	\$ 206,353	\$ 198,363
Net position, ending	\$ 97,362	\$ 95,664	\$ 116,785	\$ 110,688	\$ 214,148	\$ 206,353

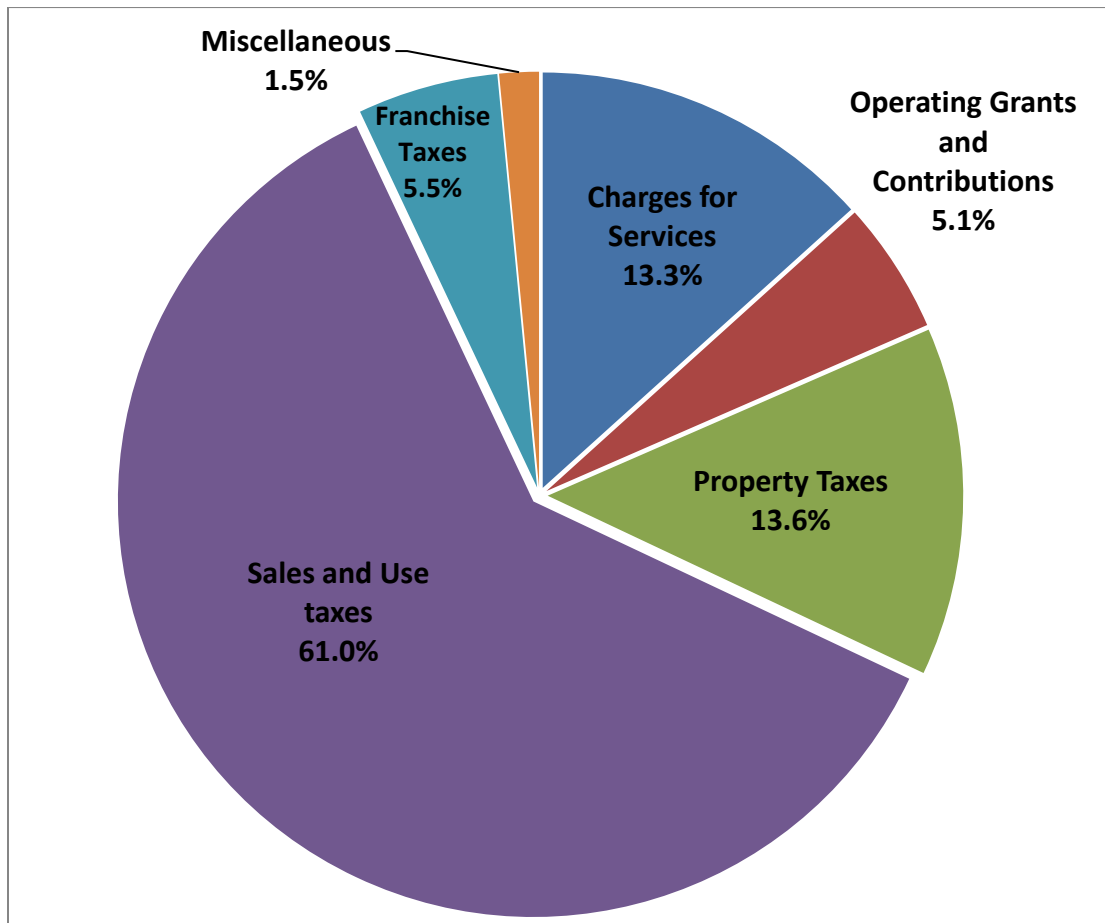
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The major changes to the City's Governmental Activities and Business-type funds are described in the next two sections.

Governmental Activities

Governmental activities net position for 2023 increased by \$1,698,474. This is primarily attributed to the increase in property tax revenues from the new public safety mill levy passed by voters in the November 2022 election and commercial development impact fees received during the year.

The following pie chart illustrates the Governmental Activities revenues.



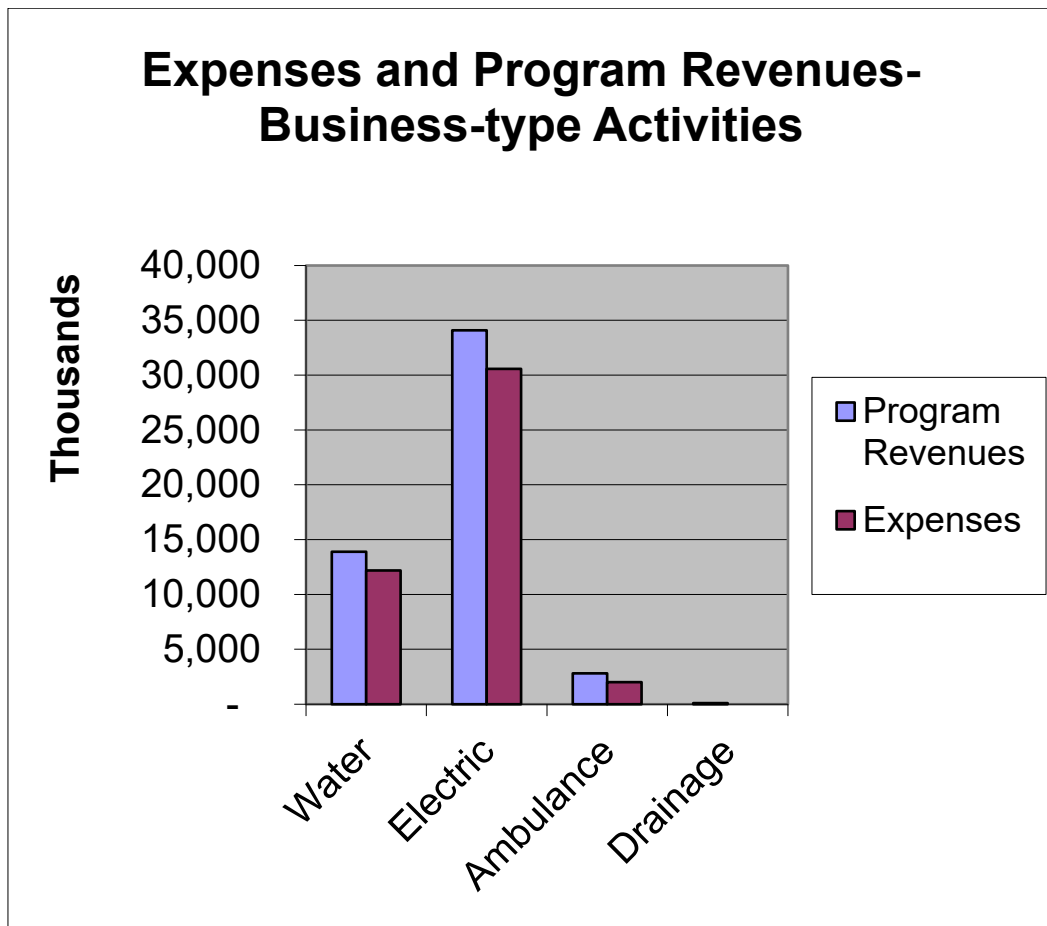
- Revenue from general fund sales tax of \$17.6 million increased \$400 thousand or 2% over 2022 due to the continued increases in online sales and continued growth in the South Academy Highlands development.

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- The City received \$1.69 million in property tax revenue from the new public safety mill levy in 2023.
- There was an increase of \$1.88 million in impact fees in 2023 over 2022 due to new commercial development.

Business-type Activities

The City of Fountain 2023 business-type activities net position increased by \$6,096,723. The following chart illustrates the business-type activities program revenues and expenses.



- Combined 2023 revenue of \$47.5 million was approximately \$1.2 million more than 2022 total revenue.
 - Water charges for services, including system development fees, of \$12 million decreased approximately \$326 thousand, from 2022, primarily due to a decrease in water usage.
 - Electric charges for services of \$30.3 million increased by approximately \$2.1 million over 2022, primarily due to increased electric rates and usage.
 - Ambulance grants and charges for service increased by \$1.14 million to \$2.8 million through improved Medicare and Medicaid billing practices.

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- Drainage revenues decreased by \$520 thousand due to slower residential construction in the drainage area and a one-time fee that was assessed to a new residential development in 2022.
 - Investment revenue for all business-type activities increased by \$430 thousand over 2022 due to higher market interest rates.
- Overall, program expense of \$43.1 million was relatively flat over 2022 with a \$534 thousand increase.
 - Water decreased by approximately \$167 thousand, primarily due to a decrease in operations and maintenance expenses due to fewer emergency system repairs.
 - Electric increased by approximately \$435 thousand, primarily due to increased source of supply costs.
 - Ambulance increased by approximately \$265 thousand, primarily due to increased personnel salary and benefit costs with the addition of new full-time positions.

Fiduciary Activities

The City of Fountain maintains a fiduciary fund to account for money designated to pay benefits under the City's Volunteer Fire Pension Plan.

Financial Analysis of the City's Funds

The City of Fountain uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balance of spendable resources. Such information is useful in assessing the City's financing requirements.

The City's General Fund reported a 2023 ending fund balance of \$19.8 million, an increase of \$5.9 million in comparison with the previous year. The increase was primarily due to a \$5.4 million increase in revenues and \$1.2 million increase in lease financing proceeds and other financing sources, partially offset by a \$2.5 million increase in expenditures. The increase in revenues are due to increased property taxes from the new public safety mill levy effective in 2023 and higher than average developer impact fees and investment income. Unassigned fund balance, which is available for spending at the City's discretion, totaled \$15.4 million or 78.1% of the total general fund balance. The remainder of the fund balance is restricted for emergencies (\$1,015,000), committed to park improvements and school zone improvements, (\$1,316,289 combined), and assigned to public safety capital improvements (\$1,997,503).

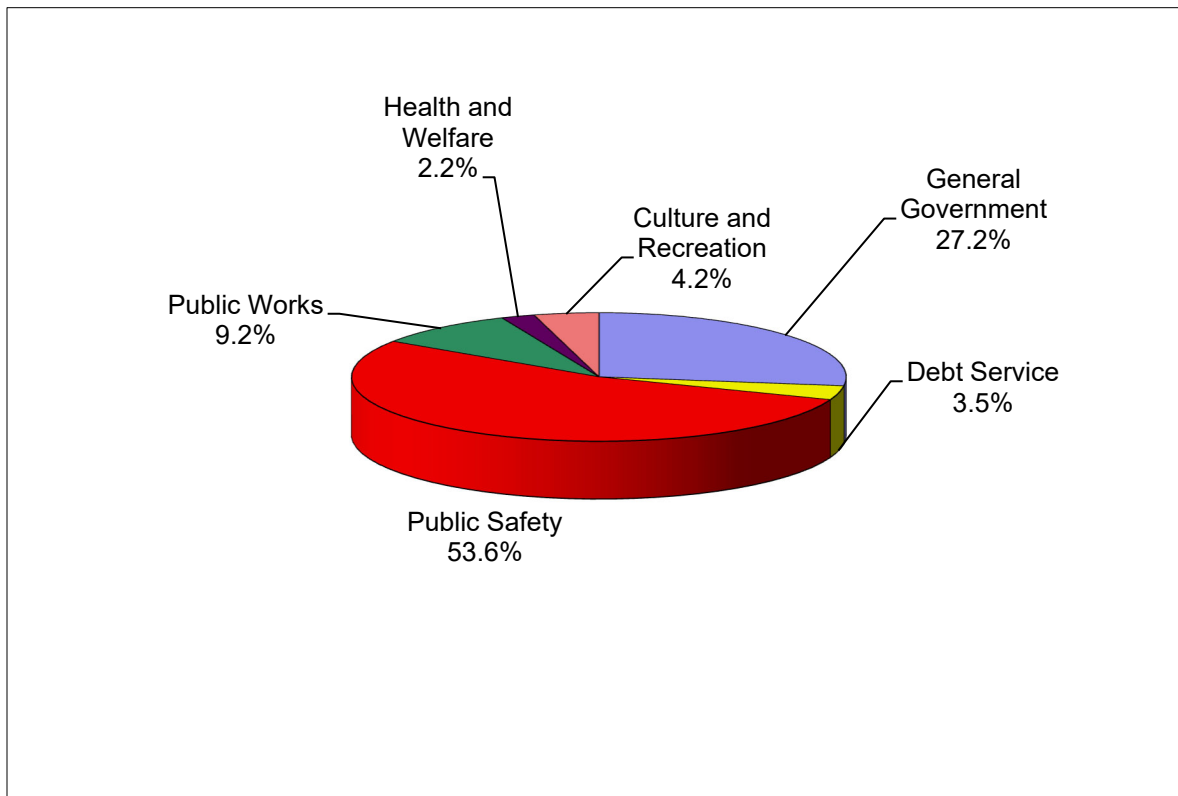
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Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statement, but in more detail. Unrestricted net position of the water and electric utilities, the two largest proprietary funds, were (\$2.2) million and \$12.8 million, respectively.

General Fund Budgetary Highlights

The General Fund accounts for all of the general government services provided by the City of Fountain including; City Council, Municipal Court, Economic Development, Election, Administration, Planning & Engineering, Parks & Recreation, and Information Technology. The following pie chart illustrates the General Fund expenditures by type.



Line-item budget transfers are allowed within a fund with the approval of the City Manager. Increases in the expenditure budget for any fund must be approved by the City Council. The General Fund original budgeted expenditures (including transfers out) were \$30.5 million. Budget amendments presented to, and approved by, the City Council for 2023, totaled approximately \$5 million. The final budget was, therefore, \$35.5 million in 2023.

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December 31, 2023

Variances from the final budget to actual expenditures worth noting include the following:

- General government variance was \$1.5 million under budget primarily due to information technology capital expenditures and administrative expenses that were either postponed or cut through efficiencies.
- Public Safety variance was \$1.1 million under budget due to personnel vacancies and salary savings. The City Council approved new public safety positions as required by the new public safety mill levy, however, those positions were not filled as quickly as desired.
- Culture and recreation variance was \$275 thousand under budget due difficulties in maintaining parks & recreation staffing levels.
- Public works variance was \$930 thousand under budget due to construction delays in streets projects and improvements.
- The total positive budget variance in expenditures in the General Fund, including transfers out, approximated \$2.8 million.
- Positive variances in general fund revenues totaled \$3.9 million, primarily due to the increase in impact fees and investment income, partially offset by a \$1.3 million decrease in anticipated federal grants.

Capital Assets and Debt Administration

Capital Assets

The City of Fountain's investment in capital assets for its governmental and business-type activities, not including pension assets or debt, as of December 31, 2023, totaled \$228.7 million (net of accumulated depreciation). This investment in capital assets includes land and easements, water and storage rights, buildings and improvements, infrastructure, machinery and equipment, computers and software, and vehicles. The City's investment in capital assets decreased by \$5.7 million during 2023; governmental activities decreased by \$2.9 million while business-type activities decreased by \$2.8 million.

Major capital events for 2023 included the following items:

- The General Fund spent \$246,716 on computer equipment and upgrades to the audiovisual equipment at City Hall, new backup storage servers, multi-factor authentication software for the entire City, a fingerprint kiosk for the police department, and access control card readers for all three fire stations for enhanced security. The General Fund also spent \$487,226 on energy efficient upgrades to all City-owned buildings, \$45,345 on police equipment including a temporary holding cell, APX vehicle radios, and stop sticks with training kit, and \$175,653 on radios, an updated exhaust system, and bunk room remodels for the fire department. In addition, \$492,056 was spent out of the General Fund on two tandem dump trucks for the streets department.

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- The Water Fund expended \$361,492 on water rights, and \$205,194 on various infrastructure improvements such as well repairs, a water main replacement, and continued changeouts of water meters as part of a multi-year replacement program. An additional \$1.6 million was expended out of the Water Fund for a Water Treatment Structure at Aga Park that was reimbursed by the Air Force.
- The Electric Fund spent \$251,414 on computer equipment and upgrades for the Electric SCADA program. Additionally, \$1.6 million was expended on a new solar array that is partially funded by a DOLA grant.
- The Ambulance Fund spent \$69,151 Power Pro stair chair cots and radio equipment.
- The Transportation Sales Tax fund spent \$255,982 on two transit buses and \$9,500 on improvements to the City bus shelters.
- The Conservation Trust fund spent \$288,767 on a neighborhood disc golf park in the Ventana subdivision and parking lot, restroom, and playground equipment upgrades in Metcalfe Park.

Note 4 on pages 22-23 of the financial statements provides a detailed summary of the City's capital assets.

Long-term Debt

The City of Fountain's total long-term debt decreased by \$1.6 million from 2022 to approximately \$68 million as of December 31, 2023.

The City's long-term debt related to governmental activities increased during 2023 by a net of approximately \$1.06 million. Compensated absences increased by \$212,012, lease financing agreements increased by \$861,937, and the early retirement program was paid off by its final payment of \$12,000.

The City's long-term debt related to business-type activities decreased by approximately \$2.7 million during 2023. Lease financing agreements, compensated absences and early retirement had a net decrease of \$281,608, which included the final payment on the early retirement program debt. All other business-type activities debt decreased by approximately \$2.4 million.

Note 5 on pages 24-29 of the financial statements provide a detailed summary of the City's long-term debt.

Economic Factors and Next Year's Budget and Rates

Financial indicators:

- The unemployment rate for the Colorado Springs area as of December 2023, was 3.9% and is estimated to remain the same as of July 2024. This is slightly higher than the current national rate of 3.7% according to the Bureau of Labor Statistics. Employment grew from May 2023 to May 2024 an average of 2% for all non-farming employment categories.

City of Fountain, Colorado
Management's Discussion & Analysis
December 31, 2023

- The federal government has announced that Colorado Springs will be the headquarters of the new Space Command (SPACECOM) Combatant Command. As a result, many new technology and defense companies are planning to establish offices in El Paso County, including an interest in the City of Fountain.
- The average home price remained relatively flat in El Paso County from the 4th quarter 2023 to the 2nd quarter 2024 according to the El Paso County Assessor's Office with the average home price at \$455,000. Properties in El Paso County are reassessed every two years.
- Sales tax revenue continued to increase in 2023 due to the South Academy Highlands Sam's and Walmart developments and the associated shopping centers and hotel as well as continued growth from online retailers.
- Sales taxes are forecast to continue growing in 2024 due to a large commercial retailer set to open in the 4th quarter. This large retail store will also bring in multiple additional smaller retailers in the surrounding shopping center between the 4th quarter 2024 and 2nd quarter 2025.
- New construction in Fountain in 2023 included 56 new housing starts, and 7 new commercial buildings, which together constitute a 97% increase over last year. In addition, several large single family and multi-family developments continue construction with an estimated completion date in the 3rd quarter of 2024. The City of Fountain is anticipating continued, steady growth over the next 10 years. A large commercial retail development including a national grocery chain and smaller supporting franchise businesses also continue construction with an estimated opening in the 4th quarter 2024 and 1st two quarters of 2025.
- The City Council passed a temporary 1-year reduction on property taxes for 2024 to help alleviate significant increases on assessed property valuations, which brings the City mill levy down from 10.239 mills to 9.00 mills. Original valuations from the County Assessor's Office estimated a 19.8% increase in valuations from 2023 to 2024. This temporary reduction for 2024 does not apply to the new Public Safety mill levy.
- In November 2022, a new voter approved mill levy was passed for 6.1 mills and is restricted to certain Public Safety expenditures in 2023 and future years. This new levy brought in approximately \$1.7 million in additional property tax revenue in 2023 and is estimated to increase to \$2.1 million for 2024.
- There are no water or electric rate increases planned for 2024, however, there is a water rate study that was initiated in July 2024 to review rates for future years.

All of the above indicators were considered in preparing and adopting the City of Fountain 2024 budget. Budgeted line items were kept mostly flat from 2023 expenditures with the exceptions of Public Safety expenditures out of the Public Safety mill levy revenue (including the hiring of 12

City of Fountain, Colorado
Management's Discussion & Analysis
December 31, 2023

new public safety staff), capital investment projects, and a 3% merit increase in pay for deserving staff. In the General Fund, the exceptions included grant match funds and investments in capital items for information technology, fire personnel and equipment, police personnel and equipment, street projects and various recreational facilities. In the Water and Electric Funds, large expenditures are planned for final completion of a water treatment facility and infrastructure required to match the anticipated growth in the City due to the strong economic factors impacting the region.

Requests for Information

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

City of Fountain
116 South Main Street
Fountain, CO 80817
719-393-4924

Basic Financial Statements

City of Fountain, Colorado
Statement of Net Position
December 31, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Urban Renewal Authority
Assets				
Cash and Investments	\$ 20,773,748	\$ 5,448,346	\$ 26,222,094	\$ 889,505
Committed Cash and Investments	-	2,801,655	2,801,655	-
Restricted Cash and Investments	14,658,445	4,956,560	19,615,005	8,032,025
Accounts Receivable	4,530,797	6,655,135	11,185,932	5,250
Grants Receivable	442,050	-	442,050	-
Taxes Receivable	5,562,123	-	5,562,123	955,743
Inventories	-	4,494,212	4,494,212	-
Prepaid Expenses	-	-	-	4,412
Internal Balances	(1,161,571)	1,161,571	-	-
Capital Assets, Not Being Depreciated	4,437,876	39,295,484	43,733,360	1,437,232
Capital Assets, Net of Accumulated Depreciation	67,072,155	117,925,562	184,997,717	866,076
Total Assets	116,315,623	182,738,525	299,054,148	12,190,243
Deferred Outflows of Resources				
Loss on Debt Refunding, Net of Accumulated Amortization	-	810,086	810,086	-
Pension Related Outflows of Resources	4,457,371	-	4,457,371	-
OPEB Related Outflows of Resources	601,138	-	601,138	-
Bond Discount	-	-	-	152,490
Total Deferred Outflows of Resources	5,058,509	810,086	5,868,595	152,490
Liabilities				
Accounts Payable	357,896	3,049,780	3,407,676	247,824
Accrued Liabilities	683,958	349,960	1,033,918	-
Deposits	8,600,197	1,051,561	9,651,758	1,557
Accrued Interest Payable	25,152	452,449	477,601	875,063
Insurance Claims Payable	214,500	-	214,500	-
Unearned Revenue	-	11,102	11,102	-
Noncurrent Liabilities				
Due Within One Year	1,477,547	2,960,961	4,438,508	1,424,732
Due in More Than One Year	4,684,177	58,887,696	63,571,873	45,001,316
Net Pension Liability	199,972	-	199,972	-
Net OPEB Liability	1,304,638	-	1,304,638	-
Total Liabilities	17,548,037	66,763,509	84,311,546	47,550,492
Deferred Inflows of Resources				
Property Taxes	5,562,123	-	5,562,123	413,980
Pensions, Net of Accumulated Amortization	255,216	-	255,216	-
OPEB, Net of Accumulated Amortization	645,883	-	645,883	-
Total Deferred Inflows of Resources	6,463,222	-	6,463,222	413,980
Net Position				
Net Investment in Capital Assets	66,931,319	102,002,448	168,933,767	1,510,260
Restricted for:				
Parks	625,189	-	625,189	-
District Repairs and Maintenance	2,106,094	-	2,106,094	-
Transportation	3,353,289	-	3,353,289	-
Street Repairs and Maintenance	656,647	-	656,647	-
Street Improvements	1,008,383	-	1,008,383	-
Debt Service	-	-	-	454,902
Capital Projects	-	-	-	139,821
Emergencies	1,015,000	-	1,015,000	-
Unrestricted	21,666,952	14,782,654	36,449,606	(37,726,722)
Total Net Position	\$ 97,362,873	\$ 116,785,102	\$ 214,147,975	\$ (35,621,739)

See Notes to the Financial Statements.

