



Town Board of Trustees

Tuesday, July 23, 2024 at 7:00 pm

**PLEASE SILENCE ALL CELL PHONE AND ELECTRONIC DEVICES.
THANK YOU.**

1. Meeting Information

207 Muegge Way, Bennett, CO 80102

For a live stream of the meeting use the information below:

<https://us02web.zoom.us/j/84285000718>

Meeting ID: 842 8500 0718

Passcode: 677682

One tap mobile

+16699006833

2. Call to Order

Whitney Oakley, Mayor

a. Roll Call

3. Pledge of Allegiance

Whitney Oakley, Mayor

4. Approval of Agenda

Whitney Oakley, Mayor

5. Consent Agenda

Whitney Oakley, Mayor

a. July 9, 2024 - Regular Meeting Minutes

Attachments:

- **July 9, 2024 - Regular Meeting Minutes** (July_9__2024_-_Regular_Meeting_Minutes.pdf)

b. 2023 Town of Bennett Audit

Resolution No. 1019-24 - A Resolution Accepting the 2023 Audit for the Town of Bennett

Attachments:

- **2023 Town of Bennett Required Communication Letter** (0_-_Management_letter.pdf)

- **2023 Town of Bennett Financial Statements** (1_-_Draft.07.11.24_Financial_Statements.pdf)
- **2023 Town of Bennett Single Audit Corrective Action Plan Letter** (2_-_CAP_2023_Final.pdf)
- **2023 Town of Bennett Federal Financial Assistance Single Audit Reports** (3_-_single_audit_reports.final.pdf)
- **Resolution No. 1019-24 - A Resolution Accepting the 2023 Audit for the Town of Bennett** (4_-_RESOLUTION__1_.pdf)

c. Colorado Opioids Settlement Memorandum of Understanding (MOU) - New National Opioids Settlement: Kroger

Attachments:

- **Approved - August 25, 2021 Attorney General version Colorado Opioids Settlement Memorandum of Understanding ("MOU")** (2021-08-05_-_Attorney_General_Version.pdf)
- **Approved - Resolution No. 892-21 - A Resolution Approving the Colorado Opioids Settlement Memorandum of Understanding and Other Documents Necessary for the Town's Participation in Pending Opioids Settlements** (No._892-21_-_Approving_the_Colorado_Opioids_Settlement_Memorandum_of_Understanding_and_other_Documents_Necessary_for_the_Town_s_Participation_in_Pending_Opioids_Settlements.pdf)
- **Colorado Opioids Settlement Memorandum of Understanding (MOU) - New National Opioids Settlement: Kroger** (2_-_Action_Required_Kroger_National_Opioid_Settl.pdf)

Public Comments on Items Not Scheduled for Public Hearing

The Board of Trustees welcomes you. Thank you for joining us for our Town of Bennett Board of Trustees Meeting. If you are not speaking, we ask that you please mute your microphone. For public comment please sign up on the provided sheet or in the chat box. If you are on the phone, once we get through the sign-up sheet and chat box we will call for any other comments for items not on the agenda.

Your comments will be limited to three (3) minutes. The Board may not respond to your comments this evening, rather they may take your comments and suggestions under advisement and provide direction to the appropriate member of Town staff for follow-up. Thank you.

Regular Business

6. Action/Discussion Items

a. Bennett Gives Back Awards

Danette Ruvalcaba, Director of Finance

Whitney Oakley, Mayor

b. Safety Building Change Orders

Trish Stiles, Town Manager

Click on the link below to view the Safety Building Change Orders Dashboard:

<https://app.smartsheet.com/sheets/xqXpChP6VVRXcp69cWj6PHCR3Ffq86pRfh2H6w21?view=grid>

Attachments:

- **Staff Report Safety Building Change Orders** (0_-_Staff_Report.pdf)
- **Suggested Motion** (suggested_motion.pdf)

c. Request to Waive RFP for Security and Access Control at Safety Building

Alison Belcher, Communications and IT Director

Attachments:

- **Staff Report Request to Waive RFP for Security and Access Control at Safety Building** (0_-_TownofBennett_StaffReport_SafetyBuildingSecurity.pdf)
- **Town of Bennett - Safety Building Security Proposal** (Town_of_Bennett_-_Bennett_CO_-_Safety_Building_Security_Q_P0021302.pdf)
- **Suggested Motion** (suggested_motion.pdf)

7. Town Manager Report

Trish Stiles, Town Manager

8. Trustee Comments and Committee Reports

Mayor and Trustees

9. Adjournment

Individuals with disabilities who need auxiliary aids in attending the meeting may request assistance by contacting the Town Hall at 207 Muegge Way, Bennett, CO 80102-7806, (303) 644-3249. Please give notice at least 48 hours in advance of the meeting to allow for enough time in making the necessary arrangements.

Contact: Christina Hart (chart@bennett.co.us 1303-644-3249 X1001) | Agenda published on 07/19/2024 at 4:05 PM



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Town Board of Trustees

Minutes

Tuesday, July 9, 2024 at 7:00 pm

**PLEASE SILENCE ALL CELL PHONE AND ELECTRONIC DEVICES.
THANK YOU.**

1. Meeting Information

207 Muegge Way, Bennett, CO 80102

2. Call to Order

Whitney Oakley, Mayor

a. Roll Call

Minutes:

Present:

Whitney Oakley, Mayor
Kevin Barden, Mayor Pro Tem
Steve Dambroski, Trustee
Denice Smith, Trustee
Donna Sus, Trustee
Royce D. Pindell, Trustee
Larry Vittum, Trustee - *excused*

Staff Present:

Trish Stiles, Town Manager
Rachel Summers, Deputy Town Manager
Danette Ruvalcaba, Director of Finance
Adam Meis, IT and Communications Manager
Robin Price, Public Works Director
Dan Giroux, Town Engineer
Daniel Pershing, Town Engineer
Steven Hoese, Planning Manager
Michael Heugh, Town Traffic Engineer
Tiffany Chaput, Communications Coordinator
Alison Belcher, Communications and IT Director
Savannah Chapa Vickery, Community Development Manager
Greg Thompson, Community Development Director
Scott Krob, Town Attorney

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Christina Hart, Town Clerk

Public Present:

Kathy Smiley

Diane Moler

Larry Gayeski

Matt Thomas

Michelle Gayeski

John Vitella

Mason Oakley

Jim Marshall

3. Pledge of Allegiance

Whitney Oakley, Mayor

Minutes:

The Pledge of Allegiance was led by Whitney Oakley, Mayor.

4. Approval of Agenda

Whitney Oakley, Mayor

Minutes:

TRUSTEE PINDELL MOVED, TRUSTEE DAMBROSKI SECONDED to approve the agenda as amended, removing Item 7. c. Ordinance No. 783-24 from the agenda. The voting was as follows:

Ayes: Dambroski, Oakley, Pindell, Smith, Sus, Barden

Nays: None

Excused: Vittum

Whitney Oakley, Mayor, declared the motion carried by unanimous vote.

5. Consent Agenda

Whitney Oakley, Mayor

Minutes:

TRUSTEE PINDELL MOVED, MAYOR PRO TEM BARDEN SECONDED to approve the consent agenda as amended by adding item 7. d. Highway 79 Permanent Trail Construction Phase II to the consent agenda. The voting was as follows:

Ayes: Oakley, Pindell, Smith, Sus, Barden, Dambroski

Nays: None

Excused: Vittum

Whitney Oakley, Mayor, declared the motion carried by unanimous vote. **1. Action:** Approval of June 25, 2024, Regular Meeting Minutes **2. Action:** Permanent Trail Construction Phase II - Additional Board Pricing Request

PUBLIC COMMENTS NOT ON THE AGENDA

Diane Moler, 595 Grant Avenue, Ms. Moler commented on the Sales Tax Oversight Committee status and when the committee would reconvene.

a. June 25, 2024 - Regular Meeting Minutes

Public Comments on Items Not Scheduled for Public Hearing

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Your comments will be limited to three (3) minutes. The Board may not respond to your comments this evening, rather they may take your comments and suggestions under advisement and provide direction to the appropriate member of Town staff for follow-up. Thank you.

Regular Business

6. Public Hearing

a. Bennett Crossing Filing No. 5 Final Plat - Case No. PZ2024-0010

Resolution No. 1017-24 - A Resolution Approving a Final Plat for Bennett Crossing Filing No. 5

Minutes:

Whitney Oakley, Mayor, called the matter of the Bennett Crossing Filing No. 5 Final Plat - Case No. PZ2024-0010 to order.

The public hearing was opened at 7:07 p.m.

Christina Hart, Town Clerk, stated that, in accordance with the Colorado state statute, it was duly posted and published in the Eastern Colorado News on Friday, May 31, 2024. Legal #2928.

Greg Thompson, Community Development Director, presented the Bennett Crossing Filing No. 5 Final Plat - Case No. PZ2024-0010 Trustees.

There were no public comments presented.

The public hearing was closed at 7:26 p.m.

TRUSTEE DAMBROSKI MOVED, TRUSTEE SMITH SECONDED to approve Resolution No.1017-24 - A resolution approving a Final Plat for Bennett Crossing Filing No. 5 The voting was as follows:

Ayes: Pindell, Smith, Sus, Barden, Dambroski, Oakley

Nays: None

Excused: Vittum

Whitney Oakley, Mayor, declared the motion carried by unanimous vote.

b. Chapter 16, Article II, Division 7 - Landscape Standards Update

Ordinance No. 782-24 - An Ordinance Repealing and Reenacting, with Amendments, Chapter 16 Article II Division 7 of

Minutes:

Whitney Oakley, Mayor, called the matter of Chapter 16, Article II, Division 7 - Landscape Standards Update to order.

The public hearing was opened at 7:29 p.m.

Christina Hart, Town Clerk, stated that, in accordance with the Colorado state statute, it was duly posted and published in the Eastern Colorado News on Friday, May 31, 2024. Legal #2929.

Steven Hoese, Planning Manager, presented Chapter 16, Article II, Division 7 - Landscape Standards Update to the Trustees.

There were no public comments presented.

The public hearing was closed at 7:47 p.m.

TRUSTEE SMITH MOVED, TRUSTEE SUS SECONDED to approve Ordinance No. 782-24

- An ordinance repealing and reenacting, with amendments, Chapter 16 Article II Division 7 of the Bennett Municipal Code concerning landscape standards. The voting was as follows:

Ayes: Smith, Sus, Barden, Dambroski, Oakley, Pindell

Nays: None

Excused: Vittum

Whitney Oakley, Mayor, declared the motion carried by unanimous vote.

c. Mount View Cemetery Zoning

Ordinance No. 784-24 - An Ordinance Approving P-Public Zoning for the Mount View Cemetery Annexation to the Town of Bennett, Colorado

Minutes:

Whitney Oakley, Mayor, called the matter of the Mount View Cemetery Zoning to order.

The public hearing was opened at 7:48 p.m.

Christina Hart, Town Clerk, stated that, in accordance with the Colorado state statute, it was duly posted and published in the Eastern Colorado News on Friday, May 31, 2024. Legal #2931.

Greg Thompson, Community Development Director, presented the Mount View Cemetery Zoning to the Trustees.

There were no public comments presented.

The public hearing was closed at 7:52 p.m.

TRUSTEE PINDELL MOVED, TRUSTEE DAMBROSKI SECONDED to approve Ordinance No. 784-24 - An ordinance approving the P-Public Zoning for the Mount View Cemetery Annexation to the Town of Bennett, Colorado. The voting was as follows:

Ayes: Sus, Barden, Dambroski, Oakley, Pindell, Sus

Nays: None

Excused: Vittum

Whitney Oakley, Mayor, declared the motion carried by unanimous vote.

d. Civic Park Area Rezone

Ordinance No. 785-24 - An Ordinance Approving a Rezoning of Property Owned by the Town of Bennett Which Contains Water Tanks, a Detention Pond and a Future Civic Park

Minutes:

Whitney Oakley, Mayor, called the matter of the Civic Center Park Area Rezone to order.

The public hearing was opened at 7:54 p.m.

Christina Hart, Town Clerk, stated that, in accordance with the Colorado state statute, it was duly posted and published in the Eastern Colorado News on Friday, May 31, 2024. Legal #2933.

Greg Thompson, Community Development Director, presented the Civic Park Area Rezone to the Trustees.

There were no public comments presented.

The public hearing was closed at 7:59 p.m.

TRUSTEE SMITH MOVED, MAYOR PRO TEM BARDEN SECONDED to approve Ordinance No. 785-24 - An ordinance approving a rezoning of property owned by the Town of Bennett which contains water tanks, a detention pond and a future Civic Park. The voting was as follows:

Ayes: Barden, Dambroski, Oakley, Pindell, Smith, Sus

Nays: None

Excused: Vittum

Whitney Oakley, Mayor, declared the motion carried by unanimous vote.

e. Ordinance No. 783-24 Approving CORE Electric Cooperative Franchise Agreement for Electric Services

Ordinance No. 783-24 - An Ordinance Approving a Franchise Agreement with CORE Electric Cooperative to Use the Town of Bennett's Rights-of-Way and Other Town Property in Order to Provide Electrical Energy and Service to the Town and Its Residents

Minutes:

Whitney Oakley, Mayor, called the matter of the CORE Electric Cooperative Franchise renewal to order.

The public hearing was opened at 8:02 p.m.

Christina Hart, Town Clerk, stated that, in accordance with the Colorado state statute, it was duly posted and published in the Eastern Colorado News on Friday, June 7, 14 and 21st 2024. Legal #2932.

Scotty Krob, Town Attorney, presented the first reading of the CORE Electric Cooperative Franchise renewal to the Trustees.

Diane Moler, 595 Grant Ave., commented on the franchise fee as part of her CORE Electric Cooperative bill.

Robert Osmond, CORE Electric Operative, Hyw 85, Sedalia, Colorado., provided additional information and transparency on the franchise fee.

The public hearing was closed at 8:23 p.m.

TRUSTEE SMITH MOVED, MAYOR PRO TEM BARDEN SECONDED to approve the first reading of Ordinance No. 783-24 authorizing the CORE Electric Cooperative electric franchise agreement with the Town of Bennett and order the ordinance to be published as required by statue, for final consideration on second reading after public hearing at the Board's meeting on August 13, 2024. The voting was as follows:

Ayes: Dambroski, Oakley, Pindell, Smith, Sus, Barden

Nays: None

Excused: Vittum

Whitney Oakley, Mayor, declared the motion carried by unanimous vote.

7. Action/Discussion Items

a. Muegge Farms Major Roadways Development Agreement Amendment

Resolution No. 1016-24 - A Resolution Approving the First Amendment to the Development Agreement for Muegge Farms Major Roadway Improvements

Minutes:

Savannah Chapa Vickery, Community Development Manager, presented the Muegge Farms Major Roadway Development Agreement Amendment to the board. There was discussion among the council.

TRUSTEE PINDELL MOVED, TRUSTEE DAMBROSKI SECONDED to approve Resolution No. 1016-24 - A resolution approving the First Amendment to the Development Agreement for Muegge Farms Major Roadway Improvements. The voting was as follows:

Ayes: Pindell, Sus, Barden, Dambroski

Nays: Oakley, Smith

Excused: Vittum

Whitney Oakley, Mayor, declared the motion carried.

b. Brunner Subdivision Development Agreement Amendment

Resolution No. 1018-24 - A Resolution Approving the First Amendment to the Brunner Subdivision Agreement

Minutes:

Savannah Chapa Vickery, Community Development Manager, presented the Brunner Subdivision Development Agreement Amendment to the board. There was discussion among the council.

TRUSTEE PINDELL MOVED, TRUSTEE DAMBROSKI SECONDED to approve Resolution No. 1018-24 - A resolution approving the First Amendment to the Brunner Subdivision Agreement. The voting was as follows:

Ayes: Barden, Dambroski, Pindell, Sus

Nays: Oakley, Smith

Excused: Vittum

Whitney Oakley, Mayor, declared the motion carried.

c. Ordinance No. 786-24 - Amending Chapter 5 of the Bennett Municipal Code

Ordinance No. 786-24 - An Ordinance Amending Chapter 5 of the Bennett Municipal Code Regarding Franchises and Communications Systems

Minutes:

Removed from the regular agenda. See Item 4. Approval of Agenda.

d. Highway 79 Permanent Trail Construction Phase II - Additional Board Pricing Request

Minutes:

Added to the consent agenda. See Item 5. Consent Agenda.

8. Town Manager Report

Minutes:

- Housing Needs Assessment: A community feedback form is live and available at: <https://app.smartsheet.com/b/form/642f37b5a8ee4bf88d324883ad56ee18>
- Attended the monthly CDOT meeting. A preliminary download of data for the Safety Action Plan was provided.
- An MOU (Memorandum of Understanding) has been made between Azure Printed Homes and Russel McClennen for the Bennett Farms Property.
- July 12th, 6 pm - 8 pm - Trupp Park; Party in the Park, Corridor Creative Arts League, Denver Museum of Nature and Science Curiosity Cruiser and I-70 Chamber of Commerce after-hour events.
- July 19th - State of the Town at the Bennett Community Center
- August 16th, 6 pm 8 pm - Trupp Park; Party in the Park and Community Night Out.

9. Trustee Comments and Committee Reports

Mayor and Trustees

Minutes:

Kevin Barden, Mayor Pro Tem, reported on the following:

- Congratulations Danette Ruvalcaba for her grant writing. The Town accepted a \$3.8 million grant for the Civic Center Park, a \$2 million grant for the Purple Pipe project and \$25,000 for Trupp Park

electrical upgrades from the Adams County Open Space grant program. .

Whitney Oakley, Mayor, called for a recess at 9:09 pm.

The meeting resumed at 9:21 pm.

10. Executive Session

- a. Pursuant to Section 24-6-402(4)(b), C.R.S., to confer with the town attorney for the purpose of receiving legal advice on specific legal questions related to the activities and operations of the Sales Tax Oversight Committee and its members.**

Minutes:

TRUSTEE PINDELL MOVED, TRUSTEE SMITH SECONDED to go into executive session Pursuant to Section 24-6-402(4)(b), C.R.S., to confer with the town attorney for the purpose of receiving legal advice on specific legal questions related to the activities and operations of the Sales Tax Oversight Committee and its members. Voting was as follows:

Ayes: Sus, Barden, Dambroski, Oakley, Pindell, Smith

Nays: None

Excused: Vittum

Whitney Oakley, Mayor, declared the motion carried by unanimous vote.

The Board went into executive session at 9:23 pm.

- b. Return to Open Meeting**

Minutes:

The Board came out of the executive session at 10:13 pm.

Whitney Oakley, Mayor, announced that the Board has been in executive session and the following persons participated: Steve Dambroski, Denice Smith, Royce Pindell, Christina Hart, Trish Stiles, Scott Krob, Donna Sus, Kevin Barden and Whitney Oakley. Whitney Oakley, Mayor, asked if there were any matters not included in the motion for an executive session or violations of the Open Meetings Law, and if so, that these concerns be stated for the record.

There were no concerns stated.

- c. Report from Executive Session**

11. To Take Action Following Executive Session

Minutes:

No action was taken.

12. Adjournment

Minutes:

TRUSTEE DAMBROSKI MOVED, TRUSTEE PINDELL SECONDED to adjourn the meeting. The meeting was adjourned at 10:16 pm. Voting was as follows:

Ayes: Dambroski, Oakley, Pindell, Smith, Sus, Barden

Nays: None

Excused: Vittum

Whitney Oakley, Mayor, declared the motion carried by unanimous vote.

Minutes Approved:

Whitney Oakley, Mayor

Christina Hart, CMC / Town Clerk

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Contact: Christina Hart (chart@bennett.co.us 1303-644-3249 X1001) | Minutes published on 07/15/2024 at 2:03 PM



Rae & Co., CPAs, LLC

P.O. Box 293 Cimnath Colorado, 80547

(970) 482-5312

July 23, 2024

Board of Trustees
Town of Bennett, Colorado
207 Muegge Way
Bennett, CO 80102

We have audited the financial statements of the governmental activities, the business-type activities,, each major fund, and the aggregate remaining fund information of Town of Bennett, Colorado (the Town) for the year ended December 31, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated September 26, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Town are described in Note 2 to the financial statements. The Town adopted GASB Statements 96 *Subscription-Based Information Technology* and 101 *Compensated Absences*. No other new accounting policies were adopted. The Town changed the recognition policies related to grant revenues. The application of no other existing policies was changed during the year. We noted no transactions entered into by the Town during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the financial statements were:

Management's estimate of the useful lives of capital assets is based on management's knowledge of the lives of other assets. We evaluated the methods, assumptions, and data used to develop the useful lives in determining that they are reasonable in relation to the financial statements taken as a whole.

Management's estimate of the how much earned leave an employee will use is based on management's knowledge of leave use patterns. We evaluated the methods, assumptions, and data used to develop the amount of leave to accrue in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure(s) affecting the financial statements was (were):

The disclosure of risks related to the Town's cash and investments in Note 3 to the financial statements.

The disclosure of commitments and contingencies in Note 9 to the financial statements.

The disclosure of the restatement of equity in Note 14 to the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. We proposed the following adjustments:

- ✚ To record an interfund payable/receivable to eliminated negative pool cash amounts in certain funds,
- ✚ To reconcile beginning equity to the prior year audited financial statements,
- ✚ To reconcile note payable balances to their amortization schedules,

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated July 23, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Town's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

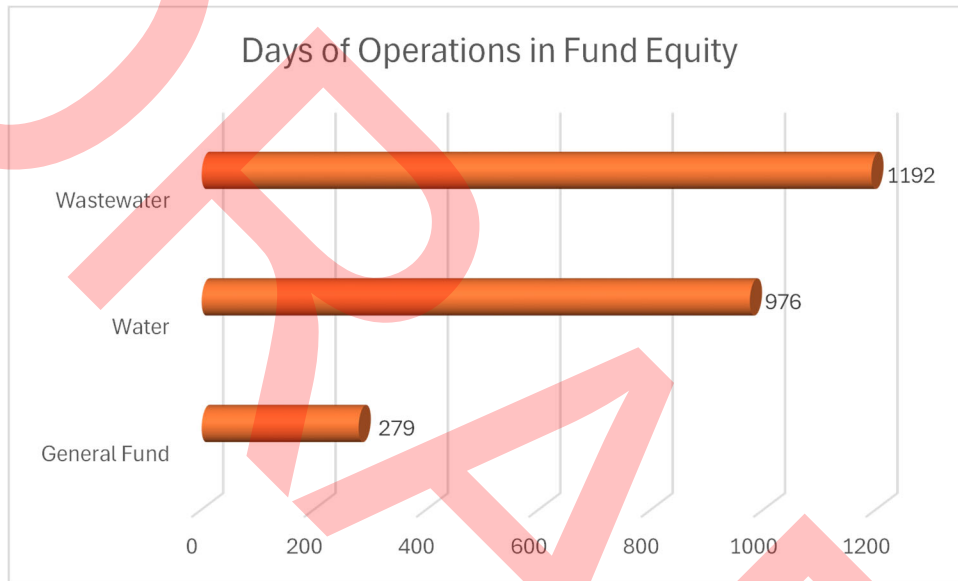
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Town's auditors. However,

these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Positive Comments

Town’s Fiscal Health

The Government Finance Officers Association (GFOA) recommends that a fund have a minimum of 180 days of operations in fund balance. As the graph below shows the Town’s General, Water and Wastewater all exceed this level. For purposes of this analysis, in the Water and Wastewater Funds we used unrestricted equity compared to budgeted expenditures.



Single Audit

The Town was required to have a Single Audit this year of its federal financial assistance. This is the first Single Audit the Town has had in five years. There was adequate oversight of the grant and there were no findings related to how the Town expended the funds related to Exit 304.

Credit Cards

As part of our audit procedures, we reviewed the credit card statement and the underlying documentation. The Town has a strong system of documenting the business purpose of meals and travel. We believe that the Town’s documentation is adequate for an audit by the Internal Revenue Service.

Grant Usage

Some governments are hesitant to use grant funding due to the compliance requirements. For the year ended December 31, 2023, the Town’s governmental activities expended more than \$2.6 million in grants. The Town has the ability and skills to leverage grant funding to meet its goals.

Suggestions of Areas to Improve Operations

Supplemental Appropriations

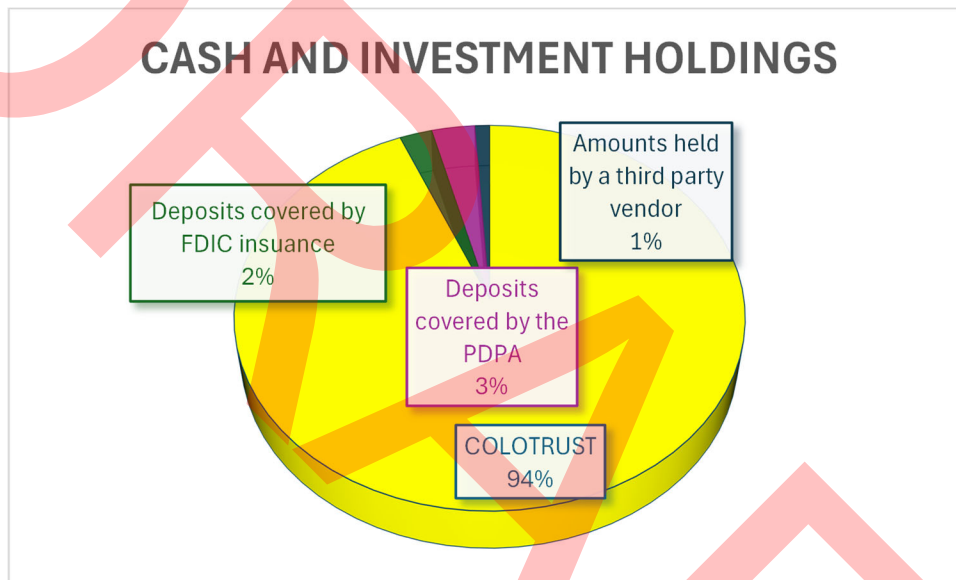
The Town normally does supplemental appropriations as part of the audit process in the subsequent year. We believe the Town should scrub its books on a quarterly basis, reviewing its balance sheet accounts, (agreeing amounts to subsidiary ledgers, ensuring amounts in payroll withholding accounts are what is

owed) and also reviewing revenues and expenditures searching for budget variances which may indicate additional review of these transactions is necessary. At this point, any supplemental appropriations should be initiated. Doing supplemental appropriations when they occur will allow the Town to effectively use a compensating control of the review of budget variances.

We recommend that the Town review its accounting records and propose supplemental appropriations on an on-going basis.

Investments

As the following graph shows, the Town has approximately \$28 million in COLOTRUST.



By its nature, COLOTRUST’S investments are very short-term. Its underlying securities have less than three months to maturity. Higher rates of return may be possible through different investments such as U.S. treasury securities with longer maturities, brokered certificates of deposit , etc.

We recommend that the Town perform a cash flow analysis to estimate when investments will be needed. Based on this analysis the Town may want to match the maturity of its investments to its cash flow needs.

PDPA

The Town has almost \$900,000 which is protected by the Public Deposit Protection Act (PDPA). The PDPA requires that a bank pledge 102% of uninsured deposits with certain investments to the pool of governmental deposits which are not covered by the Federal Deposit Insurance Corporation (FDIC) insurance. The preparation of the monthly report the financial institution submits to the State is dependent on the bank’s internal control systems to ensure that all public deposits are identified and adequate securities are pledged.

We recommend several times a year the Town ask its banks for the monthly PDPA report. This report should be reviewed to confirm that all District accounts are identified and that account balances are reasonable and that adequate securities are pledged.

Arbitrage

The Town cannot make money on its bonded debt by borrowing funds at a discounted governmental rate and investing those funds at a regular, higher, rate of return. The Town is required to perform an arbitrage calculation to ensure that its bonds did not earn an excessive amount of interest. With the increase in interest rates this may become an issue for local governments.

We recommend that the Town contact its bond attorneys to determine when arbitrage calculations are due.

Review of Court Activities

The Court Clerk needs the ability to adjust and write off ticket charges. As a result, this position has the ability to either pocket ticket revenue or also to fix tickets for certain individuals. A system of compensating controls, where the write-offs of revenue are reviewed will mitigate this possible loss. This review should be by someone independent of the ticket collection process, like the municipal judge.

We recommend that the Town implement a compensating control of having a review of ticket write-offs or write-downs.

CWCB Reserve Accounts

The Colorado Water Conservation Board (CWCB) loan requires a reserve amount of one-tenth of the annual debt service payment until one year's debt service payments are reserved. The Town has an adequate reserve for this loan; however, the amounts are not in a segregated fund.

We recommend that the Town segregate the CWCB loan reserves.

Board Approval of Town Manager's Credit Card

The Assistant Town Manager approves the Town Manager's credit card usage. We believe that controls could be enhanced if these transactions were reviewed by the Mayor. We believe this review provides protection to both the Town and its Town Manager.

We recommend that the Mayor formally review and approve the Town Manager's credit card activity.

Other Matters

We applied certain limited procedures to Budget to Actual schedules of the General and Grants Funds, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining statements and individual fund statements, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Town of Bennett, Colorado

July 23, 2024

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We would like to express our appreciation to Dannette Ruvalcaba, Danny Pennington and the staff of the Town for their assistance during the audit.

We have also written a letter to the Finance Director of areas that she may wish to review.

Restriction on Use

This information is intended solely for the information and use of the Board of Trustees and management of the Town of Bennett, Colorado and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Rae & Co., CPAs, LLC

TOWN OF BENNETT, COLORADO
FINANCIAL STATEMENTS
December 31, 2023

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Town of Bennett, Colorado

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Bennett, Colorado, 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.

Basis for Opinions

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

Emphasis of Matters

Restatement of Equity

As described in Note 14 of these financial statements, in preparing for the audit the Town discovered the following issues which required a restatement of beginning equity:

- Certain assets should have been capitalized during the year ended December 31, 2022.
- Matching funds for some grants should have been transferred to the Grant Fund during the year ended December 31, 2022.

Change in Accounting Principal

As described in Note 2 of these financial statements, during the year ended December 31, 2023, the Town adopted new accounting guidance:

- GASB Statement 96 *Subscription-Based Information Technology*

- GASB Statement No. 101, *Compensated Absences*

Our opinions are not modified with respect to these matters.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages B1–B15 and E1–E4 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The accompanying combining and individual nonmajor fund financial statements, schedules of revenues, expenditures and changes in fund balance – budget and actual, and the Local Highway Finance Report, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund combining financial statements, schedules of revenues and expenditures – budget and actual, and the Local Highway Finance Report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July XX, 2024, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance.