City of Fountain, Colorado
Statement of Activities
For the Year Ended December 31, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Component Unit	
					Governmental Activities	Business-Type Activities	Total	Urban Renewal Authority
Primary Government								
<i>Governmental Activities</i>								
General Government	\$ 14,500,747	\$ 1,078,971	\$ -	\$ -	\$ (13,421,776)	\$ -	\$ (13,421,776)	\$ -
Public Safety	15,491,860	1,418,347	-	-	(14,073,513)	-	(14,073,513)	-
Public Works	3,381,575	1,621,317	1,444,380	-	(315,878)	-	(315,878)	-
Health and Welfare	612,645	9,318	53,954	-	(549,373)	-	(549,373)	-
Culture and Recreation	1,323,175	668,714	356,510	-	(297,951)	-	(297,951)	-
Interest Expense	520,757	-	-	-	(520,757)	-	(520,757)	-
Total Governmental Activities	35,830,759	4,796,667	1,854,844	-	(29,179,248)	-	(29,179,248)	-
<i>Business-Type Activities</i>								
Water	11,572,797	10,954,932	299,473	1,018,762	-	700,370	700,370	-
Electric	29,606,466	30,754,066	516,047	1,250	-	1,664,897	1,664,897	-
Ambulance	1,920,398	1,861,033	943,777	-	-	884,412	884,412	-
Drainage	-	24,313	-	-	-	24,313	24,313	-
Total Business-Type Activities	43,099,661	43,594,344	1,759,297	1,020,012	-	3,273,992	3,273,992	-
Total Primary Government	\$ 78,930,420	\$ 48,391,011	\$ 3,614,141	\$ 1,020,012	(29,179,248)	3,273,992	(25,905,256)	-
Component Unit								
Urban Renewal Authority	\$ 4,461,850	\$ -	\$ 20,231	\$ -	-	-	-	(4,441,619)
General Revenues								
Property Taxes					4,886,728	-	4,886,728	357,579
Sales and Use Taxes					21,973,314	-	21,973,314	-
Specific Ownership Taxes					524,977	-	524,977	-
Franchise Taxes					1,973,803	-	1,973,803	-
Intergovernmental Revenues not Restricted to Specific Programs					-	-	-	3,603,214
Investment Income					1,165,122	514,842	1,679,964	386,698
Miscellaneous					552,582	2,109,085	2,661,667	-
Transfers					(198,804)	198,804	-	-
Total General Revenues and Transfers					30,877,722	2,822,731	33,700,453	4,347,491
Change in Net Position					1,698,474	6,096,723	7,795,197	(94,128)
Net Position, Beginning of Year					95,664,399	110,688,379	206,352,778	(35,527,611)
Net Position, End of Year					\$ 97,362,873	\$ 116,785,102	\$ 214,147,975	\$ (35,621,739)

City of Fountain, Colorado

Balance Sheet Governmental Funds December 31, 2023

	General	Nonmajor Governmental Funds	Total
Assets			
Cash and Investments	\$ 17,598,773	\$ 7,250,937	\$ 24,849,710
Restricted Cash and Investments	7,247,233	131,789	7,379,022
Accounts Receivable	4,490,863	449,926	4,940,789
Taxes Receivable	5,136,095	426,028	5,562,123
Total Assets	<u>\$ 34,472,964</u>	<u>\$ 8,258,680</u>	<u>\$ 42,731,644</u>
Liabilities			
Accounts Payable	\$ 352,942	\$ 4,174	\$ 357,116
Accrued Liabilities	619,404	22,557	641,961
Deposits	8,600,197	-	8,600,197
Total Liabilities	<u>9,572,543</u>	<u>26,731</u>	<u>9,599,274</u>
Deferred Inflows of Resources			
Property Taxes	5,136,095	426,028	5,562,123
Fund Balances			
Restricted for:			
Parks	-	625,189	625,189
District Repairs and Maintenance	-	2,106,094	2,106,094
Transportation	-	3,353,289	3,353,289
Street Repairs and Maintenance	-	656,647	656,647
Street Improvements	-	1,008,383	1,008,383
Emergencies	1,015,000	-	1,015,000
Committed to:			
Park Improvements	1,151,544	-	1,151,544
School Zone	164,745	-	164,745
Volunteer Fire Activities	-	56,319	56,319
Assigned to Public Safety Capital Improvements	1,997,503	-	1,997,503
Unrestricted, Unassigned	15,435,534	-	15,435,534
Total Fund Balances	<u>19,764,326</u>	<u>7,805,921</u>	<u>27,570,247</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 34,472,964</u>	<u>\$ 8,258,680</u>	<u>\$ 42,731,644</u>

City of Fountain, Colorado
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
For the Year Ended December 31, 2023

Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:

Total Fund Balances of Governmental Funds	\$ 27,570,247
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in governmental funds.	
Capital assets, not being depreciated	4,437,876
Capital assets, being depreciated	157,680,315
Accumulated depreciation	(90,608,160)
	<u>71,510,031</u>
Net pension assets and liabilities and the related deferred inflows and outflows are not current financial resources and, therefore, are not reported in governmental funds:	
Net Pension Asset	(199,972)
Pension related deferred outflows of resources	4,457,371
Pension related deferred inflows of resources	(255,216)
Net OPEB liability	(1,304,638)
OPEB related deferred outflows of resources	601,138
OPEB related deferred inflows of resources	(645,883)
	<u>2,652,800</u>
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in governmental funds.	
Lease Financing Agreements	(4,578,712)
Accrued compensated absences	(1,583,012)
Accrued Interest Payable	(25,152)
	<u>(6,186,876)</u>
An internal service fund is used by management to charge the costs of health insurance to individual funds. A portion of the assets and liabilities of the internal service fund is included in governmental activities in the statement of net position.	
	<u>1,816,671</u>
Total Net Position of Governmental Activities	<u>\$ 97,362,873</u>

City of Fountain, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2023

	General	Nonmajor Governmental Funds	Total
Revenues			
Taxes	\$ 26,613,431	\$ 2,745,391	\$ 29,358,822
Licenses and Permits	161,724	-	161,724
Charges for Services	4,438,942	10,720	4,449,662
Fines and Forfeitures	301,693	-	301,693
Intergovernmental	1,498,334	356,510	1,854,844
Investment Income	865,733	207,256	1,072,989
Miscellaneous	1,631,568	33,220	1,664,788
	<u>35,511,425</u>	<u>3,353,097</u>	<u>38,864,522</u>
Total Revenues			
	<u>35,511,425</u>	<u>3,353,097</u>	<u>38,864,522</u>
Expenditures			
Current			
General Government	7,608,736	1,040,304	8,649,040
Public Safety	14,963,333	-	14,963,333
Public Works	2,578,515	803,060	3,381,575
Health and Welfare	612,645	-	612,645
Culture and Recreation	1,183,470	139,705	1,323,175
Capital Outlay	3,347,818	541,753	3,889,571
Debt Service			
Principal	991,366	8,302	999,668
Interest	-	-	-
	<u>31,285,883</u>	<u>2,533,124</u>	<u>33,819,007</u>
Total Expenditures			
	<u>31,285,883</u>	<u>2,533,124</u>	<u>33,819,007</u>
Excess Revenues Over (Under) Expenditures	<u>4,225,542</u>	<u>819,973</u>	<u>5,045,515</u>
Other Financing Sources (Uses)			
Lease Financing Proceeds	1,366,000	-	1,366,000
Transfers In	1,739,342	-	1,739,342
Transfers Out	(1,421,535)	(516,611)	(1,938,146)
	<u>1,683,807</u>	<u>(516,611)</u>	<u>1,167,196</u>
Total Other Financing Sources (Uses)			
	<u>1,683,807</u>	<u>(516,611)</u>	<u>1,167,196</u>
Net Change in Fund Balances	5,909,349	303,362	6,212,711
Fund Balances, Beginning of Year	<u>13,854,977</u>	<u>7,502,559</u>	<u>21,357,536</u>
Fund Balances, End of Year	<u>\$ 19,764,326</u>	<u>\$ 7,805,921</u>	<u>\$ 27,570,247</u>

See Notes to the Financial Statements.

City of Fountain, Colorado
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
Governmental Funds
For the Year Ended December 31, 2023

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:

Net Change in Fund Balances of Governmental Funds	\$ 6,212,711
Capital outlays to purchase or construct capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized in the statement of net position and are allocated over their estimated useful lives as annual depreciation expense in the statement of activities.	
Depreciation Expense	(5,661,164)
Capital Outlays	2,777,365
	<u>(2,883,799)</u>
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This includes changes in the following:	
Change in Net Pension Asset	(4,720,770)
Change in Deferred Outflows Related to Pensions	267,613
Change in Deferred Inflows Related to Pensions	4,007,426
Change in Net OPEB Liability	183,267
Change in Deferred Outflows Related to OPEB	181,622
Change in Deferred Inflows Related to OPEB	(447,685)
	<u>(528,527)</u>
Repayments of long-term liabilities are expenditures in governmental funds, but they reduce long-term liabilities in the statement of net position and do not affect the statement of activities.	
Proceeds from Lease Financing Agreements	(1,370,000)
Principal Payments on Leases	508,063
Change in Accrued Compensated Absences	(212,012)
Change in Accrued Interest Payable	(25,152)
Change in Early Retirement	12,000
	<u>(1,087,101)</u>
An internal service fund is used by management to charge the costs of health insurance to individual funds. A portion of the net income of the internal service fund is included in governmental activities in the statement of activities.	
	<u>(14,810)</u>
Change in Net Position of Governmental Activities	\$ <u>1,698,474</u>

City of Fountain, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2023

	Business-Type Activities				Governmental Activities Internal Service Fund
	Water	Electric	Nonmajor Funds	Total	
Assets					
<i>Current Assets</i>					
Cash and Investments	\$ -	\$ 3,291,247	\$ 2,157,099	\$ 5,448,346	\$ 3,203,461
Committed Cash and Investments	1,256,900	1,544,755	-	2,801,655	-
Restricted Cash and Investments	3,262,029	1,694,531	-	4,956,560	-
Accounts Receivable	1,669,783	3,962,565	1,022,787	6,655,135	32,058
Inventories	114,918	4,379,294	-	4,494,212	-
Interfund Receivables	(4,359,021)	4,359,021	-	-	-
Total Current Assets	1,944,609	19,231,413	3,179,886	24,355,908	3,235,519
<i>Noncurrent Assets</i>					
Capital Assets, <i>Not Being Depreciated</i>	35,005,883	3,955,741	333,860	39,295,484	-
Capital Assets, <i>Net of Accumulated Depreciation</i>	72,486,230	45,134,361	304,971	117,925,562	-
Total Noncurrent Assets	107,492,113	49,090,102	638,831	157,221,046	-
Total Assets	109,436,722	68,321,515	3,818,717	181,576,954	3,235,519
Deferred Outflows of Resources					
Loss on Debt Refunding, <i>Net of Accumulated Amortization</i>	810,086	-	-	810,086	-
Liabilities					
<i>Current Liabilities</i>					
Accounts Payable	19,712	3,020,516	9,552	3,049,780	780
Accrued Liabilities	97,957	188,566	63,437	349,960	41,997
Customer Deposits	153,290	898,271	-	1,051,561	-
Accrued Interest Payable	380,228	72,221	-	452,449	-
Unearned Revenue	-	11,102	-	11,102	-
Current Portion of Long-Term Debt					
Insurance Claims Payable	-	-	-	-	214,500
Compensated Absences Payable	194,335	241,642	70,153	506,130	-
Capital Leases Payable	37,667	162,164	-	199,831	-
Bonds and Loans Payable	1,877,000	378,000	-	2,255,000	-
Total Current Liabilities	2,760,189	4,972,482	143,142	7,875,813	257,277
<i>Long-Term Liabilities</i>					
Compensated Absences Payable	58,210	291,795	7,278	357,283	-
Capital Leases Payable	-	2,583,379	-	2,583,379	-
Bonds and Loans Payable	45,001,780	10,945,254	-	55,947,034	-
Total Long-Term Liabilities	45,059,990	13,820,428	7,278	58,887,696	-
Total Liabilities	47,820,179	18,792,910	150,420	66,763,509	257,277
Net Position					
Net Investment in Capital Assets	64,647,781	36,715,836	638,831	102,002,448	-
Unrestricted	(2,221,152)	12,812,769	3,029,466	13,621,083	2,978,242
Total Net Position	\$ 62,426,629	\$ 49,528,605	\$ 3,668,297	\$ 115,623,531	\$ 2,978,242

Amounts reported for Business-type Activities in the Statement of Net Position are different:

An internal service fund is used by management to charge the cost of health insurance to individual Funds.
A portion of the assets and liabilities of the internal service fund is included in the business-type activities in the statement of net position.

\$ 1,161,571
\$ 116,785,102

City of Fountain, Colorado
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2023

	Business-Type Activities				Governmental Activities Internal Service Fund
	Water	Electric	Nonmajor Funds	Total	
Operating Revenues					
Charges for Services	\$ 10,954,932	\$ 30,754,066	\$ 1,885,346	\$ 43,594,344	\$ 4,373,476
Grant Revenue	299,473	516,047	943,777	1,759,297	-
Miscellaneous	182,758	1,935,796	-	2,118,554	-
Total Operating Revenues	11,437,163	33,205,909	2,829,123	47,472,195	4,373,476
Operating Expenses					
Source of Supply	2,480,980	16,819,858	-	19,300,838	-
Operations and Maintenance	2,332,404	5,382,927	1,822,168	9,537,499	-
Customer Accounts and Collection	599,007	1,423,014	-	2,022,021	-
Administration and General	1,601,589	3,046,447	-	4,648,036	97,318
Insurance Premiums	-	-	-	-	1,232,984
Insurance Claims	-	-	-	-	3,159,586
Depreciation	2,960,033	2,432,016	98,230	5,490,279	-
Total Operating Expenses	9,974,013	29,104,262	1,920,398	40,998,673	4,489,888
Operating Income (Loss)	1,463,150	4,101,647	908,725	6,473,522	(116,412)
Nonoperating Revenues (Expenses)					
Gain on Disposal of Assets	8,412	-	-	8,412	-
Investment Income	84,330	366,063	64,449	514,842	92,133
Interest Expense	(1,607,196)	(502,204)	-	(2,109,400)	-
Total Nonoperating Revenues (Expenses)	(1,514,454)	(136,141)	64,449	(1,586,146)	92,133
Net Income (Loss) Before Transfer and Capital Contributions	(51,304)	3,965,506	973,174	4,887,376	(24,279)
Transfers In	1,338,724	518,260	-	1,856,984	-
Transfers Out	(609,213)	(964,479)	(84,488)	(1,658,180)	-
System Development Fees	1,018,762	1,250	-	1,020,012	-
Change in Net Position	1,696,969	3,520,537	888,686	6,106,192	(24,279)
Net Position, Beginning of Year	60,729,660	46,008,068	2,779,611	109,517,339	3,002,521
Net Position, End of Year	\$ 62,426,629	\$ 49,528,605	\$ 3,668,297	\$ 115,623,531	\$ 2,978,242

Amounts Reported for Business-Type Activities in the Statement of Activities are Different Because:

Change in Net Position of Enterprise Funds	\$ 6,106,192
An internal service fund is used by management to charge the costs of health insurance to individual funds. A portion of the net income of the internal service fund is included in business-type activities in the statement of activities.	(9,469)
Change in Net Position of Business-Type Activities	\$ 6,096,723

City of Fountain, Colorado
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2023

	Business-Type Activities				Governmental Activities
	Water	Electric	Nonmajor Funds	Total	Internal Service Fund
Cash Flows from Operating Activities					
Cash Received from Customers	\$ 10,952,549	\$ 33,132,769	\$ 1,059,965	\$ 45,145,283	\$ 4,365,161
Cash Payment from Other	299,473	516,047	943,777	1,759,297	-
Cash Payments to Employees	13,668	(203,782)	9,361	(180,753)	-
Cash Payments to Suppliers	(7,743,449)	(26,933,017)	(1,837,912)	(36,514,378)	(4,540,360)
Net Cash Provided (Used) by Operating Activities	3,522,241	6,512,017	175,191	10,209,449	(175,199)
Cash Flows from Nonoperating Capital Financing Activities					
Payments from Other Funds	84,298	-	(84,488)	(190)	-
Payments to Other Funds	-	(84,298)	-	(84,298)	-
Other	3,041,863	(446,219)	-	2,595,644	-
Net Cash Provided (Used) by Noncapital Financing Activities	3,126,161	(530,517)	(84,488)	2,511,156	-
Cash Flows from Capital and Related Financing Activities					
Acquisition and Construction of Capital Assets	(2,862,354)	(1,708,895)	(403,011)	(4,974,260)	-
System Development Fees Received	1,018,762	1,250	-	1,020,012	-
Debt Principal Payments	(1,758,332)	(455,176)	-	(2,213,508)	-
Debt Interest and Fiscal Charges Paid	(1,789,692)	(567,589)	-	(2,357,281)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(5,391,616)	(2,730,410)	(403,011)	(8,525,037)	-
Cash Flow from Investing Activities					
Interest Received	84,330	366,063	64,449	514,842	92,133
Net Change in Cash and Cash Equivalents	1,341,116	3,617,153	(247,859)	4,710,410	(83,066)
Cash and Cash Equivalents, Beginning of Year	3,177,813	2,913,380	2,404,958	8,496,151	3,286,527
Cash and Cash Equivalents, End of Year	\$ 4,518,929	\$ 6,530,533	\$ 2,157,099	\$ 13,206,561	\$ 3,203,461
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Operating Income (Loss)	\$ 1,463,150	\$ 4,101,647	\$ 908,725	\$ 6,473,522	\$ (116,412)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Depreciation	2,960,033	2,432,016	98,230	5,490,279	-
Changes in Assets and Liabilities					
Accounts Receivable	(193,888)	408,758	(825,381)	(610,511)	(8,315)
Inventories	134,262	(1,146,222)	-	(1,011,960)	-
Prepaid Expenses	32,396	-	-	32,396	-
Accounts Payable	(896,127)	885,451	(15,744)	(26,420)	(6,456)
Accrued Liabilities	(3,207)	(90,936)	6,489	(87,654)	8,198
Unearned Revenue	-	11,102	-	11,102	-
Customer Deposits	8,747	23,047	-	31,794	-
Insurance Claims Payable	-	-	-	-	(52,214)
Compensated Absences Payable	20,475	(104,446)	2,872	(81,099)	-
Early Retirement Payable	(3,600)	(8,400)	-	(12,000)	-
Net Cash Provided (Used) by Operating Activities	\$ 3,522,241	\$ 6,512,017	\$ 175,191	\$ 10,209,449	\$ (175,199)

See Notes to the Financial Statements.

City of Fountain, Colorado
Statement of Fiduciary Net Position
Pension Trust Fund
December 31, 2023

	<u>Total</u>
Assets	
Cash	\$ (2,098)
Investments	
Local Government Investment Pools	468,458
Money Market Funds	<u>248,910</u>
Total Assets	\$ <u><u>715,270</u></u>
Net Position	
Restricted for Pension Benefits	\$ <u><u>715,270</u></u>

City of Fountain, Colorado
Statement of Changes in Net Position
Pension Trust Fund
For the Year Ended December 31, 2023

	<u>Total</u>
Additions	
Investment Income	\$ <u>33,592</u>
Total Additions	<u>33,592</u>
Deductions	
Administration	3,600
Benefit Payments	<u>16,250</u>
Total Deductions	<u>19,850</u>
Change in Net Position	13,742
Net Position, <i>Beginning of Year</i>	<u>701,528</u>
Net Position, <i>End of Year</i>	\$ <u><u>715,270</u></u>

City of Fountain, Colorado

Notes to Financial Statements

December 31, 2023

Note 1: Summary of Significant Accounting Policies

The accounting policies of the City of Fountain (the City) conform to generally accepted accounting principles as applicable to government entities. 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 policies.

Reporting Entity

The financial reporting entity consists of the City, organizations for which the City is financially accountable, and organizations that raise and hold economic resources for the direct benefit of the City. All funds, organizations, institutions, agencies, departments, and offices that are not legally separate are part of the City. Legally separate organizations for which the City is financially accountable are considered part of the reporting entity. Financial accountability exists if the City appoints a voting majority of the organization's governing board and is able to impose its will on the organization, or if the organization has the potential to provide benefits to, or impose financial burdens on, the City. Based on the application of these criteria, the City includes the following entities in its reporting entity.

The *Heritage Maintenance District* was established to maintain landscaping, fencing, drainage facilities, and other improvements within its boundaries. The *General Improvement District No. 1* was created to provide for the construction of a fire station, and after funding the fire station, for capital improvements including life safety improvements, park and recreational improvements, regional street improvements, and regional civic and cultural improvements. The *General Improvement District No. 2* was created to provide an alternate method of funding the construction, re-construction, and maintenance of certain public improvements within its boundaries. The City Council serves as the governing board for these districts and City management has operational responsibility for the districts. Therefore, their financial activity is blended into the City's financial statements. Separate financial statements are not issued.

The *Fountain Urban Renewal Authority* (the Authority) was created to redevelop or rehabilitate certain blighted areas within the City. The Authority has a separate governing board with members appointed by the City Council. Although the Authority is legally separate from the City, the Authority's primary revenue source, tax increment financing, can only be established by the City. The Authority is discretely presented in the City's financial statements. Separate financial statements for the Authority are available at City Hall, 116 South Main Street, Fountain, Colorado 80817.

City of Fountain, Colorado

Notes to Financial Statements

December 31, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all nonfiduciary activities of the City 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 charges for interfund services that are reasonably equivalent to the services provided. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The *primary government* is reported separately from the legally separate *component unit* for which the City is financially accountable.

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

Separate financial statements are provided for governmental funds, proprietary funds, and the fiduciary fund, even though the latter is excluded from the government-wide financial statements. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and pension trust fund financial statements. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current year. Taxes, intergovernmental revenues, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. All other revenues are considered to be measurable and available only when cash is received by the City. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

City of Fountain, Colorado

Notes to Financial Statements

December 31, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

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 the fund's principal ongoing operations. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for a specific use, it is the City's practice to use restricted resources first, then unrestricted resources as they are needed.

In the fund financial statements, the City reports the following major governmental fund:

General Fund - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those accounted for in another fund.

The City also reports the following major enterprise funds:

Water Utility - This fund accounts for all activities necessary for the provision of water services to the City residents.

Electric Utility - This fund accounts for all activities necessary to provide electric power to the City residents.

Additionally, the City reports the following fund types:

Internal Service Fund - The Insurance Fund accounts for the activities related to employee health benefits, which are partially self-insured by the City.

Pension Trust Fund - The Pension Trust Fund is used to account for assets held by the City in a trustee capacity for the City's volunteer firefighters pension plan.

Assets, Liabilities and Net Position/Fund Balances

Cash Equivalents - Cash equivalents include investments with original maturities of three months or less. Investments in pooled cash are considered cash equivalents.

Receivables - Receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Inventories - Inventories of the proprietary funds are valued using the average cost method and are reported as expenses when consumed. Materials and supplies purchased by the governmental funds are charged to operations when purchased.

City of Fountain, Colorado

Notes to Financial Statements

December 31, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

Assets, Liabilities and Net Position/Fund Balances (Continued)

Prepaid Expenses - Payments to vendors for services that will benefit subsequent years are reported as prepaid expenses.

Interfund Receivables and Payables - During the course of operations, certain transactions occur between individual funds. The resulting receivables and payables are classified in the fund financial statements as *interfund receivables* and *interfund payables* when they are short-term in nature. Noncurrent portions of interfund receivables and payables are reported as *advances from other funds* and *advances to other funds*. Any residual balances outstanding between governmental and business-type activities are reported in the government-wide financial statements as *internal balances*.

Capital Assets - Capital assets, which include land, buildings, equipment, and all infrastructure assets owned by the City, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the proprietary funds in the fund financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more and an estimated 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 on the date of donation. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the asset lives are not capitalized.

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

Buildings and Improvements	10 - 40 years
Infrastructure	25 - 40 years
Computers and Software	3 - 7 years
Machinery and Equipment	5 - 10 years
Vehicles	5 - 7 years

Unearned Revenues - Unearned revenues in the Electric Fund represent donations from customers that may be used to assist other customers with their utility bills.

Deferred Inflows of Resources - Deferred inflows of resources include property taxes earned but levied for a subsequent year.

Compensated Absences - Employees of the City are allowed to accumulate unused vacation and sick time. Upon termination of employment from the City, a regular or sworn fire employee will be compensated for all accrued vacation time up to 400 or 510 hours, respectively, at their current pay rate, and for unused sick time, depending on years of service, up to 720 hours at a percentage of their current rate of pay. Regular or regular sworn fire employees hired after March 1, 2006, will be paid for all accrued vacation time up to 320 or 390 hours, respectively, and for unused sick time, depending on years of service, up to 360 hours at a percentage of their current rate of pay.

City of Fountain, Colorado

Notes to Financial Statements

December 31, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

Assets, Liabilities and Net Position/Fund Balances (Continued)

These compensated absences are expensed when earned in the proprietary funds and when paid in the governmental funds. A long-term liability has been reported in the government-wide financial statements for the accrued compensated absences.

Postemployment Benefits - An employee with at least 20 years of service with the City, and who has reached at least 55 years of age at retirement, is eligible to receive health and life insurance coverage after retirement. This benefit expires when the retiree reaches the age of 65, thereby making the maximum eligibility period 10 years. A long-term liability is reported in the government-wide financial statements as the postemployment benefits are earned.