Town of Bennett
July 23, 2024

That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Timnath, Colorado
July 23, 2024

DRAFT

MANAGEMENT'S DISCUSSION AND ANALYSIS

DRAFT

BASIC FINANCIAL STATEMENTS

TOWN OF BENNETT, COLORADO
STATEMENT OF NET POSITION
December 31, 2023

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and investments	\$ 9,909,310	\$ 17,989,165	\$ 27,898,475
Accounts receivable	2,174,280	300,358	2,474,638
Due from other governments	1,455,583	-	1,455,583
Internal balances	461,082	(461,082)	-
Property taxes receivable	1,145,434	-	1,145,434
Prepaid expenses	-	26,631	26,631
Cash and investments - Restricted	1,199,953	641,104	1,841,057
Capital assets, not being depreciated			
Land, water rights and construction in progress	13,153,550	7,385,298	20,538,848
Capital assets, net of accumulated depreciation			
Buildings, equipment and infrastructure	21,569,254	27,593,820	49,163,074
Right to use assets, net of accumulated amortization			
Software subscriptions	73,275	-	73,275
Total assets	<u>51,141,721</u>	<u>53,475,294</u>	<u>104,617,015</u>
LIABILITIES			
Accounts payable and accrued liabilities	804,915	153,645	958,560
Accrued interest payable	29,201	48,687	77,888
Amounts owed to developers	3,746,635	-	3,746,635
Unearned revenues	477,452	366,000	843,452
Compensated absences	111,924	29,695	141,619
Noncurrent liabilities			
Due within one year	327,770	554,694	882,464
Due in more than one year	9,378,504	12,681,830	22,060,334
Total liabilities	<u>14,876,401</u>	<u>13,834,551</u>	<u>28,710,952</u>
DEFERRED INFLOWS OF RESOURCES			
Property taxes	<u>1,145,434</u>	<u>-</u>	<u>1,145,434</u>
NET POSITION			
Net investment in capital assets	26,618,052	21,742,594	48,360,646
Restricted			
Emergency reserves	312,905	-	312,905
Debt service	-	377,021	377,021
Conservation trust	11,060	-	11,060
Unrestricted	8,177,869	17,521,128	25,698,997
Total net position	<u>\$ 35,119,886</u>	<u>\$ 39,640,743</u>	<u>\$ 74,760,629</u>

TOWN OF BENNETT, COLORADO
STATEMENT OF ACTIVITIES
Year Ended December 31, 2023

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		<u>Total</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	
Primary government:							
Governmental activities:							
General government	\$ 4,514,242	\$ 1,138,758	\$ -	\$ 19,533	\$ (3,355,951)	\$ -	\$ (3,355,951)
Public safety	648,398	55,157	-	472,754	(120,487)	-	(120,487)
Public works	1,099,414	-	-	1,740,080	640,666	-	640,666
Culture and recreation	664,576	-	-	332,955	(331,621)	-	(331,621)
Other	942,512	94,688	-	77,714	(770,110)	-	(770,110)
Interest on long-term debt	291,543	-	-	-	(291,543)	-	(291,543)
Total governmental activities	<u>8,160,685</u>	<u>1,288,603</u>	<u>-</u>	<u>2,643,036</u>	<u>(4,229,046)</u>	<u>-</u>	<u>(4,229,046)</u>
Business-type activities:							
Water	1,494,878	1,526,579	-	3,660,105	-	3,691,806	3,691,806
Wastewater	1,248,337	1,329,232	-	2,130,715	-	2,211,610	2,211,610
Total business-type activities	<u>2,743,215</u>	<u>2,855,811</u>	<u>-</u>	<u>5,790,820</u>	<u>-</u>	<u>5,903,416</u>	<u>5,903,416</u>
Total Primary Government	<u>\$ 10,903,900</u>	<u>\$ 4,144,414</u>	<u>\$ -</u>	<u>\$ 8,433,856</u>	<u>(4,229,046)</u>	<u>5,903,416</u>	<u>1,674,370</u>
General revenues:							
Taxes							
Property and specific ownership taxes					629,950	-	629,950
Sales taxes					5,928,163	-	5,928,163
Use taxes					661,178	-	661,178
Other taxes					865,919	-	865,919
Impact fees					1,030,391	-	1,030,391
Investment earnings					503,005	834,180	1,337,185
Other					566,884	-	566,884
Gain on disposal of assets					6,700	187,468	194,168
Transfers					(47,870)	47,870	-
Total general revenues and transfers					<u>10,144,320</u>	<u>1,069,518</u>	<u>11,213,838</u>
Change in net position					<u>5,915,274</u>	<u>6,972,934</u>	<u>12,888,208</u>
Net position - Beginning (As originally reported)					<u>28,864,321</u>	<u>32,667,809</u>	<u>61,532,130</u>
Restatement					<u>340,291</u>	<u>-</u>	<u>340,291</u>
Net position - Ending					<u>\$ 35,119,886</u>	<u>\$ 39,640,743</u>	<u>\$ 74,760,629</u>

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

TOWN OF BENNETT, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2023

	General	Grants
ASSETS		
Cash and investments	\$ 6,098,423	\$ -
Cash and investments - restricted	-	-
Accounts receivable	789,962	-
Due from other funds	2,528,072	-
Due from other governments	-	1,455,583
Property taxes receivable	799,742	-
Total assets	\$ 10,216,199	\$ 1,455,583
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
LIABILITIES		
Accounts payable	\$ 277,485	\$ 34,252
Accrued expenses	126,923	-
Amounts owed to developers	3,746,635	-
Due to other funds	-	1,411,215
Unearned revenue	12,000	10,116
Compensated absences	111,924	-
Total liabilities	4,274,967	1,455,583
 DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue-property taxes :	799,742	-
Total deferred inflows of resources	799,742	-
 FUND BALANCES		
Restricted		
Emergency reserves	312,905	-
Capital asset purchases	-	-
Conservation trust	-	-
Assigned		
Public works	-	-
Unassigned	4,828,585	-
Total fund balances	5,141,490	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 10,216,199	\$ 1,455,583

<u>Sales Tax Capital Improvement</u>	<u>Use Tax Capital Improvement</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 48,714	\$ 947,929	\$ 2,814,244	\$ 9,909,310
723,461	476,492	-	1,199,953
1,331,507	-	52,811	2,174,280
-	-	-	2,528,072
-	-	-	1,455,583
-	-	345,692	1,145,434
<u>\$ 2,103,682</u>	<u>\$ 1,424,421</u>	<u>\$ 3,212,747</u>	<u>\$ 18,412,632</u>

\$ 332,827	\$ -	\$ 28,185	\$ 672,749
-	-	5,243	132,166
-	-	-	3,746,635
480,516	31,737	143,522	2,066,990
-	-	455,336	477,452
-	-	-	111,924
<u>813,343</u>	<u>31,737</u>	<u>632,286</u>	<u>7,207,916</u>

-	-	345,692	1,145,434
-	-	345,692	1,145,434

-	-	-	312,905
1,290,339	1,392,684	1,777,872	4,460,895
-	-	11,060	11,060
-	-	445,837	445,837
-	-	-	4,828,585
<u>1,290,339</u>	<u>1,392,684</u>	<u>2,234,769</u>	<u>10,059,282</u>

<u>\$ 2,103,682</u>	<u>\$ 1,424,421</u>	<u>\$ 3,212,747</u>	<u>\$ 18,412,632</u>
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TOWN OF BENNETT, COLORADO
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
December 31, 2023

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

Total fund balance - Total governmental funds	\$ 10,059,282
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	34,796,079
Accrued interest payable is not due and therefore is not included in the funds.	(29,201)
Noncurrent liabilities, including loans, leases, bonds payable, and software subscriptions are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(9,706,274)</u>
Net position of governmental activities	<u><u>\$ 35,119,886</u></u>

TOWN OF BENNETT, COLORADO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2023

	<u>General</u>	<u>Grants</u>	<u>Sales Tax Capital Improvement</u>	<u>Use Tax Capital Improvement</u>
REVENUES				
Taxes	\$ 5,268,631	\$ -	\$ 1,480,945	\$ 661,178
Intergovernmental	-	1,724,247	1,513,000	24,450
Licenses and permits	773,297	-	-	-
Charges for services	460,837	-	-	-
Fines and forfeitures	54,469	-	-	-
Bennett arts and cultural fund	131,714	-	-	-
Net investment income	218,718	-	89,495	70,210
Impact fees	-	-	-	-
Other	236,913	275,972	-	-
Total revenues	<u>7,144,579</u>	<u>2,000,219</u>	<u>3,083,440</u>	<u>755,838</u>
EXPENDITURES				
Current				
General government	3,846,499	-	-	-
Public safety	648,398	-	-	-
Public works	522,058	-	176,908	-
Culture and recreation	381,470	-	-	-
Cemetery	19,327	-	-	-
Buildings	267,512	-	-	-
Other	367,204	-	-	-
Bennett arts & cultural fund	122,746	-	-	-
Debt service				
Principal and interest	-	-	359,800	219,100
Capital outlay	274,269	952,883	3,232,767	319,326
Total expenditures	<u>6,449,483</u>	<u>952,883</u>	<u>3,769,475</u>	<u>538,426</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>695,096</u>	<u>1,047,336</u>	<u>(686,035)</u>	<u>217,412</u>
OTHER FINANCING SOURCES (USES)				
Sale of general capital assets	6,700	-	-	-
Transfers in	440,600	856,888	-	230,120
Transfers (out)	(268,934)	(1,085,773)	-	(66,355)
Total other financing sources (uses)	<u>178,366</u>	<u>(228,885)</u>	<u>-</u>	<u>163,765</u>
NET CHANGE IN FUND BALANCES	873,462	818,451	(686,035)	381,177
FUND BALANCES - BEGINNING OF YEAR (AS ORIGINALLY REPORTED)	4,366,235	(935,359)	1,976,374	1,043,245
Restatement of Equity	(98,207)	116,908	-	(31,738)
FUND BALANCES - END OF YEAR	<u>\$ 5,141,490</u>	<u>\$ -</u>	<u>\$ 1,290,339</u>	<u>\$ 1,392,684</u>

Nonmajor Governmental Funds	Total Governmental Funds
\$ 333,578	\$ 7,744,332
456,131	3,717,828
-	773,297
-	460,837
-	54,469
-	131,714
124,582	503,005
1,030,391	1,030,391
-	512,885
<u>1,944,682</u>	<u>14,928,758</u>
28,777	3,875,276
-	648,398
288,654	987,620
-	381,470
-	19,327
-	267,512
-	367,204
165,723	288,469
324,901	903,801
305,925	5,085,170
<u>1,113,980</u>	<u>12,824,247</u>
<u>830,702</u>	<u>2,104,511</u>
-	6,700
-	1,527,608
<u>(154,417)</u>	<u>(1,575,479)</u>
<u>(154,417)</u>	<u>(41,171)</u>
676,285	2,063,340
1,643,654	8,094,149
<u>(85,170)</u>	<u>(98,207)</u>
<u>\$ 2,234,769</u>	<u>\$ 10,059,282</u>

TOWN OF BENNETT, COLORADO
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
Year Ended December 31, 2023

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

Net change in fund balances - Total governmental funds	\$ 2,063,340
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported net of depreciation and amortization expense. This is the amount by which capital outlay exceeded depreciation and amortization and gain on the disposal of assets in the current period

Capital outlay	\$ 5,085,170	
Proceeds from disposal of assets	(6,700)	
Gain on disposal of assets	6,700	
Depreciation and amortization	<u>(1,033,866)</u>	
		4,051,304

The issuance of long-term debt (e.g. leases and bonds) provides current financial resources. The repayment of the principal of long-term debt consumes the current financial resources of governmental funds. This transaction, however, has no effect on net position.

Principal payments made	602,891
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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.

Change in accrued interest	9,367
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Change in net position of governmental activities	<u>\$ 6,726,902</u>
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TOWN OF BENNETT, COLORADO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2023

	Water Fund	Wastewater Fund	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 12,719,948	\$ 5,269,217	\$ 17,989,165
Cash and cash equivalents - restricted	393,973	247,131	641,104
Accounts receivable, net	197,525	102,833	300,358
Prepaid items	26,631	-	26,631
Total current assets	<u>13,338,077</u>	<u>5,619,181</u>	<u>18,957,258</u>
Noncurrent assets:			
Capital assets, not being depreciated	5,716,518	1,668,780	7,385,298
Capital assets, net of depreciation	14,270,693	13,323,127	27,593,820
Total noncurrent assets	<u>19,987,211</u>	<u>14,991,907</u>	<u>34,979,118</u>
Total assets	<u>33,325,288</u>	<u>20,611,088</u>	<u>53,936,376</u>
LIABILITIES			
Current liabilities:			
Accounts payable	32,917	61,658	94,575
Other liabilities	51,101	7,969	59,070
Accrued interest	37,748	10,939	48,687
Unearned revenue	-	366,000	366,000
Due to other funds	461,082	-	461,082
Notes payable, current	154,652	179,818	334,470
Bonds payable, current	140,000	-	140,000
Capital leases, current	40,112	40,112	80,224
Compensated absences	14,861	14,834	29,695
Total current liabilities	<u>932,473</u>	<u>681,330</u>	<u>1,613,803</u>
Noncurrent liabilities:			
Notes payable	2,908,940	4,838,567	7,747,507
Bonds payable	4,934,323	-	4,934,323
Total noncurrent liabilities	<u>7,843,263</u>	<u>4,838,567</u>	<u>12,681,830</u>
Total liabilities	<u>8,775,736</u>	<u>5,519,897</u>	<u>14,295,633</u>
NET POSITION			
Net investment in capital assets	11,809,184	9,933,410	21,742,594
Restricted - debt service	240,821	136,200	377,021
Unrestricted	12,499,547	5,021,581	17,521,128
Total net position	<u>\$ 24,549,552</u>	<u>\$ 15,091,191</u>	<u>\$ 39,640,743</u>

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

TOWN OF BENNETT, COLORADO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
December 31, 2023

	Water Fund	Wastewater Fund	Total
OPERATING REVENUES			
Charges for services	\$ 1,526,579	\$ 1,329,232	\$ 2,855,811
Total operating revenues	<u>1,526,579</u>	<u>1,329,232</u>	<u>2,855,811</u>
OPERATING EXPENSES			
Operations and maintenance	871,755	709,454	1,581,209
Depreciation	432,734	471,675	904,409
Total operating expenses	<u>1,304,489</u>	<u>1,181,129</u>	<u>2,485,618</u>
OPERATING INCOME	222,090	148,103	370,193
NONOPERATING REVENUES (EXPENSES)			
Investment earnings	611,513	222,667	834,180
Intergovernmental	25,000	374,230	399,230
Interest expense and fiscal charges	(190,389)	(67,208)	(257,597)
Other revenue	182,468	5,000	187,468
Total non-operating revenues (expenses)	<u>628,592</u>	<u>534,689</u>	<u>1,163,281</u>
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	850,682	682,792	1,533,474
CAPITAL CONTRIBUTIONS AND TRANSFERS			
Capital contributions	3,635,105	1,756,485	5,391,590
Transfers in	1,085,773	-	1,085,773
Transfers out	(817,603)	(220,300)	(1,037,903)
Total capital contributions and transfers	<u>3,903,275</u>	<u>1,536,185</u>	<u>5,439,460</u>
CHANGE IN NET POSITION	4,753,957	2,218,977	6,972,934
NET POSITION - BEGINNING OF YEAR	<u>19,795,595</u>	<u>12,872,214</u>	<u>32,667,809</u>
NET POSITION - END OF YEAR	<u>\$ 24,549,552</u>	<u>\$ 15,091,191</u>	<u>\$ 39,640,743</u>

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

TOWN OF BENNETT, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
December 31, 2023

	Water Fund	Wastewater Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 1,837,134	\$ 1,676,499	\$ 3,513,633
Cash paid to employees	(211,277)	(176,610)	(387,887)
Cash paid to suppliers	(1,010,740)	(535,781)	(1,546,521)
Net cash provided by operating activities	<u>615,117</u>	<u>964,108</u>	<u>1,579,225</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of capital assets	(2,426,277)	(1,355,225)	(3,781,502)
System investment fees received	3,635,105	1,756,485	5,391,590
Debt principal payments	(370,136)	(263,458)	(633,594)
Debt interest payments	(194,379)	(71,362)	(265,741)
Net cash provided by capital and related financing activities	<u>644,313</u>	<u>66,440</u>	<u>710,753</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Grant and related cash receipts	25,000	374,230	399,230
Transfers to/from other funds	268,170	(220,300)	47,870
Other income	182,464	5,000	187,464
Net cash provided by noncapital financing activities	<u>475,634</u>	<u>158,930</u>	<u>634,564</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	611,513	222,667	834,180
Net cash provided by investing activities	<u>611,513</u>	<u>222,667</u>	<u>834,180</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	2,346,577	1,412,145	3,758,722
Cash and cash equivalents - beginning of the year	10,767,344	4,104,203	14,871,547
Cash and cash equivalents - end of year	<u>\$ 13,113,921</u>	<u>\$ 5,516,348</u>	<u>\$ 18,630,269</u>
RECONCILIATION OF NET OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Cash Provided by Operating Activities			
Net operating income	\$ 222,090	\$ 148,103	\$ 370,193
Adjustments to reconcile net operating income to cash provided by operating activities			
Depreciation expense	432,734	471,675	904,409
Changes in assets and liabilities related to operations (Increase) Decrease in:			
Accounts receivable	(150,527)	(18,733)	(169,260)
Prepaid items	1,210	-	1,210
Increase (Decrease) in:			
Accounts payable	(379,474)	(20,689)	(400,163)
Due to other funds	461,082	-	461,082
Other liabilities	19,206	7,375	26,581
Deferred revenue	-	366,000	366,000
Compensated absences payable	8,796	10,377	19,173
Net cash provided (used) by operating activities	<u>\$ 615,117</u>	<u>\$ 964,108</u>	<u>\$ 1,579,225</u>

TOWN OF BENNETT, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 - DEFINITION OF REPORTING ENTITY

The Town of Bennett, Colorado (the Town), was incorporated in 1930, and is governed by a Mayor and seven-member Board of Trustees elected by the residents. The Town provides the following services: public safety, public works, water and sanitation, parks and recreation, public improvements, planning and zoning, and general administrative services.

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

The Town includes the Antelope Hills General Improvement District (the District) within its reporting entity. The District is a legally separate entity from the Town and the Town Trustees sit as the Board of Directors of the District. The District has the power to acquire, construct or install public improvements within its own boundaries and to finance such improvements by levying a general property tax upon the benefiting property. The District is reported as a blended component unit in the Town's financial statements due to Town Board control. The District does not issue separate financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town conform to generally accepted accounting principles (GAAP) as applicable to government units. The following is a summary of the more significant policies.

While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental and business-type activities are eliminated so that only the net amount is included as internal balances in the governmental and business-type activities columns. Governmental activities are normally supported by taxes and intergovernmental revenues and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of net position reports all financial and capital resources of the primary government. The difference between the assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the Town are reported as net position. The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

TOWN OF BENNETT, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds 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.

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting* as are the proprietary funds. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Depreciation is computed and recorded as an operating expense. Expenditures for property and equipment are shown as increases in assets, and payment of principal for bonds, leases, and notes are recorded as a reduction in liabilities.

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 period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. The Town has determined that expenditure-driven grants revenue should be recognized as soon as all eligibility criteria have been met. For this purpose, the Town considers grant revenues to be available if they are anticipated to be collected within the year after the current fiscal period. The major sources of revenue susceptible to accrual are property taxes, specific ownership taxes, sales taxes, and grant funding. All other revenue items are considered measurable and available only when cash is received by the Town. Expenditures, other than interest on long-term obligations are recorded when the liability is incurred, or the long-term obligation is due.

Major Funds - In the fund financial statements, the Town reports the following major governmental funds:

- The *General Fund* is the Town's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.
- The *Grant Fund* accounts for the revenues and expenditures of federal, state and local grant awards.

TOWN OF BENNETT, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

- The *Sales Tax Capital Improvement Fund* accounts for the proceeds of the Town's 2016 Sales Tax Revenue Bonds and the additional 1% sales tax approved by the Town's voters in November, 2015 the proceeds of which are restricted to construction and maintenance of the Town's roads.
- The *Use Tax Capital Improvement Fund* accounts for the proceeds of the Town's 2021 General Obligation Bonds and the 2% use tax assessed on construction permits.

Nonmajor Funds – The Town reports five nonmajor governmental funds which include 1) Road and Bridge 2) Conservation Trust , 3) Open Space, 4) Impact Fees, and 5) Antelope Hills GID.

The Town also reports the following major proprietary funds:

- The *Water Fund* accounts for the financial activities associated with the provision of water services to Town residents.
- The *Wastewater Fund* accounts for the financial activities associated with the operation and maintenance of the sewer system.

Budgets

Budgets are adopted for all funds of the Town as required by State statutes. Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons for the proprietary fund are presented on a non-GAAP budgetary basis. Capital outlay and debt principal payments are budgeted as expenditures and depreciation is not budgeted. All annual appropriations lapse at fiscal year-end. On or before October 15 of each year, the Finance Department submits to the Town Board a proposed operating budget for the fiscal year commencing on the following January 1. Public hearings are conducted to obtain input from elected officials, residents, and other interested parties. By December 31, the final budget is adopted. The appropriated budget is adopted by fund. 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 Board. The amount expended exceeded appropriations for the Antelope Hills GID. This maybe a violation of Colorado state statute.

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balances

Cash and Investments – For purposes of the cash flow statements, cash equivalents are defined as cash on hand, demand deposits and short-term investments with original maturities of three months or less. Investments are stated at fair value, with the exception of the local government investment pool, which is stated at the net asset value of the shares owned.

TOWN OF BENNETT, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable – Receivables All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. At December 31, 2023, the Town believes all amounts recorded are fully collectible.

Activities between funds that represent lending/borrowing arrangements at the end of the fiscal year are referred to as either “due (to)/from other funds.” Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

Capital Assets - Capital assets, which include property, equipment, and infrastructure (e.g., roads and similar items), and intangibles (e.g., water rights), and water and wastewater systems are reported in the applicable governmental or business-type activities. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. Capital assets of the Town are depreciated using the straight-line method over the estimated economic useful lives:

Buildings	40 years
Buildings and improvements	15 years
Equipment	5 - 10 years
Infrastructure	15 - 30 years
Parks and recreation fields	10-40 years
Water and Wastewater systems	15-50 years

Compensated Absences - Vacation leave is based on an employee’s length of employment and is earned ratably during the span of employment. Sick leave for full and part time employee’s is earned at a rate of 3.08 hours per pay period with a maximum accrual of 160 hours. Seasonal employees earn 1 hour of sick leave for every 30 hours worked up to a maximum of 48 hours. Unpaid compensated absences are recorded as a liability when the benefits are earned. The liability is typically liquidated with resources of the same fund that has paid the applicable employee’s regular salaries and fringe benefits.

Unearned Revenues – Unearned revenues consist of advances received on grants and fees received in advance of performing services that are recognized as revenue when the terms of the grant are fulfilled or the services are performed.

Long-Term Debt – In the government-wide financial statements and the proprietary funds, long-term debt and other long-term obligations are reported as liabilities. In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources.

TOWN OF BENNETT, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balances (Continued)

Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as current expenditures.

Deposits – Developer deposits held in escrow and security deposits received from customers are reported as liabilities in the financial statements

Deferred Outflows/Inflows of Resources – In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to future periods and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to future periods and so will *not* be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources include property taxes earned but levied for a subsequent period totaling \$1,145,434.

In the government-wide financial statements, net position is restricted when constraints placed on the net position are externally imposed. When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

In the fund financial statements, governmental funds report fund balance in five different classifications:

Restricted – Amounts that can be spent only for specific purposes because of constitutional provisions, enabling legislation, constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – Amounts that can be used only for specific purposes determined by a formal action of the Board, as the Board is the highest level of decision-making body for the Town. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board.

Assigned – Amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. Only the Board can assign fund balance.

Unassigned – Is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

TOWN OF BENNETT, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balances (Continued)

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

Property Taxes - Property taxes are levied by the Board. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to put a tax lien on the individual properties as of January 1 of the following year. The County Treasurers of Adams and Arapahoe Counties collect the and remit the Town's taxes monthly.

The taxes are payable by April or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November. Property taxes levied in the previous year, but collected in subsequent year, are recorded as taxes receivable and a deferred inflow of resources in the year there is an enforceable lien and the amount is measurable. Amounts deferred are subsequently recorded as revenue in the year they were levied for.

GASB Statements Implemented for the Year Ended December 31, 2023

GASB Statement 96

The Town implemented GASB Statement 96 *Subscription-Based Information Technology* during the current fiscal year. The Town is a subscriber of certain subscription-based information technology arrangements (SBITA). A SBITA is a contract that conveys control of the right to use a vendor's software, alone or in combination with hardware. The Town recognizes both a liability and an intangible right-to-use asset in the Government-wide financial statements. The right-to-use asset of a SBITA is reported with depreciable capital assets and the liabilities for SBITAs are reported with the long-term liabilities when the SBITA contract term is greater than 12 months. In general, SBITAs with a contract term of 12 months or less are recognized as outflows of resources or expense.

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

The key estimates and judgements related to SBITAs are as follows:

TOWN OF BENNETT, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- The Town uses the interest charged on leases as the discount rate. If the interest rate charged by the vendor is not available, the Town generally uses its estimated incremental borrowing rate. A 3% interest rate was used for these contracts
- The subscription term includes the noncancellable period of the SBITA. In determining the subscription term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not exercise a termination option. Extension options or periods after termination options are only included in the subscription term if it is reasonably certain that the SBITA will be extended or not terminated. The Town believes these contracts will be renewed for an additional four years after the implementation year of December 31, 2023.

Liabilities arising from a SBITA are initially measured on a present value basis. SBITA liabilities include the net present value of the following contract payments, less any SBITA vendor incentives received from the SBITA vendor at the commencement of the subscription term:

- Fixed payments;
- Variable payments that depend on an index or a rate (such as the Consumer Price Index or a marked interest rate), measured using the index or rate as of the commencement of the subscription term;
- Variable payments that are fixed in-substance;
- Payments for penalties for terminating the SBITA, if the subscription term reflects the government exercising an option to terminate the SBITA or a fiscal funding or cancellation clause; and
- Any other payments to the SBITA vendor associated with the SBITA contract that are reasonably certain of being required based on an assessment of all relevant factors.

Assets arising from a SBITA are initially measured using the sum of the following, less any SBITA vendor incentives received from the SBITA vendor at the commencement of the subscription term:

- The amount of the initial measurement of the subscription liability.
- Payments associated with the SBITA contract made to the SBITA vendor at the commencement of the subscription term, if applicable; and
- Capitalizable initial implementation costs.

The SBITAs will be remeasured if certain changes occur that are expected to significantly affect those balances.

GASB Statement 101

During the current fiscal year the Town also adopted the GASB Statement No. 101, *Compensated Absences*. This statement requires a liability to be reported for leave, both vacation and sick leave, that has been earned and is anticipated to be paid to the employee in the form of paid time off, cash or settled through noncash means. Based on this criteria, the Town recorded a liability for 100% of vacation and 25% of sick leave earned. A liability is also recorded for salary-related payments. For the Town this is FICA and the employer's retirement payments. The Statement requires that amounts in governmental funds, which will be liquidated with current financial resources be recorded as a fund liability. The Town anticipates that the entire liability will be paid with current resources and is recorded in the fund.

TOWN OF BENNETT, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Upcoming Accounting Pronouncements

In June, 2023, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections an Amendment of GASB Statement No. 62*. The objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decisions or assessing accountability. This Statement is effective for fiscal years beginning after June 15, 2024.

GASB Statement No. 102, *Certain Risk Disclosures*, will be implemented as required by GASB during fiscal year ending September 30, 2025. The objective of the Statement is to provide users of government financial statements with essential information about risks related to a government’s vulnerabilities due to certain concentrations or constraints. This Statement defines a concentration as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government’s highest level of decision-making authority. Concentrations and constraints may limit a government’s ability to acquire resources or control spending. The Town is currently evaluating potential changes to the financial statements as a result of the implementation of this Statement.

In April, 2024, the GASB issued Statement No. 103 *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. The statement requires that the management’s discussion and analysis be reported in five sections. The statement also describes unusual or infrequent items. Proprietary funds must now report and subtotal noncapital subsidies. Major component units must be presented separately. And the budget to actual information must be reported as RSI. The Town is currently evaluating the effect this statement will have on its financial reporting.

Prior Year Amounts

Certain prior year amounts have been reclassified to conform to the current year presentation.

NOTE 3 - CASH AND INVESTMENTS

Cash and investments as of December 31, 2023 are classified in the accompanying financial statements as follows:

Governmental activities:

Cash and investments	\$ 27,898,475
Cash and investments – Restricted	1,841,057
Total cash and investments	<u>\$ 29,739,532</u>

Cash and investments as of December 31, 2023 consist of the following:

Deposits with financial institutions	\$ 1,654,127
Investments	28,085,405
Total cash and investments	<u>\$ 29,739,532</u>

TOWN OF BENNETT, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

Deposits with Financial Institutions

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

The State Bank Commissioner is required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

As of December 31, 2023, the Town's cash deposits had a bank balance of \$1,572,549 and a carrying balance of \$1,654,127. As of December 31, 2023, of the Town's deposits \$673,955 was covered by the Federal Deposit Insurance Corporation (FDIC), \$898,595 was covered by the PDPA and \$307,338 is held by a third-party vendor not covered by FDIC insurance, the PDPA or specific securities.

Investments

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

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

Concentration of credit risk. While the Town's policy does not prescribe percentages of investments that maybe held, the Town generally limits its concentration of investments to certain money market funds and local government investment pools, which are believed to have minimal credit risk, minimal interest rate risk, and no foreign currency risk. Additionally, the Town is not subject to concentration of custodial risk disclosure requirements or subject to investment custodial risk for investments that are in the possession of another party.

Interest rate risk. The Town's policy for the investment of operating funds limits maturities to five years or less except for repurchase agreements which may be for 10 years.

As of December 31, 2023, the Town had the following investments:

TOWN OF BENNETT, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

	Weighted Average Maturity	Net Asset Value
COLOTRUST PLUS+	48 days to reset 78 days to maturity	\$ 28,085,405

The Town invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Town invests in one of COLOTRUST's pools, COLOTRUST PLUS+. The PLUS+ Trust operates similarly to a money market fund and each share is equal in value to \$1.00. This portfolio may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. COLOTRUST PLUS+ attempts to maintain a NAV of \$1.00 per share. At December 31, 2023 the NAV was \$1.00.

A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST Plus+ is rated AAAM by Standards & Poor's. COLOTRUST's PLUS+ does not have any unfunded commitments, redemption restrictions or redemption notice periods.

Fair Value Hierarchy. The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Town has no investments which are required to be valued in the hierarchy.

Restricted Cash and Investments

At December 31, 2023, the Town has restricted cash of \$723,461 and \$476,492 in the Sales Tax Capital Improvement and Use Tax Capital Improvement funds. These amounts are restricted for capital construction. In addition, the Town has restricted cash of \$393,973 in the Water Fund and \$247,131 in the Wastewater Fund. These amounts are restricted for debt reserves.

NOTE 4 - CAPITAL ASSETS

As described in Note 1, the Town adopted GASB Statement 96 *Subscription-Based Information Technology*. As a result, the Town recorded a right-to-use asset of software totaling \$91,594. The beginning balance of capital assets was restated for this amount.

Capital asset activity for the governmental activities for year ended December 31, 2023 was as follows:

TOWN OF BENNETT, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 4 - CAPITAL ASSETS (CONTINUED)

	Balance at December 31, 2022 (Restated)	Increases	Decreases	Balance at December 31, 2023
Governmental Activities				
Capital assets, not being depreciated:				
Land and improvements	\$ 2,758,194	\$ -	\$ -	\$ 2,758,194
Public art	40,989	87,566	-	128,555
Construction in progress	7,537,831	4,135,261	(1,406,291)	10,266,801
Total capital assets, not being depreciated	<u>10,337,014</u>	<u>4,222,827</u>	<u>(1,406,291)</u>	<u>13,153,550</u>
Capital assets, being depreciated:				
Buildings	4,150,494	290,863	-	4,441,357
Infrastructure	13,980,521	594,519	-	14,575,040
Parks and recreation fields	5,541,199	1,361,956	-	6,903,155
Vehicle and equipment	925,383	-	-	925,383
Information technology	150,809	8,546	-	159,355
Street and park equipment	474,435	12,750	-	487,185
Total capital assets, being depreciated	<u>25,222,841</u>	<u>2,268,634</u>	<u>-</u>	<u>27,491,475</u>
Less accumulated depreciation for:				
Buildings	(962,062)	(136,922)	-	(1,098,984)
Infrastructure	(1,788,593)	(464,581)	-	(2,253,174)
Parks and recreation fields	(1,427,397)	(268,145)	-	(1,695,542)
Vehicle and equipment	(451,125)	(71,156)	-	(522,281)
Information technology	(83,815)	(19,143)	-	(102,958)
Street and park equipment	(193,682)	(55,600)	-	(249,282)
Total accumulated depreciation	<u>(4,906,674)</u>	<u>(1,015,547)</u>	<u>-</u>	<u>(5,922,221)</u>
Total capital assets, being depreciated, net	<u>20,316,167</u>	<u>1,253,087</u>	<u>-</u>	<u>21,569,254</u>
Capital assets, net	<u>30,653,181</u>	<u>5,475,914</u>	<u>(1,406,291)</u>	<u>34,722,804</u>
Right to use assets				
Subscription-Based Information Technology Arrangements	91,594	-	-	91,594
Less accumulated amortization for right to use assets	-	(18,319)	-	(18,319)
Right to use assets, net	<u>91,594</u>	<u>(18,319)</u>	<u>-</u>	<u>73,275</u>
Total capital/right to use assets	<u>\$ 30,744,775</u>	<u>\$ 5,457,595</u>	<u>\$ (1,406,291)</u>	<u>\$ 34,796,079</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

General government	\$ 620,646
Public works	111,795
Culture and recreation	283,106
Total depreciation expense	<u>\$ 1,015,547</u>

TOWN OF BENNETT, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 4 - CAPITAL ASSETS(CONTINUED)

Capital asset activity for the business-type activities for year ended December 31, 2023 was as follows:

	Balance at December 31, 2002	Increases	Decreases	Balance at December 31, 2023
Business-type activities				
Capital assets, not being depreciated:				
Land and improvements	\$ 67,138	\$ -	\$ -	\$ 67,138
Water rights	1,205,799	-	-	1,205,799
Construction in progress	8,243,562	3,248,410	(5,379,611)	6,112,361
Total capital assets, not being depreciated	<u>9,516,499</u>	<u>3,248,410</u>	<u>(5,379,611)</u>	<u>7,385,298</u>
Capital assets, being depreciated:				
Buildings and plant	7,204,664	-	-	7,204,664
Collection systems	7,792,745	-	-	7,792,745
Water systems	11,619,543	5,844,473	-	17,464,016
Ponds	656,605	-	-	656,605
Equipment	1,683,310	68,234	-	1,751,544
Total capital assets, being depreciated	<u>28,956,867</u>	<u>5,912,707</u>	<u>-</u>	<u>34,869,574</u>
Less accumulated depreciation for:				
Buildings and plant	(747,591)	(179,363)	-	(926,954)
Collection systems	(991,779)	(244,643)	-	(1,236,422)
Water systems	(3,623,292)	(366,970)	-	(3,990,262)
Ponds	(332,056)	(16,160)	-	(348,216)
Equipment	(676,627)	(97,273)	-	(773,900)
Total accumulated depreciation	<u>(6,371,345)</u>	<u>(904,409)</u>	<u>-</u>	<u>(7,275,754)</u>
Total capital assets, being depreciated, net	<u>22,585,522</u>	<u>5,008,298</u>	<u>-</u>	<u>27,593,820</u>
Total capital assets	<u>\$ 32,102,021</u>	<u>\$ 8,256,708</u>	<u>\$ (5,379,611)</u>	<u>\$ 34,979,118</u>

Depreciation expense was charged to functions/programs as follows:

Water	\$ 432,734
Wastewater	471,675
Total depreciation expense	<u>\$ 904,409</u>

NOTE 5 - LONG-TERM OBLIGATIONS

The following is an analysis of the changes in the Town's long-term obligations for the year ended December 31, 2023. The activity of the Town's long-term governmental activities obligations is as follows:

TOWN OF BENNETT, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

Governmental Activities:

Series 2016 Sales Tax Revenue Bond	\$ 4,620,000	\$ -	\$ 175,000	4,445,000	\$ 175,000
Series 2016 premium	333,760	-	30,222	303,538	-
Private Placement with a financial institution					
Series 2017 GO refunding Note	1,345,139		250,922	1,094,217	25,000
Series 2021, GO Bonds	3,545,000	-	100,000	3,445,000	110,000
Series 2021 premium	373,672	-	29,495	344,177	-
Software subscription liability	91,594	-	17,252	74,342	17,770
	<u>\$ 10,309,165</u>	<u>\$ -</u>	<u>\$ 602,891</u>	<u>9,706,274</u>	<u>\$ 327,770</u>

During 2016, the Town issued \$5,700,000 Sales Tax Revenue Bond to finance the construction and maintenance of existing and planned street-related capital improvements within the Town. Interest payments are due semi-annually on June 1 and December 1, with interest accruing at rates ranging from 2% to 4%. Principal payments are due annually on December 1, through 2040.

The bonds maturing on and after December 2025 are subject to redemption prior to maturity, at the option of the Town, in whole or in part. If in part, the Town shall determine by lot within a maturity, on December 2024 and on any date thereafter at a redemption price equal to the principal amount with the accrued interest to the redemption date. Following is a summary of the debt service requirements under the agreement:

Year ended December 31,	Principal	Interest	Total
2024	\$ 175,000	\$ 177,800	\$ 352,800
2025	175,000	170,800	345,800
2026	195,000	163,800	358,800
2027	200,000	156,000	356,000
2028	200,000	148,000	348,000
2029-2033	1,130,000	613,800	1,743,800
2034-2038	1,380,000	368,000	1,748,000
2039-2043	990,000	66,800	1,056,800
Totals	<u>\$ 4,445,000</u>	<u>\$ 1,865,000</u>	<u>\$ 6,310,000</u>

During 2017, the Antelope Hills General Improvement District (the District) issued \$1,995,000 General Obligation Refunding Note to refund and pay the outstanding Series 2006 bond. Interest payments are due semi-annually on June 1 and December 1, with interest accruing at a rate of 5.50%. Principal payments are due annually on December 1, through 2040. The District has pledged the net revenues listed below. The Note is subject to redemption prior to maturity, at the option of the District, as a whole or in part, on any date thereafter, upon payment of par and accrued interest to the date of redemption.