Early Retirement - During the year ended December 31, 2013, the City offered early retirement benefits to qualified employees. In lieu of receiving postemployment health and life insurance coverage after retirement, the employees will receive annual payments of \$12,000 for nine years or until the employee reaches age 65. At December 31, 2014, this offer was closed to further participation. A long-term liability is reported in the government-wide financial statements and the proprietary funds in the fund financial statements when the early retirement benefits are accepted by the employee and approved by the City.

Long-Term Debt - In the government-wide financial statements and the proprietary funds 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 statement of net position. Debt premiums, discounts, and refunding losses are deferred and amortized over the life of the debt using the straight-line method.

In the fund financial statements, governmental funds recognize the face amount of debt issued 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 debt proceeds, are reported as current expenses or expenditures.

Pensions - The City participates in the Statewide Defined Benefit Plan, a cost-sharing multiple-employer defined benefit pension plan. The plans are administered by the Fire & Police Pension Association of Colorado (FPPA). In addition, the City maintains a single-employer defined benefit pension plan for volunteer firefighters.

The net pension asset (liability), deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position, and additions to and deductions from each plan's fiduciary net position have been determined using the accrual basis of accounting, the same basis of accounting used by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Employee contributions are recognized in the year the contributions are due.

City of Fountain, Colorado

Notes to Financial Statements

December 31, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

Assets, Liabilities and Net Position/Fund Balances (Continued)

Net Position/Fund Balances - In the government-wide and fund financial statements, net position and fund balances are restricted when constraints placed on the use of resources are externally imposed. As reported in the governmental fund financial statements, the City Council establishes a fund balance commitment through passage of an ordinance, and is authorized to informally assign amounts to a specific purpose.

The City Council has established the ideal target reserves at 40% of the current operating budget of the General Fund. The reserves should not be allowed to fall below 20% of the current operating budget, including the emergency reserve required by the TABOR Amendment (See Note 11).

The City has not established a formal policy for its use of restricted and unrestricted fund balances. However, if both restricted and unrestricted fund balances are available for a specific purpose, the City uses restricted fund balances first, followed by committed, assigned, and unassigned balances.

Property Taxes

Property taxes attach as an enforceable lien on property on January 1 and are levied the following December for collection in the subsequent calendar year. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer's Office collects property taxes and remits to the City on a monthly basis. Since property tax revenues are collected in arrears during the succeeding year, receivables and corresponding deferred inflows of resources are reported at year end.

Subsequent Events

The City has evaluated subsequent events through July 31, 2024, the date the financial statements were available to be issued.

Note 2: Cash and Investments

A summary of cash and investments as of December 31, 2023, follows:

Petty Cash	\$ 3,498
Deposits	41,106,923
Investments	<u>7,528,333</u>
Total	\$ <u>48,638,754</u>

City of Fountain, Colorado
Notes to Financial Statements
December 31, 2023

Note 2: Cash and Investments (Continued)

Cash and investments are reported in the financial statements as follows:

Cash and Investments	\$ 26,222,094
Committed Cash and Investments	2,801,655
Restricted Cash and Investments	<u>19,615,005</u>
Total	<u>\$ 48,638,754</u>

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires all local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2023, the City had bank deposits of \$10,456,405 collateralized with securities held by the financial institutions' agents but not in the City's name.

Investments

The City is required to comply with State statutes which specify investments meeting defined rating, maturity, and concentration risk criteria in which local governments may invest, which include the following. State statutes do not address custodial risk. The City's investment policy does not further limit these investment choices.

- Obligations of the United States and certain U.S. Agency securities
- General obligation and revenue bonds of U.S. local government entities
- Certain corporate or bank securities
- Commercial paper
- Local government investment pools
- Repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts (GICs)

City of Fountain, Colorado
Notes to Financial Statements
December 31, 2023

Note 2: Cash and Investments (Continued)

Investments (Continued)

At December 31, 2023, the City had the following investments:

Investment Type	S&P Rating	Investment Maturities in Years		
		Less Than 1	1 to 5 Years	Total
Local Government Investment Pools	AAAm	\$ 248,611	\$ -	\$ 248,611
Money Market Funds	Not Rated	16,183	-	16,183
U.S. Agency Securities	AA+	3,918,782	-	3,918,782
Municipal Securities	AA+	1,552,013	-	1,552,013
Corporate Securities	AA-	-	-	-
Corporate Securities	A-	799,384	-	799,384
Corporate Securities	AA	993,360	-	993,360
Total		\$ 7,528,333	\$ -	\$ 7,528,333

Fair Value Measurements - The City reports its investments using the fair value measurements established by generally accepted accounting principles. As such, a fair value hierarchy categorizes the inputs used to measure the fair value of the investments into three levels. Level 1 inputs are quoted prices in active markets for identical investments; Level 2 inputs include quoted prices in active markets for similar investments, or other observable inputs; and Level 3 inputs are unobservable inputs. The U.S. Agency, municipal, and corporate securities were measured utilizing quoted prices in active markets for similar investments (Level 2 inputs). The local government investment pools and money market funds were reported at the net asset value per share.

Interest Rate Risk - State statutes limit investments to an original maturity of five years from the date of purchase, unless the governing board authorizes the investment for a period in excess of five years. Corporate securities must mature within three years.

Credit Risk - State statutes limit investments in municipal securities to those with at least two credit ratings at or above A or its equivalent by nationally recognized statistical rating organizations (NRSROs). Corporate securities must have at least two credit ratings from any of the NRSROs at or above AA- or its equivalent. State statutes also limit investments in money market funds to those that maintain a constant share price, with a maximum remaining maturity in accordance with the Securities and Exchange Commission's Rule 2a-7, and either have assets of one billion dollars or the highest rating issued by one or more NRSROs.

Concentration of Credit Risk - State statutes do not limit the amount the City may invest in a single issuer of U.S. Agency or municipal securities. Corporate securities are limited to fifty percent of the total investment portfolio and five percent for a single issuer. At December 31, 2023, the City's investments in the Federal Home Loan Bank, Bank of Nova Scotia, and Walmart Corporation represented 21%, 11%, and 13%, respectively, of the City's total investments.

City of Fountain, Colorado

Notes to Financial Statements

December 31, 2023

Note 2: Cash and Investments (Continued)

Investments (Continued)

Custodial Credit Risk - At December 31, 2023, the City's investments in U.S. Agency, municipal, and corporate securities, and certain money market funds were held by the counterparty (broker), but not in the City's name.

Local Government Investment Pools - At December 31, 2023, the City had \$5,609 and \$34,515,558 invested in the Colorado Local Government Liquid Asset Trust (Colotrust) and the Colorado Surplus Asset Fund Trust (CSAFE), respectively. The Trusts are investment vehicles established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating the Trusts. The Trusts operate in conformity with the Securities and Exchange Commission's Rule 2a-7, with each share valued at \$1. Both Trusts are rated AAAM by Standard and Poor's. Investments of the Trusts are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

Committed Cash and Investments

Beginning January 1, 2006, the City committed to use system development fees and water acquisition fees received by the Water Fund exclusively for growth-related capital improvements and purchases of water rights. In addition, system development fees collected by the Electric Fund are committed for the construction of a new substation. The remaining cash and investments at December 31, 2023, of \$2,801,655 were reported as committed cash and investments in the Electric Fund.

Restricted Cash and Investments

Loan proceeds of \$217,500 are restricted in the Water Fund for debt reserves.

Note 3: Interfund Balances and Transactions

Interfund Balances

At December 31, 2023, the Electric Fund had temporarily subsidized the negative cash balance of the Water Fund in the amount of \$4,359,021.

City of Fountain, Colorado
Notes to Financial Statements
December 31, 2023

Note 3: Interfund Balances and Transactions (Continued)

Interfund Transfers

Interfund transfers during the year ended December 31, 2023, consisted of the following:

Transfers In	Transfers Out	Amount
General Fund	Electric Enterprise Fund	\$ 964,479
Water Enterprise Fund	General Fund	949,686
General Fund	Water Enterprise Fund	562,802
Electric Enterprise Fund	General Fund	471,849
Water Enterprise Fund	General Improvement District Fund	389,038
General Fund	Public Transportation Fund	127,573
General Fund	Ambulance Enterprise Fund	84,488
Electric Enterprise Fund	Water Enterprise Fund	46,411
		<u>\$ 3,596,326</u>
Total		<u>\$ 3,596,326</u>

Note 4: Capital Assets

Capital assets activity for the year ended December 31, 2023, is summarized below:

	Balance 12/31/22	Additions	Transfers	Deletions	Balance 12/31/23
Governmental Activities					
Capital Assets, <i>not being depreciated</i>					
Land and Easements	\$ 1,874,166	\$ -	\$ -	\$ -	\$ 1,874,166
Constructions in Progress	2,192,949	1,842,525	(726,764)	(745,000)	2,563,710
Total Capital Assets, <i>not being depreciated</i>	<u>4,067,115</u>	<u>1,842,525</u>	<u>(726,764)</u>	<u>(745,000)</u>	<u>4,437,876</u>
Capital Assets, being depreciated					
Buildings and Improvements	19,514,775	372,030	610,214	-	20,497,019
Infrastructure	119,256,807	-	-	-	119,256,807
Computers and Software	1,766,221	130,166	116,550	-	2,012,937
Machinery and Equipment	4,806,933	364,376	-	-	5,171,309
Vehicles	9,928,973	813,268	-	-	10,742,241
Total Capital Assets, being depreciated	<u>155,273,709</u>	<u>1,679,840</u>	<u>726,764</u>	<u>-</u>	<u>157,680,313</u>
Less Accumulated Depreciation					
Buildings and Improvements	(6,577,410)	(985,152)	-	-	(7,562,562)
Infrastructure	(68,689,593)	(2,988,193)	-	-	(71,677,786)
Computers and Software	(1,213,215)	(298,364)	-	-	(1,511,579)
Machinery and Equipment	(3,092,415)	(453,576)	-	-	(3,545,991)
Vehicles	(5,374,361)	(935,879)	-	-	(6,310,240)
Total Accumulated Depreciation	<u>(84,946,994)</u>	<u>(5,661,164)</u>	<u>-</u>	<u>-</u>	<u>(90,608,158)</u>
Capital Assets, <i>being depreciated</i> , Net	<u>70,326,715</u>	<u>(3,981,324)</u>	<u>726,764</u>	<u>-</u>	<u>67,072,155</u>
Governmental Activities Capital Assets, Net	<u>\$ 74,393,830</u>	<u>\$ (2,138,799)</u>	<u>\$ -</u>	<u>\$ (745,000)</u>	<u>\$ 71,510,031</u>

City of Fountain, Colorado
Notes to Financial Statements
December 31, 2023

Note 4: Capital Assets (Continued)

	Balance 12/31/22	Additions	Transfers	Deletions	Balance 12/31/23
Business-Type Activities					
Capital Assets, <i>not being depreciated</i>					
Land and Easements	\$ 7,113,005	\$ -	\$ 135,373	\$ -	\$ 7,248,378
Water and Storage Rights	26,253,701	2,695	358,797	-	26,615,193
Constructions in Progress	5,612,903	2,374,364	(2,555,354)	-	5,431,913
Total Capital Assets, <i>not being depreciated</i>	38,979,609	2,377,059	(2,061,184)	-	39,295,484
Capital Assets, <i>being depreciated</i>					
Buildings and Improvements	21,847,970	41,430	1,583,473	-	23,472,873
Infrastructure	139,618,436	69,226	170,127	-	139,857,789
Computers and Software	3,494,041	7,380	307,584	-	3,809,005
Machinery and Equipment	3,120,920	175,225	-	-	3,296,145
Vehicles	3,161,022	-	-	-	3,161,022
Total Capital Assets, <i>being depreciated</i>	171,242,389	293,261	2,061,184	-	173,596,834
Less Accumulated Depreciation					
Buildings and Improvements	(5,066,362)	(837,944)	-	-	(5,904,306)
Infrastructure	(37,360,305)	(3,733,570)	-	-	(41,093,875)
Computers and Software	(2,564,140)	(204,766)	-	-	(2,768,906)
Machinery and Equipment	(2,774,531)	(497,060)	-	-	(3,271,591)
Vehicles	(2,415,655)	(216,939)	-	-	(2,632,594)
Total Accumulated Depreciation	(50,180,993)	(5,490,279)	-	-	(55,671,272)
Capital Assets, <i>being depreciated</i> , Net	121,061,396	(5,197,018)	2,061,184	-	117,925,562
Business-Type Activities Capital Assets, Net	\$ 160,041,005	\$ (2,819,959)	\$ -	\$ -	\$ 157,221,046

Depreciation expense was charged to programs of the City as follows:

Governmental Activities	
General Government	\$ 388,022
Public Safety	1,228,234
Public Works	3,779,702
Health and Welfare	6,704
Culture and Recreation	258,502
Total	\$ 5,661,164

City of Fountain, Colorado
Notes to Financial Statements
December 31, 2023

Note 5: Long-Term Debt

Governmental Activities

Following is a summary of long-term debt transactions for the governmental activities for the year ended December 31, 2023.

	Balance 12/31/22	Additions	Reductions	Balance 12/31/23	Due Within One Year
Lease Financing Agreements	\$ 3,716,775	\$ 1,370,000	\$ (508,063)	\$ 4,578,712	\$ 591,499
Compensated Absences	1,371,000	1,062,203	(850,191)	1,583,012	886,048
Early Retirement	12,000	-	(12,000)	-	-
Total	\$ 5,099,775	\$ 2,432,203	\$ (1,370,254)	\$ 6,161,724	\$ 1,477,547

During 2012, the City entered into a lease purchase agreement for \$3,000,000 to build a new fire station and remodel the police building. During 2013, an additional \$218,000 was borrowed under the agreement to complete the projects. Interest payments are due semi-annually on March 1 and September 1, with interest accruing at 3.95% per annum. Principal payments are due annually on September 1, through September 2032. At December 31, 2023, capital assets of \$3,289,284 less accumulated depreciation of \$1,344,190 are reported under this lease.

During 2017, the City entered into a lease agreement for \$104,300 to purchase a police vehicle. Monthly payments of \$995 are due under the lease agreement beginning in January, 2018, through December, 2027. Interest accrues on the outstanding balance at 2.74% per annum. At December 31, 2023, capital assets of \$84,537 less accumulated depreciation of \$72,460 are reported under this lease.

During 2017, the City entered into a lease agreement for \$809,770 to purchase vehicles. Monthly payments of \$14,218 are due under the lease agreement through August, 2027. Interest accrues on the outstanding balance at 2.07% per annum. At December 31, 2023, capital assets of \$797,880 less accumulated depreciation of \$764,105 are reported under this lease.

During 2017, the City entered into a lease agreement for \$482,518 to purchase a fire vehicle. Monthly payments of \$4,552 are due under the lease agreement through August, 2027. Interest accrues on the outstanding balance at 2.52% per annum. At December 31, 2023, capital assets of \$482,518 less accumulated depreciation of \$203,730 are reported under this lease.

During 2017, the City used lease financing proceeds in the amount of \$1,000,000 and other City resources to finance improvements to the Lorraine Center. Principal is due annually beginning in September, 2017, through 2032. Interest accrues on the outstanding balance at 3.15% per annum and is payable semi-annually in March and September. At December 31, 2023, capital assets of \$1,147,753 less accumulated depreciation of \$286,938 are reported under this lease.

City of Fountain, Colorado
Notes to Financial Statements
December 31, 2023

Note 5: Long-Term Debt (Continued)

Governmental Activities (Continued)

During 2017, the City entered into a lease agreement for \$1,004,165 to improve the City buildings' energy performance. Principal and interest are due quarterly beginning in March, 2018, through December, 2032. Interest accrues on the outstanding balance at 2.72% per annum. At December 31, 2023, capital assets of \$458,587 less accumulated depreciation of \$458,587 are reported under this lease.

During 2020, the City entered into a lease agreement for \$174,143 to purchase information technology equipment. Principal and interest are due annually beginning in May 2021, through September 2024. Interest accrues on the outstanding balance at 4.35% per annum. At December 31, 2023, capital assets in the amount of \$174,143 less of accumulated depreciation of \$174,143 are reported under this lease.

During 2021, the City entered into a lease agreement for \$131,789 to purchase a bus. Principal and interest are due annually beginning in June 2021, through June 2025. Interest accrues on the outstanding balance at 1.21% per annum. At December 31, 2023, capital assets in the amount of \$131,789 less accumulated depreciation of \$38,538 are reported under this lease.

During 2021, the City entered into a lease agreement for \$349,509 to purchase trucks. Principal and interest are due annually beginning in November 2021, through November 2026. Interest accrues on the outstanding balance at 2.90% per annum. At December 31, 2023, capital assets in the amount of \$349,509 less of accumulated depreciation of \$99,860 are reported under this lease.

The following is a schedule of the future minimum lease payments required under the governmental activities lease obligations.

<u>Year Ended December 31,</u>	
2024	\$ 760,173
2025	716,833
2026	828,848
2027	625,222
2028	532,550
2029 - 2033	<u>1,889,669</u>
Total Minimum Lease Payments	5,353,295
Less: Interest Portion	<u>(774,583)</u>
Present Value of Future Minimum Lease Payments	<u>\$ 4,578,712</u>

The liabilities for compensated absences, postemployment benefits, and early retirement are expected to be liquidated primarily with General Fund revenues.

City of Fountain, Colorado
Notes to Financial Statements
December 31, 2023

Note 5: Long-Term Debt (Continued)

Business-Type Activities

Following is a summary of long-term debt transactions for the business-type activities for the year ended December 31, 2023.

	Balance 12/31/22	Additions	Reductions	Balance 12/31/23	Due Within One Year
2014 CWRPDA Loan	\$ 13,645,000	\$ -	\$ (530,000)	\$ 13,115,000	\$ 560,000
Premium	968,859	-	(44,206)	924,653	-
2015 Water Revenue Bonds	3,345,000	-	(100,000)	3,245,000	105,000
Premium	45,765	-	(1,990)	43,775	-
2016 Water Revenue Bonds	5,435,000	-	(255,000)	5,180,000	265,000
Premium	653,212	-	(41,694)	611,518	-
2019 Water Revenue Bonds	17,800,000	-	(620,000)	17,180,000	630,000
Premium	1,801,257	-	(109,167)	1,692,090	-
2020 Revenue Refunding Bonds	7,690,000	-	(335,000)	7,355,000	340,000
2021 Revenue Refunding Bonds	9,205,000	-	(350,000)	8,855,000	355,000
Capital Leases	2,971,719	-	(188,509)	2,783,210	199,831
Compensated Absences	944,510	789,291	(870,390)	863,411	506,130
Early Retirement	12,000	-	(12,000)	-	-
Total	\$ 64,517,322	\$ 789,291	\$ (3,457,956)	\$ 61,848,657	\$ 2,960,961

During 2014, the City entered into a loan agreement for \$16,900,000 with the CWRPDA. Loan proceeds were used for construction of the Southern Delivery System (See Note 11), purchase of water rights, replacement of old water mains, installation of a supervisory control and data acquisition system (SCADA), and to refund a portion of the 2005 CWRPDA loan. Interest payments are due semi-annually on March 1 and September 1. Principal payments are due annually on September 1, through 2044. Interest accrues at rates ranging from 2% to 5% per annum.

The 2014 CWRPDA loan has two covenants the City meet. One is a Debt Service Ratio requirement of 1.10. The City is meeting that covenant with more than 2 times the minimum requirement. The other covenant is an Operations and Maintenance Reserve requirement equal to 25% of the annual expenditures. The City is currently below that requirement and is working through the allowable remedy to meet that requirement.

During 2015, the City issued \$3,965,000 Water Revenue Bonds, Series 2015. Bond proceeds were used for construction of the Southern Delivery System (See Note 11). Interest payments are due semi-annually on June 1 and December 1. Principal payments are due annually on December 1, through 2045. Interest accrues at rates ranging from 3% to 3.625% per annum.

City of Fountain, Colorado
Notes to Financial Statements
December 31, 2023

Note 5: Long-Term Debt (Continued)

Business-Type Activities (Continued)

During 2016, the City issued \$7,150,000 Water Revenue Refunding Bonds, Series 2016. Bond proceeds were used to repay the balance of the 2009 CWRPDA Loan, originally issued for future water storage sites, and the acquisition of a customer service building. Interest accrues on the bonds at rates ranging from 2% to 4% per annum. Interest payments are due semi-annually on June 1 and December 1. Principal payments are due annually on December 1, through 2038.

During 2019, the City issued \$19,000,000 Electric, Water and Wastewater Utility Revenue Bonds, Series 2019. Bond proceeds were used to fund various capital projects. Interest accrues on the bonds at rates ranging from 3% to 5% per annum. Interest payments are due semi-annually on June 1 and December 1. Principal payments are due annually on December 1, through 2039.

In October 2020, the City entered into a refunding transaction whereby the series 2020 revenue refunding bonds were issued to refund the 2011 CWRPDA Loan. The series 2020 bonds were issued in the amount of \$8,340,000. The net proceeds of \$8,168,306 (after payment of \$171,694 in underwriting fees and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited into an irrevocable trust with an escrow agent to provide for future debt payments on the 2011 CWRPDA loan callable in 2021. The total amount deposited with the escrow agent included the \$7,795,000 loan balance and deferred amounts on refunding. As a result of the transaction, the 2011 CWRPDA loan is considered to be defeased in-substance and the liability for those bonds has been removed from the proprietary fund statement of net position.

The City completed the advanced refunding in 2020 to reduce its total debt service payments over the next 21 years by \$1,640,637 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$1,297,977.

In November 2021, the City entered into a refunding transaction whereby the series 2021 revenue refunding bonds were issued to refund the 2013 CWRPDA loan. The series 2021 bonds were issued in the amount of \$9,545,000. The net proceeds of \$10,039,292 (including a cash contribution from the City of \$682,548 and payment of \$188,257 in underwriting fees and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited into an irrevocable trust with an escrow agent to provide for future debt payments on the 2013 DWEPPDA loan callable in 2022. The total amount deposited with the escrow agent included the \$9,640,000 loan balance and deferred amounts on refunding. As a result of this transaction, the 2011 CWRPDA loan is considered to be defeased in-substance and the liability for those bonds has been removed from the proprietary fund statement of net position.

The City completed the advance refunding in 2021 to reduce its total debt service payments over the next 22 years by \$1,930,919 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$1,495,113.

City of Fountain, Colorado
Notes to Financial Statements
December 31, 2023

Note 5: Long-Term Debt (Continued)

Business-Type Activities (Continued)

The Water Fund loans and bonds are payable solely from revenues of the City's utility system, which includes the Water and Electric Funds, after deduction of operating and maintenance costs, provided that revenues are limited to 50% of tap fee revenues. An Operations and Maintenance Reserve requirement equal to three months of operation and maintenance. The City's utility reserves are currently below the 25% requirement. In accordance with the covenant, the City is working to come back into compliance with this requirement. A Debt Service Coverage Ratio Requirement of 1.10. The City is generating more than 2 times the minimum coverage ratio. During the year ended December 31, 2023, net revenues of \$10,956,846 were available to pay annual debt service of approximately \$4,465,259.

Future debt service requirements for the outstanding bonds and loans at December 31, 2023, were as follows.

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 2,255,000	\$ 2,026,800	\$ 4,281,800
2025	2,335,000	1,953,695	4,288,695
2026	2,405,000	1,875,469	4,280,469
2027	2,495,000	1,789,827	4,284,827
2028	2,580,000	1,698,968	4,278,968
2029 - 2033	14,440,000	6,976,242	21,416,242
2034 - 2038	17,380,000	4,340,940	21,720,940
2039 - 2043	10,010,000	1,179,252	11,189,252
2044 - 2045	<u>1,030,000</u>	<u>53,362</u>	<u>1,083,362</u>
Present Value of Future Minimum Lease Payments	\$ <u>54,930,000</u>	\$ <u>21,894,555</u>	\$ <u>76,824,555</u>

During 2020, the City entered into a lease agreement for \$348,286 to purchase information technology equipment. Principal and interest are due annually beginning in September 2020, through September 2024. Interest accrues on the outstanding balance at 4.35% per annum. At December 31, 2023, capital assets in the amount of \$348,286 less of accumulate depreciation of \$348,285 are reported under this lease.

During 2021, the City entered into a lease agreement for \$2,859,047 to improve the City's energy performance. Principal and interest are due annually beginning in November 2022, through November 2041. Interest accrues on the outstanding balance at 2.165% per annum. There were no capital assets recorded as of December 31, 2023 related to this lease agreement. Restricted cash in the amount of \$588,556 held in Escrow is recorded as restricted cash in the Electric Fund.

City of Fountain, Colorado
Notes to Financial Statements
December 31, 2023

Note 5: Long-Term Debt (Continued)

Business-Type Activities (Continued)

Following is a schedule of the future minimum lease payments required under the business-type activities lease obligations, including the equipment leases to be paid partially by the governmental activities.