TOWN OF BENNETT, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

The 2017 Note is secured by and payable solely from and to the extent of the Net Pledged Revenue, which includes the following, after the payment of costs for Allowable Operations Expenses which are limited to an initial amount of \$12,500, which may be increased 2% per year (up to a maximum of \$15,000):

- the District’s covenant to levy the Limited Mill Levy on all taxable property in the District
- any specific ownership tax revenues attributable to the Limited Mill Levy
- revenues collected from the Facilities Fees imposed by the District
- any other legally available funds of the District

The Limited Mill Levy is defined as an ad valorem mill levy not less than 35 mills and not in excess of 36.71 mills. Such minimum and maximum mill levies are subject to adjustment due to changes in the method of calculating assessed valuation after the issuance of the 2017 Note. For the purposes of this provision, collection year 2017 is the base year for the ratio for assessment to actual valuation and for making any determination of mill levy equivalency. The loan also requires additional payments totaling \$669,217 over the life of the Note. Following is a summary of debt service requirements under the agreement:

Year ended December 31,	Principal	Interest	Total
2024	\$ 25,000	\$ 60,349	\$ 85,349
2025	25,000	59,624	84,624
2026	25,000	58,230	83,230
2027	25,000	56,836	81,836
2028	25,000	55,593	80,593
2029-2033	125,000	256,432	381,432
2034-2038	125,000	221,565	346,565
2039-2043	719,217	78,925	798,142
Totals	<u>\$ 1,094,217</u>	<u>\$ 847,553</u>	<u>\$ 1,941,770</u>

During 2021, the Town issued \$3,685,000 Refunding and Improvement Certificates of Participation. Proceeds were used to: i) current refund the outstanding 2017 lease purchase agreement in the amount of \$1,797,000; ii) finance the acquisition, construction, installation, and equipping of various public improvements to be used as the Town’s new North Municipal Complex; and iii) pay the costs of issuing the certificates. Interest payments are due semi-annually on June 1 and December 1, with interest accruing at a rate of 4%. Principal payments are due annually on December 1, through 2045.

The certificates maturing on and after December 1, 2034 are subject to redemption prior to their respective maturity dates, in whole or in part, at a redemption price equal to the principal amount of the certificates, plus accrued interest to the redemption date. Following is a summary of debt service requirements:

TOWN OF BENNETT, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

<u>Year ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 110,000	\$ 113,100	\$ 223,100
2025	110,000	108,700	218,700
2026	115,000	104,300	219,300
2027	115,000	99,700	214,700
2028	125,000	95,100	220,100
2029-2033	695,000	398,550	1,093,550
2034-2038	815,000	278,700	1,093,700
2039-2043	945,000	149,550	1,094,550
2044-2048	415,000	18,750	433,750
	<u>\$ 3,445,000</u>	<u>\$ 1,366,450</u>	<u>\$ 4,811,450</u>

During the year ended December 31, 2023 the Town adopted GASB 96 *Subscription-Based Information Technology (SBITAs)*. The Town has two subscriptions which, under this statement, the Town recognizes a subscription liability and an intangible right-to-use asset in the government wide statements.

At the commencement of the subscription, the Town initially measures the liability at the present value of payments expected to be made during the subscription term including any purchase option price that the Town is reasonably certain to exercise. The amount of the liability at January 1, 2023 was \$91,594. Subsequently, the liability is reduced by the principal portion of the subscription payments made. The vendors did not provide an interest rate for the contract and the Town used its estimated incremental borrowing rate of 3%. The Town believes that the annual contract will be renewed five times.

The right-to-use asset is initially measured as the initial amount of the subscription liability, adjusted for payments made at or before the subscription commencement date, plus implementation costs that can be capitalized. Subsequently, the subscription asset is amortized on a straight-line basis over the assets estimated useful life. Following is a summary of debt service requirements:

<u>Year ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 17,770	\$ 4,048	\$ 21,818
2025	18,303	4,050	22,353
2026	18,852	4,052	22,904
2027	19,417	4,054	23,471
	<u>\$ 74,342</u>	<u>\$ 16,204</u>	<u>\$ 90,546</u>

TOWN OF BENNETT, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

The activity of the Town's long-term business-type activities obligations is as follows:

Business-type activities					
Private Placement with CWCB					
2015 Water loan	\$ 1,331,143	\$ -	\$ 33,359	1,297,784	\$ 34,442
Private Placement with CWRPDA					
2016 Water loan	1,883,649		117,841	1,765,808	120,210
2017 Wastewater loan	2,116,999	-	83,021	2,033,978	83,020
2018 Wastewater loan	3,127,581	-	143,174	2,984,407	96,798
2019 Capital lease	154,750	-	74,526	80,224	80,224
Series 2020 Water revenue bonds	4,650,000	-	135,000	4,515,000	140,000
Series 2020 premium	605,996	-	46,673	559,323	-
	<u>\$ 13,870,118</u>	<u>\$ -</u>	<u>\$ 633,594</u>	<u>13,236,524</u>	<u>\$ 554,694</u>

During 2015, During 2015, the Town issued \$1,454,000 Water Loan through the Colorado Water Conservation Board (C W C B) to replace two wells. Interest payments are due annually on August 1, with interest accruing at a rate of 3.25%. Principal payments are due annually on August 1, through 2048. The Town must add an amount of \$7,662 annually to a debt reserve fund, with a maximum reserve of \$76,620. The Town has funded these reserves through restrictions of its cash balances in the Water Fund. As of December 31, 2022, the Town has met all reserve requirements. Following is a summary of debt service requirements:

Year ended December 31,	Principal	Interest	Total
2024	\$ 34,442	\$ 42,178	\$ 76,620
2025	35,562	41,058	76,620
2026	36,717	39,903	76,620
2027	37,911	38,709	76,620
2028	39,143	37,477	76,620
2029-2033	215,644	167,458	383,102
2034-2038	253,039	130,063	383,102
2039-2043	296,919	86,183	383,102
2044-2048	348,407	34,694	383,101
	<u>\$ 1,297,784</u>	<u>\$ 617,723</u>	<u>\$ 1,915,507</u>

During 2016, the Town issued \$2,500,000 Drinking Water Revolving Fund Loan with Colorado Water Resources and Power Development Authority (CWRPDA) to replace existing water system storage. Interest payments are due semi-annually on May 1 and November 1, with interest accruing at a rate of 2%.

TOWN OF BENNETT, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

Principal payments are due semiannually on May 1 and November 1, through 2036. The loan contains a net revenue pledge of Water Fund revenues towards repayment.

The Town is required to maintain an operations and reserve fund in an amount equal to three months of operations and maintenance expenses, excluding depreciation. The reserve can be in the form of cash or fund equity. At December 31, 2023, \$393,973 has been reserved for this purpose.

During 2017, the Town issued \$2,500,000 Water Pollution Control Revolving Fund Loan with CWRPDA to construct a new mechanical wastewater treatment facility to replace the existing lagoon system. Principal payments are due semi-annually on May 1 and November 1, through 2038. This loan has a zero-interest rate. The loan contains a net revenue pledge of Wastewater Fund revenues towards repayment. The Town is required to maintain an operations and reserve fund in an amount equal to three months of operations and maintenance expenses, excluding depreciation. This reserve can be in the form of cash or fund equity. At December 31, 2023, \$247,131 has been reserved for this purpose.

During 2018, the Town issued \$3,500,000 Water Pollution Control Revolving Fund Loan with CWRPDA to construct a new mechanical wastewater treatment facility to replace the existing lagoon system. Interest payments are due semi-annually on May 1 and November 1, with interest accruing at a rate of 1.89%. Principal payments are due semi-annually on May 1 and November 1, through 2048. The loan contains a net revenue pledge of Wastewater Fund revenues towards repayment. This reserve can be in the form of cash or fund equity. As noted above \$247,131 is reserved for this purpose.

Annual debt service requirements for all CWRPDA outstanding loans at December 31, 2023 are as follows:

Year ended December 31,	Principal	Interest	Total
2024	\$ 300,028	\$ 90,668	\$ 390,696
2025	304,283	86,414	390,697
2026	308,621	82,076	390,697
2027	313,044	77,653	390,697
2028	317,553	73,143	390,696
2029-2033	1,658,570	294,912	1,953,482
2034-2038	1,470,816	172,811	1,643,627
2039-2043	1,081,716	97,127	1,178,843
2044-2048	1,029,564	31,384	1,060,948
	<u>\$ 6,784,195</u>	<u>\$ 1,006,188</u>	<u>\$ 7,790,383</u>

TOWN OF BENNETT, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

All the CWRDPA loans require that net revenues represent a sum equal to 110% of the amount necessary to pay, when due, the principal and interest on the loans coming due during the fiscal year. The Town believes that it is in compliance with the requirements as of December 31, 2023.

Leases Liabilities

In 2019, the Town entered into a lease purchase agreement for a Vac-Con Jetvac Truck in the original principal amount of \$361,055. Lease payments are due annually on August 15, with interest accruing at a rate of 3.97%, through 2024. At December 31, 2023, the net book value of this asset is \$216,634. Annual debt service requirements are as follows:

<u>Year ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 80,224	\$ 3,075	\$ 83,299

During 2020, the Town issued \$4,905,000 Water Revenue Bonds to finance the acquisition of renewable water rights and the construction of well and well field improvements. Interest payments are due semiannually on June 1 and December 1, with interest accruing at rates ranging from 3% to 4%. Principal payments are due annually on December 1, through 2045. Annual debt service requirements for the bonds are as follows:

<u>Year ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 140,000	\$ 153,000	\$ 293,000
2025	140,000	148,800	288,800
2026	145,000	144,600	289,600
2027	150,000	138,800	288,800
2028	160,000	132,800	292,800
2029-2033	890,000	563,400	1,453,400
2034-2038	1,080,000	377,150	1,457,150
2039-2043	1,255,000	198,450	1,453,450
2044-2048	555,000	25,050	580,050
	<u>\$ 4,515,000</u>	<u>\$ 1,882,050</u>	<u>\$ 6,397,050</u>

NOTE 6 - NET POSITION

As also described in Note 2, net position in the Government-wide Statement of Net Position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulators of other governments.

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

TOWN OF BENNETT, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 6 - NET POSITION (CONTINUED)

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of notes, capital leases and bonds that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2023, the Town had a net investment in capital assets calculated as follows:

	Governmental Activities	Business-Type Activities
Net investment in capital assets:		
Capital assets, net	\$ 34,796,079	\$ 34,979,118
Debt related to capital assets	8,178,027	13,236,524
Net investment in capital assets	\$ 26,618,052	\$ 21,742,594

Restricted assets include restrictions for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. In the governmental activities, the Town had restricted net position of \$323,965 as of December 31, 2023. The Town's unrestricted net position as of December 31, 2023 is \$8,177,869 and \$17,521,128 for the business-type activities.

NOTE 7 - PENSION PLAN

The Town participates in the Colorado County Officials and Employees Retirement Association (CCOERA), a multiple employer defined contribution plan, to which permanent employees contribute. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees become plan members after one year of regular full-time or regular part-time service. Under this plan, 3% of the plan members' compensation is withheld and remitted to the Plan Administrator along with a matching payment of 3% from the Town. Employees are immediately vested in their own contributions and earnings on those contributions.

For the years ended December 31, 2023, 2022 and 2021, the Town recognized contributions of \$83,014, \$66,052, and \$60,133.

Deferred Compensation Plan

The Town has a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is administered by CCOERA. Participation in the plan is optional for all employees. The plan allows employees to defer a portion of their salary until future years.

TOWN OF BENNETT, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 9 - COMMITMENTS AND CONTINGENCIES

Grants

The Town participates in various federal, state and local grant programs. In the current fiscal year, the federal grants are subject to program compliance audits pursuant to the Single Audit Act as amended. Accordingly, the government's compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the government anticipates such amounts, if any, will not have a material effect on the Town's financial statements.

Construction commitments

At December 31, 2023, the Town has entered into contracts totaling \$5,611,096. The remaining amounts to be expended under these contracts is \$1,797,142.

NOTE 10 - TRANSFERS/INTERFUND RECEIVABLES & PAYABLES

Interfund transfers for the year ended December 31, 2023 are as follows:

Transfers Out	Transfers In				Total
	General Fund	Grants Fund	Use Tax Capital Improvement	Water	
General Fund	\$ -	\$ 38,814	\$ 230,120	\$ -	\$ 268,934
Grants	-	-	-	1,085,773	1,085,773
Use Tax Capital Improvement	-	66,355	-	-	66,355
Non-Major	-	154,417	-	-	154,417
Water	220,300	597,303	-	-	817,603
Wastewater	220,300	-	-	-	220,300
	<u>\$ 440,600</u>	<u>\$ 856,889</u>	<u>\$ 230,120</u>	<u>\$ 1,085,773</u>	<u>\$ 2,613,382</u>

The transfer from the proprietary funds to the General Fund is to reimburse certain administrative costs. The transfers to the Grant Fund are to provide resources for grant matching expenditures.

Interfund receivables/payables are as follows as of December 31, 2023:

	Interfund Receivables	Interfund Payables
General	\$ 2,528,072	\$ -
Grants	-	1,411,215
Sales Tax Capital Improvement	-	480,516
Use Tax Capital Improvement	-	31,737
Nonmajor Governmental Funds	-	143,522
Water Fund	-	461,082
	<u>\$ 2,528,072</u>	<u>\$ 2,528,072</u>

TOWN OF BENNETT, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 10 – TRANSFERS/INTERFUND RECEIVABLES & PAYABLES d(CONTINUED)

During the course of operations, transactions occur between Town funds for goods and services provided and services rendered and for the reimbursement of expenditures. Related interfund receivables and payables are classified as due from other funds and due to other funds on the balance sheet and will be settled within one year.

NOTE 11 - RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA). CIRSA is a joint self-insurance pool created by intergovernmental agreement of 275 members to provide property and liability and/or workers' compensation coverage to its members.

Coverage is provided through pooling of self-insured losses and the purchase of excess insurance coverage. CIRSA has a legal obligation for claims against its members to the extent that funds are available in its annually established loss fund, and those amounts are available from insurance providers under excess specific and aggregate insurance contracts.

Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members. CIRSA has indicated that the amount of any excess losses would be billed to members in proportion to their contributions in the year such excess occurs, although it is not legally required to do so. The Town maintains commercial insurance for workers' compensation coverage. Claims have not exceeded coverage in any of the past three fiscal years.

NOTE 12 - TAX, SPENDING AND DEBT LIMITATIONS

In November 1992, Colorado voters passed the TABOR Amendment to the State Constitution which limits state and local government taxing powers and imposes spending limitations. Fiscal year 1992 provides the basis for limits in future years, to which may be applied allowable increases for inflation and property valuation.

Revenue received in excess of the limitations is required to be refunded unless the Town's electorate vote to retain the revenue.

The TABOR Amendment is subject to many interpretations, but the Town believes it is in substantial compliance with the Amendment.

In November 1994, voters permitted the Town, without increasing or adding any taxes of any kind, to collect, retain or expend revenues generated from all sources during 1994 and each subsequent year for trails, parks, and open space, storm water facilities and drainage, street, curb and sidewalk construction, repair and maintenance, police services, and for other basic municipal services and lawful purposes, without limitation.

The Town has established an emergency reserve of 3%, 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 \$312,905.

TOWN OF BENNETT, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 13 - SUBSEQUENT EVENTS

During the year ending December 31,2024, the Town entered into a lease for the purchase of certain vehicles. The requires annual payments of \$157,137 and amount of the lease is \$795,687.

NOTE 14 - RESTATEMENTS

During its preparation for the audit the Town discovered the following issues which required a restatement the fund balance, along with those restatements as the result of adopting a new accounting pronouncement:

Government Wide Level

Certain capital assets were not included in construction in progress	\$ 370,279
The adoption of GASB Statement 101 and the resulting increase in compensated absences	(29,988)

Fund Level

General Fund	
The adoption of GASB Statement 101 and the resulting increase in compensated absences	(98,207)
Grants Fund	
To record matching funds relating to the previous year	116,908
Use Tax Capital Improvement Fund	
To record matching funds relating to the previous year	(31,738)
Non-Major Funds	
To record matching funds relating to the previous year	\$ (85,170)

REQUIRED SUPPLEMENTARY INFORMATION

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TOWN OF BENNETT, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
NON GAAP BUDGET BASIS
GENERAL FUND
Year Ended December 31, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 5,176,820	\$ 5,176,820	\$ 5,268,631	\$ 91,811
Licenses and permits	408,725	408,725	773,297	364,572
Charges for service	435,235	435,235	460,837	25,602
Fines and forfeitures	5,990	5,990	54,469	48,479
Bennett arts and cultural fund	110,500	110,500	131,714	21,214
Net investment income	379,805	379,805	218,718	(161,087)
Other	49,095	49,095	236,913	187,818
Total revenues	<u>6,566,170</u>	<u>6,566,170</u>	<u>7,144,579</u>	<u>578,409</u>
EXPENDITURES				
General government	3,687,280	3,687,280	3,846,499	(159,219)
Public safety	685,430	685,430	648,398	37,032
Public works	505,755	505,755	522,058	(16,303)
Culture and recreation	413,685	413,685	381,470	32,215
Cemetery	25,000	25,000	19,327	5,673
Buildings	326,385	326,385	267,512	58,873
Nondepartmental	768,109	768,109	367,204	400,905
Bennett arts and cultural fund	235,500	335,500	122,746	212,754
Capital outlay	-	146,000	274,269	(128,269)
Total expenditures	<u>6,647,144</u>	<u>6,893,144</u>	<u>6,449,483</u>	<u>443,661</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(80,974)</u>	<u>(326,974)</u>	<u>695,096</u>	<u>1,022,070</u>
OTHER FINANCING SOURCES (USES)				
Sale of general assets	20,000	20,000	6,700	(13,300)
Transfers in	666,765	666,765	440,600	(226,165)
Transfers (out)	(504,626)	(504,626)	(268,934)	235,692
Total other financing sources (uses)	<u>182,139</u>	<u>182,139</u>	<u>178,366</u>	<u>(3,773)</u>
NET CHANGE IN FUND BALANCES	<u>\$ 101,165</u>	<u>\$ (144,835)</u>	<u>873,462</u>	<u>\$ 1,018,297</u>
FUND BALANCE - BEGINNING OF YEAR (AS ORIGINALLY REPORTED)			4,366,235	
Restatement of Equity			<u>(98,207)</u>	
FUND BALANCE - END OF YEAR			<u>\$ 5,141,490</u>	

TOWN OF BENNETT, COLORADO
SCHEDULE OF REVENUES
BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2023

<u>Revenues</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Taxes				
Property tax	\$ 629,570	\$ 629,570	\$ 629,950	\$ 380
Sales and use tax	4,397,900	4,397,900	4,447,218	49,318
Lodging tax	58,400	58,400	70,528	12,128
Cigarette tax	7,115	7,115	9,759	2,644
Franchise tax	83,170	83,170	96,390	13,220
Severance tax	-	-	14,725	14,725
Other tax	665	665	61	(604)
Total taxes	<u>5,176,820</u>	<u>5,176,820</u>	<u>5,268,631</u>	<u>91,811</u>
Licenses and permits				
Building permits	266,515	266,515	516,217	249,702
Plan reviews	36,010	36,010	93,560	57,550
Animal licenses	1,860	1,860	688	(1,172)
Liquor licenses	1,950	1,950	1,075	(875)
Infrastructure inspection fees	50,000	50,000	60,027	10,027
Miscellaneous	52,390	52,390	101,730	49,340
Total licenses and permits	<u>408,725</u>	<u>408,725</u>	<u>773,297</u>	<u>364,572</u>
Charges for services				
Charges for services rentals	69,320	69,320	70,430	1,110
Internal department charges	349,740	349,740	378,587	28,847
Cemetery charges	15,975	15,975	11,800	(4,175)
Other charges for services	200	200	20	(180)
Total charges for services	<u>435,235</u>	<u>435,235</u>	<u>460,837</u>	<u>25,602</u>
Fines and forfeitures				
Court fees	5,990	5,990	54,469	48,479
Total fines and forfeitures	<u>5,990</u>	<u>5,990</u>	<u>54,469</u>	<u>48,479</u>
Investment Earnings				
Investment earnings	379,805	379,805	218,718	(161,087)
Total investment earnings	<u>379,805</u>	<u>379,805</u>	<u>218,718</u>	<u>(161,087)</u>
Bennett art and cultural fund				
Bennett art and cultural fund	110,500	110,500	131,714	21,214
Total Bennett art and cultural fund	<u>110,500</u>	<u>110,500</u>	<u>131,714</u>	<u>21,214</u>
Other revenues				
Impact fees	27,920	27,920	68,288	40,368
Miscellaneous revenues	21,175	21,175	168,625	147,450
Total other revenues	<u>49,095</u>	<u>49,095</u>	<u>236,913</u>	<u>187,818</u>
Other financing sources				
Sale of general assets	20,000	20,000	6,700	(13,300)
Transfers in	666,765	666,765	440,600	(226,165)
Total other financing sources	<u>686,765</u>	<u>686,765</u>	<u>447,300</u>	<u>(239,465)</u>
Total revenues	<u>\$ 7,252,935</u>	<u>\$ 7,252,935</u>	<u>\$ 7,591,879</u>	<u>\$ 338,944</u>

TOWN OF BENNETT, COLORADO
SCHEDULE OF REVENUES
BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<u>Expenditures</u>				
General government				
Administration	\$ 1,523,165	\$ 1,523,165	\$ 1,526,958	\$ (3,793)
Communication	19,235	19,235	43,498	(24,263)
Finance	428,550	428,550	415,583	12,967
Boards and commissions	204,445	204,445	152,893	51,552
Town clerk	84,335	84,335	70,389	13,946
Elections	1,500	1,500	-	1,500
Municipal court	35,140	35,140	38,862	(3,722)
Community development	434,355	434,355	615,334	(180,979)
Planning	253,040	253,040	286,471	(33,431)
Economic development	184,970	184,970	132,126	52,844
Information technology	146,240	146,240	143,896	2,344
Internal services	372,305	372,305	420,489	(48,184)
Total general government	<u>3,687,280</u>	<u>3,687,280</u>	<u>3,846,499</u>	<u>(159,219)</u>
Public safety	685,430	685,430	648,398	37,032
Public works	505,755	505,755	522,058	(16,303)
Culture and recreation	413,685	413,685	381,470	32,215
Cemetery	25,000	25,000	19,327	5,673
Buildings	326,385	326,385	267,512	58,873
Non departmental	768,109	768,109	367,204	400,905
Bennett arts and cultural fund	235,500	335,500	122,746	212,754
Capital outlay	-	146,000	274,269	(128,269)
Total other expenditures	<u>2,959,864</u>	<u>3,205,864</u>	<u>2,602,984</u>	<u>602,880</u>
Transfers out	504,626	504,626	268,934	235,692
Total expenditures	<u>\$ 7,151,770</u>	<u>\$ 7,397,770</u>	<u>\$ 6,718,417</u>	<u>\$ 679,353</u>

TOWN OF BENNETT, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
GRANT FUND
Year Ended December 31, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 1,936,500	\$ 1,936,500	\$ 1,724,247	\$ (212,253)
Other income	-	-	275,972	275,972
Total revenues	<u>1,936,500</u>	<u>1,936,500</u>	<u>2,000,219</u>	<u>63,719</u>
EXPENDITURES				
Capital outlay	2,609,730	2,709,730	952,883	1,756,847
Total expenditures	<u>2,609,730</u>	<u>2,709,730</u>	<u>952,883</u>	<u>1,756,847</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(673,230)	(773,230)	1,047,336	1,820,566
OTHER FINANCING SOURCES (USES)				
Transfers in	673,500	673,500	856,888	183,388
Transfers (out)	(270)	(270)	(1,085,773)	(1,085,503)
Total other financing sources (uses)	<u>673,230</u>	<u>673,230</u>	<u>(228,885)</u>	<u>(902,115)</u>
NET CHANGE IN FUND BALANCES	<u>\$ -</u>	<u>\$ (100,000)</u>	818,451	<u>\$ 918,451</u>
FUND BALANCES - BEGINNING OF YEAR (AS ORIGINALLY REPORTED)			(935,359)	
Restatement of equity			<u>116,908</u>	
FUND BALANCES - END OF YEAR			<u>\$ -</u>	

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SUPPLEMENTARY INFORMATION

**TOWN OF BENNETT, COLORADO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2023**

	<u>Road and Bridge Fund</u>	<u>Conservation Trust Fund</u>	<u>Open Space Fund</u>
ASSETS			
Cash and investments	\$ 856,139	\$ 46,325	\$ 11,060
Accounts receivable	51,662	-	-
Property taxes receivable	-	-	-
TOTAL ASSETS	<u>\$ 907,801</u>	<u>\$ 46,325</u>	<u>\$ 11,060</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 1,385	\$ -	\$ -
Accrued expenses	5,243	-	-
Unearned revenues	455,336	-	-
Due to other funds	-	46,325	-
Total liabilities	<u>461,964</u>	<u>46,325</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-property taxes	-	-	-
FUND BALANCES			
Restricted			
Capital projects	-		
Parks and recreation	-	-	11,060
Assigned			
Public works	445,837	-	-
Total fund balances	<u>445,837</u>	<u>-</u>	<u>11,060</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 907,801</u>	<u>\$ 46,325</u>	<u>\$ 11,060</u>

Impact Fees Fund	Antelope Hills GID Fund	Total Nonmajor Governmental Funds
\$ 1,760,874	\$ 139,846	\$ 2,814,244
	1,149	52,811
	345,692	345,692
<u>\$ 1,760,874</u>	<u>\$ 486,687</u>	<u>\$ 3,212,747</u>
\$ 26,800	\$ -	\$ 28,185
	-	5,243
	-	455,336
97,197	-	143,522
<u>123,997</u>	<u>-</u>	<u>632,286</u>
-	345,692	345,692
1,636,877	140,995	1,777,872
		11,060
		445,837
<u>1,636,877</u>	<u>140,995</u>	<u>2,234,769</u>
<u>\$ 1,760,874</u>	<u>\$ 486,687</u>	<u>\$ 3,212,747</u>

TOWN OF BENNETT, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2023

	Road and Bridge Fund	Conservation Trust Fund	Public Open Space Fund
REVENUES			
Taxes	\$ 44,098	\$ -	\$ -
Intergovernmental	340,878	24,635	90,618
Net investment income	47,008	2,152	-
Impact fees	-	-	-
Total revenues	<u>431,984</u>	<u>26,787</u>	<u>90,618</u>
EXPENDITURES			
General government	-	-	-
Public works	288,654	-	-
Debt service			
Principal and interest	-	-	-
Capital outlay	203,496	-	-
Contingency/reserves	-	-	-
Total expenditures	<u>492,150</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(60,166)</u>	<u>26,787</u>	<u>90,618</u>
OTHER FINANCING SOURCES (USES)			
Transfers (out)	-	(31,537)	(79,658)
Total other financing sources (uses)	<u>-</u>	<u>(31,537)</u>	<u>(79,658)</u>
NET CHANGE IN FUND BALANCES	(60,166)	(4,750)	10,960
FUND BALANCES - BEGINNING OF YEAR (AS ORIGINALLY REPORTED)	506,003	4,750	100
Restatement of equity	-	-	-
FUND BALANCES - END OF YEAR	<u>\$ 445,837</u>	<u>\$ -</u>	<u>\$ 11,060</u>

Impact Fees Fund	Antelope Hills Fund	Total
\$ -	\$ 289,480	\$ 333,578
-	-	456,131
70,407	5,015	124,582
1,030,391	-	1,030,391
<u>1,100,798</u>	<u>294,495</u>	<u>1,944,682</u>
-	28,777	28,777
-	-	288,654
-	324,901	324,901
102,429	.	305,925
165,723	-	165,723
<u>268,152</u>	<u>353,678</u>	<u>1,113,980</u>
<u>832,646</u>	<u>(59,183)</u>	<u>830,702</u>
<u>(43,222)</u>	<u>-</u>	<u>(154,417)</u>
<u>(43,222)</u>	<u>-</u>	<u>(154,417)</u>
789,424	(59,183)	676,285
932,623	200,178	1,643,654
<u>(85,170)</u>	<u>-</u>	<u>(85,170)</u>
<u>\$ 1,636,877</u>	<u>\$ 140,995</u>	<u>\$ 2,234,769</u>

TOWN OF BENNETT, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
ROAD AND BRIDGE FUND
Year Ended December 31, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Specific ownership tax	\$ 30,515	\$ 30,515	\$ 42,637	\$ 12,122
Highway user tax	94,445	94,445	104,218	9,773
County road and bridge tax	198,460	198,460	219,027	20,567
Other taxes	-	-	1,461	1,461
Motor vehicle registration fees	9,645	9,645	17,633	7,988
Investment income	6,150	6,150	47,008	40,858
Total revenues	<u>339,215</u>	<u>339,215</u>	<u>431,984</u>	<u>92,769</u>
EXPENDITURES				
Public works	214,215	288,654	288,654	-
Capital outlay	<u>125,000</u>	<u>203,496</u>	<u>203,496</u>	<u>-</u>
Total expenditures	<u>339,215</u>	<u>492,150</u>	<u>492,150</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (152,935)</u>	<u>(60,166)</u>	<u>\$ 92,769</u>
FUND BALANCES - BEGINNING OF YEAR			<u>506,003</u>	
FUND BALANCES - END OF YEAR			<u>\$ 445,837</u>	

TOWN OF BENNETT, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
CONSERVATION TRUST FUND
Year Ended December 31, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 17,440	\$ 17,440	\$ 24,635	\$ 7,195
Investment income	-	-	2,152	2,152
Total revenues	<u>17,440</u>	<u>17,440</u>	<u>26,787</u>	<u>9,347</u>
EXPENDITURES				
Emergency reserves	17,440	-	-	-
Total expenditures	<u>17,440</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER UNDER EXPENDITURES	<u>-</u>	<u>17,440</u>	<u>26,787</u>	<u>9,347</u>
OTHER FINANCING SOURCES				
Transfers out	-	(31,537)	(31,537)	-
Total other financing sources	<u>-</u>	<u>(31,537)</u>	<u>(31,537)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (14,097)</u>	<u>(4,750)</u>	<u>\$ 9,347</u>
FUND BALANCES - BEGINNING OF YEAR			<u>4,750</u>	
FUND BALANCES - END OF YEAR			<u>\$ -</u>	

TOWN OF BENNETT, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
OPEN SPACE FUND
Year Ended December 31, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 69,525	\$ 89,603	\$ 90,618	\$ 1,015
Total revenues	<u>69,525</u>	<u>89,603</u>	<u>90,618</u>	<u>1,015</u>
EXPENDITURES				
Emergency reserves	54,565	54,565	-	54,565
Total expenditures	<u>54,565</u>	<u>54,565</u>	<u>-</u>	<u>54,565</u>
EXCESS (DEFICIENCY) OF REVENUES OVER UNDER EXPENDITURES	<u>14,960</u>	<u>35,038</u>	<u>90,618</u>	<u>55,580</u>
OTHER FINANCING SOURCES				
Transfers out	<u>(35,775)</u>	<u>(55,853)</u>	<u>(79,658)</u>	<u>(23,805)</u>
Total other financing sources	<u>(35,775)</u>	<u>(55,853)</u>	<u>(79,658)</u>	<u>(23,805)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (20,815)</u>	<u>\$ (20,815)</u>	10,960	<u>\$ 31,775</u>
FUND BALANCES - BEGINNING OF YEAR			<u>100</u>	
FUND BALANCES - END OF YEAR			<u>\$ 11,060</u>	

TOWN OF BENNETT, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
IMPACT FEE FUND
Year Ended December 31, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Impact fees	\$ 701,580	\$ 701,580	\$ 1,030,391	\$ 328,811
Interest income	-	24,877	70,407	45,530
Total revenues	<u>701,580</u>	<u>726,457</u>	<u>1,100,798</u>	<u>374,341</u>
EXPENDITURES				
Reserves	629,604	654,480	165,723	488,757
Capital Outlay	112,500	254,500	102,429	152,071
Total expenditures	<u>742,104</u>	<u>908,980</u>	<u>268,152</u>	<u>640,828</u>
EXCESS (DEFICIENCY) OF REVENUES OVER UNDER EXPENDITURES	<u>(40,524)</u>	<u>(182,523)</u>	<u>832,646</u>	<u>1,015,169</u>
OTHER FINANCING SOURCES				
Transfers out	(583,160)	(583,160)	(43,222)	539,938
Total other financing sources	<u>(583,160)</u>	<u>(583,160)</u>	<u>(43,222)</u>	<u>539,938</u>
NET CHANGE IN FUND BALANCES	<u>\$ (623,684)</u>	<u>\$ (765,683)</u>	<u>789,424</u>	<u>\$ 1,555,107</u>
FUND BALANCES - BEGINNING OF YEAR (AS ORIGINALLY REPORTED)			<u>932,623</u>	
Restatement of Equity			<u>(85,170)</u>	
FUND BALANCES - END OF YEAR			<u><u>\$ 1,636,877</u></u>	

TOWN OF BENNETT, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
ANTELOPE HILLS GID FUND
Year Ended December 31, 2023

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES			
Taxes			
Property tax	\$ 270,825	\$ 271,734	\$ 909
Specific Ownership tax	15,000	17,746	2,746
Investment earnings	100	5,015	4,915
Building permits	939	-	(939)
Total revenues	<u>286,864</u>	<u>294,495</u>	<u>7,631</u>
EXPENDITURES			
General government			
Finance	13,815	28,777	(14,962)
Debt service			
Principal and interest	283,298	324,901	(41,603)
Total expenditures	<u>297,113</u>	<u>353,678</u>	<u>(56,565)</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(10,249)</u>	<u>(59,183)</u>	<u>(48,934)</u>
OTHER FINANCING SOURCES			
Transfers in	14,061	-	(14,061)
Transfers out	(14,061)	-	14,061
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ (10,249)</u>	<u>(59,183)</u>	<u>\$ (48,934)</u>
FUND BALANCES - BEGINNING OF YEAR		<u>200,178</u>	
FUND BALANCES - END OF YEAR		<u>\$ 140,995</u>	