<u>Year Ended December 31,</u>	
2024	\$ 258,167
2025	182,452
2026	182,452
2027	182,452
2028	182,452
2029 - 2033	912,260
2034 - 2038	912,260
2039 - 2041	550,149
Total Minimum Lease Payments	3,362,644
Less: Interest Portion	(579,434)
	<u>2,783,210</u>
Present Value of Future Minimum Lease Payments	\$ <u>2,783,210</u>

Note 6: Joint Venture

The City is a participant in the Fountain Valley Authority which was formed to construct and operate a water treatment plant. Participants in the Authority are the Cities of Fountain and Colorado Springs, Security Water District, Stratmoor Hills Water District and Widefield Water and Sanitation District. The City is represented on the Authority's Board of Directors by one member. The Board of Directors has the responsibility for all operations of the Authority.

The City's share of available capacity for the year ended December 31, 2023, was 2,000 acre feet of project water, representing an ownership percentage of participation of 9.95%.

The City's share of the Authority is not included in the financial statements since the Authority is a component unit of the City of Colorado Springs. Financial information about the Fountain Valley Authority can be obtained in a separate report available at City Hall.

Note 7: Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; natural disasters; and health and dental claims of its employees. The City accounts for and finances its risk activities in the General Fund and the Insurance Internal Service Fund.

City of Fountain, Colorado

Notes to Financial Statements

December 31, 2023

Note 7: Risk Management (Continued)

Public Entity Risk Pool

For property, liability and workers compensation risks of loss, the City is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to the provisions of 24-10-115.5, Colorado Revised Statutes (1982 Replacement Volume) and the Colorado Constitution, Article XIV, Section 18(2).

The purposes of CIRSA are to provide members defined liability, property, and workers compensation coverages and to assist members to prevent and reduce losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees or officers.

It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability of loss, to the limit of the financial resources of CIRSA. It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverages at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members.

Insurance Fund

Effective October 1, 2009, the City established a partially self-insured program for employee health, dental and short-term disability benefits. Transactions of the self-insurance program are reported in the Insurance Fund, an internal service fund. The City has purchased excess insurance policies to cover individual claims in excess of \$75,000, and aggregate annual claims in excess of approximately \$3,388,169, depending on enrollment counts. Premiums are paid by the General, Water, Electric, and Ambulance Funds.

Claims liabilities, including estimated incurred but not reported claims (IBNR), are reported in the government-wide financial statements and the internal service fund if information available prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Other than current amounts, the City believes the estimated claims liability is not fully measurable, and the City could incur additional costs related to IBNR claims.

Changes in claims payable were as follows:

	2023	2022
Claims Payable, <i>Beginning of Year</i>	\$ 266,714	\$ 262,594
Claims and Changes in Provisions	3,159,586	2,728,212
Claims Payments	(3,211,800)	(2,724,092)
Claims Payable, <i>End of Year</i>	<u>\$ 214,500</u>	<u>\$ 266,714</u>

City of Fountain, Colorado
Notes to Financial Statements
December 31, 2023

Note 8: Defined Benefit Retirement Plans

Volunteer Firefighters' Pension Plan

General Information

Plan Description - The City has established the Volunteer Firefighters' Pension Plan, a single-employer defined benefit pension plan for volunteer firefighters as authorized by State of Colorado statutes. The plan is administered by a Board of Trustees composed of City Council members and firefighters. The Board of Trustees also establishes and is allowed to amend contribution and benefit requirements. The plan does not publish a separate stand-alone report but is reported in the financial statements as a Pension Trust Fund.

Plan Membership - At December 31, 2023, plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	2
Inactive plan members entitled to but not yet receiving benefits	15
Active plan members	<u>7</u>
Total	<u>24</u>

Benefits Provided - Any firefighter who has both attained the age of fifty and completed twenty years of active service shall be eligible for a monthly pension benefit of \$200. A firefighter who is disabled in the line of duty and whose disability is of such character and magnitude as to deprive the firefighter of earning capacity and extends beyond one year shall be compensated in an amount determined by the Board of Trustees, currently \$200 each month. Monthly survivor benefits are \$200 unless the firefighter was disabled, in which case the survivor benefit is \$100 each month.

Contributions - As established by State statutes, the plan may receive contributions from the City in an amount not to exceed one-half mill of property tax revenue. The State of Colorado contributes 90% of the City's contribution. Plan members are not required to contribute to the plan. The contributions are not actuarially determined. The actuarial valuation as of January 1, 2018, indicated that the current level of contributions is adequate to support on an actuarially sound basis the prospective benefits of the present plan. No contributions were made to the plan during the year ended December 31, 2018.

Investments

Investment Policy - The Board of Trustees has the authority to establish an investment policy for the plan but has not done so. City management currently makes all investment decisions.

Rate of Return - For the year ended December 31, 2023, the annual money-weighted rate of return on plan investments, net of investment expense, was 4.86%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

City of Fountain, Colorado
Notes to Financial Statements
December 31, 2023

Note 8: Defined Benefit Retirement Plans (Continued)

Volunteer Firefighters' Pension Plan (Continued)

Net Pension Asset

At December 31, 2023, the City reported a net pension asset of \$506,054. The net pension asset was measured at December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022.

Actuarial Assumptions - The total pension liability was determined by an actuarial valuation as of January 1, 2022, using the following actuarial assumptions, applied to all periods included in the measurement.

Interest Rate – 2.9% per annum, compounded annually, net of operating expenses.
Mortality - Pub-2010 mortality table for general employees, projected with generational mortality improvement using Scale MP-2021. Separate annuitant and non-annuitant rate tables were used.

The long-term expected rate of return on 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 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 and by adding expected inflation.

Discount Rate - The discount rate used to measure the total pension liability was 2.9%. The projection of cash flows used to determine the discount rate assumed that contributions will continue to follow the current funding policy. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments of 4.86% was applied to all periods of projected benefit payments to determine the total pension liability.

City of Fountain, Colorado
Notes to Financial Statements
December 31, 2023

Note 8: Defined Benefit Retirement Plans (Continued)

Volunteer Firefighters' Pension Plan (Continued)

Net Pension Asset (Continued)

For the year ended December 31, 2023, changes in the net pension asset of the City were as follows.

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Asset
	(a)	(b)	(a) - (b)
Balances at December 31, 2021	\$ 224,353	\$ 701,380	\$ (477,027)
Changes for the Year:			
Service Cost	9,031	-	9,031
Interest	5,323	-	5,323
Differences Between Expected and Actual Experience	-	-	-
Changes of Assumptions	(26,214)	-	(26,214)
Net Investment Income	-	33,592	(33,592)
Benefit Payments	(3,600)	(3,600)	-
Administrative Expenses	-	(16,425)	16,425
Balances at December 31, 2022	\$ <u>208,893</u>	\$ <u>714,947</u>	\$ <u>506,054</u>

Sensitivity of the Net Pension Asset to Changes in the Discount Rate - The following table presents the net pension asset of the City at December 31, 2023, calculated using the discount rate of 2.9%, as well as what the City's net pension asset would be if it were calculated using a discount rate that is one percentage point lower (1.9%) or one percentage point higher (3.9%) than the current rate, as follows:

	1% Decrease (1.90%)	Current Discount Rate (2.90%)	1% Increase (3.90%)
City's Net Pension Liability (Asset)	\$ <u>(459,565)</u>	\$ <u>(506,054)</u>	\$ <u>(540,896)</u>

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

For the year ended December 31, 2023, the City recognized pension expense of \$40,812. The differences in projected and actual earnings on investments, differences between expected and actual experience, and the effect of changes in assumptions were recorded in pension expense. Because the differences were not significant, they will not be recognized as pension expense over multiple years.

City of Fountain, Colorado

Notes to Financial Statements

December 31, 2023

Note 8: Defined Benefit Retirement Plans (Continued)

Police and Firefighters' Pension Plans

Plan Description

The City contributes to the Statewide Defined Benefit Plan (the SWDB Plan), a cost-sharing multiple-employer defined benefit pension plan. The plan is administered by the Fire & Police Pension Association of Colorado (FPPA). As of January 1, 2023, Statewide Benefit Plan and the Statewide Hybrid Plan have merged to form the Statewide Retirement Plan (SRP) and the Statewide Defined Benefit Plan becomes the Defined Benefit Component of the Statewide Retirement Plan. FPPA issues a publicly available annual comprehensive financial report that includes information on the plans. That report may be obtained at www.fppaco.org.

Benefits Provided

SWDB Plan - A SWDB Plan 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% 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% 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 Benefit Social Security Component will receive half the benefit when compared to the Statewide Defined Benefit Component of the Statewide Retirement Plan. Benefit 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 FPPA Board's discretion and can range from 0 to the higher of 3% or the Consumer Price Index.

Benefits Provided

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% as interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the SWDB Plan and remain eligible for a retirement pension at age 55 equal to 2% of the member's average highest three years' pensionable earnings for each year of credited service up to ten years, plus 2.5% for each year of service thereafter.

City of Fountain, Colorado
Notes to Financial Statements
December 31, 2023

Note 8: Defined Benefit Retirement Plans (Continued)

Police and Firefighters' Pension Plans (Continued)

Contributions

SWDB Plan Contributions - The City and eligible employees are required to contribute to the SWDB Plan at rates established by State statutes. Employer contribution rates can only be amended by the State Legislature. Employee contribution rates can be amended by the State Legislature or by election of the membership. The City and eligible employees contributed 9.5% and 12% of base salary, respectively, for the year ended December 31, 2023.

SWDB Plan members elected to increase the employee contribution rate 0.5% annually through 2022, to a total of 12% of base salary. Employer contributions increase 0.5% annually beginning in 2021 through 2030 for a total of 13% of base salary. The City's contributions to the SWDB Plan for the year ended December 31, 2023, were \$622,827 equal to the required contributions.

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

At December 31, 2023, the City reported a net pension liability of \$706,026 representing its proportionate share of the net pension liability of the SWDB Plan. The net pension liability was measured at December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2023. The City's proportion of the net pension liability was based on a projection of the City's contributions to the plans for the calendar year ended December 31, 2022, relative to the projected contributions of all participating employers.

At December 31, 2022, the City's proportion of the SWDB Plan was 0.79542418%, which was an increase of 0.04924978% from its proportion measured at December 31, 2021.

For the year ended December 31, 2023, the City recognized pension expense for the SWDB Plan of \$525,781. At December 31, 2023, the City 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
Statewide Defined Benefit Plan		
Differences between expected and actual experience	\$ 1,200,944	\$ (72,106)
Net difference between projected and actual earnings on plan investments	1,682,005	-
Changes of assumptions and other inputs	713,441	-
Changes of proportion	35,412	(162,644)
Contributions subsequent to the measurement date	807,316	-
Total	\$ <u>4,439,118</u>	\$ <u>(234,750)</u>

City of Fountain, Colorado
Notes to Financial Statements
December 31, 2023

Note 8: Defined Benefit Retirement Plans (Continued)

Police and Firefighters' Pension Plans (Continued)

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

City contributions to the SWDB Plan subsequent to the measurement date of \$807,316 will be recognized as an increase or decrease to the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows.

<u>Year ended December 31,</u>	
2024	\$ 626,102
2025	921,290
2026	1,298,354
2027	252,495
2028	137,662
Thereafter	<u>161,149</u>
Total	<u>\$ 3,397,052</u>

Actuarial Assumptions - The actuarial valuations as of January 1, 2023, determined the total pension liability using the following actuarial assumptions and other inputs.

Investment rate of return, compounded annually, net of plan investment expenses, including inflation	7.0%
Inflation	2.5%
Projected salary increases	4.25% - 11.25%
Cost of living adjustments (COLA)	0.0%

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the Pub-2010 Safety Healthy Annuitant Mortality Tables projected with the ultimate values of the MP-2020 projection scale. The pre-retirement off-duty mortality tables are adjusted to 60% of the MP-2020 mortality tables for active employees. The on-duty mortality rate is 0.00015.

For determining the actuarially determined contributions, 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 the projected prospectively using the ultimate rates of the scale for all years. The preretirement 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.

City of Fountain, Colorado

Notes to Financial Statements

December 31, 2023

Note 8: Defined Benefit Retirement Plans (Continued)

Police and Firefighters' Pension Plans (Continued)

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

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 2022 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Company, based on their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2023. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

The long-term expected rate of return on 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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5%).

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of December 31, 2023, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Rate of Return</u>
Global Equity	35%	8.93%
Equity Long/Short	6%	7.47%
Private Markets	34%	10.31%
Fixed Income - Rates	10%	5.45%
Fixed Income - Credit	5%	6.90%
Absolute Return	9%	6.49%
Cash	1%	3.92%
	<u>100%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.0%. 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 plans' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

City of Fountain, Colorado

Notes to Financial Statements

December 31, 2023

Note 8: Defined Benefit Retirement Plans (Continued)

Police and Firefighters' Pension Plans (Continued)

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

Sensitivity of the Net Pension Asset (Liability) to Changes in the Discount Rate - The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.0%, as well as the City's proportionate share of the net pension liability if it were calculated using a discount that is one percentage point lower (6.0%) or one percentage point higher (8.0%) than the current rate, as follows:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
City's proportionate share of the SWDB Net Pension Liability (Asset)	\$ 4,867,254	\$ 706,026	\$ (2,740,817)

Pension Plan Fiduciary Net Position - Detailed information about the plans' fiduciary net position is available in FPPA's separately issued financial report, which may be obtained at www.fppaco.org.

The aggregate amount of pension expense for the SWBD Plan and the Volunteer Plan is a net pension expense of \$566,593.

Note 9: Retirement Commitments

Police and Firefighter Money Purchase Pension Plan

The City contributes to a single-employer defined contribution money purchase pension plan on behalf of police officers and paid firefighters that did not elect to participate in the FPPA Plans. The City is required to contribute 9.5% of each participating employee's compensation, and each employee must contribute a matching amount. The Plan provisions and contribution requirements are established and may be amended by the City Council. Employees are eligible to participate in the Plan as of the first day of work as an employee, and become fully vested after five years of service.

For the year ended December 31, 2023, the City contributed \$8,422 to the Plan, equal to the required contributions. All of the Plan investments at December 31, 2023, are managed by Empower Retirement Company, an outside administrator.

City of Fountain, Colorado
Notes to Financial Statements
December 31, 2023

Note 9: Retirement Commitments (Continued)

General Employee Money Purchase Pension Plan

The City contributes to a single-employer defined contribution money purchase pension plan on behalf of non-police and firefighter employees. The City is required to contribute 4.5% of each participating employee's compensation, and each employee must contribute a matching amount. The Plan provisions and contribution requirements are established and may be amended by the City Council. Employees are eligible to participate in the Plan after six months of employment. Participants become fully vested after five years of service.

For the year ended December 31, 2023, the City contributed \$469,435 to the Plan, equal to the required contributions. All of the Plan investments at December 31, 2023, are managed by the Colorado Retirement Association (CRA), an outside administrator.

Note 10: Postemployment Benefits other than Pensions

Plan Description - The City has established a single-employer defined benefit postemployment healthcare plan. Employees with at least 20 years of service with the City, and who have reached at least 55 years of age, are eligible to receive health insurance benefits after retirement. These benefits expire when the retiree reaches the age of 65. The authority to establish and amend benefit provisions rests with the City Council. The City does not issue a stand-alone financial report for the plan.

Funding Policy - The contribution requirements of plan members and the City are established and may be amended by the City Council. The required contribution is based on projected pay-as-you-go financing requirements. The City pays the entire monthly insurance premium. Plan members are not required to contribute to the plan. For the year ended December 31, 2023, the City paid premiums for retirees totaling \$53,074.

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

At December 31, 2023, the City reported an OPEB liability of \$1,304,638. The total OPEB liability was measured as of December 31, 2023, and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation as of January 1, 2023. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2023.

City of Fountain, Colorado

Notes to Financial Statements

December 31, 2023

Note 10: Postemployment Benefits other than Pensions (Continued)

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

For the year ended December 31, 2023, changes in the total OPEB liability of the City were as follows.

	Net OPEB Liability
Balance at December 31, 2022	\$ 1,487,905
Changes for the year:	
Service Cost	96,549
Interest	66,499
Differences Between Expected and Actual Experience	259,164
Changes of Assumptions	(521,475)
Benefit Payments	(84,004)
Balance at December 31, 2023	\$ 1,304,638

For the year ended December 31, 2023, the City recognized OPEB expense of \$166,800 at December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	\$ 601,138	\$ (645,883)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31,	
2024	\$ 3,752
2025	3,752
2026	3,752
2027	3,752
2028	5,678
Thereafter	(65,431)
Total	\$ (44,745)

Actuarial Methods and Assumptions - Projections of benefits for financial reporting purposes are based on the substantive plan as understood by the City and plan members, and are based on the types of benefits provided at the time of each valuation and the historical pattern of sharing of the benefit costs between the City and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

City of Fountain, Colorado

Notes to Financial Statements

December 31, 2023

Note 10: Postemployment Benefits other than Pensions (Continued)

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

Significant methods and assumptions included the following:

Actuarial Valuation Date - January 1, 2023

Actuarial Cost Method - Entry Age Normal

Salary Increases - 5.00%

Investment Rate of Return - N/A

Healthcare Cost Trend Rates - 7.50% in 2024 decreasing to 4.50% in 2036+

Sensitivity of the City's proportionate share of the total OPEB liability to changes in the Health Care Cost Trend Rates

The following presents the total OPEB liability using the current health care cost trend rates applicable to the 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:

	1% Decrease	Current Trend Rate	1% Increase
City's OPEB Liability	\$ <u>1,154,013</u>	\$ <u>1,304,638</u>	\$ <u>1,485,378</u>

Discount rate - The discount rate used to measure the total OPEB liability was 4 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above.

Benefit payments and contributions were assumed to be made on a pay-as-you-go basis, and thus there are no assets accumulated in a GASB-complaint trust.

Sensitivity of the City's proportionate share of the total OPEB liability to changes in the discount rate

The following presents the proportionate share of the total OPEB liability calculated using the discount rate of 4.31 percent, as well as what the proportionate share of the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.31 percent) or 1-percentage-point higher (5.31 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
City's OPEB Liability	\$ <u>1,413,409</u>	\$ <u>1,304,638</u>	\$ <u>1,203,978</u>

City of Fountain, Colorado
Notes to Financial Statements
December 31, 2023

Note 11: Commitments and Contingencies

TABOR Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, 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 City believes it is in compliance with the requirements of the Amendment. However, the City has made certain interpretations of the Amendment's language in order to determine compliance.

The City has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2023, the emergency reserve was reported as restricted fund balance in the General Fund, in the amount of \$1,015,000.

Claims and Judgements

The City participates in a number of federal, state, and local programs that are fully or partially funded by grants received from other governmental entities. Expenses financed by grants are subject to audit by the appropriate grantor government. If expenses are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government. At December 31, 2023, significant amounts of grant expenses have not been audited but management believes that subsequent audits will not have a material effect on the overall financial position of the City.

Southern Delivery System

The City, along with the City of Colorado Springs, Security Water and Sanitation District, and Pueblo West Metropolitan District, are partners in the Southern Delivery System project. This project will convey raw water from Pueblo Reservoir through a 66" diameter, 53-mile pipeline to Upper Williams Creek Reservoir and Universal Water Treatment Plant located east of Colorado Springs. The City's participation in the conveyance capacity is 2,500 acre-feet per year and 5.625 million gallons per day (mgd) in the water treatment plant. The project was online in 2016, and all construction was completed in early 2020.

Under the terms of the project agreement, the City's participation is reported in the financial statements as an undivided interest, whereby the City reports its assets, liabilities, revenues, and expenses associated with the joint project. At December 31, 2023, the City reported capital assets, net of depreciation, of \$43,859,044 for this project.

Litigation

The City is involved in various pending or threatened litigation. The outcome of this litigation cannot be determined at this time.

City of Fountain, Colorado
Notes to Financial Statements
December 31, 2023

Note 11: Commitments and Contingencies (Continued)

Concentration of Risk

A substantial amount of the City's sales tax revenues is received from four taxpayers. A reduction in this revenue, if it were to occur, may have a significant effect on the City's programs and activities.

Economic Development Tax Incentive Agreements

The City has approved several agreements to rebate certain property, sales and use taxes generated by new businesses. During the year ended December 31, 2023, the City paid \$3,155,113 under these agreements.

Required Supplementary Information

City of Fountain, Colorado
Schedule of Changes in Net Pension Liability and Related Ratios and Investment Returns
Volunteer Firefighters' Pension Plan
December 31, 2023

	2023	2022	2021	2020	2019
Total Pension Liability					
Service Cost	\$ 9,031	\$ 8,601	\$ 4,604	\$ 5,446	\$ 5,313
Interest	5,323	5,158	6,357	6,197	5,640
Differences Between Expected and Actual Experience	-	(3,452)	-	(2,433)	-
Changes of Assumptions	(26,214)	36	71,658	(572)	6,118
Benefit Payments	(3,600)	(3,600)	(3,600)	(5,000)	(4,600)
Net Change in Total Pension Liability	(15,460)	6,743	79,019	3,638	12,471
Total Pension Liability, Beginning of Year	224,353	217,610	138,591	134,953	122,482
Total Pension Liability, End of Year	<u>\$ 208,893</u>	<u>\$ 224,353</u>	<u>\$ 217,610</u>	<u>\$ 138,591</u>	<u>\$ 134,953</u>
Plan Fiduciary Net Position					
Net Investment Income	\$ 33,592	\$ 9,651	\$ 454	\$ 3,940	\$ 11,155
Benefit Payments	(3,600)	(3,600)	(3,600)	(5,000)	(4,600)
Administrative Expenses	(16,425)	(15,675)	(175)	(175)	-
Net Change in Plan Fiduciary Net Position	13,567	(9,624)	(3,321)	(1,235)	6,555
Plan Fiduciary Net Position, Beginning of Year	701,380	711,004	714,325	715,560	709,005
Plan Fiduciary Net Position, End of Year	<u>\$ 714,947</u>	<u>\$ 701,380</u>	<u>\$ 711,004</u>	<u>\$ 714,325</u>	<u>\$ 715,560</u>
City's Net Pension Asset, End of Year	<u>\$ 506,054</u>	<u>\$ 477,027</u>	<u>\$ 493,394</u>	<u>\$ 575,734</u>	<u>\$ 580,607</u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	 342%	 313%	 327%	 515%	 530%
Investment Returns					
Annual Money-Weighted Rate of Return, Net of Investment Expense	4.86%	1.36%	0.06%	0.55%	1.60%

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.

(Continued)

City of Fountain, Colorado
Schedule of Changes in Net Pension Liability and Related Ratios and Investment Returns
Volunteer Firefighters' Pension Plan
December 31, 2023
(Continued)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability					
Service Cost	\$ 6,090	\$ 13,751	\$ -	\$ -	\$ -
Interest	5,546	11,460	14,655	14,188	13,765
Differences Between Expected and Actual Experience	-	(144,009)	-	-	-
Changes of Assumptions	(3,954)	-	(94,965)	-	-
Benefit Payments	<u>(5,100)</u>	<u>(4,800)</u>	<u>(4,000)</u>	<u>(3,600)</u>	<u>(4,800)</u>
Net Change in Total Pension Liability	2,582	(123,598)	(84,310)	10,588	8,965
Total Pension Liability, Beginning of Year	<u>119,900</u>	<u>243,498</u>	<u>327,808</u>	<u>317,220</u>	<u>308,255</u>
Total Pension Liability, End of Year	\$ <u><u>122,482</u></u>	\$ <u><u>119,900</u></u>	\$ <u><u>243,498</u></u>	\$ <u><u>327,808</u></u>	\$ <u><u>317,220</u></u>
Plan Fiduciary Net Position					
Net Investment Income	\$ 9,962	\$ 4,948	\$ 3,029	\$ 2,732	\$ 2,191
Benefit Payments	(5,100)	(4,800)	(4,000)	(3,600)	(4,800)
Administrative Expenses	<u>(3,693)</u>	<u>(3,270)</u>	<u>(2,850)</u>	<u>(10,539)</u>	<u>(150)</u>
Net Change in Plan Fiduciary Net Position	1,169	(3,122)	(3,821)	(11,407)	(2,759)
Plan Fiduciary Net Position, Beginning of Year	<u>707,836</u>	<u>710,958</u>	<u>714,779</u>	<u>726,186</u>	<u>728,945</u>
Plan Fiduciary Net Position, End of Year	\$ <u><u>709,005</u></u>	\$ <u><u>707,836</u></u>	\$ <u><u>710,958</u></u>	\$ <u><u>714,779</u></u>	\$ <u><u>726,186</u></u>
City's Net Pension Asset, End of Year	\$ <u><u>586,523</u></u>	\$ <u><u>587,936</u></u>	\$ <u><u>467,460</u></u>	\$ <u><u>386,971</u></u>	\$ <u><u>408,966</u></u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	 579%	 590%	 292%	 218%	 229%
Investment Returns					
Annual Money-Weighted Rate of Return, Net of Investment Expense	0.70%	0.70%	0.43%	0.38%	0.28%

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.

City of Fountain, Colorado
Schedule of Changes in Total OPEB Liability and Related Ratios and Investment Returns
Retiree Health Insurance Plan
December 31, 2023

	<u>2023</u>	<u>2022</u>
Total OPEB Liability		
Service Cost	\$ 96,549	\$ 125,701
Interest	66,499	37,773
Differences Between Expected and Actual Experience	259,164	-
Changes of Assumptions	(521,475)	(165,914)
Benefit Payments	<u>(84,004)</u>	<u>(124,775)</u>
Net Change in Total OPEB Liability	(183,267)	(127,215)
Total OPEB Liability, Beginning of Year	<u>1,487,905</u>	<u>1,615,120</u>
Total OPEB Liability, End of Year	<u>\$ 1,304,638</u>	<u>\$ 1,487,905</u>

Note: There are no assets accumulated in a GASB-compliant trust to pay related benefits for the OPEB plan

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.

(Continued)

City of Fountain, Colorado

Schedule of Changes in Total OPEB Liability and Related Ratios and Investment Returns Retiree Health Insurance Plan December 31, 2023 (Continued)

	2021	2020	2019	2018
Total OPEB Liability				
Service Cost	\$ 91,486	\$ 75,208	\$ 68,407	\$ 69,786
Interest	24,159	37,847	40,958	36,179
Differences Between Expected and Actual Experience	443,794	-	-	-
Changes of Assumptions	(44,298)	71,241	19,974	(25,189)
Benefit Payments	<u>(120,009)</u>	<u>(99,321)</u>	<u>(101,348)</u>	<u>(96,984)</u>
Net Change in Total OPEB Liability	395,132	84,975	27,991	(16,208)
Total OPEB Liability, Beginning of Year	<u>1,219,988</u>	<u>1,135,013</u>	<u>1,107,022</u>	<u>1,123,230</u>
Total OPEB Liability, End of Year	<u>\$ 1,615,120</u>	<u>\$ 1,219,988</u>	<u>\$ 1,135,013</u>	<u>\$ 1,107,022</u>

Note: There are no assets accumulated in a GASB-compliant trust to pay related benefits for the OPEB plan

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.

City of Fountain, Colorado
Schedule of Proportionate Share of the Net Pension (Asset) Liability and Contributions
Fire and Police Pension Association of Colorado Statewide Defined Benefit Plan
December 31, 2023

	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>12/31/2018</u>
Proportionate Share of the Net Pension Asset (Liability)					
City's Proportion of the Net Pension Liability (Asset)	0.79542418%	0.74617440%	0.74970075%	0.72470184%	0.82451333%
City's Proportionate Share of the Net Pension Liability (Asset)	\$ 706,026	\$ (4,043,771)	\$ (1,627,603)	\$ (456,549)	\$ 1,042,411
City's Covered-employee Payroll	\$ 7,101,018	\$ 5,941,268	\$ 5,408,779	\$ 5,264,431	\$ 4,909,389
City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered-employee Payroll	9.9%	-68.1%	-30.1%	-8.7%	21.2%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	97.6%	116.2%	106.7%	101.9%	95.2%
	<u>12/31/2023</u>	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2019</u>
City Contributions					
Statutorily Required Contribution	\$ 807,316	\$ 683,773	\$ 552,062	\$ 481,733	\$ 475,954
Contributions in Relation to the Statutorily Required Contribution	<u>(807,316)</u>	<u>(683,773)</u>	<u>(552,062)</u>	<u>(481,733)</u>	<u>(475,954)</u>
Contribution Deficiency (Excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
City's Covered-employee Payroll	\$ 8,482,089	\$ 7,101,018	\$ 5,941,268	\$ 5,408,779	\$ 5,264,431
Contributions as a Percentage of Covered-employee Payroll	9.52%	9.63%	9.29%	8.91%	9.04%

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.

(Continued)

City of Fountain, Colorado
Schedule of Proportionate Share of the Net Pension (Asset) Liability and Contributions
Fire and Police Pension Association of Colorado Statewide Defined Benefit Plan
December 31, 2023
(Continued)

	<u>12/31/17</u>	<u>12/31/16</u>	<u>12/31/15</u>	<u>12/31/14</u>	<u>12/31/13</u>
Proportionate Share of the Net Pension Asset (Liability)					
City's Proportion of the Net Pension Liability (Asset)	0.30674205%	0.28760751%	0.28396312%	0.31188443%	0.32238512%
City's Proportionate Share of the Net Pension Liability (Asset)	\$ (441,297)	\$ (96,829)	\$ 5,006	\$ 351,985	\$ 288,272
City's Covered-employee Payroll	\$ 1,638,955	\$ 1,331,905	\$ 1,224,894	\$ 1,227,432	\$ 1,202,066
City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered-employee Payroll	-26.9%	-7.3%	0.4%	29%	24%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	106.3%	98%	100.1%	107%	106%
	<u>12/31/18</u>	<u>12/31/17</u>	<u>12/31/16</u>	<u>12/31/15</u>	<u>12/31/14</u>
City Contributions					
Statutorily Required Contribution	\$ 441,845	\$ 143,538	\$ 117,754	\$ 110,127	\$ 112,204
Contributions in Relation to the Statutorily Required Contribution	<u>(441,845)</u>	<u>(143,538)</u>	<u>(117,754)</u>	<u>(110,127)</u>	<u>(112,204)</u>
Contribution Deficiency (Excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
City's Covered-employee Payroll	\$ 4,909,389	\$ 1,638,955	\$ 1,331,905	\$ 1,224,894	\$ 1,227,432
Contributions as a Percentage of Covered-employee Payroll	9.00%	8.76%	8.84%	8.99%	9.14%

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.

City of Fountain, Colorado
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes				
Property Taxes	\$ 2,870,000	\$ 4,570,000	\$ 4,519,516	\$ (50,484)
Sales Taxes	17,150,000	17,150,000	17,553,096	403,096
Use Taxes	2,000,000	2,000,000	2,079,805	79,805
Specific Ownership Taxes	300,000	300,000	487,211	187,211
Franchise Taxes	1,771,000	1,771,000	1,973,803	202,803
Total Taxes	<u>24,091,000</u>	<u>25,791,000</u>	<u>26,613,431</u>	<u>822,431</u>
Licenses and Permits				
Business Licenses	69,000	69,000	89,761	20,761
Telecommunications	55,000	55,000	32,282	(22,718)
Liquor Licenses	9,000	9,000	6,792	(2,208)
Street and Curb Permits	45,100	45,100	32,889	(12,211)
Total Licenses and Permits	<u>178,100</u>	<u>178,100</u>	<u>161,724</u>	<u>(16,376)</u>
Charges for Services				
Developer Fees	248,000	833,181	575,247	(257,934)
Impact Fees	21,500	21,500	1,588,496	1,566,996
Park Fees	60,000	60,000	668,714	608,714
School District Juvenile Program	825,950	825,950	1,005,384	179,434
Off Duty Police Program	77,250	77,250	85,454	8,204
Cemetery	11,000	11,000	9,250	(1,750)
Miscellaneous	37,350	37,350	506,397	469,047
Total Charges for Services	<u>1,281,050</u>	<u>1,866,231</u>	<u>4,438,942</u>	<u>2,572,711</u>
Fines and Forfeitures	<u>486,300</u>	<u>486,300</u>	<u>301,693</u>	<u>(184,607)</u>
Intergovernmental				
Highway Users Tax	787,825	787,825	807,636	19,811
Road and Bridge Fund	31,750	31,750	44,675	12,925
Motor Vehicle Registration	87,000	87,000	78,254	(8,746)
Cigarette Taxes	40,000	40,000	53,954	13,954
State and Local Grants	148,500	306,776	420,744	113,968
Federal Grants	1,356,500	1,421,750	93,071	(1,328,679)
Total Intergovernmental	<u>2,451,575</u>	<u>2,675,101</u>	<u>1,498,334</u>	<u>(1,176,767)</u>
Investment Income	<u>60,000</u>	<u>60,000</u>	<u>865,733</u>	<u>805,733</u>
Miscellaneous				
Rents	4,000	4,000	2,000	(2,000)
Other	338,075	581,505	1,629,568	1,048,063
Total Miscellaneous	<u>342,075</u>	<u>585,505</u>	<u>1,631,568</u>	<u>1,046,063</u>
Total Revenues	<u>\$ 28,890,100</u>	<u>\$ 31,642,237</u>	<u>\$ 35,511,425</u>	<u>\$ 3,869,188</u>

(Continued)

City of Fountain, Colorado
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2023
(Continued)

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Expenditures				
General Government				
Legislative	\$ 78,780	\$ 78,780	\$ 57,327	\$ 21,453
Judicial	269,008	273,008	230,355	42,653
Economic Development	3,178,599	3,180,801	3,216,563	(35,762)
Information Technology	2,254,453	2,392,558	1,751,777	640,781
Planning and Engineering	613,765	645,765	750,282	(104,517)
Administration	2,422,582	2,534,682	1,602,432	932,250
Total General Government	<u>8,817,187</u>	<u>9,105,594</u>	<u>7,608,736</u>	<u>1,496,858</u>
Public Safety				
Police	10,019,150	10,406,960	9,940,483	466,477
Communications	27,350	27,350	29,228	(1,878)
Fire	4,542,435	4,792,045	4,307,171	484,874
Fleet	844,280	844,930	686,451	158,479
Total Public Safety	<u>15,433,215</u>	<u>16,071,285</u>	<u>14,963,333</u>	<u>1,107,952</u>
Public Works				
Highway and Streets	2,268,065	2,287,665	1,898,542	389,123
Facilities Maintenance	1,210,955	1,220,875	679,973	540,902
Total Public Works	<u>3,479,020</u>	<u>3,508,540</u>	<u>2,578,515</u>	<u>930,025</u>
Health and Welfare				
Code Enforcement	550,625	608,725	579,104	29,621
Cemetery	34,750	34,750	33,541	1,209
Total Health and Welfare	<u>585,375</u>	<u>643,475</u>	<u>612,645</u>	<u>30,830</u>
Culture and Recreation				
Parks	929,056	974,856	802,528	172,328
Community Building	452,830	483,930	380,942	102,988
Total Culture and Recreation	<u>1,381,886</u>	<u>1,458,786</u>	<u>1,183,470</u>	<u>275,316</u>
Capital Outlay	-	3,874,788	3,347,818	526,970
Debt Service	786,960	825,924	991,366	(165,442)
Total Expenditures	<u>30,483,643</u>	<u>35,488,392</u>	<u>31,285,883</u>	<u>4,202,509</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,593,543)</u>	<u>(3,846,155)</u>	<u>4,225,542</u>	<u>8,071,697</u>
Other Financing Sources (Uses)				
Lease Financing Proceeds	265,000	265,000	1,366,000	1,101,000
Transfers In	1,709,870	1,709,870	1,739,342	29,472
Transfers Out	-	-	(1,421,535)	(1,421,535)
Total Other Financing Sources (Uses)	<u>1,974,870</u>	<u>1,974,870</u>	<u>1,683,807</u>	<u>(291,063)</u>
Net Change in Fund Balance	<u>381,327</u>	<u>(1,871,285)</u>	<u>5,909,349</u>	<u>7,780,634</u>
Fund Balance, Beginning of Year	<u>8,886,297</u>	<u>8,886,297</u>	<u>13,854,977</u>	<u>4,968,680</u>
Fund Balance, End of Year	<u>\$ 9,267,624</u>	<u>\$ 7,015,012</u>	<u>\$ 19,764,326</u>	<u>\$ 12,749,314</u>

See the accompanying Independent Auditors' Report.

City of Fountain, Colorado
Notes to Required Supplementary Information
December 31, 2023

Note 1: Volunteer Firefighters' Pension Plan

Contributions

The City made no contributions to the Volunteer Firefighters' Pension Plan during the year ended December 31, 2023. In addition, the plan members consist only of volunteer firefighters and no employee payroll information is applicable.

Actuarial Assumptions

Significant actuarial methods and assumptions used to determine the contribution rates for the Volunteer Firefighters' Pension Plan are as follows:

Valuation Date	January 1, 2022
Actuarial Cost Method	Entry age
Amortization Method	Level amount, open
Remaining Amortization Period	30 years
Asset Valuation Method	Fair value
Interest Rate	2.3% per annum, compounded annually, net of operating expenses
Inflation Rate	2.5% per annum
Retirement Age	Age 50 and 20 years of service
Mortality	Projected 15 years from the valuation date

Note 2: Stewardship, Compliance and Accountability

Budgetary Accounting

The City follows these procedures to establish the budgetary information reflected in the financial statements:

- In September, management submits to the City Council a proposed operating budget 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 to obtain taxpayer comments.
- Prior to December 31, the budget is legally adopted through passage of an ordinance.
- Management is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the City Council. State statutes stipulate that expenditures may not exceed budgeted appropriations at the fund level.

City of Fountain, Colorado
Notes to Required Supplementary Information
December 31, 2023

Note 2: Stewardship, Compliance and Accountability (Continued)

Budgetary Accounting (Continued)

- Budgets are legally adopted for all funds of the City. Fiduciary fund budgets have not been presented in the financial statements. Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons for the proprietary funds are presented on a non-GAAP budgetary basis. Debt principal is recognized as an expenditure for budgetary purposes. Capital outlay is budgeted as an expenditure, and depreciation and amortization are not budgeted.
- All appropriations lapse at year end.

Supplementary Information

City of Fountain, Colorado
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2023

	Conservation Trust	Heritage Maintenance District	General Improvement Districts	Volunteer Fire
Assets				
Cash and Investments	\$ 625,572	\$ 668,768	\$ 1,433,829	\$ 56,319
Restricted Cash and Investments	-	-	-	-
Accounts Receivable	169	882	2,615	-
Taxes Receivable	-	107,316	318,712	-
Total Assets	\$ 625,741	\$ 776,966	\$ 1,755,156	\$ 56,319
Liabilities				
Accounts Payable	\$ 552	\$ -	\$ -	\$ -
Accrued Liabilities	-	-	-	-
Total Liabilities	552	-	-	-
Deferred Inflows of Resources				
Property Taxes	-	107,316	318,712	-
Fund Balances				
Restricted for:				
Parks	625,189	-	-	-
District Repairs and Maintenance	-	669,650	1,436,444	-
Transportation	-	-	-	-
Street Repairs and Maintenance	-	-	-	-
Street Improvements	-	-	-	-
Committed to Volunteer Fire Activities	-	-	-	56,319
Total Fund Balances	625,189	669,650	1,436,444	56,319
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 625,741	\$ 776,966	\$ 1,755,156	\$ 56,319

(Continued)

City of Fountain, Colorado
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2023
(Continued)

	Public Transportation	Street Resurfacing	Street Improvement	Total
Assets				
Cash and Investments	\$ 2,967,575	\$ 490,767	\$ 1,008,107	\$ 7,250,937
Restricted Cash and Investments	131,789	-	-	131,789
Accounts Receivable	280,104	165,880	276	449,926
Taxes Receivable	-	-	-	426,028
Total Assets	\$ 3,379,468	\$ 656,647	\$ 1,008,383	\$ 8,258,680
Liabilities				
Accounts Payable	\$ 3,622	\$ -	\$ -	\$ 4,174
Accrued Liabilities	22,557	-	-	22,557
Total Liabilities	26,179	-	-	26,731
Deferred Inflows of Resources				
Property Taxes	-	-	-	426,028
Fund Balances				
Restricted for:				
Parks	-	-	-	625,189
District Repairs and Maintenance	-	-	-	2,106,094
Transportation	3,353,289	-	-	3,353,289
Street Repairs and Maintenance	-	656,647	-	656,647
Street Improvements	-	-	1,008,383	1,008,383
Committed to Volunteer Fire Activities	-	-	-	56,319
Total Fund Balances	3,353,289	656,647	1,008,383	7,805,921
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 3,379,468	\$ 656,647	\$ 1,008,383	\$ 8,258,680

City of Fountain, Colorado
Combining Statement of Revenues, Expenditures, and Changes in the Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2023

	Conservation Trust	Heritage Maintenance District	General Improvement Districts	Volunteer Fire
Revenues				
Taxes	\$ -	\$ 96,600	\$ 308,378	\$ -
Charges for Services	-	-	-	-
Intergovernmental	356,510	-	-	-
Investment Income	19,333	18,545	44,967	-
Miscellaneous	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>375,843</u>	<u>115,145</u>	<u>353,345</u>	<u>-</u>
Expenditures				
Current				
General Government	-	-	-	-
Public Works	-	65,012	-	-
Culture and Recreation	139,705	-	-	-
Capital Outlay	247,242	-	-	-
Debt Service				
Principal	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>386,947</u>	<u>65,012</u>	<u>-</u>	<u>-</u>
Excess Revenues Over (Under) Expenditures	(11,104)	50,133	353,345	-
Other Financing Sources (Uses)				
Transfers Out	-	-	(389,038)	-
	<u>-</u>	<u>-</u>	<u>(389,038)</u>	<u>-</u>
Net Change in Fund Balances	(11,104)	50,133	(35,693)	-
Fund Balances, Beginning of Year	<u>636,293</u>	<u>619,517</u>	<u>1,472,137</u>	<u>56,319</u>
Fund Balances, End of Year	<u>\$ 625,189</u>	<u>\$ 669,650</u>	<u>\$ 1,436,444</u>	<u>\$ 56,319</u>

(Continued)

City of Fountain, Colorado
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2023
(Continued)

	Public Transportation	Street Resurfacing	Street Improvement	Total
Revenues				
Taxes	\$ 1,462,758	\$ 877,655	\$ -	\$ 2,745,391
Charges for Services	10,720	-	-	10,720
Intergovernmental	-	-	-	356,510
Investment Income	79,849	16,158	28,404	207,256
Miscellaneous	33,220	-	-	33,220
Total Revenues	1,586,547	893,813	28,404	3,353,097
Expenditures				
Current				
General Government	1,040,304	-	-	1,040,304
Public Works	-	736,248	1,800	803,060
Culture and Recreation	-	-	-	139,705
Capital Outlay	265,607	-	28,904	541,753
Debt Service				
Principal	8,302	-	-	8,302
Total Expenditures	1,314,213	736,248	30,704	2,533,124
Excess Revenues Over (Under) Expenditures	272,334	157,565	(2,300)	819,973
Other Financing Sources (Uses)				
Transfers Out	(127,573)	-	-	(516,611)
Net Change in Fund Balances	144,761	157,565	(2,300)	303,362
Fund Balances, Beginning of Year	3,208,528	499,082	1,010,683	7,502,559
Fund Balances, End of Year	\$ 3,353,289	\$ 656,647	\$ 1,008,383	\$ 7,805,921

City of Fountain, Colorado
 Budgetary Comparison Schedule
 Conservation Trust Fund
 For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Lottery Proceeds	\$ 300,000	\$ 300,000	\$ 356,510	\$ 56,510
Investment Income	<u>1,150</u>	<u>1,150</u>	<u>19,333</u>	<u>18,183</u>
Total Revenues	<u>301,150</u>	<u>301,150</u>	<u>375,843</u>	<u>74,693</u>
Expenditures				
Culture and Recreation	142,800	142,800	139,705	3,095
Capital Outlay	<u>151,300</u>	<u>296,694</u>	<u>247,242</u>	<u>49,452</u>
Total Expenditures	<u>294,100</u>	<u>439,494</u>	<u>386,947</u>	<u>52,547</u>
Net Change in Fund Balance	7,050	(138,344)	(11,104)	127,240
Fund Balance, Beginning of Year	<u>366,585</u>	<u>366,585</u>	<u>636,293</u>	<u>269,708</u>
Fund Balance, End of Year	<u>\$ 373,635</u>	<u>\$ 228,241</u>	<u>\$ 625,189</u>	<u>\$ 396,948</u>

City of Fountain, Colorado
 Budgetary Comparison Schedule
 Heritage Maintenance District Fund
 For the Year Ended December 31, 2023

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
Revenues			
Property Taxes	\$ 91,000	\$ 87,334	\$ (3,666)
Specific Ownership Taxes	9,000	9,266	266
Investment Income	<u>2,000</u>	<u>18,545</u>	<u>16,545</u>
Total Revenues	<u>102,000</u>	<u>115,145</u>	<u>13,145</u>
Expenditures			
Public Works	<u>69,000</u>	<u>65,012</u>	<u>3,988</u>
Net Change in Fund Balance	33,000	50,133	17,133
Fund Balance, Beginning of Year	<u>585,740</u>	<u>619,517</u>	<u>33,777</u>
Fund Balance, end of Year	<u>\$ 618,740</u>	<u>\$ 669,650</u>	<u>\$ 50,910</u>

City of Fountain, Colorado
 Budgetary Comparison Schedule
 General Improvement Districts Fund
 For the Year Ended December 31, 2023

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
Revenues			
Property Taxes	\$ 276,000	\$ 279,878	\$ 3,878
Specific Ownership Taxes	20,000	28,500	8,500
Investment Income	<u>5,000</u>	<u>44,967</u>	<u>39,967</u>
Total Revenues	301,000	353,345	52,345
Expenditures			
Transfers Out	<u>-</u>	<u>389,038</u>	<u>(389,038)</u>
Net Change in Fund Balance	301,000	(35,693)	(336,693)
Fund Balance, Beginning of Year	<u>1,428,715</u>	<u>1,472,137</u>	<u>43,422</u>
Fund Balance, End of Year	<u>\$ 1,729,715</u>	<u>\$ 1,436,444</u>	<u>\$ (293,271)</u>

City of Fountain, Colorado
 Budgetary Comparison Schedule
 Volunteer Fire Fund
 For the Year Ended December 31, 2023

	Original and Final Budget	Actual	Variance <i>Positive (Negative)</i>
Revenues			
Charges for Services	\$ -	\$ -	\$ -
Investment Income	-	-	-
Miscellaneous	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures			
Public Safety	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Fund Balance, Beginning of Year	<u>97,405</u>	<u>56,319</u>	<u>(41,086)</u>
Fund Balance, End of Year	<u><u>\$ 97,405</u></u>	<u><u>\$ 56,319</u></u>	<u><u>\$ (41,086)</u></u>

City of Fountain, Colorado
Budgetary Comparison Schedule
Public Transportation Fund
For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Sales Taxes	\$ 1,309,245	\$ 1,309,245	\$ 1,462,758	\$ 153,513
Charges for Services	-	-	10,720	10,720
Intergovernmental	-	-	-	-
Investment Income	4,000	4,000	79,849	75,849
Miscellaneous	-	2,580	33,220	30,640
	<u>1,313,245</u>	<u>1,315,825</u>	<u>1,586,547</u>	<u>270,722</u>
Total Revenues				
Expenditures				
Current				
General Government	1,357,756	1,360,336	1,040,304	320,032
Capital Outlay	423,500	588,025	265,607	322,418
Debt Service				
Principal	27,012	27,012	8,302	18,710
Interest	-	-	-	-
	<u>1,808,268</u>	<u>1,975,373</u>	<u>1,314,213</u>	<u>661,160</u>
Total Expenditures				
Excess Revenues Over (Under) Expenditures	(495,023)	(659,548)	272,334	931,882
Other Financing Sources (Uses)				
Lease Financing Proceeds	-	-	-	-
Transfers Out	(127,573)	(127,573)	(127,573)	-
	<u>(127,573)</u>	<u>(127,573)</u>	<u>(127,573)</u>	<u>-</u>
Total Other Financing Sources (Uses)				
Net Change in Fund Balance	(622,596)	(787,121)	144,761	931,882
Fund Balance, Beginning of Year	<u>2,541,826</u>	<u>2,541,826</u>	<u>3,208,528</u>	<u>666,702</u>
Fund Balance, Ending of Year	<u>\$ 1,919,230</u>	<u>\$ 1,754,705</u>	<u>\$ 3,353,289</u>	<u>\$ 1,598,584</u>

See the accompanying Independent Auditors' Report.