TOWN OF BENNETT, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
SALES TAX CAPITAL IMPROVEMENTS FUND
Year Ended December 31, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Sales tax	\$ 1,529,150	\$ 1,529,150	\$ 1,480,945	\$ (48,205)
Intergovernmental	-	-	1,513,000	1,513,000
Investment earnings	15,410	15,410	89,495	74,085
Total revenues	<u>1,544,560</u>	<u>1,544,560</u>	<u>3,083,440</u>	<u>1,538,880</u>
EXPENDITURES				
Current				
Public works	1,545,462	1,545,462	176,908	1,368,554
Capital outlay	112,500	3,352,500	3,232,767	119,733
Debt service				
Principal	360,300	360,300	359,800	500
Total expenditures	<u>2,018,262</u>	<u>5,258,262</u>	<u>3,769,475</u>	<u>1,488,787</u>
NET CHANGE IN FUND BALANCE	<u>\$ (473,702)</u>	<u>\$ (3,713,702)</u>	(686,035)	<u>\$ 3,027,667</u>
FUND BALANCES - BEGINNING OF YEAR			<u>1,976,374</u>	
FUND BALANCES - END OF YEAR			<u>\$ 1,290,339</u>	

TOWN OF BENNETT, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
USE TAX CAPITAL IMPROVEMENTS FUND
Year Ended December 31, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Use taxes	\$ 320,000	\$ 320,000	\$ 661,178	\$ 341,178
Intergovernmental	-	-	24,450	24,450
Investment earnings	270	270	70,210	69,940
Other	200	200	-	(200)
Total revenues	<u>320,470</u>	<u>320,470</u>	<u>755,838</u>	<u>435,368</u>
EXPENDITURES				
Capital outlay	200,000	489,265	319,326	169,939
Debt service				
Principal and interest	<u>215,900</u>	<u>215,900</u>	<u>219,100</u>	<u>(3,200)</u>
Total expenditures	<u>415,900</u>	<u>705,165</u>	<u>538,426</u>	<u>166,739</u>
EXCESS (DEFICIENCY) OF REVENUES OVER UNDER EXPENDITURES				
	<u>(95,430)</u>	<u>(384,695)</u>	<u>217,412</u>	<u>602,107</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	230,120	230,120	230,120	-
Transfers out	-	-	(66,355)	(66,355)
Total other financing sources (uses)	<u>230,120</u>	<u>230,120</u>	<u>163,765</u>	<u>(66,355)</u>
NET CHANGE IN FUND BALANCE				
	<u>\$ 134,690</u>	<u>\$ (154,575)</u>	<u>381,177</u>	<u>\$ 535,752</u>
FUND BALANCES - BEGINNING OF YEAR (AS ORIGINALLY REPORTED)				
			1,043,245	
Restatement of Equity			<u>(31,738)</u>	
FUND BALANCES - END OF YEAR				
			<u>\$ 1,392,684</u>	

TOWN OF BENNETT, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
NON-GAAP BUDGET BASIS- WATER FUND
Year Ended December 31, 2023

	<u>Original Budget</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Water sales	\$ 1,573,500	\$ 1,573,500	\$ 1,326,046	\$ (247,454)
Bulk water	990,275	990,275	200,533	(789,742)
Water development fees and contributions	2,743,630	3,560,498	3,635,105	74,607
Intergovernmental	-	-	25,000	25,000
Investment earnings	113,315	113,315	611,513	498,198
Other	-	-	182,468	182,468
Transfers in	910,000	910,000	1,085,773	175,773
Total revenues	<u>6,330,720</u>	<u>7,147,588</u>	<u>7,066,438</u>	<u>(81,150)</u>
EXPENDITURES				
Operations and maintenance	1,262,204	445,336	871,755	(426,419)
Capital outlay	1,837,000	4,707,868	2,426,277	2,281,591
Debt service				-
Principal and interest	204,431	204,431	560,525	(356,094)
Operating transfers out	1,130,300	1,130,300	817,603	312,697
Total expenditures	<u>4,433,935</u>	<u>6,487,935</u>	<u>4,676,160</u>	<u>1,811,775</u>
CHANGE IN NET POSITION, BUDGETARY BASIS	<u>\$ 1,896,785</u>	<u>\$ 659,653</u>	2,390,278	<u>\$ 1,730,625</u>
Reconciliation to GAAP Basis				
Capital Outlay			2,426,277	
Depreciation			(432,734)	
Debt service payments			370,136	
CHANGE IN NET POSITION, GAAP BASIS			4,753,957	
FUND BALANCES - BEGINNING OF YEAR			<u>19,795,595</u>	
FUND BALANCES - END OF YEAR			<u>\$ 24,549,552</u>	

TOWN OF BENNETT, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
NON-GAAP BUDGET BASIS- WASTEWATER FUND
Year Ended December 31, 2023

	Original Budget	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Charges for services	\$ 1,517,175	\$ 1,517,175	\$ 1,329,232	\$ (187,943)
Wastewater development fees	1,981,040	1,981,040	1,756,485	(224,555)
Intergovernmental	750,000	1,849,568	374,230	(1,475,338)
Investment earnings	12,190	12,190	222,667	210,477
Other	305,000	305,000	-	(305,000)
Operating transfers in	63,755	63,755	5,000	(58,755)
Total revenues	4,629,160	5,728,728	3,687,614	(2,041,114)
EXPENDITURES				
Operations and maintenance	623,075	623,075	709,454	(86,379)
Capital outlay	1,823,755	3,243,755	277,445	2,966,310
Debt service				
Principal and interest	259,175	259,175	330,666	(71,491)
Operating transfers out	195,465	195,465	220,300	(24,835)
Total expenditures	2,901,470	4,321,470	1,537,865	2,783,605
CHANGE IN NET POSITION, BUDGETARY BASIS				
	\$ 1,727,690	\$ 1,407,258	2,149,749	\$ 742,491
Reconciliation to GAAP Basis				
Capital Outlay			277,445	
Depreciation			(471,675)	
Debt service payments			263,458	
CHANGE IN NET POSITION, GAAP BASIS				
			2,218,977	
FUND BALANCES - BEGINNING OF YEAR				
			12,872,214	
FUND BALANCES - END OF YEAR				
			\$ 15,091,191	

OTHER SCHEDULES

DRAFT

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

LOCAL HIGHWAY FINANCE REPORT	City or County: Town Of Bennett
	YEAR ENDING : December 2023

This Information From The Records Of (example - City of _ or County of _) Town of Bennett Prepared By: Daniel Pennington Phone: 303-644-3249 ext:1024

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)	3,532,037
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	66,560
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	
2. General fund appropriations		b. Snow and ice removal	
3. Other local imposts (from page 2)	1,742,609	c. Other	27,154
4. Miscellaneous local receipts (from page 2)	136,503	d. Total (a. through c.)	27,154
5. Transfers from toll facilities		4. General administration & miscellaneous:	274,183
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	3,899,934
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	184,800
7. Total (1 through 6)	1,879,112	b. Redemption	175,000
B. Private Contributions		c. Total (a. + b.)	359,800
C. Receipts from State government (from page 2)	564,925	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	2,444,037	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	359,800
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	4,259,734

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	5,328,179		175,000	5,153,179
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
	2,204,585	2,444,037	4,259,734	388,887	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	136,503
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	1,480,945	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	261,665	g. Other Misc. Receipts	
6. Total (1. through 5.)	1,742,609	h. Other	
c. Total (a. + b.)	1,742,609	i. Total (a. through h.)	136,503
	(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	104,218	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	17,533	d. Federal Transit Admin	
d. Other (Specify) - CDOT Grant	443,174	e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	460,707	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	564,925	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		22,856	22,856
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		3,421,216	3,421,216
(4). System Enhancement & Operation		87,965	87,965
(5). Total Construction (1) + (2) + (3) + (4)	0	3,509,181	3,509,181
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	3,532,037	3,532,037
			(Carry forward to page 1)

Notes and Comments:

July 2, 2024

Town of Bennett
Single Audit Corrective Action Plan
For the Fiscal Year Ended 2023

AUDIT FINDINGS

Finding Reference Number: 2021-001

Description of Finding: Certain Proposed entries were identified by the Town personnel when preparing for the audit. These entries were made to restate the beginning fund balance as of January 1, 2023 for the following reasons.

- The Town did not record construction in progress for the amounts which were accrued at December 31, 2022.
- The Town did not record an operating transfer for the grants which had a matching requirement at December 31, 2022.

Statement of Concurrence or Nonconcurrence: The Town of Bennett concurs with the finding.

Corrective Action: Town Staff discovered an error created during the conversion of our asset management tracking from an Excel workbook to an asset management module in our accounting software. The error caused our construction in progress assets to be understated for December 31, 2022. The corrective entries have been made and the assets have been restated.

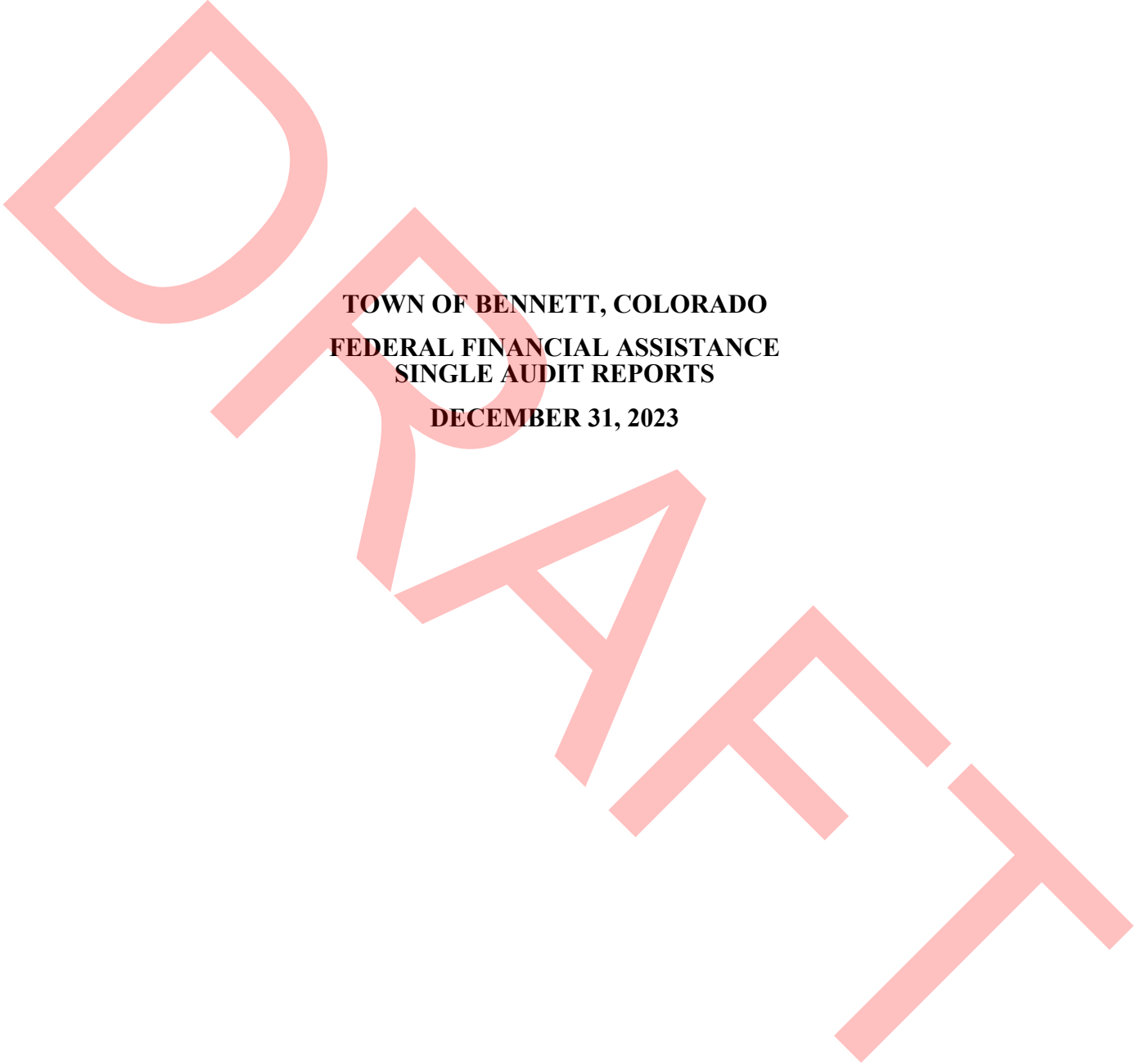
Town Staff will continue to work diligently to learn the intricacies of the new asset tracking software to ensure that reporting is accurate moving forward. When reports are prepared Town Staff will review them to ensure that all of the necessary information is included in the report.

In 2021, a new audit firm recommended that the Town change the way unavailable revenue is tracked in the grants fund. This change resulted in an insufficient operating transfer for match in the grants fund for December 31, 2022. The corrective entries have been made and the fund has been restated.

Town Staff has reverted to the way unavailable revenue in the grants fund was tracked prior to 2021. During that time the Town had no misstatements and all operating transfers for match were sufficient. Our current auditor is in favor of the change.

Name of Contact Person: Danette Ruvalcaba, Director of Finance, 303-644-3249 x 1021, druvalcaba@bennett.co.us

Projected Completion Date: The audit findings have been resolved. The Town will monitor capital assets and the grants fund quarterly to ensure that the corrective actions are successful.



**TOWN OF BENNETT, COLORADO
FEDERAL FINANCIAL ASSISTANCE
SINGLE AUDIT REPORTS
DECEMBER 31, 2023**

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Rae & Co., CPAs, LLC

P.O. Box 293 Cimnath Colorado, 80547

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Trustees
Town of Bennett, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town, as of and for the year ended December 31, 2023 and the related notes to the financial statements, which collectively comprise , the Town's basic financial statements and have issued our report thereon dated July 23, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as items 2023-001 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our testing disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Town of Bennett, Colorado's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Town's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Town's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Timnath, Colorado
July 23, 2024



Rae & Co., CPAs, LLC

P.O. Box 293 Cimnath Colorado, 80547

(970) 482-5312

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Trustees
Town of Bennett, Colorado

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Town of Bennett, Colorado's (the Town) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Town's major federal programs for the year ended December 31, 2023. The Town's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town of Bennett, Colorado complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Town's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Town's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Town's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of City of X, State Y's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance which are required to be reported in accordance with the Uniform Guidance.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on

a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Town as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We have issued our report thereon dated July 23, 2024, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Timnath, Colorado
July 23, 2024

TOWN OF BENNETT, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2023

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Identifying Number</u>	<u>Federal Expenditures</u>	<u>Passed Through to Subrecipients</u>
U.S. Department Of Interior				
Passed through the Colorado Department of Natural Resources- Colorado Parks and Wildlife Sport Fish Restoration	15.605	Fishing is Fun-CTGG1- PMAA 2023*3642	\$ 275,973	\$ -
Passed through the Colorado Department of Local Affairs Mineral Leasing Act	15.437	EIAF 9560	369,130	-
Total U.S. Department Of Interior			<u>645,103</u>	<u>-</u>
U.S. Department Of Transportation				
Passed through Colorado Department of Transportation Highway Planning and Construction	20.205	STU 0704-248 (23180)-304 Exit	1,102,486	-
Total U.S. Department of Health and Human Services			<u>1,102,486</u>	<u>-</u>
U.S. Department Of Homeland Security				
Hazard Mitigation Grant	97.039		111,000	-
Total U.S. Department Of Homeland Security			<u>111,000</u>	<u>-</u>
Total Federal Financial Assistance			<u>\$ 1,858,589</u>	<u>\$ -</u>

TOWN OF BENNETT, COLORADO
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2023

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) presents the activity of all federal award programs of the Town of Bennett, Colorado (the Town), for the year ended December 31, 2023. The information in this Schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Town, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Town. The Schedule includes federally funded projects received directly from federal agencies and the federal amount of pass-through awards received by the Town through the State of Colorado or other non-federal entities.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town's summary of significant accounting policies is presented in Note 2 in the Town's basic financial statements. Governmental funds account for the Town's grant activity. Amounts reported in the Schedule for governmental funds are recognized on the modified accrual basis when they become a demand on current available federal resources and other program requirements are met. Available means collectible within the current period, or soon enough thereafter, to pay liabilities of the current period or when matured. The Town considers all revenue as available, if it is anticipated to be collected within one year after the financial statement date. Such expenditures are recognized following, as applicable, the cost principles in OMB A-87 or the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements or reports to federal agencies.

NOTE C - INDIRECT COSTS

The Town has not elected to use the 10% de minimis indirect cost rate as allowed in the Uniform Guidance, Section 414.

NOTE D - CONTINGENT LIABILITIES

Although the Schedule of Expenditures of Federal Awards is prepared to the best of the Town's knowledge and belief, amounts received or receivable from grantor agencies are subject to audit and adjustment by the grantor agencies, principally the federal government. Any disallowed claims, including the amount already collected, may constitute a liability of the applicable funds. The amount of expenditures which may be disallowed by the grantor, if any, cannot be determined at this time. The Town does not believe any disallowed costs will be material.

TOWN OF BENNETT, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2021

Section I-Summary of Auditors' Results

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with generally accepted accounting principles in the United States of America Unmodified

Internal control over financial reporting:

- Material weakness(es) identified X Yes No
- Significant deficiency(ies) identified Yes X None reported

Noncompliance material to financial statements noted? Yes X No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified? Yes X None reported

Type of auditors' report issued on compliance For major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes X No

Identification of major federal programs:

AL Number	Name Of Federal Program Or Cluster
20.205	Highway Planning and Construction

Dollar threshold used to distinguish between type and type B programs: \$ 750,000

Auditee qualified as low-risk auditee? Yes X No

TOWN OF BENNETT, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2021

Section II-Financial Statement Findings

Finding 2021-001

Material Weakness, Internal Control Over Financial Reporting

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

Condition: Certain proposed entries were identified by Town personnel when preparing for the audit. These entries were made to restate the beginning fund balance as of January 1, 2023 for the following reasons:

- The Town did not record construction in progress for the amounts which were accrued at December 31, 2022.
- The Town did not record an operating transfer for grants which had a matching requirement at December 31, 2022.

Cause: The Town's personnel were not familiar with the capital asset management system due to its recent implementation. In addition, the Town changed how unavailable revenue for grants was reported on the financial statements.

Effect: Changes were required to be made to the beginning equity balances of the government-wide activities and selected fund balances.

Identification As A Repeat Finding: N/A

Recommendation: We recommend that the Town continue to understand the intricacies of its accounting system. We also recommend that the Town return to the prior year's method of accounting for grants.

Views Of Responsible Officials: The Town concurs with the finding.

TOWN OF BENNETT, COLORADO
SCHEDULE OF PRIOR YEAR FINDINGS
For the Year Ended December 31, 2021

Reference Number	Summary of Finding	Status
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No matters are reportable

DRAFT

RESOLUTION NO. 1019-24

A RESOLUTION ACCEPTING THE 2023 AUDIT FOR THE TOWN OF BENNETT

WHEREAS, the Town retained Rae & Co., CPA, LLC, to perform an annual audit of the Town's financial statements for the 2023 fiscal year; and

WHEREAS, Rae & Co., CPA, LLC has completed an audit of the Town's financial statements for 2023; and

WHEREAS, the Board of Trustees desires to accept the 2023 Audit for the Town of Bennett.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE TOWN OF BENNETT, COLORADO:

Section 1. The Town Board of Trustees hereby accepts the 2023 Audit for the Town of Bennett prepared by Rae & Co., CPA, LLC, in essentially the same form as the copy of such Audit accompanying this resolution.

INTRODUCED, READ AND APPROVED THIS 23rd DAY OF JULY 2024.

TOWN OF BENNETT, COLORADO

Whitney Oakley, Mayor

ATTEST:

Christina Hart, CMC
Town Clerk

**COLORADO OPIOIDS SETTLEMENT MEMORANDUM OF UNDERSTANDING
("MOU")**

Thursday, August 26, 2021

August 25, 2021 Attorney General version

A. Definitions

As used in this MOU:

1. "Approved Purpose(s)" shall mean forward-looking strategies, programming, and services to abate the opioid epidemic as identified by the terms of any Settlement. If a Settlement is silent on Approved Purpose(s), then Approved Purpose(s) shall mean those forward-looking strategies to abate the opioid epidemic identified in **Exhibit A** or any supplemental forward-looking abatement strategies added to **Exhibit A** by the Abatement Council. Consistent with the terms of any Settlement, "Approved Purposes" shall also include the reasonable administrative costs associated with overseeing and administering Opioid Funds from each of the four (4) Shares described in Section (B)(2). Reimbursement by the State or Local Governments for past expenses are not Approved Purpose(s). "Approved Purposes" shall include attorneys' fees and expenses incurred in the course of the opioid litigation that are paid through the process discussed below.
2. "County Area" shall mean a county in the State of Colorado plus the Local Governments, or portion of any Local Government, within that county.
3. "Effective Date" shall mean the date on which a court of competent jurisdiction, including any bankruptcy court, enters the first Settlement by order or consent decree. The Parties anticipate that more than one Settlement will be administered according to the terms of this MOU, but that the first entered Settlement will trigger the formation of the Abatement Council in Section (C) and the Regional Councils in Section (F)(5).¹
4. "General Abatement Fund Council," or "Abatement Council," shall have the meaning described in Section (C), below.

¹ For the avoidance of doubt, the McKinsey Settlement and any other Settlement that precedes the finalization of drafting this MOU are not considered a trigger for purposes of the calculation of "Effective Date."

5. "Local Government(s)" shall mean all counties in the State of Colorado and the municipalities, towns, and county and city municipal corporations that are listed in **Exhibit B**.
6. "National Opioid Settlement Administrative Fund" shall mean any fund identified by a Settlement for the national distribution of Opioid Funds.
7. "Opioid Funds" shall mean damage awards obtained through a Settlement.
8. "Opioid Settling Defendant" shall mean any person or entity, or its affiliates, that engages in or has engaged in the manufacture, marketing, promotion, distribution, or dispensing of licit opioids.
9. "Participating Local Government(s)" shall mean all Local Governments that sign this MOU, and if required under terms of a particular Settlement, who have executed a release of claims with the Opioid Settlement Defendant(s). For the avoidance of doubt, a Local Government must sign this MOU to become a "Participating Local Government." Local Governments may designate the appropriate individual from their entity to sign the MOU.
10. "Party" or "Parties" shall mean the State and/or Participating Local Government(s).
11. "Qualified Settlement Fund Account," or "QSF Account," shall mean an account set up as a qualified settlement fund, 468b fund, as authorized by Treasury Regulations 1.468B-1(c) (26 CFR §1.468B-1).
12. "Regional Council" shall have the meaning described in Section (F)(5), below.
13. "Settlement" shall mean the negotiated resolution of legal or equitable claims against an Opioid Settling Defendant when that resolution has been jointly entered into by the State and the Participating Local Governments, or by any individual Party or collection of Parties that opt to subject their Settlement to this MOU. Unless otherwise directed by an order from a United States Bankruptcy Court, "Settlement" shall also include distributions from any liquidation under Chapter 7 of the United States Bankruptcy Code or confirmed plan under Chapter 11 of the United States Bankruptcy Code that treats the claims of the State and Local Governments against an Opioid Settling Defendant.
14. "The State" shall mean the State of Colorado acting through its Attorney General and the Colorado Department of Law.

B. Allocation of Settlement Proceeds

1. All Opioid Funds shall be held in accordance with the terms of any Settlement. If a Settlement allows Opioid Funds to be held in a National Opioid Settlement Administrative Fund, then Opioid Funds shall be held in such National Opioid Settlement Administrative Fund. If a Settlement does not allow for Opioid Funds

to be held in a National Opioid Settlement Administrative Fund, Opioid Funds shall be held in a Colorado-specific QSF Account or, under the following limited circumstances, in the State's Custodial Account: 1) if at the time of a Settlement, a Colorado-specific QSF Account is not yet established, although in such case, the Opioid Funds shall be transferred to the Colorado-specific QSF Account once it is established or 2) where the Abatement Fund Council determines Opioids Funds cannot be legally held in a Colorado-specific QSF Account. Regardless of whether Opioid Funds are held in a National Administrative Fund, a Colorado-specific QSF Account, or in the State's Custodial Account, the Abatement Council shall appoint one of its members to serve as the point of contact in accordance Section (C)(4)(b)(i), below.

2. All Opioid Funds, at the time of a Settlement or at the time designated in the Settlement documents, shall be divided and distributed as follows:²
 - a. 10% directly to the State ("State Share") for Approved Purposes in accordance with Section (D), below;
 - b. 20% directly to Participating Local Governments ("LG Share") for Approved Purposes in accordance with Section (E), below;
 - c. 60% directly to Regions ("Regional Share") for Approved Purposes in accordance with Section (F), below; and
 - d. 10% to specific abatement infrastructure projects ("Statewide Infrastructure Share") for Approved Purposes in accordance with Section (G), below.
3. Distribution of the Shares in Section B(2)(a) – (d) shall be direct, meaning that funds held in accordance with Section B(1) shall be disbursed directly to the State, Participating Local Governments, Regions, and the Statewide Infrastructure Share according to the terms of this MOU.
4. All Opioid Funds, regardless of allocation, shall be used for Approved Purposes.
5. Participating Local Governments may elect to share, pool, or collaborate with their respective allocation of the LG or Regional Shares in any manner they choose, so long as such sharing, pooling, or collaboration is used for Approved Purposes and complies with the terms of this MOU and any Settlement.

C. General Abatement Fund Council

1. A General Abatement Fund Council (the "Abatement Council"), consisting of representatives appointed by the State and Participating Local Governments, shall

² This MOU treats multi-county health departments as county health departments for purposes of allocation and distribution of abatement proceeds and therefore multi-county health departments shall not receive any Opioid Funds directly. Third-Party Payors ("TPPs") are not Parties to this MOU.

be created to ensure the distribution of Opioid Funds complies with the terms of any Settlement and to provide oversight of the Opioid Funds in accordance with the terms of this MOU.

2. **Membership:** The Abatement Council shall consist of the following thirteen (13) members, who shall serve in their official capacity only.
 - a. **State Members:** Seven (7) members shall be appointed by the State, as authorized volunteers of the State, as follows:
 - (i) A Chair to serve as a non-voting member, except in the event of a tie;
 - (ii) Two (2) members who are licensed professionals with significant experience in substance use disorders;
 - (iii) Three (3) members who are professionals with significant experience in prevention, education, recovery, treatment, criminal justice, rural public health issues, or government administration related to substance use disorders; and
 - (iv) One (1) member or family member affected directly by the opioid crisis.
 - b. **Local Government Members:** Six (6) members shall be appointed by the Participating Local Governments. Local Government Members shall be a County Commissioner, Mayor, City or Town Council Member, or a professional with significant experience in prevention, education, recovery, treatment, criminal justice, rural public health issues, or governmental administration related to substance use disorders. A Participating Local Government may determine which Local Government Members are eligible (or ineligible) to serve on the General Abatement Fund Council. County Commissioners, City or Town Council Members, and/or Mayors from the Regions identified in **Exhibit C** shall collaborate to appoint Local Government Members as follows:
 - (i) Two (2) Members from Regions 1, 5, 13, 14, 15, 17, 18;
 - (ii) Two (2) Members from Regions 2, 6, 7, 8, 9, 10, 11, 12, 16; and
 - (iii) Two (2) Members from Regions 3, 4, 19.
 - c. **Terms:** The Abatement Council shall be established within ninety (90) days of the Effective Date. In order to do so, within sixty (60) days of the Effective Date, the State shall appoint the State Members in accordance with Section (C)(2)(a), and after conferral with the Local Governments, CCI and CML shall jointly appoint six (6) Local Government Members for an initial term not to exceed one year. Thereafter, Members shall be

appointed in accordance with this Section and Sections (C)(2)(a) and (b) and may serve no more than two (2) consecutive two-year terms, for a total of four (4) consecutive years. Except that, beginning in the second year only, two (2) State Members and two (2) Local Government members shall be appointed for a three-year term and may serve one consecutive two-year term thereafter. The Chair shall have no term but may be replaced at the State's discretion.

- (i) If a State or Local Government Member resigns or is otherwise removed from the Abatement Council prior to the expiration of their term, a replacement Member shall be appointed within sixty (60) days in accordance with Sections (C)(2)(a) and (b).
- (ii) If a Local Government Member vacancy exists for more than sixty (60) days, the State shall appoint a replacement Local Government Member to serve until the vacancy is filled in accordance with Section (C)(2)(b).

- 3. **Duties:** The Abatement Council is primarily responsible for ensuring that the distribution of Opioid Funds complies with the terms of this MOU. The Abatement Council is also responsible for oversight of Opioid Funds from the Regional Share in accordance with Section (F), below, and for developing processes and procedures for the distribution and oversight of Opioid Funds from the Statewide Infrastructure Share in accordance with Section (G) below.
- 4. **Governance:** The Abatement Council shall draft its own bylaws or other governing documents, which must include appropriate conflict of interest and dispute resolution provisions, in accordance with the terms of this MOU and the following principles:
 - a. **Authority:** The Abatement Council does not have rulemaking authority. The terms of this MOU and any Settlement, as entered by any court of competent jurisdiction, including any bankruptcy court, control the authority of the Abatement Council and the Abatement Council shall not stray outside the bounds of the authority and power vested by this MOU and any Settlement.
 - b. **Administration:** The Abatement Council shall be responsible for an accounting of all Opioid Funds. The Abatement Council shall be responsible for releasing Opioid Funds in accordance with Section (B)(1) for the Regional and Statewide Infrastructure Shares in Sections (B)(2)(c) and (d) and shall develop policies and procedures for the release and oversight of such funds in accordance with Sections (F) and (G). Should the Abatement Council require assistance with providing an accounting of Opioid Funds, it may seek assistance from the State.

- (i) The Abatement Council shall appoint one of its members to serve as a point of contact for the purpose of communicating with the entity holding Opioid Funds in accordance with Section (B)(1) and in that role shall only act as directed by the Abatement Council.
- c. **Transparency:** The Abatement Council shall operate with all reasonable transparency and operate in a manner consistent with all Colorado laws relating to open records and meetings regardless of whether the Abatement Council is otherwise obligated to comply with them.
 - (i) The Abatement Council shall develop a centralized public dashboard or other repository for the publication of expenditure data from any Party or Regional Council that receives Opioid Funds in accordance with Sections (D)-(G).
 - (ii) The Abatement Council may also require outcome related data from any Party or Regional Council that receives Opioid Funds in accordance with Sections (D)-(G) and may publish such outcome related data in the centralized public dashboard or other repository described above. In determining which outcome related data may be required, the Abatement Council shall work with all Parties and Regional Councils to identify appropriate data sets and develop reasonable procedures for collecting such data sets so that the administrative burden does not outweigh the benefit of producing such outcome related data.
 - (iii) For purposes of funding the centralized public dashboard or other repository described above, the Abatement Council shall make good faith efforts to seek funding from outside sources first, otherwise the State shall provide such funding.
- d. **Collaboration:** The Abatement Council shall facilitate collaboration between the State, Participating Local Governments, Regional Councils, and other stakeholders for the purposes of sharing data, outcomes, strategies, and other relevant information related to abating the opioid crisis in Colorado.
- e. **Decision Making:** The Abatement Council shall seek to make all decisions by consensus. In the event consensus cannot be achieved, unless otherwise required in this MOU, the Abatement Council shall make decisions by a majority vote of its Members. The Chair shall only vote in the event of a tie.
- f. **Due Process:** The Abatement Council shall develop the due process procedures required by Section (G)(3)(d) for Parties to dispute or challenge remedial actions taken by the Abatement Council for Opioid Funds from the Statewide Infrastructure Share. The Abatement Council

shall also abide by the due process principles required by Section (F)(12)-(13) for Regions to dispute or challenge remedial actions taken by the Abatement Council for Opioid Funds from the Regional Share.

- g. **Legal Status:** The Abatement Council shall not constitute a separate legal entity.
- h. **Legal Representation:** To the extent permitted by law, the State shall provide legal counsel to State Members for all legal issues arising from those State Members' work on the Abatement Council. At all times, Local Government Members of the Abatement Council are entitled to receive legal representation from their respective governmental entities. In the event of a conflict, the Abatement Council and its members may retain the services of other legal counsel.
- i. **Compensation:** No member of the Abatement Council shall be compensated for their work related to the Abatement Council.

D. State Share

1. In accordance with Sections (B)(1) and (B)(2)(a), and the terms of any Settlement, the State Share shall be paid directly to the State in accordance with the terms of this Section (D).
2. The State maintains full discretion over distribution of the State Share anywhere within the State of Colorado, however, the State Share shall be used for Approved Purposes only. The State will work to reduce administrative costs as much as practicable.
3. On an annual basis, as determined by the Abatement Council, the State shall provide all expenditure data, including administrative costs, from the State Share to the Abatement Council for purposes of maintaining transparency in accordance with Section (C)(4)(c)(i). The Abatement Council may require the State to provide additional outcome-related data in accordance with Section (C)(4)(c)(ii) and the State shall comply with such requirements.
4. If the State disputes the amount of Opioid Funds it receives from the State Share, the State shall alert the Abatement Council within sixty (60) days of discovering the information underlying the dispute. Failure to alert the Abatement Council within this time frame shall not constitute a waiver of the State's right to seek recoupment of any deficiency in its State Share.

E. LG Share

1. In accordance with Sections (B)(1) and (B)(2)(b), and the terms of any Settlement, the LG Share shall be paid directly to Participating Local Governments in accordance with the terms of this Section (E).

2. Allocations to Participating Local Governments from the LG Share shall first be determined using the percentages shown in **Exhibit D**.
3. The LG Share for each County Area shall then be allocated among the county and the other Participating Local Governments within it. **Exhibit E** reflects the default allocation that will apply unless the Participating Local Governments within a County Area enter into a written agreement providing for a different allocation. The Participating Local Governments may elect to modify the allocation for a County Area in **Exhibit E**, but such modification to the allocation in **Exhibit E** shall not change a County Area's total allocation under Section (E)(2).
4. A Local Government that chooses not to become a Participating Local Government will not receive a direct allocation from the LG Share. The portion of the LG Share that would have been allocated to a Local Government that is not a Participating Local Government will instead be re-allocated to the Regional Share for the Region where the Local Government is located, in accordance with Section (F), below.
5. In the event a Participating Local Government dissolves or ceases to exist during the term of any Settlement, the allocation for that Participating Local Government from the LG Share shall be re-allocated as directed by any Settlement, and if not specified, be re-allocated to the Regional Share for the Region in which the Participating Local Government was located, in accordance with Section (F). If a Participating Local Government merges with another Participating Local Government, the allocation for that Participating Local Government from the LG Share shall be re-allocated as directed by any Settlement, and if not specified, shall be re-allocated to the successor Participating Local Government's allocation of the LG Share. If a Participating Local Government merges with a Local Government that is not a Participating Local Government, the allocation for that Participating Local Government from the LG Share shall be re-allocated as directed by any Settlement, and if not specified, be re-allocated to the Region in which the merging Participating Local Government was located, in accordance with Section (F), below.
6. A Participating Local Government may forego its allocation of the LG Share and direct its allocation to the Regional Share for the Region where the Participating Local Government is located, in accordance with Section (F) below, by affirmatively notifying the Abatement Council on an annual basis of its decision to forego its allocation of the LG Share. A Participating Local Government's election to forego its allocation of the LG Share shall carry over to the following year unless the Participating Local Government notifies the Abatement Council otherwise. If a Participating Local Government elects to forego its allocation of the LG Share, the Participating Local Government shall be excused from the reporting requirements required by Section (E)(8).
7. Participating Local Governments maintain full discretion over the distribution of their allocation of the LG Share anywhere within the State of Colorado, however,

all Participating Local Governments shall use their allocation from the LG Share for Approved Purposes only. Reasonable administrative costs for a Participating Local Government to administer its allocation of the LG Share shall not exceed actual costs or 10% of the Participating Local Government's allocation of the LG Share, whichever is less.