City of Fountain, Colorado
 Budgetary Comparison Schedule
 Street Resurfacing Fund
 For the Year Ended December 31, 2023

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
Revenues			
Sales Taxes	\$ 785,548	\$ 877,655	\$ 92,107
Investment Income	<u>500</u>	<u>16,158</u>	<u>15,658</u>
Total Revenues	<u>786,048</u>	<u>893,813</u>	<u>107,765</u>
Expenditures			
Public Works	<u>760,000</u>	<u>736,248</u>	<u>23,752</u>
Net Change in Fund Balance	26,048	157,565	131,517
Fund Balance, Beginning of Year	<u>480,815</u>	<u>499,082</u>	<u>18,267</u>
Fund Balance, End of Year	<u><u>\$ 506,863</u></u>	<u><u>\$ 656,647</u></u>	<u><u>\$ 149,784</u></u>

City of Fountain, Colorado
 Budgetary Comparison Schedule
 Street Improvement Fund
 For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Investment Income	\$ 12,000	\$ 12,000	\$ 28,404	\$ 16,404
Total Revenues	12,000	12,000	28,404	16,404
Expenditures				
Public Works	-	-	1,800	(1,800)
Capital Outlay	-	884,521	28,904	855,617
Total Expenditures	-	884,521	30,704	853,817
Net Change in Fund Balance	12,000	(872,521)	(2,300)	870,221
Fund Balance, Beginning of Year	134,454	134,454	1,010,683	876,229
Fund Balance, End of Year	\$ 146,454	\$ (738,067)	\$ 1,008,383	\$ 1,746,450

City of Fountain, Colorado
Combining Statement of Net Position
Nonmajor Enterprise Funds
December 31, 2023

	Ambulance	Drainage	Total
Assets			
<i>Current Assets</i>			
Cash and Investments	\$ 32,168	\$ 2,124,931	\$ 2,157,099
Accounts Receivable	<u>1,022,233</u>	<u>554</u>	<u>1,022,787</u>
Total Current Assets	1,054,401	2,125,485	3,179,886
<i>Noncurrent Assets</i>			
Capital Assets, <i>Not Being Depreciated</i>	333,860	-	333,860
Capital Assets, <i>Net of Accumulated Depreciation</i>	<u>304,971</u>	<u>-</u>	<u>304,971</u>
Total Assets	<u>1,693,232</u>	<u>2,125,485</u>	<u>3,818,717</u>
Liabilities			
<i>Current Liabilities</i>			
Accounts Payable	9,552	-	9,552
Accrued Liabilities	63,437	-	63,437
Current Portion of Long-Term Debt			
Compensated Absences Payable	<u>70,153</u>	<u>-</u>	<u>70,153</u>
Total Current Liabilities	<u>143,142</u>	<u>-</u>	<u>143,142</u>
<i>Long-Term Liabilities</i>			
Compensated Absences Payable	<u>7,278</u>	<u>-</u>	<u>7,278</u>
Total Long-Term Liabilities	<u>7,278</u>	<u>-</u>	<u>7,278</u>
Total Liabilities	<u>150,420</u>	<u>-</u>	<u>150,420</u>
Net Position			
Net Investment in Capital Assets	638,831	-	638,831
Unrestricted	<u>903,981</u>	<u>2,125,485</u>	<u>3,029,466</u>
Total Net Position	<u>\$ 1,542,812</u>	<u>\$ 2,125,485</u>	<u>\$ 3,668,297</u>

See the accompanying Independent Auditors' Report.

City of Fountain, Colorado
Combining Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Enterprise Funds
For the Year Ended December 31, 2023

	Ambulance	Drainage	Total
Operating Revenues			
Charges for Services	\$ 1,861,033	\$ 24,313	\$ 1,885,346
Grant Revenue	<u>943,777</u>	<u>-</u>	<u>943,777</u>
Total Operating Revenues	<u>2,804,810</u>	<u>24,313</u>	<u>2,829,123</u>
Operating Expenses			
Public Safety	33	-	33
Operations and Maintenance	1,822,135	-	1,822,135
Depreciation	<u>98,230</u>	<u>-</u>	<u>98,230</u>
Total Operating Expenses	<u>1,920,398</u>	<u>-</u>	<u>1,920,398</u>
Operating Income (Loss)	<u>884,412</u>	<u>24,313</u>	<u>908,725</u>
Nonoperating Revenues (Expense)			
Investment Income	<u>5,239</u>	<u>59,210</u>	<u>64,449</u>
Total Nonoperating Revenues (Expenses)	<u>5,239</u>	<u>59,210</u>	<u>64,449</u>
Net Income (Loss) Before Transfers	889,651	83,523	973,174
Transfers Out	<u>(84,488)</u>	<u>-</u>	<u>(84,488)</u>
Change in Net Position	805,163	83,523	888,686
Net Position, Beginning of Year	<u>737,649</u>	<u>2,041,962</u>	<u>2,779,611</u>
Net Position, End of Year	<u>\$ 1,542,812</u>	<u>\$ 2,125,485</u>	<u>\$ 3,668,297</u>

City of Fountain, Colorado
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2023

	Ambulance	Drainage	Total
Cash Flows From Operating Activities			
Cash Received from Customers	\$ 1,034,600	\$ 25,365	\$ 1,059,965
Cash Received from Others	943,777	-	943,777
Cash Payments to Employees	9,361	-	9,361
Cash Payments to Suppliers	<u>(1,837,912)</u>	<u>-</u>	<u>(1,837,912)</u>
Net Cash Provided (Used) by Operating Activities	<u>149,826</u>	<u>25,365</u>	<u>175,191</u>
Cash Flows From Noncapital Financing Activities			
Payments from Other Funds	<u>(84,488)</u>	<u>-</u>	<u>(84,488)</u>
Cash Flows From Capital And Related Financing Activities			
Acquisition and Construction of Capital Assets	(403,011)	-	(403,011)
Debt Principal Payments	<u>-</u>	<u>-</u>	<u>-</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(403,011)</u>	<u>-</u>	<u>(403,011)</u>
Cash Flows From Investing Activities			
Interest Received	<u>5,239</u>	<u>59,210</u>	<u>64,449</u>
Net Change In Cash And Cash Equivalents	(332,434)	84,575	(247,859)
Cash and Cash Equivalents, <i>Beginning of Year</i>	<u>364,602</u>	<u>2,040,356</u>	<u>2,404,958</u>
Cash and Cash Equivalents, <i>End of Year</i>	<u><u>\$ 32,168</u></u>	<u><u>\$ 2,124,931</u></u>	<u><u>\$ 2,157,099</u></u>
Reconciliation of Operating Income (Loss) To Net Cash Provided (Used) By Operating Activities			
Operating Income (Loss)	\$ 884,412	\$ 24,313	\$ 908,725
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Depreciation	98,230	-	98,230
Changes in Assets and Liabilities			
Accounts Receivable	(826,433)	1,052	(825,381)
Accounts Payable	(15,744)	-	(15,744)
Accrued Liabilities	6,489	-	6,489
Compensated Absences Payable	<u>2,872</u>	<u>-</u>	<u>2,872</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 149,826</u></u>	<u><u>\$ 25,365</u></u>	<u><u>\$ 175,191</u></u>

See the accompanying Independent Auditors' Report.

City of Fountain, Colorado
Budgetary Comparison Schedule
Water Fund
For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Charges for Services	\$ 11,277,000	\$ 11,277,000	\$ 10,954,932	\$ (322,068)
Miscellaneous	146,204	205,704	191,170	(14,534)
Investment Income	3,500	3,500	84,330	80,830
System Development Fees	473,000	473,000	1,018,762	545,762
Lease Financing Proceeds	-	-	-	-
Grants	-	429,260	299,473	(129,787)
Transfers In	-	-	1,338,724	1,338,724
	<u>11,899,704</u>	<u>12,388,464</u>	<u>13,887,391</u>	<u>1,498,927</u>
Total Revenues				
Expenditures				
Source of Supply	2,727,400	2,727,400	2,480,980	246,420
Operations and Maintenance	2,555,450	3,329,732	2,332,404	997,328
Customer Accounts and Collection	842,155	855,655	599,007	256,648
Administration and General	3,401,858	3,830,751	1,601,589	2,229,162
Capital Outlay	1,044,640	1,044,640	2,862,354	(1,817,714)
Debt Principal	-	-	1,758,332	(1,758,332)
Interest Expense	-	-	1,607,196	(1,607,196)
Transfers Out	553,495	553,495	609,213	(55,718)
	<u>11,124,998</u>	<u>12,341,673</u>	<u>13,851,075</u>	<u>(1,509,402)</u>
Total Expenditures				
Change in Net Position, Budgetary Basis	<u>\$ 774,706</u>	<u>\$ 46,791</u>	36,316	<u>\$ (10,475)</u>
Adjustments to GAAP Basis				
Capital Outlay			2,862,354	
Depreciation Expense			(2,960,033)	
Debt Principal			<u>1,758,332</u>	
Change in Net Position, GAAP Basis			<u>\$ 1,696,969</u>	

City of Fountain, Colorado
 Budgetary Comparison Schedule
 Electric Fund
 For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Charges for Services	\$ 28,560,392	\$ 28,560,392	\$ 29,077,071	\$ 516,679
Miscellaneous	569,050	2,222,164	3,511,538	1,289,374
Investment Income	15,000	15,000	366,063	351,063
System Development Fees	115,000	115,000	1,250	(113,750)
New Service Installation	-	-	101,253	101,253
Lease Financing Proceeds	-	1,098,737	-	(1,098,737)
Grants	-	272,845	516,047	243,202
Transfers In	-	-	518,260	518,260
Total Revenues	<u>29,259,442</u>	<u>32,284,138</u>	<u>34,091,482</u>	<u>1,807,344</u>
Expenditures				
Source of Supply	17,800,000	17,800,000	16,819,858	980,142
Operations and Maintenance	5,814,585	7,553,880	5,382,927	2,170,953
Customer Accounts and Collection	1,688,370	1,688,370	1,423,014	265,356
Administration and General	3,558,481	3,691,541	3,046,447	645,094
Capital Outlay	1,160,850	1,160,850	1,708,895	(548,045)
Debt Principal	-	-	455,176	(455,176)
Interest Expense	-	-	502,204	(502,204)
Transfers Out	944,314	944,314	964,479	(20,165)
Total Expenditures	<u>30,966,600</u>	<u>32,838,955</u>	<u>30,303,000</u>	<u>2,535,955</u>
Change in Net Position, Budgetary Basis	<u>\$ (1,707,158)</u>	<u>\$ (554,817)</u>	3,788,482	<u>\$ 4,343,299</u>
Adjustments to GAAP Basis				
Capital Outlay			1,708,895	
Depreciation Expense			(2,432,016)	
Debt Principal			455,176	
Change in Net Position, GAAP Basis			<u>\$ 3,520,537</u>	

City of Fountain, Colorado
 Budgetary Comparison Schedule
 Ambulance Fund
 For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Charges for Services	\$ 1,200,000	\$ 1,205,250	\$ 1,861,033	\$ 655,783
Lease Financing Proceeds	400,000	400,000	-	(400,000)
Investment Income	1,500	1,500	5,239	3,739
Grant Revenue and Insurance Proceeds	<u>772,000</u>	<u>772,000</u>	<u>943,777</u>	<u>171,777</u>
Total Revenues	<u>2,373,500</u>	<u>2,378,750</u>	<u>2,810,049</u>	<u>431,299</u>
Expenditures				
Operations and Maintenance	1,982,733	2,022,983	1,822,168	200,815
Capital Outlay	400,000	400,000	403,011	(3,011)
Transfers Out	<u>-</u>	<u>-</u>	<u>84,488</u>	<u>(84,488)</u>
Total Expenditures	<u>2,382,733</u>	<u>2,422,983</u>	<u>2,309,667</u>	<u>113,316</u>
Change in Net Position, Budgetary Basis	<u>\$ (9,233)</u>	<u>\$ (44,233)</u>	500,382	<u>\$ 544,615</u>
Adjustments to GAAP Basis				
Capital Outlay			403,011	
Depreciation Expense			<u>(98,230)</u>	
Change in Net Position, GAAP Basis			<u>\$ 805,163</u>	

City of Fountain, Colorado
 Budgetary Comparison Schedule
 Drainage Fund
 For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Charges for Services	\$ 31,290	\$ 31,290	\$ 24,313	\$ (6,977)
Investment Income	-	-	59,210	59,210
Grants	-	50,000	-	(50,000)
Total Revenues	31,290	81,290	83,523	2,233
Expenditures				
Operations and Maintenance	200,000	200,000	-	200,000
Total Expenditures	200,000	200,000	-	200,000
Change in Net Position, Budgetary Basis	<u>\$ (168,710)</u>	<u>\$ (118,710)</u>	83,523	<u>\$ 202,233</u>
Net Position, Beginning of Year			2,041,962	
Net Position, End of Year			<u>\$ 2,125,485</u>	

City of Fountain, Colorado
 Budgetary Comparison Schedule
 Insurance Fund
 For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Charges for Services	\$ 4,381,000	\$ 4,397,980	\$ 4,373,476	\$ (24,504)
Investment Income	<u>30,000</u>	<u>30,000</u>	<u>92,133</u>	<u>62,133</u>
Total Revenues	<u>4,411,000</u>	<u>4,427,980</u>	<u>4,465,609</u>	<u>37,629</u>
Expenditures				
Administration and General	129,500	195,000	97,318	97,682
Insurance Premiums	1,118,000	1,118,000	1,232,984	(114,984)
Insurance Claims	<u>3,628,500</u>	<u>3,628,500</u>	<u>3,159,586</u>	<u>468,914</u>
Total Expenditures	<u>4,876,000</u>	<u>4,941,500</u>	<u>4,489,888</u>	<u>451,612</u>
Change in Net Position, Budgetary Basis	(465,000)	(513,520)	(24,279)	489,241
Net Position, Beginning of Year	<u>3,043,823</u>	<u>3,043,823</u>	<u>3,002,521</u>	<u>(41,302)</u>
Net Position, End of Year	<u>\$ 2,578,823</u>	<u>\$ 2,530,303</u>	<u>\$ 2,978,242</u>	<u>\$ 447,939</u>

Statistical Section

CITY OF FOUNTAIN, COLORADO

STATISTICAL SECTION

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Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources.	78-86
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	87-89
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	90-91
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	92-93

CITY OF FOUNTAIN, COLORADO

TABLE 1

NET POSITION BY COMPONENT LAST TEN FISCAL YEARS (Unaudited)

(accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
					(restated)		(restated)			
Governmental Activities										
Net Investment in Capital Assets	\$ 71,700,844	\$ 71,587,864	\$ 69,520,813	\$ 67,964,354	\$ 69,746,246	\$ 68,476,764	\$ 70,174,636	\$ 69,262,457	\$ 85,198,779	\$ 66,931,319
Restricted for Parks	265,398	230,569	304,912	254,830	294,537	437,786	398,392	551,599	636,293	625,189
Restricted for District Repairs and Maintenance	377,522	438,171	525,899	691,029	922,414	1,176,145	1,460,973	1,698,705	2,091,654	2,106,094
Restricted for Transportation	486,290	717,664	912,062	1,095,465	1,297,901	1,576,647	2,111,178	2,648,434	3,208,528	3,353,289
Restricted for Street Repairs and Maintenance	81,645	78,649	203,892	248,154	180,746	111,586	326,138	521,767	499,082	656,647
Restricted for Street Improvements	2,913,693	3,507,196	4,127,544	4,853,221	1,440,123	1,236,771	1,146,550	1,092,828	1,010,683	1,008,383
Restricted for Emergencies	414,000	553,000	624,000	764,000	717,000	675,461	738,210	979,978	939,664	1,015,000
Unrestricted	3,400,191	5,745,378	4,666,972	5,194,378	8,778,702	11,360,175	11,798,280	14,131,380	2,079,716	21,666,952
Total governmental activities net position	79,639,583	82,858,491	80,886,094	81,065,431	83,377,669	85,051,335	88,154,357	90,887,148	95,664,399	97,362,873
Business-type activities										
Net Investment in Capital Assets	73,772,083	76,235,438	82,159,345	84,882,092	89,901,060	77,345,853	95,897,690	102,444,934	99,187,502	102,002,448
Restricted for Debt Service	576,900	794,400	217,500	217,500	217,500	-	-	-	-	-
Restricted for Capital Projects	-	-	-	-	-	8,357,595	-	6,949,574	3,177,813	-
Unrestricted	11,829,636	13,047,583	10,329,549	11,245,862	9,075,989	14,971,120	6,345,147	(1,919,635)	8,323,064	14,782,654
Total business-type activities net position	86,178,619	90,077,421	92,706,394	96,345,454	99,194,549	100,674,568	102,242,837	107,474,873	110,688,379	116,785,102
Primary government										
Net Investment in Capital Assets	145,472,927	147,823,302	151,680,158	152,846,446	159,647,306	145,822,617	166,072,326	171,707,391	184,386,281	168,933,767
Restricted for Parks	265,398	230,569	304,912	254,830	294,537	437,786	398,392	551,599	636,293	625,189
Restricted for District Repairs and Maintenance	377,522	438,171	525,899	691,029	922,414	1,176,145	1,460,973	1,698,705	2,091,654	2,106,094
Restricted for Transportation	486,290	717,664	912,062	1,095,465	1,297,901	1,576,647	2,111,178	2,648,434	3,208,528	3,353,289
Restricted for Street Repairs and Maintenance	81,645	78,649	203,892	248,154	180,746	111,586	326,138	521,767	499,082	656,647
Restricted for Street Improvements	2,913,693	3,507,196	4,127,544	4,853,221	1,440,123	1,236,771	1,146,550	1,092,828	1,010,683	1,008,383
Restricted for Debt Service	576,900	794,400	217,500	217,500	217,500	-	-	-	-	-
Restricted for Capital Projects	-	-	-	-	-	8,357,595	-	6,949,574	3,177,813	-
Restricted for Emergencies	414,000	553,000	624,000	764,000	717,000	675,461	738,210	979,978	939,664	1,015,000
Unrestricted	15,229,827	18,792,961	14,996,521	16,440,240	17,854,591	26,331,295	27,850,663	12,211,745	10,402,780	36,449,606
Total primary government net position	\$ 165,818,202	\$ 172,935,912	\$ 173,592,488	\$ 177,410,885	\$ 182,572,118	\$ 185,725,903	\$ 200,104,430	\$ 198,362,021	\$ 206,352,778	\$ 214,147,975

Source: City of Fountain, Colorado, audited financial statements, 2014-2023

Note: The City of Fountain, Colorado adopted GASB Statement 68 for the year ended December 31, 2015. Amounts for 2014 have not been restated.

The City of Fountain, Colorado adopted GASB Statement 75 for the year ended December 31, 2018. Amounts for 2017 have not been restated.

CITY OF FOUNTAIN, COLORADO

CHANGES IN NET POSITION LAST TEN FISCAL YEARS (Unaudited)

TABLE 2

(accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
					(restated)		(restated)			
Expenses										
Governmental Activities										
General Government	\$ 2,699,475	\$ 2,130,308	\$ 4,044,229	\$ 4,693,192	\$ 8,695,463	\$ 5,761,656	\$ 6,560,887	\$ 8,191,331	\$ 12,933,974	\$ 14,500,747
Public Safety	8,485,869	9,028,509	10,270,018	11,537,346	10,994,529	11,423,879	12,447,436	13,690,036	11,381,665	15,491,860
Public Works	4,488,188	4,590,601	5,529,468	3,476,418	4,001,851	4,572,294	5,225,921	6,377,712	2,861,983	3,381,575
Health and Welfare	296,720	282,840	339,505	382,291	398,085	398,325	491,878	470,014	439,971	612,645
Culture and Recreation	798,755	1,143,271	1,114,420	1,272,541	1,070,721	1,324,469	1,254,244	1,247,497	1,228,952	1,323,175
Interest Expense	136,046	130,542	136,878	129,487	270,449	126,337	160,772	168,287	359,572	520,757
Total Governmental Activities Expenses	16,905,053	17,306,071	21,434,518	21,491,275	25,431,098	23,606,960	26,141,138	30,144,877	29,206,117	35,830,759
Business-type Activities										
Water Utility	6,912,357	7,556,775	7,828,769	8,070,689	8,935,851	9,334,892	10,860,952	11,914,833	11,739,482	11,572,797
Electric Utility	24,279,421	22,372,569	21,780,237	22,447,508	24,952,506	26,604,937	27,461,957	27,720,042	29,171,524	29,606,466
Ambulance	858,779	845,194	962,046	1,117,680	1,225,967	1,279,842	1,321,738	1,265,157	1,655,142	1,920,398
Drainage	-	678,202	34,783	810	-	-	-	-	-	-
Total Business-type Activities Expenses	32,050,557	31,452,740	30,605,835	31,636,687	35,114,324	37,219,671	39,644,647	40,900,032	42,566,148	43,099,661
Total Primary Government Expenses	\$ 48,955,610	\$ 48,758,811	\$ 52,040,353	\$ 53,127,962	\$ 60,545,422	\$ 60,826,631	\$ 65,785,785	\$ 71,044,909	\$ 71,772,265	\$ 78,930,420
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$ 292,864	\$ 272,233	\$ 250,000	\$ 213,334	\$ 311,399	\$ 179,718	\$ 284,467	\$ 399,684	\$ 657,951	\$ 1,078,971
Public Safety	382,940	487,191	682,158	676,895	965,888	1,020,470	1,109,012	1,251,890	1,354,262	1,418,347
Public Works	37,455	127,292	74,205	155,208	85,428	22,945	66,826	41,703	382,039	1,621,317
Health and Welfare	14,777	21,773	12,000	6,965	12,676	9,320	16,100	11,000	9,466	9,318
Culture and Recreation	238,348	168,346	109,090	83,464	45,225	76,634	169,197	43,754	48,176	668,714
Operating Grants and Contributions	1,593,090	1,472,444	1,375,632	1,291,305	1,407,023	1,529,176	3,407,082	1,959,272	2,641,519	1,854,844
Capital Grants and Contributions	-	2,318,192	-	-	-	-	-	1,896,239	-	-
Total Governmental Activities Program Revenues	2,559,474	4,867,471	2,503,085	2,427,171	2,827,639	2,838,263	5,052,684	5,603,542	5,093,413	6,651,511
Business-type Activities										
Charges for Services:										
Water Utility	7,499,994	8,641,160	8,538,462	8,427,151	9,555,175	9,630,665	10,752,779	12,299,627	11,955,039	10,954,932
Electric Utility	24,304,148	23,673,596	22,148,619	22,951,368	24,910,405	24,355,307	25,011,877	27,039,503	28,241,363	30,754,066
Ambulance	678,983	725,652	675,385	875,963	846,008	755,039	1,002,155	1,417,305	896,787	1,861,033
Drainage	35,309	93,739	16,822	22,352	154,637	149,685	39,289	12,305	544,285	24,313
Capital & Operating Grants and Contributions	2,436,029	1,887,206	1,429,735	2,637,238	1,925,612	1,192,615	1,207,406	3,069,116	1,964,876	2,779,309
Total Business-type Activities Program Revenues	34,954,463	35,021,353	32,809,023	34,914,072	37,391,837	36,083,311	38,013,506	43,837,856	43,602,350	46,373,653
Total Primary Government Revenues	\$ 37,513,937	\$ 39,888,824	\$ 35,312,108	\$ 37,341,243	\$ 40,219,476	\$ 38,921,574	\$ 43,066,190	\$ 49,441,398	\$ 48,695,763	\$ 53,025,164
Net (Expense)/Revenue										
Governmental Activities	\$ (14,345,579)	\$ (12,438,600)	\$ (18,931,433)	\$ (19,064,104)	\$ (22,603,459)	\$ (20,768,697)	\$ (21,088,454)	\$ (21,088,454)	\$ (24,112,704)	\$ (29,179,248)
Business-type Activities	2,903,906	3,568,613	2,203,188	3,277,385	2,277,513	(1,136,360)	(1,631,141)	2,937,824	1,036,202	3,273,992
Total Primary Government Net Revenue (Expense)	\$ (11,441,673)	\$ (8,869,987)	\$ (16,728,245)	\$ (15,786,719)	\$ (20,325,946)	\$ (21,905,057)	\$ (22,719,595)	\$ (18,150,630)	\$ (23,076,502)	\$ (25,905,256)

Source: City of Fountain, Colorado, audited financial statements, 2014-2023

Note: The City of Fountain, Colorado adopted GASB Statement 68 for the year ended December 31, 2015. Amounts for 2014 have not been restated.

The City of Fountain, Colorado adopted GASB Statement 75 for the year ended December 31, 2018. Amounts for 2017 have not been restated.