8. On an annual basis, as determined by the Abatement Council, all Participating Local Governments shall provide all expenditure data, including administrative costs, from their allocation of the LG Share to the Abatement Council for purposes of maintaining transparency in accordance with Section (C)(4)(c)(i). The Abatement Council may require Participating Local Governments to provide additional outcome related data in accordance with Section (C)(4)(c)(ii) and all Participating Local Governments shall comply with such requirements.
9. If any Participating Local Government disputes the amount of Opioid Funds it receives from its allocation of the LG Share, the Participating Local Government shall alert the Abatement Council within sixty (60) days of discovering the information underlying the dispute. Failure to alert the Abatement Council within this time frame shall not constitute a waiver of the Participating Local Government's right to seek recoupment of any deficiency in its LG Share.

F. Regional Share

1. In accordance with Sections (B)(1) and (B)(2)(c), and the terms of any Settlement, the Regional Share shall be paid to the Regions in accordance with the terms of this Section (F).
2. Participating Local Governments shall organize themselves into the Regions depicted in **Exhibit C**. Municipalities located in multiple Regions may join all or some of the Regions in which they are located according to **Exhibit C**.
3. Allocations to Regions will be distributed according to **Exhibit F**. For multi-county Regions, each Region's share listed in **Exhibit F** is calculated by summing the individual percentage shares listed in **Exhibit D** for the counties within that Region. The percentages in **Exhibit F** are based on the assumption that every Local Government in each Region becomes a Participating Local Government.
4. In the event a city, town, or other municipality that is a Participating Local Government merges, dissolves, or ceases to exist during the term of any Settlement, the allocation of the Regional Share owed to the Region in which that Participating Local Government existed shall be re-allocated as directed by any Settlement, and if not specified, shall not be modified from **Exhibit F**. If a county that is a Participating Local Government merges with another county within its Region, the allocation of the Regional Share owed to the Region in which that county existed shall be re-allocated as directed by any Settlement, and if not specified, shall not be modified from **Exhibit F**. If a county that is a Participating Local Government merges with a county in a different Region during the term of

any Settlement, the allocation of the Regional Share owed to the Region in which that county existed shall be re-allocated as directed by any Settlement, and if not specified, shall be re-allocated to the Region in which that Participating Local Government merged in accordance with **Exhibit F**.

5. Each Region must create its own Regional Council while giving consideration to the regional governance models illustrated in **Exhibit G**. The Regional Council must be formed by the Participating Local Governments within the Region and each Regional Council shall designate a fiscal agent for the Region. Regional fiscal agents shall be county or municipal governments only. All funds from the Regional Share shall be distributed to the Regional Council's identified fiscal agent for the benefit of the entire Region.
 - a. Subject to this Section F(5), each Region may draft its own intra-regional agreements, bylaws, or other governing documents to determine how the Regional Council will operate. However, each voting member of a Regional Council shall be an employee or elected official of a Participating Local Government within the applicable Region. In the case of Denver, the voting members of its Regional Council shall be appointed by the Mayor. In the case of Broomfield, the voting members of its Regional Council shall be appointed by the Broomfield City and County Manager.
 - b. The Region shall not receive any Opioid Funds from the Regional Share until the Region certifies to the Abatement Council that its Regional Council has been formed and a fiscal agent has been designated. Such certification shall be in a simple form adopted by the Region and may be made via email, so long as it includes the names and affiliations of the Regional Council's members and the designated fiscal agent.
 - c. If a Region does not form and certify its Regional Council and designate its fiscal agent within one-hundred and eighty (180) days of the Effective Date, the Abatement Council shall appoint members to the Region's Regional Council. Regional Council members appointed by the Abatement Council shall serve until the Region certifies the formation of its Regional Council to the Abatement Council.
 - d. A Region shall submit a renewed certification required by Section (F)(5)(b), above, when its membership changes.
 - e. If a membership vacancy exists on a Regional Council for more than ninety (90) days and the Regional Council is unable to fill the vacancy by its regular procedures during that time, the Abatement Council shall appoint a replacement member to serve until the Region fills the vacancy.

6. A Local Government that chooses not to become a Participating Local Government shall not receive any Opioid Funds from the Regional Share or participate in the Regional Councils described in Section (F)(5) above.
7. Each Regional Council shall make requests to the Abatement Council for Opioid Funds from their allocation of the Regional Share. Each Regional Council's request for Opioid Funds from the Regional Share shall be accompanied by a 2-year plan identifying the Approved Purposes for which the requested funds will be used by the Region anywhere within the State of Colorado. A Regional Council's 2-year plan may be amended so long as such amendments comply with the terms of this MOU and any Settlement. Any Regional Council may seek assistance from the Abatement Council for purposes of developing its 2-year plan.
8. Reasonable administrative costs for a Regional Council to administer its Region's allocation of the Regional Share shall not exceed actual costs or 10% of the Region's allocation of the Regional Share, whichever is less.
9. The Abatement Council shall release funds requested by a Regional Council in accordance with Section (B)(1) if the Regional Council's 2-year plan complies with the Approved Purposes, the terms of this MOU, and the terms of any Settlement. The Abatement Council shall not deny any funding request from a Regional Council on the basis that the Abatement Council does not approve or agree with the Approved Purposes for which a Regional Council requests Opioid Funds from the Regional Share. Nor may the Abatement Council hold up, delay, or make unreasonable requests for additional or supporting information of the Regional Council prior to releasing the requested Opioid Funds. The purpose of this MOU is to facilitate Opioid Funds to their intended recipients quickly and efficiently with minimal administrative procedure.
10. On an annual basis, as determined by the Abatement Council, each Regional Council's fiscal agent shall provide to the Abatement Council the Regional Council's expenditure data, including administrative costs, from their allocation of the Regional Share and certify to the Abatement Council that the Regional Council's expenditures were for Approved Purposes and complied with its 2-year plan. The Regional Council shall subject itself to an accounting at the Abatement Council's discretion.
 - a. The Abatement Council shall review a Regional Council's expenditure data and certification to ensure compliance with the Regional Council's 2-year plan, the Approved Purposes, and the terms of this MOU and any Settlement.
 - b. The Abatement Council shall publish the Regional Council's expenditure data, including administrative costs, from the Regional Share in accordance with Section (C)(4)(c)(i). The Abatement Council may require Regional Councils to provide additional outcome related data in

accordance with Section (C)(4)(c)(ii) and all Regional Councils shall comply with such requirements.

11. If any Regional Council disputes the amount of Opioid Funds it receives from its allocation of the Regional Share, the Regional Council shall alert the Abatement Council within sixty (60) days of discovering the information underlying the dispute. Failure to alert the Abatement Council within this time frame shall not constitute a waiver of the Regional Council's right to seek recoupment of any deficiency in its Regional Share.
12. If the Abatement Council has reason to believe a Region's expenditure of its allocation of the Regional Share did not comply with the Region's 2-year Plan, the Approved Purposes, the terms of this MOU or any Settlement, as described in this Section (F), or that the Region otherwise misused its allocation of the Regional Share, the Abatement Council may take remedial action against the alleged offending Region. Such remedial action is left to the discretion of the Abatement Council and may include but not be limited to, withholding future Opioids Funds owed to the offending Region or requiring the offending Region to reimburse improperly expended Opioid Funds to the Regional Share.
13. Within one hundred and twenty (120) days of the Abatement Council being formed, in accordance with Section (C)(2)(c) above, the Abatement Council shall develop and publish due process procedures for allowing a Region to challenge or dispute any remedial action taken by the Abatement Council, including timelines during which the Region may engage in such a challenge or dispute. Such due process procedures shall reflect, at a minimum, the following principles:
 - a. Upon learning of any conduct that may warrant remedial action against a Region, the Abatement Council shall first provide notice to the Region of the conduct at issue, provide the Region an opportunity to respond, and, if appropriate, cure the alleged offending conduct. If after providing the Region such notice and opportunities to respond and cure, the Abatement Council continues to believe remedial action is warranted, the Abatement Council may take such remedial action.
 - b. If the Abatement Council decides to take remedial action against an alleged offending Region, such action may only occur by a two-thirds supermajority vote of the Abatement Council. Thus, an Abatement Council made up of twelve (12) voting members requires a vote of eight (8) Members prior to taking remedial action against an alleged offending Region.
 - c. Prior to taking any remedial action against an alleged offending Region, the Abatement Council shall first provide notice to the alleged offending Region of the remedial action to be taken and the facts underlying such remedial action. The Abatement Council shall then provide the alleged

offending Region an opportunity to challenge or dispute the remedial action in accordance with, at a minimum, the principles below:

- i. The alleged offending Region may request revisions or modifications to the proposed remedial action;
 - ii. The alleged offending Region may submit a written response to and/or request a hearing before the Abatement Council, or a third-party hearing officer,³ regarding the alleged offending conduct and proposed remedial action; and
 - iii. After such written responses are submitted and reviewed and/or a hearing is conducted, the alleged offending Region may submit an appeal to the Abatement Council of the decision to take remedial action.
- d. Remedial actions taken by the Abatement Council, in accordance with the due process principles detailed above, shall be considered final non-appealable orders and offending Regions may not seek judicial relief from remedial action taken by the Abatement Council, except as provided in Section (H), below.
 - e. Subject to Section (H)(2), below, if any Party(ies) believes the Abatement Council violated the terms of this MOU, such Party(ies) may seek to enforce the terms of this MOU.

14. If the Abatement Council has reason to believe a Region's conduct, or the conduct of any Participating Local Government or individual in that Region, amounts to a violation of any criminal law, the Abatement Council shall refer such matters to the appropriate authorities and may consider such conduct in its determination of any remedial action to be taken.

15. If the Abatement Council has reason to believe that an individual involved in the receipt or administration of Opioid Funds from the Regional Share has violated any applicable ethics rules or codes, the Abatement Council shall not attempt to adjudicate such a violation. In such instances, the Abatement Council shall lodge a complaint with the appropriate forum for handling such ethical matters, such as a local home rule municipality's ethics board.

16. Costs associated with the Abatement Council's distribution and oversight of the Regional Share, as described above in this Section (F), including costs associated with any remedial action by the Abatement Council, shall be paid from the Statewide

³ Only an alleged offending Region may request the appointment of a third-party hearing officer to review any written responses and conduct any requested hearings. If an alleged offending Region makes such a request, the Abatement Council has sole discretion to appoint the third-party hearing officer and the alleged offending Region shall bear the cost of such review and/or hearing by the third-party hearing officer.

Infrastructure Share. The Abatement Council shall make all good faith efforts to limit such costs to the greatest extent possible.

G. Statewide Infrastructure Share

1. In accordance with Sections B(1) and (B)(2)(d), and the terms of any Settlement, the Statewide Infrastructure Share shall be paid to any Party or Regional Council in accordance with this Section (G).
2. The purpose of the Statewide Infrastructure Share is to promote capital improvements and provide operational assistance for developing or improving the infrastructure necessary to abate the opioid crisis anywhere within the State of Colorado. The Statewide Infrastructure Share is intended to supplement Opioid Funds received by any Party or Region.
3. Prior to distributing any Opioid Funds from the Statewide Infrastructure Share, the Abatement Council shall establish and publish policies and procedures for the distribution and oversight of the Statewide Infrastructure Share, including processes for Parties or Regions to apply for Opioid Funds from the Statewide Infrastructure Share. The Abatement Council's policies and procedures shall, at a minimum, reflect the following principles:
 - a. Opioid Funds from the Statewide Infrastructure Share shall be used for Approved Purposes only;
 - b. Opioid Funds from the Statewide Infrastructure Share shall be paid directly to the appropriate state agencies (including but not limited to the Colorado Department of Law), Regional fiscal agents, or Participating Local Governments only;
 - c. Distribution and oversight of the Statewide Infrastructure Share shall comply with the terms of this MOU and any Settlement;
 - d. Appropriate processes for remedial action will be taken against Parties or Regions that misuse Opioid Funds from the Statewide Infrastructure Share. Such processes shall include procedures for alleged offending Parties or Regions to challenge or dispute such remedial action; and
 - e. Limitations on administrative costs to be expended by recipients for administering Opioid Funds received from the Statewide Infrastructure Fund, not to exceed actual costs expended by the recipient or 10% of the amount received, whichever is less.
4. The distribution and oversight policies and procedures developed by the Abatement Council, in accordance with Section (G)(3), shall be non-appealable orders and no Party or Region may seek judicial relief related to the distribution and oversight of the Statewide Infrastructure Share.

5. On an annual basis, as determined by the Abatement Council, any Party or Regional Council that receives funds from the Statewide Infrastructure Share shall provide all expenditure data, including administrative costs, related to any Opioid Funds it received from the Statewide Infrastructure Share and subject itself to an accounting as required by the Abatement Council. The Abatement Council shall publish all expenditure data from the Statewide Infrastructure Share in accordance with Section (C)(4)(c)(i). The Abatement Council may require the Parties or Regional Councils that receive funds from the Statewide Infrastructure Share to provide additional outcome related data in accordance with Section (C)(4)(c)(ii) and the Parties or Regional Councils shall comply with such requirements.
6. Costs associated with the Abatement Council's distribution and oversight of the Statewide Infrastructure Share, as described in this Section (G), shall be paid for from the Statewide Infrastructure Share. The Abatement Council shall make all good faith efforts to limit such costs to the greatest extent possible.

H. General Terms

1. All Parties and Regional Councils shall maintain all records related to the receipt and expenditure of Opioid Funds for no less than five (5) years and shall make such records available for review by the Abatement Council, any other Party or Regional Council, or the public. Records requested by the public shall be produced in accordance with Colorado's open records laws. Records requested by the Abatement Council or another Party or a Regional Council shall be produced within twenty-one (21) days of the date the record request was received. This requirement does not supplant any Party or Regional Council's obligations under Colorado's open records laws.
2. If any Party(ies) believes the Abatement Council has violated the terms of this MOU, the alleging Party(ies) may seek to enforce the terms of this MOU, provided the alleging Party(ies) first provides notice to the Abatement Council of the alleged violation and a reasonable opportunity to cure the alleged violation. In such an enforcement action, the alleging Party(ies) may only seek to enforce the terms of the MOU against the State and the Participating Local Governments from which the Local Government Members of the Abatement Council were appointed and may only seek declaratory and/or injunctive relief. In defense of such an enforcement action, the State's Members of the Abatement Council shall be represented by the State and the Local Government Members shall be represented by the Participating Local Governments from which the Local Government Members were appointed. In the event of a conflict, the Abatement Council and its Members may seek outside representation to defend itself against such an enforcement action.
3. If any Party(ies) believes another Party(ies), not including the Abatement Council, violated the terms of this MOU, the alleging Party(ies) may seek to enforce the terms of this MOU in the court in which any applicable Settlement(s) was entered, provided the alleging Party(ies) first provide the alleged offending Party(ies)

notice of the alleged violation(s) and a reasonable opportunity to cure the alleged violation(s). In such an enforcement action, any alleging Party or alleged offending Party(ies) may be represented by their respective public entity in accordance with Colorado law.

4. Nothing in this MOU shall be interpreted to waive the right of any Party to seek judicial relief for conduct occurring outside the scope of this MOU that violates any Colorado law. In such an action, the alleged offending Party(ies), including the Abatement Council, may be represented by their respective public entities in accordance with Colorado law. In the event of a conflict, any Party, including the Abatement Council and its Members, may seek outside representation to defend itself against such an action.
5. If any Party(ies) believes another Party(ies), Region(s), or individual(s) involved in the receipt, distribution, or administration of Opioids Funds has violated any applicable ethics codes or rules, a complaint shall be lodged with the appropriate forum for handling such matters, such as a local home rule municipality's ethics board.
6. If any Party(ies) believes another Party(ies), Region(s), or individual(s) involved in the receipt, distribution, or administration of Opioid Funds violated any Colorado criminal law, such conduct shall be reported to the appropriate criminal authorities.
7. Venue for any legal action related to this MOU shall be in a court of competent jurisdiction where any applicable Settlement(s) is entered.
8. Because recovery under the terms of different Settlement(s) may vary depending on the number of Parties required to effectuate a Settlement, the Parties may conditionally agree to sign on to the MOU through a letter of intent, resolution or similar written statement, declaration or pronouncement declaring their intent to sign on to the MOU if the threshold for Party participation in a specific Settlement is achieved.⁴
9. This MOU may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. The Parties approve the use of electronic signatures for execution of this MOU. All use of electronic signatures shall be governed by the Uniform Electronic Transactions Act, C.R.S. §§ 24-71.3-101, *et seq.* The Parties agree not to deny the legal effect or enforceability of the MOU solely because it is in electronic form or

⁴ For instance, the July 21, 2021 "Distributor Settlement Agreement" includes a "Subdivision Settlement Agreement Form" that, once filled out and executed, is meant to indicate that Local Government's (or Subdivision's) election to participate in that Distributor Settlement and also, to require that Local Government to take steps to formally release any claim it may have against the Settling Distributors. With regard to the Distributor Settlement Agreement or any other Settlements that include a form similar to the Subdivision Settlement Agreement Form, the Parties may still conditionally agree to sign on to the MOU if, for instance, the threshold for Party participation in a specific Settlement is achieved.

because an electronic record was used in its formation. The Parties agree not to object to the admissibility of the MOU in the form of an electronic record, or a paper copy of an electronic document, or a paper copy of a document bearing an electronic signature, on the ground that it is an electronic record or electronic signature or that it is not in its original form or is not an original.

10. Each party represents that all procedures necessary to authorize such Party's execution of this MOU have been performed and that the person signing for such Party has been authorized to execute the MOU.

I. Payment of Counsel and Litigation Expenses Through a Back-Stop Fund

1. Some Settlements, including the McKesson Corporation, Cardinal Health, Inc., and AmerisourceBergen Corporation ("Distributor") and Johnson & Johnson/Janssen ("J&J") settlements, may provide for the payment of all or a portion of the fees and litigation expenses owed by Participating Local Governments to counsel specifically retained to file suit in the opioid litigation. If any Settlement is insufficient to cover the fee obligations of the Participating Local Governments (as discussed and modified by Judge Polster's Order of August 6 regarding fees for the Distributor and J&J settlements), the deficiencies will be covered as set forth in further detail below.
2. The Parties also recognize that, as in the Distributor and J&J settlements, certain Opioid Settling Defendants may offer premiums benefiting the entire state of Colorado when Participating Local Governments agree to the Settlement(s), thereby settling their claims in their on-going lawsuits. For example, below is the chart illustrating how Incentive Payment B (a 25% premium to the entire state) works in the Distributor Settlement at Section IV.F.2.b (p. 20):

Percentage of Litigating Subdivision Population that is Incentive B Eligible Subdivision Population ⁵	Incentive Payment B Eligibility Percentage
Up to 85%	0%
85%+	30%
86+	40%
91+	50%
95+	60%
99%+	95%
100%	100%

3. If the court in *In Re: National Prescription Opiate Litigation*, MDL No. 2804 (N.D. Ohio), or if a Settlement establishes a common benefit fund or similar device to compensate attorneys for services rendered and expenses incurred that have benefited plaintiffs generally in the litigation (the "Common Benefit Fund"),

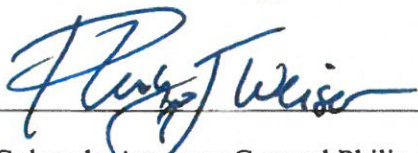
and/or requires certain governmental plaintiffs to pay a share of their recoveries from defendants into the Common Benefit Fund (“Court-Ordered Common Benefit Fund Assessment”), then the Participating Local Governments shall be required to first seek to have their attorneys’ fees and expenses paid through the Common Benefit Fund.

4. For the Distributor and J&J settlements only, counsel for Participating Local Governments shall have their expenses otherwise recoverable from Colorado Participating Local Governments compensated only through the Common Benefit Fund(s) established in those settlement(s). For the avoidance of doubt, counsel for Participating Local Governments may recover their attorneys’ fees through the Distributor and J&J settlements and through the other applicable provisions of this Section (I).
5. In addition, as a means of covering any deficiencies in paying counsel for Participating Local Governments, a supplemental Colorado Attorney Fee Back-Stop Fund shall be established. The Colorado Attorney Fee Back-Stop Fund is to be used to compensate counsel for Participating Local Governments that filed an initial complaint in the opioid litigation by September 1, 2020 (“Litigating Participating Local Governments”).
6. Payments out of the Colorado Attorney Fee Back-Stop Fund shall be determined by a committee (the “Opioid Fee and Expense Committee”). The Opioid Fee and Expense Committee shall consist of the following five (5) members:
 - a. One (1) member appointed by CCI from a litigating county or from a litigating county and city municipal corporation;
 - b. One (1) member appointed by CML from a litigating city;
 - c. One (1) member appointed jointly by CCI and CML from a non-litigating county or city;
 - d. One (1) member appointed by the Attorney General’s Office; and
 - e. One (1) neutral member jointly appointed by all of the other members listed above.
7. The Colorado Attorney Fee Back-Stop Fund shall be funded as follows from any Settlement, excluding settlements involving McKinsey and payments resulting from the Purdue or Mallinckrodt bankruptcy. For purposes only of calculating the funding of the Colorado Attorney Fee Back-Stop Fund, the Parties deem 58% of the total LG Share and Regional Share to be attributable to the Litigating Local Governments. The Colorado Attorney Fee Back-Stop Fund shall be funded by 8.7% of the total LG Share and 4.35% of the total Regional Share at the time such funds are actually received. No funds deposited into the Colorado Attorney Fee Back-Stop Fund will be taken from the Statewide Infrastructure Share or State Share.

8. Counsel for Litigating Participating Local Governments may apply to the Colorado Attorney Fee Back-Stop Fund only after applying to the Common Benefit Fund.
9. Counsel for Litigating Participating Local Governments may apply to the Colorado Attorney Fee Back-Stop Fund for only a shortfall – that is, the difference between what their fee agreements would entitle them to (as limited by this Section (I)) minus what they have already collected from the Common Benefit Fund (including both the “common benefit” and “contingency fee” calculations, if any). If they receive fees/costs for common benefit work in the national fee fund, these fees/costs will be allocated proportionately across all their local government opioid clients based on the allocation model used in the Negotiation Class website to allocate the appropriate portion to Colorado clients.
10. Counsel for Litigating Participating Local Governments are limited to being paid, at most, and assuming adequate funds are available in any Common Benefit Fund and Colorado Attorney Fee Back-Stop Fund, fees in an amount equal to 15% of the LG Share and 7.5% of the Regional Share attributable to their Colorado clients.
11. Any funds remaining in the Colorado Attorney Fee Back-Stop Fund in excess of the amounts needed to cover the fees and litigation expenses owed by Litigating Participating Local Governments to their respective counsel shall revert to the Participating Local Governments according to the allocations described in Sections (E) and (F). Every two years, the Opioid Fee and Expense Committee shall assess the amount remaining in the Colorado Attorney Fee Back-Stop Fund to determine if it is overfunded.
12. Despite the fact that a litigating entity bonus benefits the entire state, no portion of the State Share shall be used to fund the Colorado Attorney Fee Back-Stop Fund or in any other way to fund any Participating Local Government’s attorneys’ fees and expenses. Because the state did not hire outside counsel, any funds for attorneys fees that the state receives from the J&J and Distributor settlement will be deposited into the State Share.
13. To participate in the Colorado Attorney Fee Back-Stop Fund, counsel must follow the requirements of C.R.S. § 13-17-304.

This Colorado Opioids Settlement Memorandum of Understanding is signed

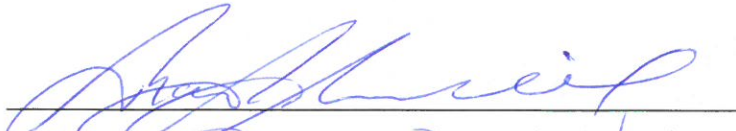
this 26 day of August, 2021 by:

A handwritten signature in blue ink, appearing to read "Philip J. Weiser", written over a horizontal line.

Colorado Attorney General Philip J. Weiser

This **Colorado Opioids Settlement Memorandum of Understanding** is signed

this 9 day of November, 2021 by:



Name & Title Royce D. Pindell / Mayor

On behalf of Town of Bennett



Exhibit A

POTENTIAL OPIOID ABATEMENT APPROVED PURPOSES

I. TREATMENT

A. TREATMENT OF OPIOID USE DISORDER AND ITS EFFECTS

1. Expand availability of treatment, including Medication-Assisted Treatment (MAT), for Opioid Use Disorder (OUD) and any co-occurring substance use or mental health issues.
2. Supportive housing, all forms of FDA-approved MAT, counseling, peer-support, recovery case management and residential treatment with access to medications for those who need it.
3. Treatment of mental health trauma issues that resulted from the traumatic experiences of the opioid user (e.g., violence, sexual assault, human trafficking) and for family members (e.g., surviving family members after an overdose or overdose fatality).
4. Expand telehealth to increase access to OUD treatment, including MAT, as well as counseling, psychiatric support, and other treatment and recovery support services.
5. Fellowships for addiction medicine specialists for direct patient care, instructors, and clinical research for treatments.
6. Scholarships for certified addiction counselors.
7. Clinicians to obtain training and a waiver under the federal Drug Addiction Treatment Act to prescribe MAT for OUD.
8. Training for health care providers, students, and other supporting professionals, such as peer recovery coaches/recovery outreach specialists, including but not limited to training relating to MAT and harm reduction.
9. Dissemination of accredited web-based training curricula, such as the American Academy of Addiction Psychiatry's Provider Clinical Support Service-Opioids web-based training curriculum and motivational interviewing.
10. Development and dissemination of new accredited curricula, such as the American Academy of Addiction Psychiatry's Provider Clinical Support Service Medication-Assisted Treatment.
11. Development of a multistate/nationally accessible database whereby health care providers can list currently available in-patient and out-patient OUD treatment services that are accessible on a real-time basis.

12. Support and reimburse services that include the full American Society of Addiction Medicine (ASAM) continuum of care for OUD.
13. Improve oversight of Opioid Treatment Programs (OTPs) to assure evidence-informed practices such as adequate methadone dosing.

B. INTERVENTION

1. Ensure that health care providers are screening for OUD and other risk factors and know how to appropriately counsel and treat (or refer, if necessary) a patient for OUD treatment.
2. Fund Screening, Brief Intervention and Referral to Treatment (SBIRT) programs to reduce the transition from use to disorder.
3. Training and long-term implementation of SBIRT in key systems (health, schools, colleges, criminal justice, and probation), with a focus on the late adolescence and young adulthood when transition from misuse to opioid disorder is most common.
4. Purchase automated versions of SBIRT and support ongoing costs of the technology.
5. Training for emergency room personnel treating opioid overdose patients on post-discharge planning, including community referrals for MAT, recovery case management and/or support services.
6. Support work of Emergency Medical Systems, including peer support specialists, to connect individuals to treatment or other appropriate services following an opioid overdose or other opioid-related adverse event.
7. Create school-based contacts whom parents can engage to seek immediate treatment services for their child.
8. Develop best practices on addressing OUD in the workplace.
9. Support assistance programs for health care providers with OUD.
10. Engage non-profits and faith community as a system to support outreach for treatment.

C. CRIMINAL-JUSTICE-INVOLVED PERSONS

1. Address the needs of persons involved in the criminal justice system who have OUD and any co-occurring substance use disorders or mental health (SUD/MH) issues.

2. Support pre-arrest diversion and deflection strategies for persons with OUD and any co-occurring SUD/MH issues, including established strategies such as:
 - a. Self-referral strategies such as Angel Programs or the Police Assisted Addiction Recovery Initiative (PAARI);
 - b. Active outreach strategies such as the Drug Abuse Response Team (DART) model;
 - c. “Naloxone Plus” strategies, which work to ensure that individuals who have received Naloxone to reverse the effects of an overdose are then linked to treatment programs;
 - d. Officer prevention strategies, such as the Law Enforcement Assisted Diversion (LEAD) model; or
 - e. Officer intervention strategies such as the Leon County, Florida Adult Civil Citation Network.
3. Support pre-trial services that connect individuals with OUD and any co-occurring SUD/MH issues to evidence-informed treatment, including MAT, and related services.
4. Support treatment and recovery courts for persons with OUD and any co-occurring SUD/MH issues, but only if they provide referrals to evidence-informed treatment, including MAT.
5. Provide evidence-informed treatment, including MAT, recovery support, harm reduction, or other appropriate services to individuals with OUD and any co-occurring SUD/MH issues who are incarcerated, on probation, or on parole.
6. Provide evidence-informed treatment, including MAT, recovery support, harm reduction, or other appropriate re-entry services to individuals with OUD and any co-occurring SUD/MH issues who are leaving jail or prison or who have recently left jail or prison.
7. Support critical time interventions (CTI), particularly for individuals living with dual-diagnosis OUD/serious mental illness, and services for individuals who face immediate risks and service needs and risks upon release from correctional settings.

D. WOMEN WHO ARE OR MAY BECOME PREGNANT

1. Evidence-informed treatment, including MAT, recovery, and prevention services for pregnant women or women who could become pregnant and have OUD.
2. Training for obstetricians and other healthcare personnel that work with pregnant women and their families regarding OUD treatment.

3. Other measures to address Neonatal Abstinence Syndrome, including prevention, care for addiction and education programs.
4. Child and family supports for parenting women with OUD.
5. Enhanced family supports and child care services for parents receiving treatment for OUD.

E. PEOPLE IN TREATMENT AND RECOVERY

1. The full continuum of care of recovery services for OUD and any co-occurring substance use or mental health issues, including supportive housing, residential treatment, medical detox services, peer support services and counseling, community navigators, case management, and connections to community-based services.
2. Identifying successful recovery programs such as physician, pilot, and college recovery programs, and providing support and technical assistance to increase the number and capacity of high-quality programs to help those in recovery.
3. Training and development of procedures for government staff to appropriately interact and provide social and other services to current and recovering opioid users, including reducing stigma.
4. Community-wide stigma reduction regarding treatment and support for persons with OUD, including reducing the stigma on effective treatment.
5. Engaging non-profits and faith community as a system to support family members in their efforts to help the opioid user in the family.

II. PREVENTION

F. PRESCRIBING PRACTICES

1. Training for health care providers regarding safe and responsible opioid prescribing, dosing, and tapering patients off opioids.
2. Academic counter-detailing.
3. Continuing Medical Education (CME) on prescribing of opioids.
4. Support for non-opioid pain treatment alternatives, including training providers to offer or refer to multi-modal, evidence-informed treatment of pain.
5. Fund development of a multistate/national prescription drug monitoring program (PDMP) that permits information sharing while providing appropriate safeguards on sharing of private information, including but not limited to:

- a. Integration of PDMP data with electronic health records, overdose episodes, and decision support tools for health care providers relating to OUD.
 - b. Ensuring PDMPs incorporate available overdose/naloxone deployment data, including the United States Department of Transportation's Emergency Medical Technician overdose database.
6. Educating dispensers on appropriate opioid dispensing.

G. MISUSE OF OPIOIDS

1. Corrective advertising/affirmative public education campaigns.
2. Public education relating to drug disposal.
3. Drug take-back disposal or destruction programs.
4. Fund community anti-drug coalitions that engage in drug-abuse prevention efforts.
5. School-based programs that have demonstrated effectiveness in preventing drug misuse and seem likely to be effective in preventing the uptake and use of opioids.
6. Support community coalitions in implementing evidence-informed prevention, such as reduced social access and physical access, stigma reduction – including staffing, educational campaigns, or training of coalitions in evidence-informed implementation.
7. School and community education programs and campaigns for students, families, school employees, school athletic programs, parent-teacher and student associations, and others.
8. Engaging non-profits and faith community as a system to support prevention.

H. OVERDOSE DEATHS AND OTHER HARMS

1. Increasing availability and distribution of naloxone and other drugs that treat overdoses to first responders, overdose patients, opioid users, families and friends of opioid users, schools, community navigators and outreach workers, drug offenders upon release from jail/prison, and other members of the general public.
2. Training and education regarding naloxone and other drugs that treat overdoses for first responders, overdose patients, patients taking opioids, families, schools, and other members of the general public.

3. Developing data tracking software and applications for overdoses/naloxone revivals.
4. Public education relating to emergency responses to overdoses.
5. Free naloxone for anyone in the community.
6. Public education relating to immunity and Good Samaritan laws.
7. Educating first responders regarding the existence and operation of immunity and Good Samaritan laws.
8. Syringe service programs, including supplies, staffing, space, peer support services, and the full range of harm reduction and treatment services provided by these programs.
9. Expand access to testing and treatment for infectious diseases such as HIV and Hepatitis C resulting from intravenous opioid use.

III. ADDITIONAL AREAS

I. SERVICES FOR CHILDREN

1. Support for children's services: Fund additional positions and services, including supportive housing and other residential services, relating to children being removed from the home and/or placed in foster care due to custodial opioid use.

J. FIRST RESPONDERS

1. Law enforcement expenditures relating to the opioid epidemic.
2. Educating first responders regarding appropriate practices and precautions when dealing with fentanyl or other drugs.
3. Increase electronic prescribing to prevent diversion and forgery.

K. COMMUNITY LEADERSHIP

1. Regional planning to identify goals for opioid reduction and support efforts or to identify areas and populations with the greatest needs for treatment intervention services.
2. Government dashboard to track key opioid-related indicators and supports as identified through collaborative community processes.

L. STAFFING AND TRAINING

1. Funding for programs and services regarding staff training and networking to improve staff capability to abate the opioid crisis.
2. Support infrastructure and staffing for collaborative cross-systems coordination to prevent opioid misuse, prevent overdoses, and treat those with OUD (e.g., health care, primary care, pharmacies, PDMPs, etc.).

M. RESEARCH

1. Funding opioid abatement research.
2. Research improved service delivery for modalities such as SBIRT that demonstrate promising but mixed results in populations vulnerable to OUD.
3. Support research for novel harm reduction and prevention efforts such as the provision of fentanyl test strips.
4. Support for innovative supply-side enforcement efforts such as improved detection of mail-based delivery of synthetic opioids.
5. Expanded research for swift/certain/fair models to reduce and deter opioid misuse within criminal justice populations that build upon promising approaches used to address other substances (e.g. Hawaii HOPE and Dakota 24/7).
6. Research expanded modalities such as prescription methadone that can expand access to MAT.