TABLE 2
(continued)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
					(restated)		(restated)			
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes	\$ 1,715,894	\$ 1,816,545	\$ 2,031,189	\$ 2,152,814	\$ 2,304,048	\$ 2,316,627	\$ 2,695,802	\$ 2,629,066	\$ 3,225,061	\$ 4,886,728
Sales and Use Taxes	9,340,449	10,542,516	12,686,263	14,686,272	17,314,141	16,940,313	18,512,330	20,630,184	21,594,956	21,973,314
Specific Ownership Taxes	187,619	210,581	241,426	298,083	297,889	295,021	296,766	322,839	339,592	524,977
Franchise Taxes	1,993,771	1,996,793	1,932,297	1,975,688	2,095,707	2,134,383	2,165,326	2,344,669	2,404,373	1,973,803
Investment Income	55,200	44,801	33,620	77,724	141,379	254,083	85,184	7,203	200,498	1,165,122
Intergovernmental revenues	2,500,000	200,000	-	-	-	-	-	-	-	-
Other Revenues	285,505	137,918	331,378	288,308	2,590,872	922,533	968,485	657,737	595,610	552,582
Transfers	147,925	(154,987)	(297,137)	(235,448)	(416,275)	(420,597)	(532,417)	682,428	529,865	(198,804)
Total Governmental Activities	16,226,363	14,794,167	16,959,036	19,243,441	24,327,761	22,442,363	24,191,476	27,274,126	28,889,955	30,877,722
Business-type Activities:										
Other Revenues	-	-	-	-	-	1,809,584	2,466,751	2,972,011	2,623,050	2,109,085
Investment Earnings	162,378	175,202	128,648	126,227	155,207	386,298	200,242	4,629	84,119	514,842
Transfers	(147,925)	154,987	297,137	235,448	416,275	420,597	532,417	(682,428)	(529,865)	198,804
Total Business-type Activities	14,453	330,189	425,785	361,675	571,482	2,616,479	3,199,410	2,294,212	2,177,304	2,822,731
Total Primary Government	\$ 16,240,816	\$ 15,124,356	\$ 17,384,821	\$ 19,605,116	\$ 24,899,243	\$ 25,058,842	\$ 27,390,886	\$ 29,568,338	\$ 31,067,259	\$ 33,700,453
Change in Net Position										
Government Activities	\$ 1,880,784	\$ 2,355,567	\$ (1,972,397)	\$ 179,337	\$ 1,724,302	\$ 1,673,666	\$ 3,103,022	\$ 6,185,672	\$ 4,777,251	\$ 1,698,474
Business-type Activities	2,918,359	3,898,802	2,628,973	3,639,060	3,021,995	1,480,119	1,568,269	5,232,036	3,213,506	6,096,723
Total Primary Government	\$ 4,799,143	\$ 6,254,369	\$ 656,576	\$ 3,818,397	\$ 4,746,297	\$ 3,153,785	\$ 4,671,291	\$ 11,417,708	\$ 7,990,757	\$ 7,795,197

Source: City of Fountain, Colorado, audited financial statements, 2014-2023

Note: The City of Fountain, Colorado adopted GASB Statement 68 for the year ended December 31, 2015. Amounts for 2014 have not been restated.

The City of Fountain, Colorado adopted GASB Statement 75 for the year ended December 31, 2018. Amounts for 2017 have not been restated.

CITY OF FOUNTAIN, COLORADO

FUND BALANCES-GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS (Unaudited)

TABLE 3

(modified accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Restricted for Emergencies	\$ 414,000	\$ 553,000	\$ 624,000	\$ 764,000	\$ 717,000	\$ 675,461	\$ 738,210	\$ 979,978	\$ 939,664	\$ 1,015,000
Committed to Park Improvements	512,486	662,405	742,637	848,069	925,294	966,532	1,102,533	450,607	490,807	1,151,544
Committed to School Zone	72,859	88,804	65,516	74,896	79,053	89,544	105,549	129,573	155,482	164,745
Committed to Traffic Signal	208,000	208,000	208,000	208,000	208,000	208,000	-	-	-	-
Assigned to Public Safety Capital Improvements	259,430	382,505	621,558	1,001,762	1,384,980	1,859,654	1,224,114	1,123,641	1,296,034	1,997,503
Unrestricted, Unassigned	3,683,805	4,671,273	2,969,618	4,146,335	5,343,256	5,149,521	7,392,527	9,279,726	10,972,990	15,435,534
Total general fund	\$ 5,150,580	\$ 6,565,987	\$ 5,231,329	\$ 7,043,062	\$ 8,657,584	\$ 8,948,712	\$ 10,562,933	\$ 11,963,525	\$ 13,854,977	\$ 19,764,326
All Other Governmental Funds										
Restricted for Parks	\$ 265,398	\$ 230,569	\$ 304,912	\$ 254,830	\$ 294,537	\$ 437,786	\$ 398,392	\$ 551,599	\$ 636,293	\$ 625,189
Restricted for District Repairs & Maintenance	377,522	438,171	525,899	691,029	922,414	1,176,145	1,460,973	1,698,705	2,091,654	2,106,094
Restricted for Transportation	486,290	717,664	912,062	1,095,465	1,297,901	1,576,647	2,111,178	2,648,434	3,208,528	3,353,289
Restricted for Street Repairs & Maintenance	81,645	78,649	203,892	248,154	180,746	111,586	326,138	521,767	499,082	656,647
Restricted for Street Improvements	2,913,693	3,507,196	4,127,544	4,853,221	1,440,123	1,236,771	1,146,550	1,092,828	1,010,683	1,008,383
Committed to Volunteer Fire Activities	129,951	155,036	142,081	153,684	155,602	113,126	107,035	71,377	56,319	56,319
Total all other governmental funds	\$ 4,254,499	\$ 5,127,285	\$ 6,216,390	\$ 7,296,383	\$ 4,291,323	\$ 4,652,061	\$ 5,550,266	\$ 6,584,710	\$ 7,502,559	\$ 7,805,921
Total all governmental funds	\$ 9,405,079	\$ 11,693,272	\$ 11,447,719	\$ 14,339,445	\$ 12,948,907	\$ 13,600,773	\$ 16,113,199	\$ 18,548,235	\$ 21,357,536	\$ 27,570,247

Source: City of Fountain Colorado, audited financial statements, 2014-2023

CITY OF FOUNTAIN, COLORADO

CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS (Unaudited)

TABLE 4

(modified accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues:										
Taxes	\$ 13,237,733	\$ 14,566,435	\$ 16,891,175	\$ 19,119,576	\$ 22,011,785	\$ 21,686,344	\$ 23,670,224	\$ 25,926,758	\$ 27,563,982	\$ 29,358,822
Licenses and Permits	114,018	110,887	106,779	94,105	164,955	136,114	146,457	168,978	162,013	161,724
Intergovernmental	4,093,090	1,672,444	1,375,632	1,284,586	1,407,023	1,529,176	3,407,082	1,135,466	1,791,118	4,449,662
Charges for Services	544,141	621,266	613,660	739,670	860,555	686,886	1,206,930	443,587	498,763	301,693
Fines and Forfeitures	308,225	344,682	407,014	302,091	395,106	441,367	292,220	1,959,272	2,641,519	1,854,844
Investment Income	47,729	39,835	29,412	65,843	141,379	254,083	85,184	7,203	200,498	1,072,989
Other Revenues	285,505	137,918	331,378	288,308	2,590,872	1,474,894	1,091,824	167,621	463,815	1,664,788
Total Revenues	18,630,441	17,493,467	19,755,050	21,894,179	27,571,675	26,208,864	29,899,921	29,808,885	33,321,708	38,864,522
Expenditures:										
General Government	3,034,927	2,485,007	4,447,557	4,880,968	4,915,105	5,580,304	6,591,610	7,634,979	7,777,896	8,649,040
Public Safety	8,637,059	8,650,779	10,084,025	11,431,458	12,023,231	11,275,406	11,952,809	12,726,284	13,058,617	14,963,333
Public Works	2,077,441	2,110,811	3,396,987	3,494,141	8,853,992	1,395,910	1,920,343	2,869,391	2,861,983	3,381,575
Health and Welfare	296,392	282,512	339,177	381,963	398,085	419,435	485,555	500,072	439,971	612,645
Culture and Recreation	858,192	1,167,182	1,187,270	1,525,382	1,160,204	1,180,020	1,092,444	1,071,583	1,228,952	1,323,175
Debt Service										
Principal	403,639	423,454	422,737	571,267	1,061,060	724,861	843,111	886,386	543,482	999,668
Interest	136,046	130,542	136,878	129,487	99,815	310,081	152,496	152,496	352,872	-
Capital Outlay	-	-	-	-	-	4,250,384	3,990,853	3,103,904	4,910,294	3,889,571
Total Expenditures	15,443,696	15,250,287	20,014,631	22,414,666	28,511,492	25,136,401	27,029,221	28,945,095	31,174,067	33,819,007
Excess of Revenues over (under) Expenditures	3,186,745	2,243,180	(259,581)	(520,487)	(939,817)	1,072,463	2,870,700	863,790	2,147,641	5,045,515
Other Financing Sources (Uses)										
Debt Issued	609,300	-	311,165	3,647,661	-	-	174,143	481,298	131,795	1,366,000
Sale of Capital Assets	-	-	-	-	-	-	-	142,190	-	-
Insurance Proceeds	-	-	-	-	-	-	-	265,330	-	-
Transfers In	675,270	200,000	-	-	-	-	-	1,221,418	1,101,533	1,739,342
Transfers Out	(527,345)	(154,987)	(297,137)	(235,448)	(450,721)	(420,597)	(532,417)	(538,990)	(571,668)	(1,938,146)
Total Other Financing Sources (Uses)	757,225	45,013	14,028	3,412,213	(450,721)	(420,597)	(358,274)	1,571,246	661,660	1,167,196
Net Change in Fund Balances	\$ 3,943,970	\$ 2,288,193	\$ (245,553)	\$ 2,891,726	\$ (1,390,538)	\$ 651,866	\$ 2,512,426	\$ 2,435,036	\$ 2,809,301	\$ 6,212,711
Debt Service as a percentage of noncapital Expenditures	3.5%	3.6%	2.8%	3.1%	4.1%	5.0%	4.3%	4.0%	3.4%	3.3%

Source: City of Fountain, Colorado, audited financial statements, 2014-2023

CITY OF FOUNTAIN, COLORADO

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY LAST TEN YEARS (Unaudited)

TABLE 5

Year	Vacant Land	Residential Property	Commercial Property	Industrial Property	Agricultural Property	Natural Resources	Exempt	State Assessed	Total Assessed Value	Direct Tax Rate	Estimated Actual Value	Assessed Value as a Percentage of Actual Value
2014	8,050,330	105,533,830	47,079,980	7,464,150	231,300	724,310	17,202,920	4,785,520	191,072,340	10.239	1,629,983,349	11.72%
2015	8,086,610	115,369,090	52,517,480	6,953,150	240,700	617,700	19,456,510	9,647,830	212,889,070	10.239	1,795,063,326	11.86%
2016	8,020,780	117,748,510	56,831,240	6,772,650	235,230	596,610	19,454,530	4,560,710	214,220,260	10.239	1,821,386,400	11.76%
2017	8,109,610	121,463,590	64,122,210	7,841,530	235,250	475,200	20,013,310	4,501,710	226,762,410	10.239	1,923,033,314	11.79%
2018	7,555,730	125,051,630	65,041,150	7,796,200	234,590	359,390	20,439,420	4,737,690	231,215,800	10.239	1,972,699,676	11.72%
2019	9,422,850	153,363,100	64,975,720	8,261,870	216,370	131,810	21,543,660	4,633,470	262,548,850	10.239	2,534,632,807	10.36%
2020	8,675,550	156,611,190	63,757,090	6,592,970	226,700	5,680	21,811,430	5,132,700	262,813,310	10.239	2,569,923,717	10.23%
2021	10,411,740	187,482,070	74,537,390	6,940,430	276,690	560	25,838,290	5,104,350	310,591,520	10.239	3,061,158,274	10.15%
2022	10,824,190	182,496,710	78,677,210	7,068,240	261,480	440	26,603,720	5,452,130	311,384,120	16.339	3,095,430,331	10.06%
2023	12,987,630	224,002,850	89,439,690	8,191,010	248,640	40	31,590,770	5,272,940	340,142,800	16.339	3,759,623,241	9.05%

Source - State of Colorado Annual Report and El Paso County Assessor

Note: Property in El Paso County is revalued every odd numbered year. The assessment rate is 29 percent of actual value for all properties except residential and producing natural resource properties.

The residential assessment rate is established by the State legislature every odd-numbered year in order to maintain the tax burden balance between residential properties and other properties.

The residential assessment rate is 7.96 percent for the 2012-2017 assessment years and 7.15% for the assessment years beginning in 2018 through 2021 and for 2022 is 6.95%. Tax rates are per \$1,000 of assessed value.

The General Fund mill levy was increased by 6.1 mills by voter approval, for 2022 property taxes to be collected in 2023.

CITY OF FOUNTAIN, COLORADO

DIRECT AND OVERLAPPING PROPERTY TAX RATES - LAST TEN YEARS (rate per \$1,000 of assessed value) (Unaudited)

TABLE 6

Taxing Authority	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Direct										
City of Fountain (a)	10.239	10.239	10.239	10.239	10.239	10.239	10.239	10.239	10.239	10.239
Total Direct Rate	10.239	10.239	10.239	10.239	10.239	10.239	10.239	10.239	10.239	10.239
Overlapping Governments										
El Paso County	7.791	7.869	7.919	7.965	8.068	7.222	7.692	7.200	7.450	7.450
School Districts										
Widefield #3	47.004	47.527	45.657	61.320	60.294	56.396	56.164	49.384	49.384	47.615
Fountain/Fort Carson #8	24.775	25.195	24.748	24.731	24.776	24.845	24.741	25.704	25.704	26.704
Sanitation Districts										
Fountain Sanitation	6.101	0.604	6.248	6.328	6.637	6.030	6.340	5.707	5.707	6.082
Water Districts										
S.E. Water Conservancy	0.940	0.941	0.940	0.939	0.944	0.902	0.942	0.839	0.839	0.839
Special Districts										
Fountain GID #1	12.000	12.000	12.000	12.000	12.000	12.000	12.000	12.000	12.000	12.000
Fountain GID #2	10.000	10.000	10.000	10.000	10.000	10.000	10.000	10.000	10.000	10.000
Heritage Improv. Maint.	4.940	4.940	4.940	4.940	4.940	4.940	4.940	4.940	4.940	4.940
Metropolitan Districts										
Countryside South	30.000	30.000	30.000	33.166	33.166	33.477	33.555	33.555	33.555	33.555
Crescent Canyon	35.000	35.000	35.000	35.197	35.052	35.011	35.011	38.964	38.964	40.086
Cross Creek	10.727	10.727	10.727	11.859	11.859	11.898	11.898	11.898	11.898	11.898
Cumberland Green	50.000	50.000	50.000	50.000	50.000	47.000	47.000	47.000	47.000	47.000
Mesa Ridge #2	43.000	50.000	50.000	55.278	55.167	65.441	65.513	65.513	65.513	67.417
Remuda Ridge	-	-	-	50.000	50.000	10.000	10.000	55.664	55.664	50.000
Ventana	40.000	40.000	40.000	51.332	51.332	51.691	51.691	51.691	51.691	50.559
Miscellaneous Districts										
Pikes Peak Library	4.000	3.857	3.857	3.812	4.000	3.731	3.855	3.490	3.490	3.512

Source - El Paso County Assessor's Office, Abstract of Assessment 2014-2023

Notes: (a) Overlapping rates are those of county governments and various types of districts that apply to property owners in the City of Fountain

CITY OF FOUNTAIN, COLORADO

PRINCIPAL PROPERTY TAX PAYERS Current year and 2014 (Unaudited)

Table 7

Taxpayer	2023			2014		
	Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Dillon Real Estate Co Inc	\$ 6,567,130	1	2.11%	\$ 4,844,080	1	1.43%
WalMart Real Estate	\$ 6,142,980	2	1.97%	\$ 2,615,800	2	
Lowes HIW, Inc	\$ 2,919,780	3	0.94%	\$ 2,159,820	3	2.61%
Mesa Ridge NO 1, LLP	\$ 2,614,140	4	0.84%	\$ 1,907,760	4	1.23%
CSH Property One LLC	\$ 2,227,580	5	0.72%			
Sam's Real Est Business Trust	\$ 2,179,470	6	0.70%			
Raceway 200 LLC	\$ 2,050,770	7	0.66%	\$ 1,904,820	5	
Fountain Hospitality, LLC.	\$ 1,516,210	8	0.49%			
Pavestone, LLC	\$ 1,092,910	9	0.35%	\$ 1,808,930	6	1.07%
GEP Investments Inc	\$ 1,051,270	10	0.34%	\$ 1,334,870	7	0.73%

Total Assessed Valuation City of Fountain \$ 311,384,120

\$ 183,524,200

Source: El Paso County Assessor's Office

CITY OF FOUNTAIN, COLORADO

GENERAL FUND REVENUES-TAXES BY CATEGORY LAST TEN FISCAL YEARS (Unaudited) (modified accrual basis of accounting)

TABLE 8

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Sales Tax	\$ 6,260,780	\$ 7,152,889	\$ 8,937,330	\$ 10,341,676	\$ 10,822,136	\$ 11,976,431	\$ 14,954,300	\$ 16,522,145	\$ 17,192,499	\$ 17,553,096
General Property Tax	1,647,136	1,733,965	1,915,374	1,956,656	2,066,694	2,083,613	2,415,776	2,377,149	2,839,218	4,519,516
Use Tax	1,514,474	1,601,405	1,514,601	1,759,190	3,786,475	1,969,828	1,564,124	1,905,112	2,110,124	2,079,805
Specific Ownership Tax	180,249	201,176	227,899	270,180	267,478	262,321	268,222	289,784	303,155	487,211
Franchise Taxes:										
Cablevision/ Telephone	233,678	275,348	318,949	318,177	304,307	272,476	263,276	259,121	178,712	146,709
Electricity (1)	1,190,744	1,165,277	1,064,519	1,093,440	1,173,240	1,236,747	1,267,148	1,374,152	1,428,586	1,172,758
Gas	190,269	183,666	150,570	152,373	163,345	162,423	113,241	174,831	265,782	218,186
Water (2)	379,080	372,503	398,259	411,698	454,815	462,737	521,661	536,565	531,293	436,150
Total	\$ 11,596,410	\$ 12,686,228	\$ 14,527,501	\$ 16,303,390	\$ 19,038,489	\$ 18,426,576	\$ 21,367,748	\$ 23,438,859	\$ 24,849,369	\$ 26,613,431

Source: City of Fountain, Colorado, audited financial statements, 2014-2023

Notes: (1) The franchise fee for the City owned electric utility is 5% of gross revenues.

(2) The franchise fee for the City owned water utility is 5% of gross revenues.

CITY OF FOUNTAIN, COLORADO

SALES TAX BY CATEGORY

TABLE 9

LAST TEN FISCAL YEARS

(Unaudited)

(modified accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Auto Repair and Parts Supply	\$ 458,682	\$ 457,840	\$ 562,237	\$ 514,709	\$ 585,363	\$ 611,649	\$ 644,165	\$ 719,428	\$ 782,424	\$ 692,720
Auto Sales	161,058	164,354	190,353	297,330	328,020	302,120	185,082	228,799	355,465	19,086
Communications/Utilities	692,136	675,480	642,511	776,721	769,871	996,712	611,075	484,473	464,197	495,190
Convenience Stores	216,237	207,209	252,111	240,119	253,806	295,324	330,855	332,533	138,280	301,874
Entertainment	45,421	49,025	50,127	47,042	27,207	25,684	12,903	19,873	15,336	28,796
Hotel/Motel/RV Parks	53,912	58,493	65,368	69,033	76,343	92,584	141,472	263,429	272,970	252,149
Liquor Stores	243,093	284,607	309,087	309,841	319,827	343,827	395,112	405,685	408,103	430,478
Restaurants	1,607,930	1,878,716	2,116,482	2,344,155	2,695,191	2,814,861	2,847,312	2,974,341	2,961,391	3,120,255
Retail	3,555,432	4,831,279	6,566,477	7,799,112	7,691,028	8,493,117	10,388,048	11,170,980	11,599,288	12,963,968
Services - Misc	777,470	333,213	415,101	527,897	780,994	994,387	1,392,182	2,124,509	2,483,043	1,588,993
Total	\$ 7,811,371	\$ 8,940,216	\$ 11,169,854	\$ 12,925,958	\$ 13,527,648	\$ 14,970,265	\$ 16,948,206	\$ 18,724,050	\$ 19,480,497	\$ 19,893,509
City Direct Sales Tax Rate	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.40%	3.40%	3.40%	3.40%

Source: City of Fountain, Colorado audited financial statements, 2013-2022

Subsidiary Records, 2014-2023

CITY OF FOUNTAIN, COLORADO

DIRECT AND OVERLAPPING SALES TAX RATES DECEMBER 31, 2023 (Unaudited)

TABLE 10

<u>Fiscal Year</u>		<u>City of Fountain</u>	<u>El Paso County</u>	<u>State of Colorado</u>	<u>PPRTA</u>
2014		3.75%	1.23%	2.9%	
2015		3.75%	1.23%	2.9%	
	All but South				
2016	Academy Highlands	3.75%	1.23%	2.9%	
	South Academy				
2016	Highlands	3.75%	1.23%	2.9%	1.0%
	All but South				
2017	Academy Highlands	3.75%	1.23%	2.9%	
	South Academy				
2017	Highlands	3.75%	1.23%	2.9%	1.0%
	All but South				
2018	Academy Highlands	3.75%	1.23%	2.9%	
	South Academy				
2018	Highlands	3.75%	1.23%	2.9%	1.0%
	All but South				
2019	Academy Highlands	3.75%	1.23%	2.9%	
	South Academy				
2019	Highlands	3.75%	1.23%	2.9%	1.0%
	All but South				
2020	Academy Highlands	3.40%	1.23%	2.9%	
	South Academy				
2020	Highlands	3.40%	1.23%	2.9%	1.0%
	All but South				
2021	Academy Highlands	3.40%	1.23%	2.9%	
	South Academy				
2021	Highlands	3.40%	1.23%	2.9%	1.0%
	All but South				
2022	Academy Highlands	3.40%	1.23%	2.9%	
	South Academy				
2022	Highlands	3.40%	1.23%	2.9%	1.0%
	All but South				
2023	Academy Highlands	3.40%	1.23%	2.9%	
	South Academy				
2023	Highlands	3.40%	1.23%	2.9%	1.0%

PPRTA-Pikes Peak Rural Transportation Authority can only charge a 1% tax to the South Academy Highland commercial establishments

Source: State of Colorado Department of Revenue

CITY OF FOUNTAIN, COLORADO

GENERAL FUND PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN YEARS (Unaudited)

TABLE 11

Year Assessed	Gross Tax Levy (2)	Current Collections		Collections in Subsequent Years (1)	Total Collections to Date	
		Amount	Percentage of Levy		Total Net Taxes Collected	Total Tax Percentage of Levy
2014	1,763,057	1,705,044	96.71%	28,921	1,733,965	98.35%
2015	1,961,172	1,869,797	95.34%	45,577	1,915,374	97.66%
2016	1,976,808	1,936,603	97.97%	20,053	1,956,656	98.98%
2017	2,095,580	2,088,384	99.66%	3,539	2,091,923	99.83%
2018	2,136,860	2,130,415	99.70%	2,872	2,133,287	99.83%
2019	2,443,474	2,439,188	99.82%	2,528	2,441,716	99.93%
2020	2,445,359	2,442,949	99.90%	655	2,443,604	99.93%
2021	2,873,409	2,867,352	99.79%	570	2,867,922	99.81%
2022	4,568,463	4,508,242	98.68%	2,632	4,510,874	98.74%
2023	5,281,642	5,270,550	99.79%		N/A	

Source: El Paso County Treasurer's Office and the City of Fountain, Colorado
audited financial statements, 2014-2023

Note: (1) Property taxes are collected in the calendar year following the year levied.

(2) Gross tax levy for 2022 includes a voter approved mill levy that is collected in 2023

CITY OF FOUNTAIN, COLORADO

WATER REVENUES LAST TEN FISCAL YEARS (Unaudited) (accrual basis of accounting)

TABLE 12

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Water Revenues:										
Charges for Services:										
Metered Water Sales by Type of Customer:										
Residential	\$ 5,269,638	\$ 5,370,315	\$ 5,869,792	\$ 5,966,982	\$ 6,975,508	\$ 7,288,222	\$ 8,387,168	\$ 9,438,741	\$ 8,921,553	\$ 7,799,912
Commercial	1,973,358	1,894,487	2,002,129	2,206,966	2,325,169	2,342,443	2,365,611	2,860,886	3,033,486	3,155,020
Total Charges for Services	<u>7,242,996</u>	<u>7,264,802</u>	<u>7,871,921</u>	<u>8,173,948</u>	<u>9,300,677</u>	<u>9,630,665</u>	<u>10,752,779</u>	<u>12,299,627</u>	<u>11,955,039</u>	<u>10,954,932</u>
Miscellaneous	256,998	1,376,358	666,541	253,203	254,498	443,472	1,311,079	869,813	90,197	482,231
Total Operating Revenues	<u>7,499,994</u>	<u>8,641,160</u>	<u>8,538,462</u>	<u>8,427,151</u>	<u>9,555,175</u>	<u>10,074,137</u>	<u>12,063,858</u>	<u>13,169,440</u>	<u>12,045,236</u>	<u>11,437,163</u>
Investment Income	8,454	14,204	24,380	4,862	4,320	77,790	72,780	9,598	26,662	84,330
Total Water Revenues	<u>\$ 7,508,448</u>	<u>\$ 8,655,364</u>	<u>\$ 8,562,842</u>	<u>\$ 8,432,013</u>	<u>\$ 9,559,495</u>	<u>\$ 10,151,927</u>	<u>\$ 12,136,638</u>	<u>\$ 13,179,038</u>	<u>\$ 12,071,898</u>	<u>\$ 11,521,493</u>
Water Gallons Sold by Type of Customer										
Residential	581,525,339	542,361,514	579,887,854	555,059,383	575,508,997	552,120,210	636,913,840	593,779,300	572,889,470	515,437,400
Commercial	201,572,170	186,637,670	178,402,965	178,760,968	189,259,178	190,517,730	177,743,200	211,856,180	226,876,410	208,573,968
Total Water Gallons Sold by Type of Customer	<u>783,097,509</u>	<u>728,999,184</u>	<u>758,290,819</u>	<u>733,820,351</u>	<u>764,768,175</u>	<u>742,637,940</u>	<u>814,657,040</u>	<u>805,635,480</u>	<u>799,765,880</u>	<u>724,011,368</u>

Source: City of Fountain, Colorado, audited financial statements, 2014-2023 and Utility Billing Records, 2014-2023

CITY OF FOUNTAIN, COLORADO

ELECTRIC REVENUES LAST TEN FISCAL YEARS (Unaudited) (accrual basis of accounting)

TABLE 13

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Electric Revenues:										
Charges for Services:										
Metered Electric Sales by Type of Customer:										
Residential-inside city limits	\$ 9,522,120	\$ 9,124,562	\$ 8,785,711	\$ 8,592,953	\$ 9,107,204	\$ 10,430,671	\$ 10,254,870	\$ 11,190,436	\$ 11,973,126	\$ 11,901,824
Residential-outside city limits	6,836,575	6,475,483	6,102,628	5,728,635	6,304,987	6,542,323	6,753,207	7,813,159	7,692,196	7,811,533
Commercial-inside city limits	6,071,818	6,196,410	5,426,906	6,609,964	6,772,023	6,179,811	6,753,207	6,606,157	7,194,545	9,287,728
Commercial-outside city limits	1,263,326	1,272,037	1,073,402	1,101,661	1,167,590	1,202,502	1,250,594	1,429,751	1,381,496	1,752,982
Total Charges for Services	23,693,839	23,068,492	21,388,647	22,033,212	23,351,805	24,355,307	25,011,877	27,039,503	28,241,363	30,754,066
Miscellaneous	610,309	958,176	759,972	918,156	1,558,600	1,436,693	1,222,407	2,043,308	3,217,718	2,451,843
Total Operating Revenues	24,304,148	24,026,668	22,148,619	22,951,368	24,910,405	25,792,000	26,234,284	29,082,811	31,459,081	33,205,909
Investment Income	143,013	154,942	101,576	115,371	138,569	281,980	129,765	263	48,931	366,063
Total Electric Revenues	\$ 24,447,161	\$ 24,181,610	\$ 22,250,195	\$ 23,066,739	\$ 25,048,974	\$ 26,073,980	\$ 26,364,049	\$ 29,083,074	\$ 31,508,012	\$ 33,571,972
Electric kWh Sold by Type of Customer										
Residential-inside city limits	75,808,661	80,256,002	84,490,361	84,357,290	90,106,520	88,768,099	95,585,364	96,428,293	94,555,248	87,335,874
Residential-outside city limits	55,831,697	57,063,034	57,998,087	57,132,259	60,797,181	59,276,942	61,851,222	61,804,611	60,525,704	57,367,225
Commercial-inside city limits	62,074,818	63,289,307	63,723,036	64,932,845	66,671,035	64,086,355	62,420,690	65,556,271	66,227,895	68,268,401
Commercial-outside city limits	12,696,182	12,641,542	12,123,616	11,693,218	11,760,264	12,417,088	11,999,395	12,415,240	12,223,758	12,641,993
Total Electric kWh Sold by Type of Customer	206,411,358	213,249,885	218,335,100	218,115,612	229,335,000	224,548,484	231,856,671	236,204,415	233,532,605	225,613,493

Source: City of Fountain, Colorado, audited financial statements, 2014-2023 and Utility Billing Records, 2014-2023.

CITY OF FOUNTAIN, COLORADO

RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS (Unaudited)

TABLE 14

Fiscal Year	Governmental Activities		Business-Type Activities													Total Primary Government	Per Capita (a)	Percentage of Personal Income (b)
	Capital Leases	Capital Leases	2005 Loan Payable CWRPDA	2003 Water Rights Loan	2007 Water Rights Loan	2008 Water Rights Loan	2009 Loan Payable CWRPDA	2011 Loan Payable CWRPDA	2013 Loan Payable CWRPDA	2014 Loan Payable CWRPDA	2015 Bond Payable Fountain	2016 Bond Payable Fountain	2019 Bond Payable Fountain	2020 Revenue Refunding Bond	2021 Revenue Refunding Bond			
2014	3,946,540		200,000	145,400	78,100	1,165,641	7,835,000	8,995,000	11,918,594	18,222,508						52,506,783	1,844	4.40%
2015	3,523,086	77,595	-	72,700	39,050	-	7,650,000	8,810,000	11,669,827	18,113,302	4,024,695					53,980,255	1,884	4.47%
2016	3,411,514	105,268	-	-	-	-	-	8,620,000	11,416,061	17,659,096	3,942,705	7,773,376				52,928,020	1,802	4.15%
2017	6,487,908	1,056,272	-	-	-	-	-	8,425,000	11,157,295	17,189,889	3,855,715	7,501,683				55,673,762	1,868	4.21%
2018	5,738,316	843,534	-	-	-	-	-	8,225,000	10,888,529	16,705,682	3,768,725	7,224,989				53,394,775	1,795	3.86%
2019	4,829,711	593,157	-	-	-	-	-	8,015,000	10,614,763	16,211,475	3,676,735	6,948,295	21,128,758			72,017,894	2,343	7.24%
2020	4,376,934	649,235	-	-	-	-	-	-	-	15,697,269	3,584,745	6,666,601	20,719,591	8,340,000		60,034,375	1,936	5.74%
2021	4,253,557	3,240,729	-	-	-	-	-	-	-	15,163,065	3,487,755	6,379,906	20,210,424	8,025,000	9,545,000	70,305,436	2,359	6.71%
2022	3,716,775	2,971,719	-	-	-	-	-	-	-	14,613,859	3,390,765	6,088,212	19,601,257	7,690,000	9,205,000	67,277,587	2,327	6.19%
2023	4,578,712	2,783,210	-	-	-	-	-	-	-	14,039,653	3,288,775	5,791,518	18,872,090	7,355,000	8,855,000	65,563,958	2,276	4.91%

Note: Details regarding the City's outstanding debt including premium by issue can be found in Note 5 to the financial statements.

(a) Population data is from Table 18

(b) Personal income data is from Table 18

CITY OF FOUNTAIN, COLORADO

RATIOS OF WATER FUND DEBT OUTSTANDING LAST TEN FISCAL YEARS (Unaudited)

TABLE 15

WATER FUND

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Water Fund Debt Outstanding										
2003 Water Rights Loan	\$ 145,400	\$ 72,700	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2005 Loan Payable CWRPDA	200,000	-	-	-	-	-	-	-	-	-
2007 Water Rights Loan	78,100	39,050	-	-	-	-	-	-	-	-
2008 Water Rights Loan	1,165,641	-	-	-	-	-	-	-	-	-
2009 Loan Payable CWRPDA	7,835,000	7,650,000	-	-	-	-	-	-	-	-
2011 Loan Payable CWRPDA	8,995,000	8,990,000	8,620,000	8,425,000	8,225,000	8,015,000	-	-	-	-
2013 Loan Payable CWRPDA	11,918,594	11,669,827	11,416,061	11,157,295	10,888,529	10,614,763	10,330,998	-	-	-
2014 Loan Payable CWRPDA	18,222,508	18,113,302	17,659,096	17,189,889	16,705,682	16,211,475	15,697,269	15,163,065	14,613,859	14,039,653
2015 City of Fountain Revenue Bond		4,024,695	3,942,705	3,855,715	3,768,725	3,676,735	3,584,745	3,487,755	3,390,765	3,288,775
2016 City of Fountain Revenue Bond			7,773,376	7,501,683	7,224,989	6,948,295	6,666,601	6,379,906	6,088,212	5,791,518
2016 Capital Lease			11,958	9,473	8,681	5,211	2,951	-	-	-
2017 Capital Lease				127,085	99,788	72,542	45,297	18,052	-	-
2019 City of Fountain Revenue Bond						8,451,503	8,287,836	8,084,170	7,840,503	7,548,836
2020 City of Fountain Revenue Refunding Bond							8,340,000	8,025,000	7,690,000	7,355,000
2021 City of Fountain Revenue Refunding Bond								9,545,000	9,205,000	8,855,000
Total Water Fund Debt Outstanding	\$ 48,560,243	\$ 50,559,574	\$ 49,423,196	\$ 48,266,140	\$ 46,921,394	\$ 53,995,525	\$ 52,955,697	\$ 50,702,948	\$ 48,828,339	\$ 46,878,782
Number of Active Water Service Connections	7,844	7,988	8,050	8,200	8,344	8,458	8,599	8,620	8,663	8,734
Water Fund Debt per Active Water Service Connection	\$ 6,191	\$ 6,329	\$ 6,140	\$ 5,886	\$ 5,623	\$ 6,384	\$ 6,158	\$ 5,882	\$ 5,636	\$ 5,367

Note: Details regarding the City's outstanding debt including premium by issue can be found in Note 5 to the financial statements.

Source: City of Fountain, Colorado, audited financial statements, 2014-2023 and Utility Billing Records, 2014-2023

CITY OF FOUNTAIN, COLORADO

DIRECT AND OVERLAPPING DEBT DECEMBER 31, 2023 (Unaudited)

TABLE 16

Government Entity	Debt Outstanding (d)	Estimated Percentage	Estimated Share of Overlapping (a)
		Applicable (b)	Debt
Fountain/Fort Carson School District #8	\$ 13,821,188	100.00%	\$ 13,821,188
El Paso County	79,463,560	2.72%	\$ 2,161,409
Widefield School District #3	44,680,000	40.40%	\$ 18,050,720
Cumberland Green Metro District (c)	5,470,000	100.00%	\$ 5,470,000
Total Overlapping Debt	143,434,748		39,503,317
City of Fountain Direct Debt	3,716,775	100.0%	3,716,775
Total Direct and Overlapping Debt	\$ 147,151,523		\$ 43,220,092

Notes:

(a) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City.

This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Fountain. This process recognizes that, when considering the City of Fountain's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

(b) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries by dividing the City's assessed value by each unit's total taxable assessed value.

(c) Debt for Cumberland Green Metro District is general obligation debt.

(d) Source: Individual entity year-end financial statements and footnotes to those statements.

CITY OF FOUNTAIN, COLORADO

LARGEST EMPLOYERS LAST YEAR (Unaudited)

TABLE 17

Employer	2023	
	Employees	Percentage of Total County Employment (a)
Fort Carson	34,214	10.96%
Widefield School District #3	1,295	0.41%
Fountain/Fort Carson School District #8	1,078	0.35%
Walmart	752	0.24%
Dillon/GHC	535	0.17%
City of Fountain (b)	280	0.09%
Total	38,154	12.22%

Source: Fort Carson and school district websites, Wal-Mart, & Dillon. Total El Paso County employment

Note: Largest employers from nine years ago are not available.

(a) 2023 El Paso County employment was 312,120 according to BLS.gov for December 2023

(b) Includes part time staff

CITY OF FOUNTAIN, COLORADO

DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN YEARS (Unaudited)

TABLE 18

Year	Fountain Population (a)	Personal Income El Paso County (thousands of dollars) (b)	Personal Income Fountain (thousands of dollars) (c)	Per Capita Personal Income (b)	Unemployment Rate (d)
2014	28,470	26,940,874	1,194,174	41,945	6.0
2015	28,650	27,210,283	1,207,733	42,155	4.6
2016	29,375	29,262,206	1,274,434	43,385	3.5
2017	29,804	30,565,961	1,323,566	44,409	3.4
2018	29,747	32,522,267	1,383,563	46,511	3.9
2019	30,735	47,066,809	994,216	32,348	3.3
2020	31,017	49,548,598	1,046,141	33,728	7.3
2021	29,802	41,315,534	1,048,345	35,177	6.8
2022	28,907	56,215,700	1,087,452	37,619	3.3
2023	28,802	45,230,988	1,336,125	46,390	3.9

Source: Department of Local Affairs-Demography Section, U.S. Department of Labor-Bureau of Labor Statistics and Bureau of Economic Analysis-an agency of the U.S. Department of Commerce.

- (a) 2013 to 2014 and 2022 is from the US Census Bureau. 2014-2016 population estimate is from US Census Bureau. 2017-2021 per City Planning Department.
- (b) The data reported for Personal Income and Per Capita Personal Income is for El Paso County and has been updated per State of Colorado Labor and Employment Data Section.
- (c) Personal Income for Fountain is calculated by multiplying Fountain population by Per Capita Personal Income.
- (d) Unemployment rate is for Colorado Springs Metro Area not seasonally adjusted per the Bureau of Labor Statistics and State of Colorado, Division of Employment and Training for 2012-2017. For 2018-2022, unemployment rate is for El Paso County.

CITY OF FOUNTAIN, COLORADO

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

TABLE 19

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government										
City Clerk	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.50	3.75	3.50
Municipal Court	2.00	1.00	1.75	2.00	2.00	2.00	2.00	2.00	2.00	2.00
City Administration	5.00	5.00	6.00	7.00	6.50	6.50	6.50	6.50	8.50	8.50
Finance	4.00	4.00	4.45	4.45	4.45	4.50	4.50	4.50	5.00	5.00
Human Resource	2.00	2.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Facilities	2.00	2.00	1.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Planning & Zoning	3.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.50
Engineering	2.00	2.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Economic Development	1.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Information Technology	5.00	5.00	5.75	5.75	8.75	8.75	9.00	9.00	9.00	9.00
Public Safety										
Police										
Patrol	30.25	33.25	32.00	37.00	37.00	38.00	39.00	42.00	42.00	47.00
K-9 Patrol	2.00	2.00	2.00	1.00	1.00	1.00	1.00	1.00	2.00	2.00
Administration	5.00	5.00	6.75	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Support Services	16.00	16.00	5.00	5.75	5.75	5.75	5.75	5.75	5.75	5.75
Investigations	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	5.00
School Resource/DARE Program	3.00	3.65	7.05	7.75	9.00	9.00	9.50	9.50	11.00	12.00
Drug Task Force	2.00	2.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Fire										
Administration	2.00	2.00	3.00	3.00	3.00	3.00	3.00	3.00	4.00	4.00
Emergency Services	20.65	21.35	25.65	29.75	31.65	36.00	35.50	32.50	25.00	31.00
Prevention Services	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00	2.00
Ambulance										
Emergency Medical Services	8.00	8.00	8.00	8.00	8.00	8.00	8.00	11.00	14.00	14.00
Public Works										
Street & Drainage Maintenance	7.80	7.35	8.30	9.00	9.00	9.00	9.00	9.00	9.50	9.50
Bus Transportation										
Bus Drivers	4.50	4.50	4.75	5.00	5.00	5.00	5.00	5.00	8.00	8.05
Dispatchers	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.00	3.00
Health and Welfare										
Code Enforcement	2.00	2.00	3.50	3.50	3.50	3.75	4.50	4.50	4.00	4.50
Cultural & Recreation										
Parks Maintenance	5.80	6.20	7.75	7.50	7.00	7.25	7.00	7.00	7.00	7.25
Recreation Programs		1.85	3.00	3.55	4.25	4.70	4.70	4.70	5.95	5.95
Water Utility										
Administration	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	2.00	2.00
Water Resource	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00	2.00
Water Conservation	0.50	0.50	0.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Water Operations	11.00	11.00	11.00	13.00	10.00	12.00	11.00	11.00	10.30	10.30
Electric Utility										
Administration	4.00	4.20	4.25	4.25	4.25	5.25	5.25	5.25	4.00	5.00
Engineering/Planning	5.00	3.45	4.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00
Electric Distribution	19.15	19.90	19.90	19.50	20.50	20.50	20.50	20.50	20.70	19.70
Electric Conservation	0.50	0.50	0.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Inventory Control	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Customer Service - Utilities										
Administration	3.00	3.00	3.00	4.00	4.00	4.00	4.00	4.00	3.00	3.00
Conservation Program	0.00	0.00	0.00	1.00	1.00	1.00	1.00	1.00	1.00	0.00
Customer Service	10.00	8.00	6.00	6.00	6.00	6.00	6.00	6.00	5.00	5.00
Customer Billing	5.00	4.00	6.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Field Service	2.00	3.00	2.00	4.00	5.00	5.00	5.00	5.00	5.00	4.00
Fleet Services										
Fleet Maintenance	5.00	5.00	7.00	7.00	7.00	7.50	7.50	7.50	7.20	7.20
Total	211.65	216.20	226.35	241.25	246.10	255.95	256.70	260.20	268.65	280.70

Source: City of Fountain Finance Department

CITY OF FOUNTAIN, COLORADO

CAPITAL AND OPERATING INDICATORS BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS (Unaudited)

TABLE 20

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Function/Program										
Public Safety										
Fire Department										
Fire career staff	39	39	47	55	55	50	57	60	46	49
Volunteers	30	40	26	26	20	20	15	5	0	0
Fire Insurance Rating	3	3	3	3	3	3	3	3	3	2
Fire emergency responses	3,785	4,314	4,406	5,007	5,186	4,820	4,180	4,844	5,294	5,950
Fire hydrants	1,205	1,210	1,210	1,210	1,215	1,300	1,300	1,300	1,300	1,196
Number of fire stations	3	3	3	3	3	3	3	3	3	3
Number of fire trucks/implements	12	12	12	12	12	12	12	11	12	12
Police Department										
Number of police stations	1	1	1	1	1	1	1	1	1	1
Sworn officers	41	46	50	55	58	58	58	61	61	68
Reserve officers	3	3	3	2	1	1	0	0	0	0
Calls for service	42,862	40,672	46,529	42,110	39,856	47,305	38,638	47,086	46,387	27,254
Homicides	0	1	1	1	3	4	2	2	4	3
Sexual assaults	43	32	18	50	73	63	65	66	58	78
Robbery	15	9	20	9	14	18	14	16	23	19
Assault	53	158	100	126	30	70	56	69	52	190
Larceny-thefts	383	687	899	335	283	295	173	190	230	405
Traffic citations	3,264	3,265	3,894	2,945	3,866	4,802	2,724	4,530	4,445	2,971
Adult arrests	500	1,279	2,740	2,257	1,094	1,222	1,135	1,410	1,333	1,035
Juvenile arrests	195	249	406	377	221	156	88	79	102	167
Domestic violence cases	376	625	712	691	81	179	153	171	144	380
Military custodial arrests	26	441	274	23	0*	0*	0*	0*	0*	0*
Public Works										
Miles of paved street	100.6	102.7	102.7	104.4	104.4	105.6	105.6	106.3	106.3	106.3
Miles of gravel road	3.5	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
Traffic signals	2	2	2	3	4	5	6	7	7	7
Pedestrian cross walks	75	85	85	130	133	135	157	135	135	142
Cemetery										
City owned Cemeteries	1	1	1	1	1	1	1	1	1	1
Cultural & Recreation										
Developed parks	9	10	10	12	12	11	10	11	11	11
Open space acres	288.5	326.5	326.5	330	330	330	330	330	330	330
Miles of trails	6	10	10	10	10	10	10	10	10	10
Number of pavilions	6	6	6	13	13	13	14	13	13	13
Number of gazebos	2	2	2	2	2	2	2	2	2	2
Number of splash pads	1	1	1	1	1	1	1	1	1	1
Number of baseball/softball fields	6	5	5	5	5	5	5	5	5	5
Number of dog park areas	1	1	1	1	1	1	1	1	1	1
Number of concession stands	1	2	2	2	2	2	2	2	1	1
Water Utility										
Number of accounts	7,583	7,674	7,779	7,942	8,344	8,458	8,599	8,594	8,644	8,734
Average daily consumption (gallons)	2,145,473	1,997,258	2,070,185	1,086,355	2,098,586	1,990,803	2,262,934	2,207,220	2,191,139	1,983,593
Annual consumption (gallons)	783,097,509	728,999,184	755,617,619	735,663,943	765,984,075	726,643,140	814,659,620	805,635,480	799,765,880	724,011,368
Distribution system (miles) (a)	123	123	123	128	129	133	143	137	138	143
Number of wells	5	5	5	6	6	6	4	5	5	5
Potable Storage Tank Capacity (in gallons)	8,375,000	8,375,000	8,375,000	7,880,000	8,250,000	8,250,000	10,250,000	10,750,000	10,750,000	10,750,000
Electric Utility										
Number of accounts	16,920	17,028	17,144	17,364	17,370	18,814	17,868	18,098	18,054	17,893
Peak demand (megawatts)										
Summer-July	50	51	53	56	59	62	63	62	59	61
Winter-December	40	39	41	42	41	40	34	37	41	36
Average daily consumption (kwh)	565,510	584,246	598,184	597,577	619,031	602,206	635,294	651,793	632,566	618,120
Annual consumption	206,411,358	213,249,885	218,337,233	218,115,612	225,946,310	219,805,340	231,882,145	237,904,319	230,886,739	225,613,493
Distribution system (miles)	565	596	596	621	626	627	627	638	646	652
Number of substations	2	2	2	2	2	2	2	3	3	3
Miles of transmission lines	2	2	2	2	3	2	2	5	5	5
Number of street lights (b)	2,930	2,997	2,664	2,911	2,826	2,855	2,855	3,076	3,423	3,479

Source: City of Fountain Fire, Police, Public Works, Parks, Water and Electric departments.

*Military Custodial Arrests not tracked after 2017

Compliance Section

State Compliance

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

LOCAL HIGHWAY FINANCE REPORT	City or County:
This Information From The Records Of (example - City of _ or County of CITY OF FOUNTAIN)	Prepared By:
	Phone:
YEAR ENDING : December 2023	
SHAWNA DAIL	

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

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

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

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	962,102
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	987,006
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	21,530
2. General fund appropriations	5,571,519	b. Snow and ice removal	34,227
3. Other local imposts (from page 2)	494,460	c. Other	
4. Miscellaneous local receipts (from page 2)	238,987	d. Total (a. through c.)	55,757
5. Transfers from toll facilities		4. General administration & miscellaneous	639,849
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	4,474,619
a. Bonds - Original Issues		6. Total (1 through 5)	7,119,334
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)	6,304,966	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government		2. Notes:	
(from page 2)	814,368	a. Interest	
D. Receipts from Federal Government		b. Redemption	
(from page 2)	0	c. Total (a. + b.)	0
E. Total receipts (A.7 + B + C + D)	7,119,334	3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	7,119,334

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				0
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
		7,119,334	7,119,334		(0)

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado YEAR ENDING (mm/yy): December 2023	
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	
b. Other local imposts:		b. Traffic Fines & Penalties	206,916
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	494,460	g. Other Misc. Receipts	32,071
6. Total (1. through 5.)	494,460	h. Other	
c. Total (a. + b.)	494,460	i. Total (a. through h.)	238,987
	(Carry forward to page 1)		(Carry forward to page 1)
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	741,758	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	72,610	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	72,610	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	814,368	3. Total (1. + 2.g)	
			(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs		71,352	71,352
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements		890,750	890,750
(3). System Preservation		0	0
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	890,750	890,750
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	962,102	962,102
			(Carry forward to page 1)
Notes and Comments:			