N. OTHER

1. Administrative costs for any of the approved purposes on this list.

Exhibit B

Colorado Local Governments*

Government Name	County	Gov't Type	Multi-County
Adams County	Adams	County	
Arvada	Adams	City	2 counties
Aurora	Adams	City	3 counties
Bennett	Adams	City	2 counties
Brighton	Adams	City	2 counties
Commerce City	Adams	City	
Federal Heights	Adams	City	
Lochbuie	Adams	City	2 counties
Northglenn	Adams	City	2 counties
Thornton	Adams	City	2 counties
Westminster	Adams	City	2 counties
Alamosa County	Alamosa	County	
Alamosa	Alamosa	City	
Hooper	Alamosa	City	
Arapahoe County	Arapahoe	County	
Aurora	Arapahoe	City	3 counties
Bennett	Arapahoe	City	2 counties
Bow Mar	Arapahoe	City	2 counties
Centennial	Arapahoe	City	
Cherry Hills Village	Arapahoe	City	
Columbine Valley	Arapahoe	City	
Deer Trail	Arapahoe	City	
Englewood	Arapahoe	City	
Foxfield	Arapahoe	City	
Glendale	Arapahoe	City	
Greenwood Village	Arapahoe	City	
Littleton	Arapahoe	City	3 counties
Sheridan	Arapahoe	City	
Archuleta County	Archuleta	County	
Pagosa Springs	Archuleta	City	
Baca County	Baca	County	
Campo	Baca	City	
Pritchett	Baca	City	
Springfield	Baca	City	
Two Buttes	Baca	City	
Vilas	Baca	City	
Walsh	Baca	City	
Bent County	Bent	County	
Las Animas	Bent	City	
Boulder County	Boulder	County	
Boulder	Boulder	City	
Erie	Boulder	City	2 counties
Jamestown	Boulder	City	
Lafayette	Boulder	City	

Colorado Local Governments*

Government Name	County	Gov't Type	Multi-County
Longmont	Boulder	City	2 counties
Louisville	Boulder	City	
Lyons	Boulder	City	
Nederland	Boulder	City	
Superior	Boulder	City	2 counties
Ward	Boulder	City	
Broomfield	Broomfield	City/County	
Chaffee County	Chaffee	County	
Buena Vista	Chaffee	City	
Poncha Springs	Chaffee	City	
Salida	Chaffee	City	
Cheyenne County	Cheyenne	County	
Cheyenne Wells	Cheyenne	City	
Kit Carson	Cheyenne	City	
Clear Creek County	Clear Creek	County	
Central City	Clear Creek	City	2 counties
Empire	Clear Creek	City	
Georgetown	Clear Creek	City	
Idaho Springs	Clear Creek	City	
Silver Plume	Clear Creek	City	
Conejos County	Conejos	County	
Antonito	Conejos	City	
La Jara	Conejos	City	
Manassa	Conejos	City	
Romeo	Conejos	City	
Sanford	Conejos	City	
Costilla County	Costilla	County	
Blanca	Costilla	City	
San Luis	Costilla	City	
Crowley County	Crowley	County	
Crowley	Crowley	City	
Olney Springs	Crowley	City	
Ordway	Crowley	City	
Sugar City	Crowley	City	
Custer County	Custer	County	
Silver Cliff	Custer	City	
Westcliffe	Custer	City	
Delta County	Delta	County	
Cedaredge	Delta	City	
Crawford	Delta	City	
Delta	Delta	City	
Hotchkiss	Delta	City	
Orchard City	Delta	City	
Paonia	Delta	City	

Colorado Local Governments*

Government Name	County	Gov't Type	Multi-County
Denver	Denver	City/County	
Dolores County	Dolores	County	
Dove Creek	Dolores	City	
Rico	Dolores	City	
Douglas County	Douglas	County	
Aurora	Douglas	City	3 counties
Castle Pines	Douglas	City	
Castle Rock	Douglas	City	
Larkspur	Douglas	City	
Littleton	Douglas	City	3 counties
Lone Tree	Douglas	City	
Parker	Douglas	City	
Eagle County	Eagle	County	
Avon	Eagle	City	
Basalt	Eagle	City	2 counties
Eagle	Eagle	City	
Gypsum	Eagle	City	
Minturn	Eagle	City	
Red Cliff	Eagle	City	
Vail	Eagle	City	
El Paso County	El Paso	County	
Calhan	El Paso	City	
Colorado Springs	El Paso	City	
Fountain	El Paso	City	
Green Mountain Falls	El Paso	City	2 counties
Manitou Springs	El Paso	City	
Monument	El Paso	City	
Palmer Lake	El Paso	City	
Ramah	El Paso	City	
Elbert County	Elbert	County	
Elizabeth	Elbert	City	
Kiowa	Elbert	City	
Simla	Elbert	City	
Fremont County	Fremont	County	
Brookside	Fremont	City	
Cañon City	Fremont	City	
Coal Creek	Fremont	City	
Florence	Fremont	City	
Rockvale	Fremont	City	
Williamsburg	Fremont	City	
Garfield County	Garfield	County	
Carbondale	Garfield	City	
Glenwood Springs	Garfield	City	
New Castle	Garfield	City	

Colorado Local Governments*

Government Name	County	Gov't Type	Multi-County
Parachute	Garfield	City	
Rifle	Garfield	City	
Silt	Garfield	City	
Gilpin County	Gilpin	County	
Black Hawk	Gilpin	City	
Central City	Gilpin	City	2 counties
Grand County	Grand	County	
Fraser	Grand	City	
Granby	Grand	City	
Grand Lake	Grand	City	
Hot Sulphur Springs	Grand	City	
Kremmling	Grand	City	
Winter Park	Grand	City	
Gunnison County	Gunnison	County	
Crested Butte	Gunnison	City	
Gunnison	Gunnison	City	
Marble	Gunnison	City	
Mount Crested Butte	Gunnison	City	
Pitkin	Gunnison	City	
Hinsdale County	Hinsdale	County	
Lake City	Hinsdale	City	
Huerfano County	Huerfano	County	
La Veta	Huerfano	City	
Walsenburg	Huerfano	City	
Jackson County	Jackson	County	
Walden	Jackson	City	
Jefferson County	Jefferson	County	
Arvada	Jefferson	City	2 counties
Bow Mar	Jefferson	City	2 counties
Edgewater	Jefferson	City	
Golden	Jefferson	City	
Lakeside	Jefferson	City	
Lakewood	Jefferson	City	
Littleton	Jefferson	City	3 counties
Morrison	Jefferson	City	
Mountain View	Jefferson	City	
Superior	Jefferson	City	2 counties
Westminster	Jefferson	City	2 counties
Wheat Ridge	Jefferson	City	
Kiowa County	Kiowa	County	
Eads	Kiowa	City	
Haswell	Kiowa	City	
Sheridan Lake	Kiowa	City	
Kit Carson County	Kit Carson	County	

Colorado Local Governments*

Government Name	County	Gov't Type	Multi-County
Bethune	Kit Carson	City	
Burlington	Kit Carson	City	
Flagler	Kit Carson	City	
Seibert	Kit Carson	City	
Stratton	Kit Carson	City	
Vona	Kit Carson	City	
La Plata County	La Plata	County	
Bayfield	La Plata	City	
Durango	La Plata	City	
Ignacio	La Plata	City	
Lake County	Lake	County	
Leadville	Lake	City	
Larimer County	Larimer	County	
Berthoud	Larimer	City	2 counties
Estes Park	Larimer	City	
Fort Collins	Larimer	City	
Johnstown	Larimer	City	2 counties
Loveland	Larimer	City	
Timnath	Larimer	City	2 counties
Wellington	Larimer	City	
Windsor	Larimer	City	2 counties
Las Animas County	Las Animas	County	
Aguilar	Las Animas	City	
Branson	Las Animas	City	
Cokedale	Las Animas	City	
Kim	Las Animas	City	
Starkville	Las Animas	City	
Trinidad	Las Animas	City	
Lincoln County	Lincoln	County	
Arriba	Lincoln	City	
Genoa	Lincoln	City	
Hugo	Lincoln	City	
Limon	Lincoln	City	
Logan County	Logan	County	
Crook	Logan	City	
Fleming	Logan	City	
Illiff	Logan	City	
Merino	Logan	City	
Peetz	Logan	City	
Sterling	Logan	City	
Mesa County	Mesa	County	
Collbran	Mesa	City	
De Beque	Mesa	City	
Fruita	Mesa	City	

Colorado Local Governments*

Government Name	County	Gov't Type	Multi-County
Grand Junction	Mesa	City	
Palisade	Mesa	City	
Mineral County	Mineral	County	
City of Creede	Mineral	City	
Moffat County	Moffat	County	
Craig	Moffat	City	
Dinosaur	Moffat	City	
Montezuma County	Montezuma	County	
Cortez	Montezuma	City	
Dolores	Montezuma	City	
Mancos	Montezuma	City	
Montrose County	Montrose	County	
Montrose	Montrose	City	
Naturita	Montrose	City	
Nucla	Montrose	City	
Olathe	Montrose	City	
Morgan County	Morgan	County	
Brush	Morgan	City	
Fort Morgan	Morgan	City	
Hillrose	Morgan	City	
Log Lane Village	Morgan	City	
Wiggins	Morgan	City	
Otero County	Otero	County	
Cheraw	Otero	City	
Fowler	Otero	City	
La Junta	Otero	City	
Manzanola	Otero	City	
Rocky Ford	Otero	City	
Swink	Otero	City	
Ouray County	Ouray	County	
Ouray	Ouray	City	
Ridgway	Ouray	City	
Park County	Park	County	
Alma	Park	City	
Fairplay	Park	City	
Phillips County	Phillips	County	
Haxtun	Phillips	City	
Holyoke	Phillips	City	
Paoli	Phillips	City	
Pitkin County	Pitkin	County	
Aspen	Pitkin	City	
Basalt	Pitkin	City	2 counties
Snowmass Village	Pitkin	City	
Prowers County	Prowers	County	

Colorado Local Governments*

Government Name	County	Gov't Type	Multi-County
Granada	Prowers	City	
Hartman	Prowers	City	
Holly	Prowers	City	
Lamar	Prowers	City	
Wiley	Prowers	City	
Pueblo County	Pueblo	County	
Boone	Pueblo	City	
Pueblo	Pueblo	City	
Rye	Pueblo	City	
Rio Blanco County	Rio Blanco	County	
Meeke	Rio Blanco	City	
Rangely	Rio Blanco	City	
Rio Grande County	Rio Grande	County	
Center	Rio Grande	City	2 counties
Del Norte	Rio Grande	City	
Monte Vista	Rio Grande	City	
South Fork	Rio Grande	City	
Routt County	Routt	County	
Hayden	Routt	City	
Oak Creek	Routt	City	
Steamboat Springs	Routt	City	
Yampa	Routt	City	
Saguache County	Saguache	County	
Bonanza	Saguache	City	
Center	Saguache	City	2 counties
Crestone	Saguache	City	
Moffat	Saguache	City	
Saguache	Saguache	City	
San Juan County	San Juan	County	
Silverton	San Juan	City	
San Miguel County	San Miguel	County	
Mountain Village	San Miguel	City	
Norwood	San Miguel	City	
Ophir	San Miguel	City	
Sawpit	San Miguel	City	
Telluride	San Miguel	City	
Sedgwick County	Sedgwick	County	
Julesburg	Sedgwick	City	
Ovid	Sedgwick	City	
Sedgwick	Sedgwick	City	
Summit County	Summit	County	
Blue River	Summit	City	
Breckenridge	Summit	City	
Dillon	Summit	City	

Colorado Local Governments*

Government Name	County	Gov't Type	Multi-County
Frisco	Summit	City	
Montezuma	Summit	City	
Silverthorne	Summit	City	
Teller County	Teller	County	
Cripple Creek	Teller	City	
Green Mountain Falls	Teller	City	2 counties
Victor	Teller	City	
Woodland Park	Teller	City	
Washington County	Washington	County	
Akron	Washington	City	
Otis	Washington	City	
Weld County	Weld	County	
Ault	Weld	City	
Berthoud	Weld	City	2 counties
Brighton	Weld	City	2 counties
Dacono	Weld	City	
Eaton	Weld	City	
Erie	Weld	City	2 counties
Evans	Weld	City	
Firestone	Weld	City	
Fort Lupton	Weld	City	
Frederick	Weld	City	
Garden City	Weld	City	
Gilcrest	Weld	City	
Greeley	Weld	City	
Grover	Weld	City	
Hudson	Weld	City	
Johnstown	Weld	City	2 counties
Keenesburg	Weld	City	
Kersey	Weld	City	
La Salle	Weld	City	
Lochbuie	Weld	City	2 counties
Longmont	Weld	City	2 counties
Mead	Weld	City	
Milliken	Weld	City	
Northglenn	Weld	City	2 counties
Nunn	Weld	City	
Pierce	Weld	City	
Platteville	Weld	City	
Raymer (New Raymer)	Weld	City	
Severance	Weld	City	
Thornton	Weld	City	2 counties
Timnath	Weld	City	2 counties
Windsor	Weld	City	2 counties

Colorado Local Governments*

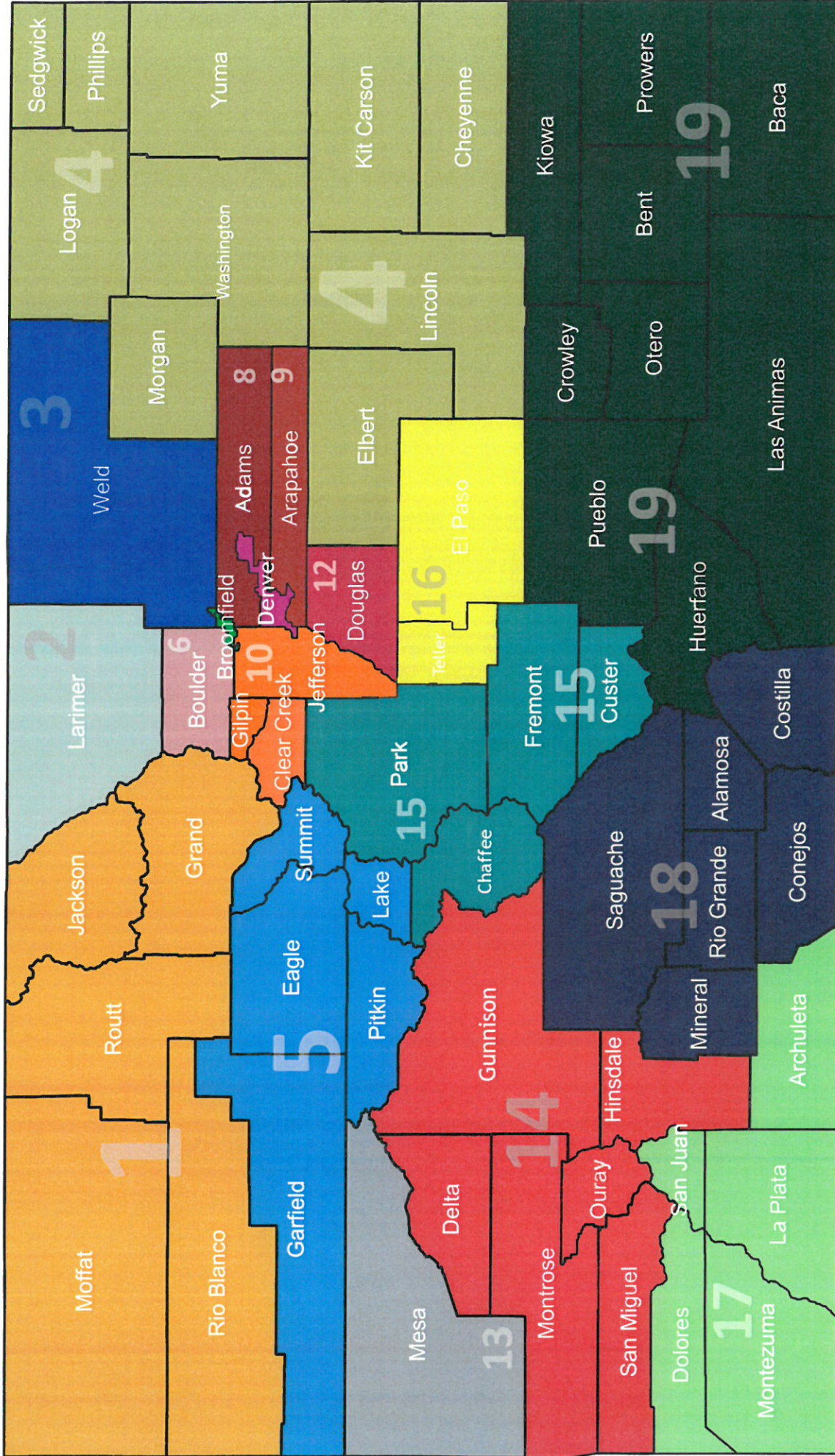
Government Name	County	Gov't Type	Multi-County
Yuma County	Yuma	County	
Eckley	Yuma	City	
Wray	Yuma	City	
Yuma	Yuma	City	

*This list includes all 64 Colorado counties and all 271 municipalities listed in the 2019 Census. Cities located in multiple counties are listed under each corresponding county subheading. City and County of Denver and City and County of Broomfield are counted in both the city and county totals. The City of Carbonate is not included in this list, as there was no population in the 2019 Census data.

This list will be reconciled as necessary to be consistent with the terms of Settlement(s) with Opioid Settling Defendant(s)

Exhibit C

Regions for the distribution of opioid settlement funds



Region 1	Region 5	Region 9	Region 13	Region 17
Region 2	Region 6	Region 10	Region 14	Region 18
Region 3	Region 7 (Broomfield)	Region 11 (Denver)	Region 15	Region 19
Region 4	Region 8	Region 12	Region 16	

Exhibit D

Exhibit D - Allocations to Colorado County Areas

County	Percentage of LG Share
Adams	9.4247%
Alamosa	0.5081%
Arapahoe	10.8071%
Archuleta	0.1370%
Baca	0.0592%
Bent	0.1133%
Boulder	5.7936%
Broomfield	1.0014%
Chaffee	0.3604%
Cheyenne	0.0159%
Clear Creek	0.1380%
Conejos	0.2108%
Costilla	0.0552%
Crowley	0.0934%
Custer	0.0412%
Delta	0.5440%
Denver	15.0042%
Dolores	0.0352%
Douglas	3.6696%
Eagle	0.6187%
El Paso	11.9897%
Elbert	0.2804%
Fremont	0.9937%
Garfield	0.8376%
Gilpin	0.0561%
Grand	0.2037%
Gunnison	0.1913%
Hinsdale	0.0112%
Huerfano	0.2505%
Jackson	0.0310%
Jefferson	10.5173%
Kiowa	0.0142%
Kit Carson	0.0940%
La Plata	0.8127%
Lake	0.0990%
Larimer	6.5211%
Las Animas	0.6304%
Lincoln	0.0819%
Logan	0.3815%
Mesa	2.8911%
Mineral	0.0039%
Moffat	0.2326%
Montezuma	0.4429%

Montrose	0.5695%
Morgan	0.4677%
Otero	0.4486%
Ouray	0.0535%
Park	0.1674%
Phillips	0.0714%
Pitkin	0.1747%
Prowers	0.1727%
Pueblo	5.6757%
Rio Blanco	0.1013%
Rio Grande	0.2526%
Routt	0.3837%
Saguache	0.0666%
San Juan	0.0097%
San Miguel	0.1005%
Sedgwick	0.0618%
Summit	0.3761%
Teller	0.6219%
Washington	0.0357%
Weld	3.8908%
Yuma	0.0992%
TOTAL	100.0000%

Exhibit E

Exhibit E - Intracounty Allocations^{1,2}

The below chart depicts the default percentage that each Local Government will receive from the LG Share amount attributed to its County Area, as described in Section (E)(3) of the MOU. The chart assumes full participation by all Local Governments

Government Name	Intracounty Share
Adams County	68.3372%
Arvada (2 Counties)	0.2632%
Aurora (3 Counties)	4.6336%
Bennett (2 Counties)	0.1670%
Brighton (2 Counties)	1.4527%
Commerce City	4.7314%
Federal Heights	1.1457%
Lochbuie (2 Counties)	0.0001%
Northglenn (2 Counties)	2.0913%
Thornton (2 Counties)	10.6435%
Westminster (2 Counties)	6.5342%

Alamosa County	85.3075%
Alamosa	14.6818%
Hooper	0.0108%

Arapahoe County	42.7003%
Aurora (3 Counties)	35.5997%
Bennett (2 Counties)	0.0324%
Bow Mar (2 Counties)	0.0159%
Centennial	0.4411%
Cherry Hills Village	0.6685%
Columbine Valley	0.1601%
Deer Trail	0.0003%
Englewood	5.5850%
Foxfield	0.0372%
Glendale	1.2289%
Greenwood Village	2.8305%
Littleton (3 Counties)	8.5654%
Sheridan	2.1347%

Archuleta County	90.0864%
Pagosa Springs	9.9136%

Baca County	85.9800%
Campo	2.4443%
Pritchett	1.5680%
Springfield	7.0100%

Government Name	Intracounty Share
Two Buttes	0.4766%
Vilas	0.9070%
Walsh	1.6141%

Bent County	80.9608%
Las Animas	19.0392%

Boulder County	47.6311%
Boulder	31.7629%
Erie (2 Counties)	0.3634%
Jamestown	0.0086%
Lafayette	3.3203%
Longmont (2 Counties)	14.6833%
Louisville	1.4455%
Lyons	0.5916%
Nederland	0.1646%
Superior (2 Counties)	0.0258%
Ward	0.0030%

Broomfield County/City	100.0000%
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Chaffee County	74.8440%
Buena Vista	5.8841%
Poncha Springs	4.2369%
Salida	15.0350%

Cheyenne County	66.8002%
Cheyenne Wells	0.8586%
Kit Carson	32.3412%

Clear Creek County	92.2164%
Central City (2 Counties)	0.0000%
Empire	0.3364%
Georgetown	1.9063%
Idaho Springs	4.7625%
Silver Plume	0.7784%

Conejos County	77.1204%
Antonito	4.6338%
La Jara	2.4313%
Manassa	1.0062%
Romeo	2.4270%
Sanford	12.3812%

Government Name	Intracounty Share
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Costilla County	97.3454%
Blanca	1.2036%
San Luis	1.4509%

Crowley County	80.7081%
Crowley	4.3597%
Olney Springs	8.3683%
Ordway	0.1853%
Sugar City	6.3786%

Custer County	96.6858%
Silver Cliff	0.7954%
Westcliffe	2.5188%

Delta County	76.3512%
Cedaredge	3.6221%
Crawford	0.4938%
Delta	16.2658%
Hotchkiss	1.0963%
Orchard City	0.1473%
Paonia	2.0236%

Denver County/City	100.0000%
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Dolores County	76.3307%
Dove Creek	17.3127%
Rico	6.3566%

Douglas County	71.8404%
Aurora (3 Counties)	0.2099%
Castle Pines	0.2007%
Castle Rock	13.5204%
Larkspur	0.0856%
Littleton (3 Counties)	0.0156%
Lone Tree	5.2786%
Parker	8.8487%

Eagle County	60.8236%
Avon	7.6631%
Basalt (2 Counties)	2.2311%
Eagle	3.1376%
Gypsum	1.7469%
Minturn	0.7771%

Government Name	Intracounty Share
Red Cliff	0.0957%
Vail	23.5250%

El Paso County	18.4181%
Calhan	0.0228%
Colorado Springs	80.1161%
Fountain	0.9892%
Green Mountain Falls (2 Counties)	0.0149%
Manitou Springs	0.2411%
Monument	0.1492%
Palmer Lake	0.0455%
Ramah	0.0033%

Elbert County	86.5840%
Elizabeth	10.2633%
Kiowa	1.5455%
Simla	1.6072%

Fremont County	60.7882%
Brookside	0.0348%
Cañon City	30.9017%
Coal Creek	0.0476%
Florence	8.0681%
Rockvale	0.0687%
Williamsburg	0.0907%

Garfield County	76.3371%
Carbondale	2.4698%
Glenwood Springs	11.8141%
New Castle	1.4295%
Parachute	1.0653%
Rifle	5.2733%
Silt	1.6110%

Gilpin County	46.8613%
Black Hawk	46.3909%
Central City (2 Counties)	6.7478%

Grand County	80.1046%
Fraser	2.4903%
Granby	5.4008%
Grand Lake	0.3174%
Hot Sulphur Springs	0.1431%
Kremmling	2.9284%

Government Name	Intracounty Share
Winter Park	8.6154%

Gunnison County	88.9185%
Crested Butte	2.3562%
Gunnison	5.9501%
Marble	0.1714%
Mount Crested Butte	2.5657%
Pitkin	0.0381%

Hinsdale County	76.0940%
Lake City	23.9060%

Huerfano County	68.2709%
La Veta	11.0719%
Walsenburg	20.6572%

Jackson County	61.5339%
Walden	38.4661%

Jefferson County	58.2140%
Arvada (2 Counties)	11.9733%
Bow Mar (2 Counties)	0.0087%
Edgewater	0.6604%
Golden	3.4815%
Lakeside	0.0030%
Lakewood	15.9399%
Littleton (3 Counties)	0.6176%
Morrison	0.2205%
Mountain View	0.1344%
Superior (2 Counties)	0.0000%
Westminster (2 Counties)	5.4779%
Wheat Ridge	3.2689%

Kiowa County	93.2138%
Eads	5.3777%
Haswell	0.6402%
Sheridan Lake	0.7682%

Kit Carson County	86.3178%
Bethune	0.1841%
Burlington	12.0640%
Flagler	0.4264%
Seibert	0.0291%
Stratton	0.9012%

Government Name	Intracounty Share
Vona	0.0775%

La Plata County	66.8874%
Bayfield	1.6292%
Durango	29.2985%
Ignacio	2.1849%

Lake County	73.4523%
Leadville	26.5477%

Larimer County	56.0589%
Berthoud (2 Counties)	0.4139%
Estes Park	0.3502%
Fort Collins	18.5702%
Johnstown (2 Counties)	0.0711%
Loveland	23.4493%
Timnath (2 Counties)	0.2964%
Wellington	0.3653%
Windsor (2 Counties)	0.4248%

Las Animas County	77.8076%
Aguilar	0.0751%
Branson	0.0101%
Cokedale	0.0188%
Kim	0.0101%
Starkville	0.0087%
Trinidad	22.0696%

Lincoln County	91.3222%
Arriba	0.3444%
Genoa	0.2222%
Hugo	1.4778%
Limon	6.6333%

Logan County	72.7982%
Crook	0.0931%
Fleming	0.3413%
Illiff	0.0095%
Merino	0.4702%
Peetz	0.2029%
Sterling	26.0848%

Mesa County	60.8549%
Collbran	0.0920%

Government Name	Intracounty Share
De Beque	0.0123%
Fruita	1.6696%
Grand Junction	37.1505%
Palisade	0.2208%

Mineral County	87.6744%
City of Creede	12.3256%

Moffat County	91.7981%
Craig	8.1862%
Dinosaur	0.0157%

Montezuma County	79.6682%
Cortez	18.6459%
Dolores	0.6106%
Mancos	1.0753%

Montrose County	92.8648%
Montrose	6.5980%
Naturita	0.1551%
Nucla	0.0703%
Olathe	0.3118%

Morgan County	61.6991%
Brush	8.5522%
Fort Morgan	27.8214%
Hillrose	0.1986%
Log Lane Village	0.6424%
Wiggins	1.0863%

Otero County	60.8168%
Cheraw	0.1888%
Fowler	1.0413%
La Junta	25.9225%
Manzanola	0.6983%
Rocky Ford	8.8215%
Swink	2.5109%

Ouray County	76.0810%
Ouray	17.6541%
Ridgway	6.2649%

Park County	96.3983%
Alma	0.7780%

Government Name	Intracounty Share
Fairplay	2.8237%

Phillips County	52.3463%
Haxtun	13.9505%
Holyoke	33.1803%
Paoli	0.5228%

Pitkin County	47.1379%
Aspen	42.0707%
Basalt (2 Counties)	1.1156%
Snowmass Village	9.6757%

Prowers County	70.4524%
Granada	0.9965%
Hartman	0.3164%
Holly	4.9826%
Lamar	21.5860%
Wiley	1.6661%

Pueblo County	54.6622%
Boone	0.0019%
Pueblo	45.3350%
Rye	0.0008%

Rio Blanco County	78.2831%
Meeker	9.1326%
Rangely	12.5843%

Rio Grande County	68.0724%
Center (2 Counties)	0.7713%
Del Norte	6.7762%
Monte Vista	20.4513%
South Fork	3.9288%

Routt County	58.5353%
Hayden	1.0679%
Oak Creek	0.6360%
Steamboat Springs	39.4499%
Yampa	0.3109%

Saguache County	92.8796%
Bonanza	0.1367%
Center (2 Counties)	6.3687%
Crestone	0.0137%

Government Name	Intracounty Share
Moffat	0.3553%
Saguache	0.2460%

San Juan County	87.0423%
Silverton	12.9577%

San Miguel County	48.7493%
Mountain Village	25.7930%
Norwood	0.4078%
Ophir	0.0816%
Sawpit	0.0272%
Telluride	24.9411%

Sedgwick County	98.7331%
Julesburg	0.3830%
Ovid	0.0295%
Sedgwick	0.8544%

Summit County	57.0567%
Blue River	0.5011%
Breckenridge	26.1112%
Dillon	4.1421%
Frisco	6.5096%
Montezuma	0.0169%
Silverthorne	5.6623%

Teller County	66.1557%
Cripple Creek	17.2992%
Green Mountain Falls (2 Counties)	0.0322%
Victor	3.1685%
Woodland Park	13.3445%

Washington County	99.1320%
Akron	0.7659%
Otis	0.1021%

Weld County	51.9387%
Ault	0.3202%
Berthoud (2 Counties)	0.0061%
Brighton (2 Counties)	0.0927%
Dacono	0.6104%
Eaton	0.4573%
Erie (2 Counties)	0.8591%
Evans	4.5121%

Government Name	Intracounty Share
Firestone	1.4648%
Fort Lupton	0.8502%
Frederick	1.2228%
Garden City	0.1514%
Gilcrest	0.1580%
Greeley	30.6922%
Grover	0.0852%
Hudson	0.0066%
Johnstown (2 Counties)	1.5416%
Keenesburg	0.0215%
Kersey	0.1378%
La Salle	0.4128%
Lochbuie (2 Counties)	0.4004%
Longmont (2 Counties)	0.0154%
Mead	0.0941%
Milliken	1.5373%
Northglenn (2 Counties)	0.0030%
Nunn	0.2558%
Pierce	0.0948%
Platteville	0.3712%
Raymer (New Raymer)	0.0597%
Severance	0.0403%
Thornton (2 Counties)	0.0000%
Timnath (2 Counties)	0.0000%
Windsor (2 Counties)	1.5865%

Yuma County	75.5598%
Eckley	2.5422%
Wray	10.2148%
Yuma	11.6832%

¹ These allocations are based on the allocation model used in the Negotiation Class website. The allocation model is the product of prolonged and intensive research, analysis, and discussion by and among members of the court-appointed Plaintiffs' Executive Committee and Settlement Committee and their retained public health and health economics experts, as well as a series of meetings with scores of cities, counties and subdivisions. Additional information about the allocation model is available on the Negotiation Class website.

The allocations in the Negotiation Class website use two different methodologies:

County-Level Allocation

The allocation model uses three factors, based on reliable, detailed, and objective data collected and reported by the federal government, to determine the share of a settlement fund that each county will receive. The three factors are: (1) the amount of opioids shipped to the county, (2) the number of opioid deaths in that county, and (3) the number of people who suffer opioid use disorder in that county.

County/Municipal-Level Allocation

The county/municipal-level allocation is a default allocation to be used if another agreement is not reached between the county and its constituent cities. The formula uses U.S. Census Bureau data on local government spending. This data covers cities and counties for 98% of the U.S. population. If a jurisdiction lacked this data, it was extrapolated based on available data.

² The municipalities of Bow Mar, Johnstown, and Timnath were not reflected as being in multiple counties in the Negotiation Class website. The estimated Page 151 allocations to those cities are based on the same methodology used in the website, in consultation with the expert. For cities in multiple counties, please see each county in which that city lies.

Exhibit F

Regional Allocations		
Region Number	Region Description	Total State Share
1	Northwest	0.9522%
2	Larimer	6.5211%
3	Weld	3.8908%
4	Logan	1.5896%
5	North Central	2.1061%
6	Boulder	5.7936%
7	Broomfield	1.0014%
8	Adams	9.4247%
9	Arapahoe	10.8071%
10	Jefferson	10.7114%
11	Denver	15.0042%
12	Douglas	3.6696%
13	Mesa	2.8911%
14	Southwest	1.4700%
15	Central	1.5627%
16	El Paso/Teller	12.6116%
17	Southwest Corner	1.4375%
18	South Central	1.0973%
19	Southeast	7.4580%
Total		100.0000%

Exhibit G

Regional Governance Models

A. Membership Structure

Single-County Regions

1. Voting Members (Recommended List: Participating Local Governments to Decide)
 - 1 or 2 representatives appointed by the county (can be commissioners)
 - 1 representative appointed from the public health department
 - 1 representative from the county human services department
 - 1 representative appointed from law enforcement within region (sheriff, police, local city or town district attorney, etc.)
 - 1 representative appointed from a municipal or county court system within region
 - 1-3 representatives (total) appointed by the cities within the county (or other city or cities agreed upon) (can be councilmembers and mayors)
 - Such other representatives as participating counties/cities agree on (not to include providers who may be recipients of funds)

2. Non-Voting Members (Optional but strongly encouraged)
 - Representatives from behavioral health providers
 - Representatives from health care providers
 - Recovery/treatment experts
 - Other county or city representatives
 - A representative from the Attorney General's Office
 - Community representative(s), preferably those with lived experience with the opioid crisis
 - Harm reduction experts

Multi-County Regions

1. Voting Members (Recommended List: Participating Local Governments to Decide)
 - 1 representative appointed by each county (can be commissioners)
 - 1 representative appointed by a rotating city within each county (or other city agreed upon) (can be councilmembers and mayors)
 - 1 representative from each public health department within the region
 - 1 representative from a county human services department
 - At least 1 representative appointed from law enforcement within region (sheriff, police, local city or town district attorney, etc.)
 - 1 representative from a municipal or county court system within region
 - Such other representatives as participating counties/cities agree on (not to include providers who may be recipients of funds)

2. Non-Voting Members (Optional)
 - Representatives from behavioral health providers

- Representatives from health care providers
- Recovery/treatment experts
- Other county or city representatives
- A representative from the Attorney General’s Office
- Community representative(s), preferably those with lived experience with the opioid crisis.
- Harm reduction experts

Single-County Single-City Regions (Denver & Broomfield)

1. Voting Members (Recommended List: Participating Local Government to Decide)¹

- 1 representative appointed by the city and county
- 1 representative appointed from the public health department
- 1 representative from the county human services department
- 1 representative appointed from law enforcement within region (sheriff, police, district attorney, etc.)
- 1 representative appointed from a municipal or county court system within region
- Such other representatives as participating counties/cities agree on (not to include providers who may be recipients of funds)

2. Non-Voting Members (Optional)

- Representatives from behavioral health providers
- Representatives from health care providers
- Recovery/treatment experts
- Other county or city representatives
- A representative from the Attorney General’s Office
- Community representative(s), preferably those with lived experience with the opioid crisis.
- Harm reduction experts

B. Member Terms

- Regions may establish terms of appointment for members. Appointment terms may be staggered.

C. Procedures

- Regions will be governed by an intergovernmental agreement (“IGA”) or memorandum of understanding (“MOU”).
- Regions may adopt the Model Colorado Regional Opioid Intergovernmental Agreement, attached here as Exhibit G-1, in its entirety or alter or amend it as they deem appropriate.

¹ In Denver, the Mayor shall make voting member appointments to the Regional Council. In Broomfield, the City and County Manager shall make voting member appointments to the Regional Council.

- Regions may establish their own procedures through adoption of bylaws (model bylaws to be made available).
- Meetings of regional board/committee shall be open to the public and comply with the Colorado Open Meetings Law (including requirement to keep minutes).

D. Financial Responsibility/Controls

- A local government entity shall nominate and designate a fiscal agent for the Region.
- A Regional fiscal agent must be appointed by the Regional Council on an annual basis. A Regional fiscal agent may serve as long as the Regional Council determines is appropriate, including the length of any Settlement that contemplates the distribution of Opioid Funds within Colorado. However, the Regional fiscal agent also can change over time.
- Regional fiscal agents must be a board of county commissioners or a city or town council or executive department, such as a department of finance.
- Yearly reporting by fiscal agent (using standard form) to the Abatement Council.
- All documents subject to CORA.

E. Conflicts of Interest

- Voting members shall abide by the conflict-of-interest rules applicable to local government officials under state law.

F. Ethics Laws

- Voting members shall abide by applicable state or local ethics laws, as appropriate.

G. Authority

- The Regional Council for each region shall have authority to decide how funds allocated to the region shall be distributed in accordance with the Colorado MOU and shall direct the fiscal agent accordingly.
- Any necessary contracts will be entered into by the fiscal agent, subject to approval by the Regional Council.

H. Legal Status

- The region shall not be considered a separate legal entity, unless the Participating Local Governments decide, through an IGA, to create a separate governmental entity.

Exhibit G-1

MODEL COLORADO REGIONAL OPIOID
INTERGOVERNMENTAL AGREEMENT²

THIS MODEL COLORADO REGIONAL OPIOID INTERGOVERNMENTAL AGREEMENT (the “Regional Agreement”) is made between _____, a Participating Local Government, as defined in the Colorado MOU, in the _____ Region (“_____”) and _____, a Participating Local Government in the _____ Region, (“_____”), individually herein a “Regional PLG” and collectively the “Regional PLGs.””

RECITALS

WHEREAS, the State of Colorado and Participating Local Governments executed the Colorado Opioids Summary Memorandum of Understanding on _____ 2021 (the “Colorado MOU”), establishing the manner in which Opioid Funds shall be divided and distributed within the State of Colorado;

WHEREAS, the Regional Agreement assumes and incorporates the definitions and provisions contained in the Colorado MOU, and the Regional Agreement shall be construed in conformity with the Colorado MOU³;

WHEREAS, all Opioid Funds, regardless of allocation, shall be used for Approved Purposes;

WHEREAS, Participating Local Governments shall organize themselves into Regions, as further depicted in **Exhibit E** to the Colorado MOU;

² This Model Regional Agreement is meant to serve as an example for the various Regions and to facilitate the flow of Opioid Funds to their intended purposes. Regions are free to adopt this Regional Agreement in its entirety or alter or amend it as they deem appropriate.

³ When drafting agreements like this Regional Agreement, Regional PLGs should be conscious of the definitions used therein so as not to confuse such definitions with those used in the Colorado MOU. The Definitions in the Colorado MOU shall supersede any definitions used by Regional PLGs in a Regional Agreement.

WHEREAS, Regions may consist of Single-County Regions, Multi-County Regions, or Single County-Single City Regions (Denver and Broomfield).

WHEREAS, there shall be a 60% direct allocation of Opioid Funds to Regions through a Regional Share;

WHEREAS, each Region shall be eligible to receive a Regional Share according to **Exhibit C** to the Colorado MOU;

WHEREAS, the Colorado MOU establishes the procedures by which each Region shall be entitled to Opioid Funds from the Abatement Council and administer its Regional Share allocation;

WHEREAS, the procedures established by the Colorado MOU include a requirement that each Region shall create its own Regional Council;

WHEREAS, all aspects of the creation, administration, and operation of the Regional Council shall proceed in accordance with the provisions of the Colorado MOU;

WHEREAS, each such Regional Council shall designate a fiscal agent from a county or municipal government within that Region;

WHEREAS, each such Regional Council shall submit a two-year plan to the Abatement Council that identifies the Approved Purposes for which the requested funds will be used, and the Regional Council's fiscal agent shall provide data and a certification to the Abatement Council regarding compliance with its two-year plan on an annual basis;

WHEREAS, the Regional Agreement pertains to the procedures for the Regional PLGs to establish a Regional Council, designate a fiscal agent, and request and administer Opioid Funds in a manner consistent with the Colorado MOU;

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Regional PLGs incorporate the recitals set forth above and agree as follows:

1. **DEFINITIONS.** The defined terms used in this Regional Agreement shall have the same meanings as in the Colorado MOU⁴. Capitalized terms used herein and not otherwise defined within the Regional Agreement or in the Colorado MOU shall have the meanings ascribed to them in the body of the Regional Agreement.

2. **OBLIGATIONS OF THE REGIONAL PLGS.** The Regional PLGs shall perform their respective obligations as set forth in the Regional Agreement, the Colorado MOU and the accompanying exhibits to the Colorado MOU and incorporated herein by reference.

3. **REGIONAL COUNCIL.**

3.1. **Purpose:** In accordance with the Colorado MOU, a Regional Council, consisting of representatives appointed by the Regional PLGs, shall be created to oversee the procedures by which a Region may request Opioid Funds from the Abatement Council and the procedures by which the allocation of its Region's Share of Opioid Funds are administered.

3.2. **Membership:** The Regional Council of a Multi-County or Single County Region shall consist of the following:

a. **Multi-County Region:**

(i) **Voting Members.** Voting Members shall be appointed by the Regional PLGs. The Regional PLGs shall collaborate to appoint Regional Council members and to the extent practicable, Voting Members shall be selected from different counties and cities. No single county or city should dominate the make-up of the Regional Council. Voting Members shall be selected as follows:

- (1) 1 representative appointed by each county (can be commissioners).
- (2) 1 representative appointed from a rotating city within each county (or other city agreed upon) (can be councilmembers and mayors). A rotating city member shall be selected by majority vote of the cities within each county who do not have a Voting Member currently sitting on the Regional

⁴ See FN 2, *supra*.

Council.

- (3) 1 representative from each public health department within the region.
- (4) 1 representative from a county human services department.
- (5) At least 1 representative appointed from law enforcement within the region (sheriff, police, local city or town district attorney, etc.).
- (6) 1 representative from a municipal or county court system within the region.

b. **Single-County Region:**

- (i) **Voting Members.** Voting Members shall be appointed by the Regional PLGs. The Regional PLGs shall collaborate to appoint Regional Council members and to the extent practicable, Voting Members shall be selected from different cities within the region. No single city should dominate the make-up of the Regional Council. Voting Members shall be selected as follows:
 - (1) 1 or 2 representatives appointed by the county (can be commissioners)
 - (2) 1 representative appointed from the public health department
 - (3) 1 representative from the county human services department
 - (4) 1 representative appointed from law enforcement within region (sheriff, police, local city or town district attorney, etc.)
 - (5) 1 representative appointed from a municipal or county court system within region
 - (6) 1-3 representatives (total) appointed by rotating cities within the county (or other city or cities agreed upon) (can be councilmembers and mayors). Rotating city members shall be selected by majority vote of the cities who do not have a Voting Member currently sitting on the Regional Council.
 - (7) Such other representatives as participating counties/cities agree on (not to include providers who may be recipients of

funds)

- c. **Non-Voting Members.** For both Multi-County and Single County Regions, Non-Voting Members are optional but are strongly encouraged. Non-voting members shall serve in an advisory capacity. Any Non-Voting Members shall be appointed by the Regional PLGs and may be comprised of all or some of the following, not to include potential recipients of funds:
 - (i) Representatives from behavioral health providers.
 - (ii) Representatives from health care providers.
 - (iii) Recovery/treatment experts.
 - (iv) Other county or city representatives.
 - (v) A representative from the Attorney General's Office.
 - (vi) Community representative(s), preferably those with lived experience with the opioid crisis.
 - (vii) Harm reduction experts.
- d. **Acting Chair:** The Voting Members for both Multi-County and Single-County Regions shall appoint one member to serve as Acting Chair of the Regional Council. The Acting Chair's primary responsibilities shall be to schedule periodic meetings and votes of the Regional Council as needed and to serve as the point of contact for disputes within the Region. The Acting Chair must be either a Member from a county within a Region, such as a county commissioner or their designee, or a Member from a city or town within a Region, such as a mayor or city or town council member or their designee.
- e. **Non-Participation:** A Local Government that chooses not to become a Participating Local Government in the Colorado MOU shall not receive any Opioid Funds from the Regional Share or participate in the Regional Council.
- f. **Terms:** The Regional Council shall be established within ninety (90) days of the first Settlement being entered by a court of competent jurisdiction, including any bankruptcy court. In order to do so, within sixty (60) days of the first Settlement being entered, CCI and CML shall jointly recommend six (6) Voting Members, and so long as such recommendations comply with the terms of Section 3.2 (a) or (b), the Regional Council shall consist of CCI/CML's recommended Members for

an initial term not to exceed one year.⁵ Thereafter, Voting Members shall be appointed in accordance with Section 3.2 (a) or (b) and shall serve two-year terms. Following the expiration of that two-year term, the Regional PLGs, working in concert, shall reappoint that Voting Member, or appoint a new Voting Member according to Section 3.2 (a) or (b).

- (i) If a Voting Member resigns or is otherwise removed from the Regional Council prior to the expiration of their term, a replacement Voting Member shall be appointed within sixty (60) days in accordance with Section 3.2 (a) or (b) to serve the remainder of the term. If the Regional PLGs are unable to fill a Voting Member vacancy within sixty (60) days, the existing Voting Members of the Regional Council at the time of the vacancy shall work collectively to appoint a replacement Voting Member in accordance with Section 3.2 (a) or (b). At the end of his or her term, the individual serving as that replacement Voting Member may be reappointed by the Regional PLGs to serve a full term consistent with this Section.
- (ii) The purpose of the two-year term is to allow Regional PLGs an increased opportunity to serve on the Regional Council. However, Regional Council members who have already served on the Regional Council may be appointed more than once and may serve consecutive terms if appointed to do so by the Regional Council.

3.3. Duties: The Regional Council is primarily responsible for engaging with the Abatement Council on behalf of its Region and following the procedures outlined in the Colorado MOU for requesting Opioid Funds from the Regional Share, which shall include developing 2-year plans, amending those plans as appropriate, and providing the Abatement Council with data through its fiscal agent regarding Opioid Fund expenditures. Upon request from the Abatement Council, the Regional Council may also be subject to an accounting from the Abatement Council.

3.4. Governance: A Regional Council may establish its own procedures through adoption of bylaws if needed. Any governing documents must be consistent with the other provisions in this section and the Colorado MOU.

3.5. Authority: The terms of the Colorado MOU control the authority of a Regional Council and a Regional Council shall not stray outside the bounds of the authority and power vested by the Colorado MOU. Should a Regional Council require legal assistance in determining its authority,

⁵ Local Governments within Multi-County or Single County Regions may decide to select initial Voting Members of the Regional Council between themselves and without CCI and CML involvement. However, the Regional Council must be established within ninety (90) days of the first Settlement being entered by a court of competent jurisdiction, including any bankruptcy court.

it may seek guidance from the legal counsel of the county or municipal government of the Regional Council's fiscal agent at the time the issue arises.

3.6. Collaboration: The Regional Council shall facilitate collaboration between the State, Participating Local Governments within its Region, the Abatement Council, and other stakeholders within its Region for the purposes of sharing data, outcomes, strategies, and other relevant information related to abating the opioid crisis in Colorado.

3.7. Transparency: The Regional Council shall operate with all reasonable transparency and abide by all Colorado laws relating to open records and meetings. To the extent the Abatement Council requests outcome-related data from the Regional Council, the Regional Council shall provide such data in an effort to determine best methods for abating the opioid crisis in Colorado.

3.8. Conflicts of Interest: Voting Members shall abide by the conflict-of-interest rules applicable to local government officials under state law.

3.9. Ethics Laws: Voting Members shall abide by their local ethics laws or, if no such ethics laws exist, by applicable state ethics laws.

3.10. Decision Making: The Regional Council shall seek to make all decisions by consensus. In the event consensus cannot be achieved, the Regional Council shall make decisions by a majority vote of its Members.

4. REGIONAL FISCAL AGENT

4.1. Purpose: According to the Colorado MOU, the Regional Council must designate a fiscal agent for the Region prior to the Region receiving any Opioid funds from the Regional Share. All funds from the Regional Share shall be distributed to the Regional Council's fiscal agent for the benefit of the entire Region.

4.2. Designation: The Regional Council shall nominate and designate a fiscal agent for the Region by majority vote. Regional fiscal agents must be a board of county commissioners or a city or town council or executive department, such as a department of finance.

4.3. Term: A Regional fiscal agent must be appointed by the Regional Council on an annual basis. A Regional fiscal agent may serve as long as the Regional Council determines is appropriate, including the length of any Settlement that contemplates the distribution of Opioid Funds within Colorado.

4.4. Duties: The Regional fiscal agent shall receive, deposit, and make available Opioid Funds distributed from the Abatement Council and provide expenditure reporting data to the

Abatement Council on an annual basis. In addition, the Regional fiscal agent shall perform certain recordkeeping duties outlined below.

- a. **Opioid Funds:** The Regional fiscal agent shall receive all Opioid Funds as distributed by the Abatement Council. Upon direction by the Regional Council, the Regional fiscal agent shall make any such Opioid Funds available to the Regional Council.
- b. **Reporting:** On an annual basis, as determined by the Abatement Council, the Regional fiscal agent shall provide to the Abatement Council the Regional Council's expenditure data from their allocation of the Regional Share and certify to the Abatement Council that the Regional Council's expenditures were for Approved Purposes and complied with its 2-year plan.
- c. **Recordkeeping:** The Regional fiscal agent shall maintain necessary records with regard the Regional Council's meetings, decisions, plans, and expenditure data.

4.5. Authority: The fiscal agent serves at the direction of the Regional Council and in service to the entire Region. The terms of the Colorado MOU control the authority of a Regional Council, and by extension, the Regional fiscal agent. A Regional fiscal agent shall not stray outside the bounds of the authority and power vested by the Colorado MOU.

5. REGIONAL TWO-YEAR PLAN

5.1. Purpose: According to the Colorado MOU, as part of a Regional Council's request to the Abatement Council for Opioid Funds from its Regional Share, the Regional Council must submit a 2-year plan identifying the Approved Purposes for which the requested funds will be used.

5.2 Development of 2-Year Plan: In developing a 2-year plan, the Regional Council shall solicit recommendations and information from all Regional PLGs and other stakeholders within its Region for the purposes of sharing data, outcomes, strategies, and other relevant information related to abating the opioid crisis in Colorado. At its discretion, a Regional Council may seek assistance from the Abatement Council for purposes of developing a 2-year plan.

5.3 Amendment: At any point, a Regional Council's 2-year plan may be amended so long as such amendments comply with the terms of the Colorado MOU and any Settlement.

6. DISPUTES WITHIN REGION. In the event that any Regional PLG disagrees with a decision of the Regional Council, or there is a dispute regarding the appointment of Voting or Non-Voting Members to the Regional Council, that Regional PLG shall inform the Acting Chair of its dispute at the earliest

possible opportunity. In Response, the Regional Council shall gather any information necessary to resolve the dispute. Within fourteen (14) days of the Regional PLG informing the Acting Chair of its dispute, the Regional Council shall issue a decision with respect to the dispute. In reaching its decision, the Regional Council may hold a vote of Voting Members, with the Acting Chair serving as the tie-breaker, or the Regional Council may devise its own dispute resolution process. However, in any disputes regarding the appointment of a Voting Member, that Voting Member will be recused from voting on the dispute. The decision of the Regional Council is a final decision.

7. **DISPUTES WITH ABATEMENT COUNCIL.** If the Regional Council disputes the amount of Opioid Funds it receives from its allocation of the Regional Share, the Regional Council shall alert the Abatement Council within sixty (60) days of discovering the information underlying the dispute. However, the failure to alert the Abatement Council within this time frame shall not constitute a waiver of the Regional Council's right to seek recoupment of any deficiency in its Regional Share.
8. **RECORDKEEPING.** The acting Regional fiscal agent shall be responsible for maintaining records consistent with the Regional Agreement.
9. **AUTHORIZED REPRESENTATIVES.** Each Regional PLGs' representative designated below shall be the point of contact to coordinate the obligations as provided herein. The Regional PLGs designate their authorized representatives under this Regional Agreement as follows:
 - 9.1. _____ designates the ____ of the _____ or their designee(s).
 - 9.2. _____ designates the ____ of the _____ or their designee(s).
10. **OBLIGATIONS OF THE REGIONAL PLGS.** The Regional PLGs shall perform their respective obligations as set forth in the Regional Agreement, the Colorado MOU and the accompanying exhibits to the Colorado MOU and incorporated herein by reference.
11. **TERM.** The Regional Agreement will commence on _____, and shall expire on the date the last action is taken by the Region, consistent with the terms of the Colorado MOU and any Settlement. (the "Term").
12. **INFORMATIONAL OBLIGATIONS.** Each Regional PLG hereto will meet its obligations as set forth in § 29-1-205, C.R.S., as amended, to include information about this Regional Agreement in a filing with the Colorado Division of Local Government; however, failure to do so shall in no way affect the validity of this Regional Agreement or any remedies available to the Regional PLGs hereunder.
13. **CONFIDENTIALITY.** The Regional PLGs, for themselves, their agents, employees and representatives, agree that they will not divulge any confidential or proprietary information they receive from another Regional PLG or otherwise have access to, except as may be required by law. Nothing in this Regional

Agreement shall in any way limit the ability of the Regional PLGs to comply with any laws or legal process concerning disclosures by public entities. The Regional PLGs understand that all materials exchanged under this Regional Agreement, including confidential information or proprietary information, may be subject to the Colorado Open Records Act., § 24-72-201, *et seq.*, C.R.S., (the “Act”). In the event of a request to a Regional PLG for disclosure of confidential materials, the Regional PLG shall advise the Regional PLGs of such request in order to give the Regional PLGs the opportunity to object to the disclosure of any of its materials which it marked as, or otherwise asserts is, proprietary or confidential. If a Regional PLG objects to disclosure of any of its material, the Regional PLG shall identify the legal basis under the Act for any right to withhold. In the event of any action or the filing of a lawsuit to compel disclosure, the Regional PLG agrees to intervene in such action or lawsuit to protect and assert its claims of privilege against disclosure of such material or waive the same. If the matter is not resolved, the Regional PLGs may tender all material to the court for judicial determination of the issue of disclosure.

14. **GOVERNING LAW; VENUE**. This Regional Agreement shall be governed by the laws of the State of Colorado. Venue for any legal action relating solely to this Regional Agreement will be in the applicable District Court of the State of Colorado for the county of the Region’s fiscal agent. Venue for any legal action relating to the Colorado MOU shall be in a court of competent jurisdiction where a Settlement or consent decree was entered, as those terms are described or defined in the Colorado MOU. If a legal action relates to both a Regional Agreement and the Colorado MOU, venue shall also be in a court of competent jurisdiction where a Settlement or consent decree was entered.
15. **TERMINATION**. The Regional PLGs enter into this Regional Agreement to serve the public interest. If this Regional Agreement ceases to further the public interest, a Regional PLG, in its discretion, may terminate their participation in the Regional Agreement, in whole or in part, upon written notice to the other Regional PLGs. Each Regional PLG also has the right to terminate the Regional Agreement with cause upon written notice effective immediately, and without cause upon thirty (30) days prior written notice to the other Regional PLGs. A Regional PLG’s decision to terminate this Regional Agreement, with or without cause, shall have no impact on the other Regional PLGs present or future administration of its Opioid Funds and the other procedures outlined in this Regional Agreement. Rather, a Regional PLG’s decision to terminate this Regional Agreement shall have the same effect as non-participation, as outlined in Section 3.2 (e).
16. **NOTICES**. “Key Notices” under this Regional Agreement are notices regarding default, disputes, or termination of the Regional Agreement. Key Notices shall be given in writing and shall be deemed

received if given by confirmed electronic transmission that creates a record that may be retained, retrieved and reviewed by a recipient thereof, and that may be directly reproduced in paper form by such a recipient through an automated process, but specifically excluding facsimile transmissions and texts when transmitted, if transmitted on a business day and during normal business hours of the recipient, and otherwise on the next business day following transmission; certified mail, return receipt requested, postage prepaid, three business days after being deposited in the United States mail; or overnight carrier service or personal delivery, when received. For Key Notices, the Regional PLGs will follow up any electronic transmission with a hard copy of the communication by the means described above. All other communications or notices between the Regional PLGs that are not Key Notices may be done via electronic transmission. The Regional PLGs agree that any notice or communication transmitted by electronic transmission shall be treated in all manner and respects as an original written document; any such notice or communication shall be considered to have the same binding and legal effect as an original document. All Key Notices shall include a reference to the Regional Agreement, and Key Notices shall be given to the Regional PLGs at the following addresses:

17. GENERAL TERMS AND CONDITIONS

- 17.1. Independent Entities.** The Regional PLGs enter into this Regional Agreement as separate, independent governmental entities and shall maintain such status throughout.
- 17.2. Assignment.** This Regional Agreement shall not be assigned by any Regional PLG without the prior written consent of all Regional PLGs. Any assignment or subcontracting without such consent will be ineffective and void and will be cause for termination of this Regional Agreement.
- 17.3. Integration and Amendment.** This Regional Agreement represents the entire agreement between the Regional PLGs and terminates any oral or collateral agreement or understandings. This Regional Agreement may be amended only by a writing signed by the Regional PLGs. If any provision of this Regional Agreement is held invalid or unenforceable, no other provision shall be affected by such holding, and the remaining provision of this Regional Agreement shall continue in full force and effect.

- 17.4. No Construction Against Drafting Party.** The Regional PLGs and their respective counsel have had the opportunity to review the Regional Agreement, and the Regional Agreement will not be construed against any Regional PLG merely because any provisions of the Regional Agreement were prepared by a particular Regional PLG.
- 17.5. Captions and References.** The captions and headings in this Regional Agreement are for convenience of reference only and shall not be used to interpret, define, or limit its provisions. All references in this Regional Agreement to sections (whether spelled out or using the § symbol), subsections, exhibits or other attachments, are references to sections, subsections, exhibits or other attachments contained herein or incorporated as a part hereof, unless otherwise noted.
- 17.6. Statutes, Regulations, and Other Authority.** Any reference in this Regional Agreement to a statute, regulation, policy or other authority shall be interpreted to refer to such authority then current, as may have been changed or amended since the execution of this Regional Agreement.
- 17.7. Conflict of Interest.** No Regional PLG shall knowingly perform any act that would conflict in any manner with said Regional PLG's obligations hereunder. Each Regional PLG certifies that it is not engaged in any current project or business transaction, directly or indirectly, nor has it any interest, direct or indirect, with any person or business that might result in a conflict of interest in the performance of its obligations hereunder. No elected or employed member of any Regional PLG shall be paid or receive, directly or indirectly, any share or part of this Regional Agreement or any benefit that may arise therefrom.
- 17.8. Inurement.** The rights and obligations of the Regional PLGs to the Regional Agreement inure to the benefit of and shall be binding upon the Regional PLGs and their respective successors and assigns, provided assignments are consented to in accordance with the terms of the Regional Agreement.
- 17.9. Survival.** Notwithstanding anything to the contrary, the Regional PLGs understand and agree that all terms and conditions of this Regional Agreement and any exhibits that require continued performance or compliance beyond the termination or expiration of this Regional Agreement shall survive such termination or expiration and shall be enforceable against a Regional PLG if such Regional PLG fails to perform or comply with such term or condition.
- 17.10. Waiver of Rights and Remedies.** This Regional Agreement or any of its provisions may not be waived except in writing by a Regional PLG's authorized representative. The failure of a

Regional PLG to enforce any right arising under this Regional Agreement on one or more occasions will not operate as a waiver of that or any other right on that or any other occasion.

17.11. No Third-Party Beneficiaries. Enforcement of the terms of the Regional Agreement and all rights of action relating to enforcement are strictly reserved to the Regional PLGs. Nothing contained in the Regional Agreement gives or allows any claim or right of action to any third person or entity. Any person or entity other than the Regional PLGs receiving services or benefits pursuant to the Regional Agreement is an incidental beneficiary only.

17.12. Records Retention. The Regional PLGs shall maintain all records, including working papers, notes, and financial records in accordance with their applicable record retention schedules and policies. Copies of such records shall be furnished to the Parties request.

17.13. Execution by Counterparts; Electronic Signatures and Records. This Regional Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. The Regional PLGs approve the use of electronic signatures for execution of this Regional Agreement. All use of electronic signatures shall be governed by the Uniform Electronic Transactions Act, C.R.S. §§ 24-71.3-101, *et seq.* The Regional PLGs agree not to deny the legal effect or enforceability of the Regional Agreement solely because it is in electronic form or because an electronic record was used in its formation. The Regional PLGs agree not to object to the admissibility of the Regional Agreement in the form of an electronic record, or a paper copy of an electronic document, or a paper copy of a document bearing an electronic signature, on the ground that it is an electronic record or electronic signature or that it is not in its original form or is not an original.

17.14. Authority to Execute. Each Regional PLG represents that all procedures necessary to authorize such Regional PLG's execution of this Regional Agreement have been performed and that the person signing for such Regional PLG has been authorized to execute the Regional Agreement.

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Colorado Subdivision Escrow Agreement

Governmental Entity: <u>Town of Bennett</u>	State: CO
Authorized Official: <u>Royce D. Pindell / Mayor</u>	
Address 1: <u>207 MUEGGIE WAY</u>	
Address 2:	
City, State, Zip: <u>Bennett, Co. 80102</u>	
Phone: <u>303.644.3249</u>	
Email: <u>tstiles@bennett.co.us</u>	

The governmental entity identified above (“*Governmental Entity*”) hereby provides Colorado Counties, Inc. (for counties) or the Colorado Municipal League (for municipalities) (“*Escrow Agent*”) the enclosed copies of the Governmental Entity’s endorsed Subdivision Settlement Participation Forms and the Colorado Opioids Settlement Memorandum of Understanding (“Colorado MOU”), to be held in escrow. The Subdivision Settlement Participation Forms apply respectively to (1) the National Settlement Agreement with McKesson Corporation, Cardinal Health, Inc., and AmerisourceBergen Corporation, dated July 21, 2021 (“*Distributor Settlement*”); and (2) the National Settlement Agreement with Janssen Pharmaceuticals, Inc., and its parent company Johnson & Johnson, dated July 21, 2021 (“*J&J Settlement*”). Pursuant to this Agreement, the Subdivision Settlement Participation Forms and the Colorado MOU will be released only if there is 95% participation by local governments in Colorado as further explained below.

Purpose of this Agreement

By endorsing a Subdivision Settlement Participation Form in the Distributor Settlement and the J&J Settlement, a governmental entity agrees to participate in those settlements and release any legal claims it has or may have against those settling pharmaceutical companies. This Colorado Subdivision Escrow Agreement is meant to ensure that the legal claims of governmental entities in Colorado will be released only when 95% participation by certain governmental entities has been reached. That 95% participation threshold is important because it signals to the settling pharmaceutical companies that the settlement has wide acceptance which will then secure significant incentive payments under these settlement agreements.

Escrow

The Escrow Agent shall promptly report the receipt of any Governmental Entity’s endorsed Subdivision Settlement Participation Forms and Colorado MOUs to the Colorado Attorney General’s Office and to the law firm of Keller Rohrback L.L.P. These documents shall be released by the Escrow Agent to the Colorado Attorney General’s Office if and when the Escrow Agent is notified by the Attorney General’s Office and Keller Rohrback that that the threshold 95% participation levels have been reached for both the Distributor Settlement and the J&J Settlement, as further described below. If by December 29, 2021, the Escrow Agent has not received notification that the threshold 95% levels have been reached for both the Distributor Settlement and the J&J Settlements, then the documents being escrowed shall be returned to the Governmental Entities and all copies shall be destroyed.


Distributor Settlement

The Attorney General’s Office and Keller Rohrback shall jointly submit a written notification to the Escrow Agent when it has been determined that the percentages of populations eligible for Incentives B and C, as described in Sections IV.F.2 and IV.F.3 of the Distributor Settlement, are each 95% or more. For purposes of this Escrow Agreement, the percentages of populations eligible for Incentives B and C under the Distributor Settlement will include governmental entities that sign a Subdivision Settlement Participation Form subject to an escrow agreement and governmental entities that sign a Subdivision Settlement Participation Form that is not subject to an escrow agreement.

J&J Settlement

The Attorney General’s Office and Keller Rohrback shall jointly submit a written notification to the Escrow Agent when it has been determined that the Participation or Case-Specific Resolution Levels for Incentives B and C, as described in Sections V.E.5 and V.E.6 of the J&J Settlement, are each 95% or more. For purposes of this Escrow Agreement, the percentages or populations eligible for Incentives B and C under the J&J Settlement will include governmental entities that sign a Subdivision Settlement Participation Form subject to an escrow agreement and governmental entities that sign a Subdivision Settlement Participation Form that is not subject to an escrow agreement.

Colorado Subdivision Name _____

 _____
Authorized Signature

11-9-2021
_____ Date

EXHIBIT K

Settlement Participation Form

Governmental Entity: <u>Town of Bennett</u>	State: <u>CO</u>
Authorized Official: <u>Royce D. Pindell / Mayor</u>	
Address 1: <u>207 MUEAGE WAY</u>	
Address 2:	
City, State, Zip: <u>Bennett, CO. 80102</u>	
Phone: <u>303.644.3249</u>	
Email: <u>tstiles@bennett.co.us</u>	

The governmental entity identified above (“Governmental Entity”), in order to obtain and in consideration for the benefits provided to the Governmental Entity pursuant to the Settlement Agreement dated July 21, 2021 (“Janssen Settlement”), and acting through the undersigned authorized official, hereby elects to participate in the Janssen Settlement, release all Released Claims against all Released Entities, and agrees as follows.

1. The Governmental Entity is aware of and has reviewed the Janssen Settlement, understands that all terms in this Election and Release have the meanings defined therein, and agrees that by this Election, the Governmental Entity elects to participate in the Janssen Settlement and become a Participating Subdivision as provided therein.
2. The Governmental Entity shall, within 14 days of the Reference Date and prior to the filing of the Consent Judgment, dismiss with prejudice any Released Claims that it has filed.
3. The Governmental Entity agrees to the terms of the Janssen Settlement pertaining to Subdivisions as defined therein.
4. By agreeing to the terms of the Janssen Settlement and becoming a Releasor, the Governmental Entity is entitled to the benefits provided therein, including, if applicable, monetary payments beginning after the Effective Date.
5. The Governmental Entity agrees to use any monies it receives through the Janssen Settlement solely for the purposes provided therein.
6. The Governmental Entity submits to the jurisdiction of the court in the Governmental Entity’s state where the Consent Judgment is filed for purposes limited to that court’s role as provided in, and for resolving disputes to the extent provided in, the Janssen Settlement.
7. The Governmental Entity has the right to enforce the Janssen Settlement as provided therein.

8. The Governmental Entity, as a Participating Subdivision, hereby becomes a Releasor for all purposes in the Janssen Settlement, including but not limited to all provisions of Section IV (Release), and along with all departments, agencies, divisions, boards, commissions, districts, instrumentalities of any kind and attorneys, and any person in their official capacity elected or appointed to serve any of the foregoing and any agency, person, or other entity claiming by or through any of the foregoing, and any other entity identified in the definition of Releasor, provides for a release to the fullest extent of its authority. As a Releasor, the Governmental Entity hereby absolutely, unconditionally, and irrevocably covenants not to bring, file, or claim, or to cause, assist or permit to be brought, filed, or claimed, or to otherwise seek to establish liability for any Released Claims against any Released Entity in any forum whatsoever. The releases provided for in the Janssen Settlement are intended by the Parties to be broad and shall be interpreted so as to give the Released Entities the broadest possible bar against any liability relating in any way to Released Claims and extend to the full extent of the power of the Governmental Entity to release claims. The Janssen Settlement shall be a complete bar to any Released Claim.
9. In connection with the releases provided for in the Janssen Settlement, each Governmental Entity expressly waives, releases, and forever discharges any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States or other jurisdiction, or principle of common law, which is similar, comparable, or equivalent to § 1542 of the California Civil Code, which reads:

General Release; extent. A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

A Releasor may hereafter discover facts other than or different from those which it knows, believes, or assumes to be true with respect to the Released Claims, but each Governmental Entity hereby expressly waives and fully, finally, and forever settles, releases and discharges, upon the Effective Date, any and all Released Claims that may exist as of such date but which Releasors do not know or suspect to exist, whether through ignorance, oversight, error, negligence or through no fault whatsoever, and which, if known, would materially affect the Governmental Entities' decision to participate in the Janssen Settlement.

10. Nothing herein is intended to modify in any way the terms of the Janssen Settlement, to which Governmental Entity hereby agrees. To the extent this Election and Release is interpreted differently from the Janssen Settlement in any respect, the Janssen Settlement controls.

I have all necessary power and authorization to execute this Election and Release on behalf of the Governmental Entity.

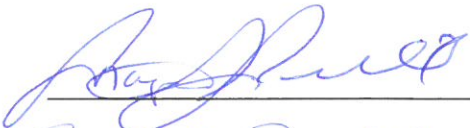
Signature: 
Name: Royce D. Pindell
Title: Mayor
Date: November 9, 2021

EXHIBIT K

Subdivision Settlement Participation Form

Governmental Entity: <u>Town of Bennett</u>	State: <u>CO</u>
Authorized Official: <u>Royce D. Pindell / Mayor</u>	
Address 1: <u>207 MUEGGE WAY</u>	
Address 2:	
City, State, Zip: <u>Bennett, Co. 80102</u>	
Phone: <u>303 644 3249</u>	
Email: <u>tstiles@bennett.co.us</u>	

The governmental entity identified above (“*Governmental Entity*”), in order to obtain and in consideration for the benefits provided to the Governmental Entity pursuant to the Settlement Agreement dated July 21, 2021 (“*Distributor Settlement*”), and acting through the undersigned authorized official, hereby elects to participate in the Distributor Settlement, release all Released Claims against all Released Entities, and agrees as follows.

1. The Governmental Entity is aware of and has reviewed the Distributor Settlement, understands that all terms in this Participation Form have the meanings defined therein, and agrees that by signing this Participation Form, the Governmental Entity elects to participate in the Distributor Settlement and become a Participating Subdivision as provided therein.
2. The Governmental Entity shall, within 14 days of the Reference Date and prior to the filing of the Consent Judgment, secure the dismissal with prejudice of any Released Claims that it has filed.
3. The Governmental Entity agrees to the terms of the Distributor Settlement pertaining to Subdivisions as defined therein.
4. By agreeing to the terms of the Distributor Settlement and becoming a Releasor, the Governmental Entity is entitled to the benefits provided therein, including, if applicable, monetary payments beginning after the Effective Date.
5. The Governmental Entity agrees to use any monies it receives through the Distributor Settlement solely for the purposes provided therein.
6. The Governmental Entity submits to the jurisdiction of the court in the Governmental Entity’s state where the Consent Judgment is filed for purposes limited to that court’s role as provided in, and for resolving disputes to the extent provided in, the Distributor Settlement. The Governmental Entity likewise agrees to arbitrate before the National Arbitration Panel as provided in, and for resolving disputes to the extent otherwise provided in, the Distributor Settlement.

7. The Governmental Entity has the right to enforce the Distributor Settlement as provided therein.
8. The Governmental Entity, as a Participating Subdivision, hereby becomes a Releasor for all purposes in the Distributor Settlement, including, but not limited to, all provisions of Part XI, and along with all departments, agencies, divisions, boards, commissions, districts, instrumentalities of any kind and attorneys, and any person in their official capacity elected or appointed to serve any of the foregoing and any agency, person, or other entity claiming by or through any of the foregoing, and any other entity identified in the definition of Releasor, provides for a release to the fullest extent of its authority. As a Releasor, the Governmental Entity hereby absolutely, unconditionally, and irrevocably covenants not to bring, file, or claim, or to cause, assist or permit to be brought, filed, or claimed, or to otherwise seek to establish liability for any Released Claims against any Released Entity in any forum whatsoever. The releases provided for in the Distributor Settlement are intended by the Parties to be broad and shall be interpreted so as to give the Released Entities the broadest possible bar against any liability relating in any way to Released Claims and extend to the full extent of the power of the Governmental Entity to release claims. The Distributor Settlement shall be a complete bar to any Released Claim.
9. The Governmental Entity hereby takes on all rights and obligations of a Participating Subdivision as set forth in the Distributor Settlement.
10. In connection with the releases provided for in the Distributor Settlement, each Governmental Entity expressly waives, releases, and forever discharges any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States or other jurisdiction, or principle of common law, which is similar, comparable, or equivalent to § 1542 of the California Civil Code, which reads:

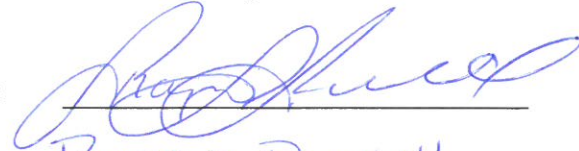
General Release; extent. A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release, and that if known by him or her would have materially affected his or her settlement with the debtor or released party.

A Releasor may hereafter discover facts other than or different from those which it knows, believes, or assumes to be true with respect to the Released Claims, but each Governmental Entity hereby expressly waives and fully, finally, and forever settles, releases and discharges, upon the Effective Date, any and all Released Claims that may exist as of such date but which Releasors do not know or suspect to exist, whether through ignorance, oversight, error, negligence or through no fault whatsoever, and which, if known, would materially affect the Governmental Entities' decision to participate in the Distributor Settlement.

11. Nothing herein is intended to modify in any way the terms of the Distributor Settlement, to which Governmental Entity hereby agrees. To the extent this Participation Form is interpreted differently from the Distributor Settlement in any respect, the Distributor Settlement controls.

I have all necessary power and authorization to execute this Participation Form on behalf of the Governmental Entity.

Signature: _____



Name: _____

Royce D. Pindell

Title: _____

Mayor

Date: _____

November 9, 2021

RESOLUTION 892-21

A RESOLUTION APPROVING THE COLORADO OPIOIDS SETTLEMENT MEMORANDUM OF UNDERSTANDING AND OTHER DOCUMENTS NECESSARY FOR THE TOWN'S PARTICIPATION IN PENDING OPIOIDS SETTLEMENTS

WHEREAS, the Office of the Colorado Attorney General recently distributed information concerning local government participation in settlements of claims related to the national opioid crisis brought by state and local governments against various, major pharmaceutical manufacturers and distributors (the “Defendants”); and

WHEREAS, the Attorney General’s Office and the litigating plaintiffs anticipate one or more settlements with Defendants in the federal litigation; and

WHEREAS, in anticipation of the potential settlements, the State of Colorado and various Colorado local governments have negotiated an agreement governing the allocation, distribution, and expenditure of any settlement proceeds paid in connection with the opioids litigation; and

WHEREAS, participation in the settlements is not limited to governments that filed suit in the opioid litigation; and

WHEREAS, on August 26, 2021, Colorado Attorney General, Philip J. Weiser, signed the attached Colorado Opioids Settlement Memorandum of Understanding, together with Exhibits A through G (the “MOU”), governing the allocation, distribution, and expenditure of settlement proceeds, on behalf of the State of Colorado; and

WHEREAS, the MOU applies to all pending and future settlements reached with opioid manufacturers and distributors; and

WHEREAS, along with the MOU, local governments have been asked to approve, sign, and return two settlement participation forms, the first regarding the pending settlement with opioid manufacturer Janssen (Johnson & Johnson), and the second regarding the pending settlement with opioid distributors AmerisourceBergen, Cardinal Health, and McKesson (the “Settlement Participation Forms”); and

WHEREAS, local governments have been asked, further, to approve, sign, and return the Colorado Subdivision Escrow Agreement, which ensures that local governments’ legal claims are released only when ninety-five percent (95%) participation by certain local governments has been reached; and

WHEREAS, the ninety-five percent (95%) participation threshold is important because it triggers certain amounts of incentive payments under the settlements and signals to the settling pharmaceutical companies that the settlements have wide acceptance; and

WHEREAS, the Bennett Town Board believes it to be in the best interest of the Town to approve the MOU, the Settlement Participation Forms, and the Colorado Subdivision Escrow Agreement, which will allow settlement proceeds to be used in the Town for services, programs, and other purposes related to opioid crisis abatement as set forth in Exhibit A to the MOU; and

WHEREAS, the Town Board encourages local governments throughout the State of Colorado to approve the MOU, the Settlement Participation Forms, and the Colorado Subdivision Escrow Agreement, as the number of participating local governments will directly affect the amount of the settlement proceeds provided.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE TOWN OF BENNETT, COLORADO:

Section 1. The Colorado Opioids Settlement Memorandum of Understanding (“MOU”) is hereby approved in essentially the same form as the copy of such MOU accompanying this Resolution.

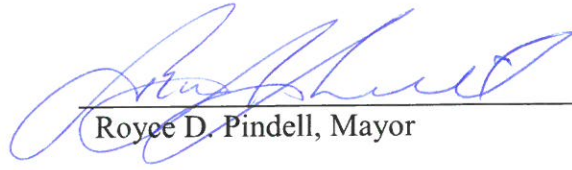
Section 2. The Settlement Participation Forms regarding the pending settlement with manufacturer Janssen (Johnson & Johnson), and the pending settlement with distributors AmerisourceBergen, Cardinal Health, and McKesson (the “Settlement Participation Forms”) are hereby approved in essentially the same form as the copies of such Settlement Participation Forms accompanying this Resolution.

Section 3. The Colorado Subdivision Escrow Agreement (“Escrow Agreement”), which ensures that the Town’s legal claims are released only when ninety-five percent (95%) participation by certain local governments has been reached, is hereby approved in essentially the same form as the copy of such Escrow Agreement accompanying this Resolution.

Section 4. The Mayor and Town Administrator are authorized to execute the MOU, the Settlement Participation Forms, and the Escrow Agreement on behalf of the Town, and the Mayor and Town Administrator are hereby further granted authority to negotiate and approve such revisions to said MOU, the Settlement Participation Forms, and the Escrow Agreement as the Mayor and Town Administrator determine are necessary or desirable for the protection of the Town, so long as the essential terms of such documents are not altered.

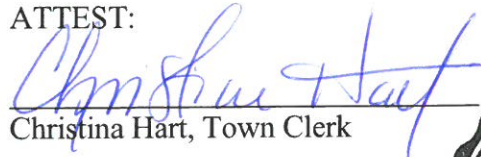
INTRODUCED, READ, AND RESOLVED THIS 9th DAY OF NOVEMBER, 2021.

TOWN OF BENNETT, COLORADO



Royce D. Pindell, Mayor

ATTEST:



Christina Hart, Town Clerk



New National Opioids Settlement: Kroger
Opioids Implementation Administrator
opioidsparticipation@rubris.com

Bennett town, CO
Reference Number: CL-790044

TO COLORADO LOCAL POLITICAL SUBDIVISIONS:

THIS PACKAGE CONTAINS DOCUMENTATION FOR COLORADO LOCAL POLITICAL SUBDIVISIONS TO PARTICIPATE IN THE NEW NATIONAL OPIOIDS SETTLEMENT WITH KROGER. YOU MUST TAKE ACTION IN ORDER TO PARTICIPATE.

Deadline: August 12, 2024

A new proposed national opioids settlement (“*New National Opioids Settlement*”) has been reached with The Kroger Co. (“*Settling Defendant*”). This *Participation Package* is a follow-up communication to the *Notice of National Opioids Settlement* recently received electronically by your subdivision.

You are receiving this *Participation Package* because Colorado is participating in the Kroger settlement.

Thanks to the collaboration of Colorado’s counties and municipalities, Colorado maximized its settlement proceeds from previous opioid settlements, and we are now asking that you review and sign-on to this settlement so that Colorado can maximize its share of these funds.

All opioid settlement funds that are received as a result of the settlement will follow the same [Colorado Opioid Settlement Memorandum of Understanding](#) that was signed in 2021. Completing the participation forms does not change your decision to “opt-out” to direct funds to the Region, or to “opt-in” to receive your direct allocation.

To review your Colorado local government decisions to receive or redirect funds, please see the [Colorado Opioid Settlement Dashboard Local Government page at: coag.gov/opioids/dashboard/local](https://coag.gov/opioids/dashboard/local).

This electronic envelope contains:

- The *Participation Form* for the Kroger settlement, including a release of any claims.

The *Participation Form* must be executed, without alteration, and submitted on or before August 12, 2024, in order for your subdivision to be considered for initial participation calculations and payment eligibility.

Based upon subdivision participation forms received on or before August 12, 2024, the subdivision participation rate will be used to determine whether participation is

sufficient for the settlement to move forward and whether a state earns its maximum potential payment under the settlement. If the settlement moves forward, your release will become effective. If a settlement does not move forward, that release will not become effective.

Any subdivision that does not participate cannot directly share in the settlement funds, even if the subdivision's state is settling and other participating subdivisions are sharing in settlement funds. Any subdivision that does not participate may also reduce the amount of money for programs to remediate the opioid crisis in its state. Please note, a subdivision will not necessarily directly receive settlement funds by participating; decisions on how settlement funds will be allocated within a state are subject to intrastate agreements or state statutes.

You are encouraged to discuss the terms and benefits of the *New National Opioids Settlement* with your counsel, your Attorney General's Office, and other contacts within your state. Many states are implementing and allocating funds for this new settlement the same as they did for the prior opioids settlements with McKesson, Cardinal, Cencora (formerly AmerisourceBergen), J&J/Janssen, Teva, Allergan, CVS, Walgreens, and Walmart but states may choose to treat this settlement differently.

Information and documents regarding the *New National Opioids Settlement* and how it is being implemented in your state and how funds will be allocated within your state can be found on the national settlement website at <https://nationalopioidsettlement.com/>. This website will be supplemented as additional documents are created.

How to return signed forms:

There are three methods for returning the executed *Participation Form* and any supporting documentation to the Implementation Administrator:

- (1) *Electronic Signature via DocuSign*: Executing the *Participation Form* electronically through DocuSign will return the signed form to the Implementation Administrator and associate your form with your subdivision's records. Electronic signature is the most efficient method for returning the *Participation Form*, allowing for more timely participation and the potential to meet higher settlement payment thresholds, and is therefore strongly encouraged.
- (2) *Manual Signature returned via DocuSign*: DocuSign allows forms to be downloaded, signed manually, then uploaded to DocuSign and returned automatically to the Implementation Administrator. Please be sure to complete all fields. As with electronic signature, returning a manually signed *Participation Form* via DocuSign will associate your signed forms with your subdivision's records.
- (3) *Manual Signature returned via electronic mail*: If your subdivision is unable to return an executed *Participation Form* using DocuSign, the signed *Participation Form* may be returned via electronic mail to opioidsparticipation@rubris.com. Please include the name, state, and

reference ID of your subdivision in the body of the email and use the subject line Settlement Participation Form - [Subdivision Name, Subdivision State] - [Reference ID].

Detailed instructions on how to sign and return the *Participation Form*, including changing the authorized signer, can be found at <https://nationalopioidsettlement.com>. You may also contact opioidsparticipation@rubris.com.

The sign-on period for subdivisions ends on August 12, 2024.

If you have any questions about executing the *Participation Form*, please contact your counsel, the Implementation Administrator at opioidsparticipation@rubris.com, or the Colorado Attorney General's Opioid Response Unit at Opioids@coag.gov or 720-508-6904.

Thank you,

New National Opioids Settlement Implementation Administrator

The Implementation Administrator is retained to provide the settlement notice required by the New National Opioids Settlement and to manage the collection of the Participation Form.

Subdivision Participation and Release Form

Governmental Entity: Bennett town	State: CO
Authorized Signatory:	
Address 1:	
Address 2:	
City, State, Zip:	
Phone:	
Email:	

The governmental entity identified above (“*Governmental Entity*”), in order to obtain and in consideration for the benefits provided to the Governmental Entity pursuant to the Settlement Agreement dated March 22, 2024 (“*Kroger Settlement*”), and acting through the undersigned authorized official, hereby elects to participate in the Kroger Settlement, release all Released Claims against all Released Entities, and agrees as follows.

1. The Governmental Entity is aware of and has reviewed the Kroger Settlement, understands that all terms in this Participation and Release Form have the meanings defined therein, and agrees that by executing this Participation and Release Form, the Governmental Entity elects to participate in the Kroger Settlement and become a Participating Subdivision as provided therein.
2. The Governmental Entity shall promptly, and in any event no later than 14 days after the Reference Date and prior to the filing of the Consent Judgment, dismiss with prejudice any Released Claims that it has filed. With respect to any Released Claims pending in *In re National Prescription Opiate Litigation*, MDL No. 2804, the Governmental Entity authorizes the Plaintiffs’ Executive Committee to execute and file on behalf of the Governmental Entity a Stipulation of Dismissal with Prejudice substantially in the form found at <https://nationalopioidsettlement.com/>.
3. The Governmental Entity agrees to the terms of the Kroger Settlement pertaining to Participating Subdivisions as defined therein.
4. By agreeing to the terms of the Kroger Settlement and becoming a Releasor, the Governmental Entity is entitled to the benefits provided therein, including, if applicable, monetary payments beginning after the Effective Date.
5. The Governmental Entity agrees to use any monies it receives through the Kroger Settlement solely for the purposes provided therein.
6. The Governmental Entity submits to the jurisdiction of the court in the Governmental Entity’s state where the Consent Judgment is filed for purposes limited to that court’s role as provided in, and for resolving disputes to the extent provided in, the Kroger Settlement. The Governmental Entity likewise agrees to arbitrate before the National



Arbitration Panel as provided in, and for resolving disputes to the extent otherwise provided in, the Kroger Settlement.

7. The Governmental Entity has the right to enforce the Kroger Settlement as provided therein.
8. The Governmental Entity, as a Participating Subdivision, hereby becomes a Releasor for all purposes in the Kroger Settlement, including without limitation all provisions of Section XI (Release), and along with all departments, agencies, divisions, boards, commissions, districts, instrumentalities of any kind and attorneys, and any person in their official capacity elected or appointed to serve any of the foregoing and any agency, person, or other entity claiming by or through any of the foregoing, and any other entity identified in the definition of Releasor, provides for a release to the fullest extent of its authority. As a Releasor, the Governmental Entity hereby absolutely, unconditionally, and irrevocably covenants not to bring, file, or claim, or to cause, assist or permit to be brought, filed, or claimed, or to otherwise seek to establish liability for any Released Claims against any Released Entity in any forum whatsoever. The releases provided for in the Kroger Settlement are intended by the Parties to be broad and shall be interpreted so as to give the Released Entities the broadest possible bar against any liability relating in any way to Released Claims and extend to the full extent of the power of the Governmental Entity to release claims. The Kroger Settlement shall be a complete bar to any Released Claim.
9. The Governmental Entity hereby takes on all rights and obligations of a Participating Subdivision as set forth in the Kroger Settlement.
10. In connection with the releases provided for in the Kroger Settlement, each Governmental Entity expressly waives, releases, and forever discharges any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States or other jurisdiction, or principle of common law, which is similar, comparable, or equivalent to § 1542 of the California Civil Code, which reads:

General Release; extent. A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release that, if known by him or her would have materially affected his or her settlement with the debtor or released party.

A Releasor may hereafter discover facts other than or different from those which it knows, believes, or assumes to be true with respect to the Released Claims, but each Governmental Entity hereby expressly waives and fully, finally, and forever settles, releases and discharges, upon the Effective Date, any and all Released Claims that may exist as of such date but which Releasors do not know or suspect to exist, whether through ignorance, oversight, error, negligence or through no fault whatsoever, and which, if known, would materially affect the Governmental Entities' decision to participate in the Kroger Settlement.



11. Nothing herein is intended to modify in any way the terms of the Kroger Settlement, to which Governmental Entity hereby agrees. To the extent this Participation and Release Form is interpreted differently from the Kroger Settlement in any respect, the Kroger Settlement controls.

I have all necessary power and authorization to execute this Participation and Release Form on behalf of the Governmental Entity.

Signature: _____

Name: _____

Title: _____

Date: _____



STAFF REPORT



welcome neighbors.

TO: Mayor and Town of Bennett Board of Trustees
FROM: Trish Stiles, Town Manager
DATE: July 23, 2024
SUBJECT: Safety Building Change Orders

Background

The Board of Trustees approved a contract with KTK General Contracting for the remodel of the old public works facility on January 9, 2024, in the amount of \$911,116.00. Staff budgeted for this amount along with a project contingency of ten percent (10%), or \$91,111, as we expected possible other issues or needs to arise as the building construction took place for unforeseen items through the process.

As of today, we have had 12 additional change orders that staff approved totaling \$53,353.30. These change orders have ranged from required asbestos testing, unforeseen plumbing issues, voice and data cable installation, floor leveling for ADA requirements, drywall changes and x brace moving to name a few.

The Board of Trustees has approved one change order totaling \$165,740.09 for the re-sheeting and reroofing of the building.

There are three remaining change orders totaling \$62,578.73. These are for

1. KTK Change Order No. 5; Drywall cost increases;
2. KTK Change Order No. 8; Delays for asbestos testing, permit release and additional scope;
3. KTK Change Order No. 9; Electrical Costs associated with conditions found and changes, deducts for the interior vestibule, door for sheriff's office security, solid surface counters, wall packs adjustment and deducts for lighting changes.

Matt Koppenhafer, owner of KTK contracting, will be present to discuss the three remaining change orders that need board approval to answer any questions the board might have about the project.

Staff Recommendation

Staff recommends that the board approve KTK CO's 5, 8, 9 totaling \$62,578.73.

Attachments

1. Smart Sheet Log: Complete listing of all CO's and Pay Applications
<https://app.smartsheet.com/sheets/xqXpChP6VVRXcp69cWj6PHCR3Ffq86pRfh2H6w2>

Suggested Motion

I move to approve Change Order No. 5, Change Order No. 8 and Change Order No. 9 with KTK General Contracting in the amount of \$62,578.73 as presented by Staff.

STAFF REPORT



welcome neighbors.

TO: Mayor and Town of Bennett Board of Trustees
FROM: Alison Belcher, Communications and IT Director
DATE: July 23, 2024
SUBJECT: Request to Waive RFP for Security and Access Control at Safety Building

Background

The Town's IT Department has long aimed to upgrade security and access control across all Town buildings, consolidating them into a unified system that can be easily accessed by both the IT Manager and Town Manager.

In July 2022, the Town of Bennett took a significant step towards this goal by contracting with Paladin Technologies to install four solar-powered security cameras in various town parks.

Paladin Technologies also bid and won the contract for installing and monitoring access control systems at the new public works facility, NOMCOM.

To ensure consistency and integration across all facilities, Paladin upgraded the access control and surveillance equipment at both Town Hall and the Community Center.

Summary of Safety Building Bid

To maintain a unified access control and surveillance system, the IT Department engaged Paladin Technologies for the necessary security upgrades to the new safety building. This quote includes the first year of intrusion monitoring services.

The security enhancements will feature the installation of card readers, electrified door hardware, motion sensors, glass break sensors and both indoor and outdoor cameras.

Description	Bid
Safety Building Security	\$76,336.07

The equipment being installed also includes everything necessary to secure an office for the Arapahoe County Sherriff.

Staff Review

Staff has worked with Paladin Technologies for several projects throughout Town and proposed great options to ensure all Town buildings are on one monitoring system that allows for the best opportunities to continue to expand the system to other Town buildings in the future.

Staff Recommendation

Town Staff recommends the Board of Trustees formally waive the requirement for a Request for Proposals and authorize a contract with Paladine Technologies for the safety building security upgrades.

Attachments

1. Town of Bennett – Safety Building Security Proposal



Town of Bennett - Bennett CO - Safety Building Security

Client: Town of Bennett

PTI Rep: Kris Chilton

Contact: Adam Meis

Proposal Date: 7/2/2024





Project Description & Investment

Name: Town of Bennett - Bennett CO - Safety Building Security

Site

{Town of Bennett} Town of Bennett - Safety Building
365 Palmer Ave
Bennett 80102

Billing

Town of Bennett
207 Muegge Way
Bennett, CO 80102-8425
US

Paladin Technologies

Kris Chilton
P: 720-951-5394
E: kchilton@paladintechnologies.com

Client Contact

Adam Meis
P: 720-591-5443
E: ameis@bennett.co.us

Project Scope

PACS:

Installation of (1) Avigilon LifeSafety enclosure in upstairs IT Closet
Installation of (9) HID Card readers and associated door contacts and REXs
Installation of all associated access control cable
Installation of electrified door hardware on the (9) CR doors

IDS:

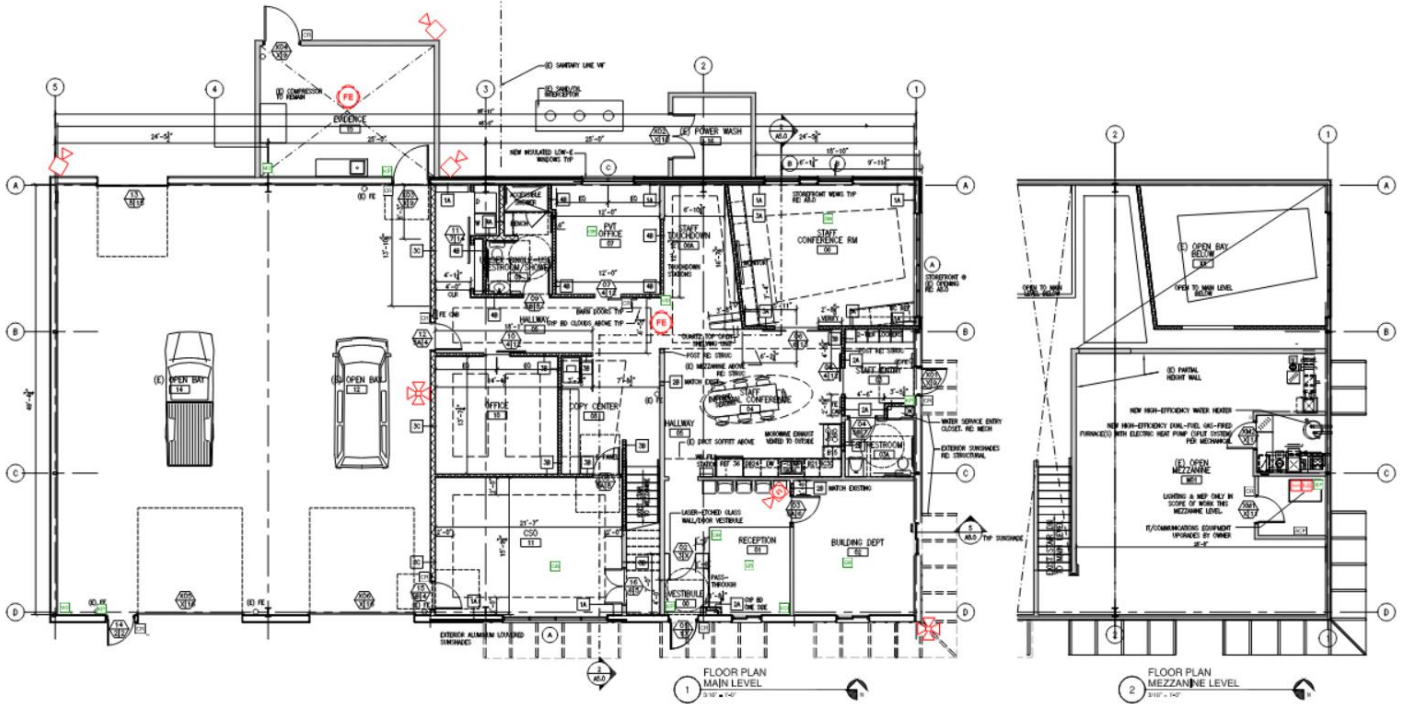
Provide Avigilon and DMP integration license and configuration
Installation of (1) DMP XR Series intrusion panel
Installation of (4) DMP Keypads
Installation of (1) Duress button at the reception desk
Installation of (4) Bosch motion detectors
Installation of (5) Bosch glass breaks
DMP VirtualKeypad setup
1 year of monitoring provided by PTI

VSS:

Use wall mount rack left over from Public Works. Adam Meis has the rack.
Installation of (1) Avigilon 8TB server
Provide (9) ACC7 ENT camera and SMART licenses
Installation of (1) Avigilon multi-sensor camera
Installation of (1) Avigilon bullet camera
Installation of (3) Avigilon fisheye cameras
Installation of (4) Avigilon outdoor cameras on building exterior
Installation of (1) Network switch



Provided by Others:
 IP Scheme
 Conduit & pathways
 Door prep
 Wall rack provided by Adam Meis



Town of Bennett - Bennett CO - Safety Building Security Summary

Proposal Date: 7/2/2024

This Quotation is confidential. Pricing is valid for 30 days unless otherwise noted.

Currency: All Items quoted are in USD.

Alarm Monitoring RMR Monthly Services (Month to Month)

Item number	Manufacturer part number	Quantity	Price	Unit Rate	Total Cost
PTI-3PMON.IP	Standard Monitoring Service (IP Communication)	12	\$ 30.00	Month/System	\$ 360.00
				Subtotal	\$ 360.00
				Tax	
				Total Monthly Price, Including Tax	\$ 360.00



Financial Summary

Summary	Total
<input type="checkbox"/> Security	\$76,336.07
Expense	\$14,469.68
Labor	\$24,820.00
Material	\$37,046.39
Total	\$76,336.07
* Plus Applicable Taxes	



Detailed Breakdown

Item Type	Part Number	Description	Q	Unit Pr	Extend
Material	AC-LSP-16DR-MER-LCK	Sixteen Door Mercury Dual Voltage Integrated Power	1	\$1,256.30	\$1,256.30
Material	AC-MER-CONT-LP1502	Intelligent Controller, Linux Based with 2 doors,	1	\$1,326.40	\$1,326.40
Material	AC-MER-CON-MR52-S3B	2 reader interface board	4	\$729.89	\$2,919.56
Material	NP7-12	BATTERY 7 AMP 12 VDC	3	\$30.48	\$91.44
Material	20KTKS-T1-000000	Reader, Signo 20K, Pigtail, SEOS and Mobile Enabled	9	\$383.40	\$3,450.60
Material	ACCESSPLENJKT1SHLD-50	Composite Cable (18/4C, 22/2C, 22/4C, 22/3P), All OAS, (H91602.1/31965002), Yellow Jacket, 500'	5	\$498.58	\$2,492.90
Material	DS160	REQUEST TO EXIT PIRS LIGHT GRY	9	\$88.56	\$797.04
Material	N505AU-STDD	Surface Mounting Armored Door Contact, 24" Lead, 1.75 to 2.75" Gap, DPDT	9	\$37.13	\$334.17
Material	XR150DNL-G	XR150 Panel, 142 Zones, Dialer Network, 350-G Enclosure, 50VA Transformer	1	\$417.15	\$417.15
Material	AC-SW-LIC-DMPINTR-1PAN	Access Control Manager, 6 Per Panel, License for DMP Intrusion Panel Integration	1	\$293.90	\$293.90
Material	NP7-12	BATTERY 7 AMP 12 VDC	2	\$30.48	\$60.96
Material	7060-W	Green LCD W/Shortcut Keys, White for all Panels	4	\$105.58	\$422.32
Material	ISC-PDL1-W18G	ISC-PDL1-W18G PIR Motion Detector (60 Ft Dual).	4	\$78.58	\$314.32
Material	DS1101I	BOSCH GLASS BREAK ROUND 25 FT	5	\$42.22	\$211.10
Material	18/4-500	Cable, 18/4C, Plenum, Non-Shielded, 500'	5	\$177.15	\$885.75
Material	HUB2A	Hold Up Button, Latching, DPDT, with 3 Solder Terminals	1	\$25.70	\$25.70
Expense	PTI-Shop Supplies US	Shop Supplies & Misc. Consumables	3	\$642.86	\$1,928.58
Material	7400-628	Electric Strike, Aluminum Jambs, Flat Face, 24VAC/DC, Fail Safe/Secure	1	\$181.43	\$181.43
Material	2005M3	SMART Pac III	1	\$68.00	\$68.00
Material	7400-628	Electric Strike, Aluminum Jambs, Flat Face, 24VAC/DC, Fail Safe/Secure	1	\$181.43	\$181.43
Material	2005M3	SMART Pac III	1	\$68.00	\$68.00
Material	LCRX-10XG71-LL-26D	Electrified Cylindrical Lock, Grade 1, Fail Secure, L Lever, L Rose,	1	\$1,083.43	\$1,083.43
Material	ETH4W4545-626-BB1168	Power Transfer Hinge, Heavy Weight, 4-1/2" X 4-1/2", 4-Wire, Satin Chrome	1	\$117.15	\$117.15
Material	LCRX-10XG71-LL-26D	Electrified Cylindrical Lock, Grade 1, Fail Secure, L Lever, L Rose,	3	\$1,083.43	\$3,250.29
Material	ETH4W4545-626-BB1168	Power Transfer Hinge, Heavy Weight, 4-1/2" X 4-1/2", 4-Wire, Satin Chrome	3	\$117.15	\$351.45
Material	ENVR2-PLUS-8P8-NA	Server, ENVR2 Plus, 8TB, Avigilon Control Center	1	\$2,301.78	\$2,301.78
Material	ACC7-ENT	ACC 7 Enterprise Edition camera license	9	\$262.26	\$2,360.34
Material	ACC-ENT-SMART-1YR	ACC Enterprise Smart Plan, 1 Year	9	\$26.60	\$239.40
Material	24C-H4A-3MH-270	3x 8MP H4 Multisensor Camera Module with 4mm lens	1	\$2,053.25	\$2,053.25
Material	H4AMH-AD-PEND1	Outdoor pendant mount adapter, must order one of I	1	\$156.43	\$156.43
Material	H4AMH-DO-COVR1	Dome bubble and cover, for outdoor surface- Clear	1	\$156.43	\$156.43
Material	2.0C-H6A-D1-IR	Camera, 2MP, H6A, Indoor dome Camera, 2.8-12mm Lens	1	\$830.83	\$830.83
Material	8.0C-H5A-FE-DO1-IR	8.0 MP, H5A Fisheye Dome Camera, LightCatcher, Day	3	\$742.89	\$2,228.67
Material	H5A-FE-MT-NPTA1	NPT Adapter for Fisheye	2	\$58.66	\$117.32
Material	WLMT-1021	Mount, Pendant Arm, 20cm Long, 1.5 NPT	1	\$87.00	\$87.00
Material	4.0C-H6A-DO1	Camera, 4MP H6A Outdoor Dome Camera with 4.4-9.3mm Lens	4	\$1,153.68	\$4,614.72
Material	GS116PP-100NAS	Ethernet Switch, 16 Port, 183W PoE/PoE+ Gigabit	1	\$350.98	\$350.98
Material	CAT6-500	Cable, 23/4p, Plenum, Cat6, 500'	5	\$189.69	\$948.45
Expense	PTI-Subcontractor US	Cable installation	7000	\$1.43	\$10,010.00
Expense	PTI-Subcontractor US	Lift	900	\$1.43	\$1,287.00
Expense	PTI-Subcontractor US	Electrician to hardwire power supply	600	\$1.43	\$858.00
Expense	PTI-Shop Supplies US	Shop Supplies & Misc. Consumables	120	\$1.43	\$171.60
Expense	PTI-Freight US	Freight	150	\$1.43	\$214.50
Labor	DEN-Technician Security II	Security Labor	180	\$105.00	\$18,900.00
Labor	DEN-Field Engineer II	Security Labor	8	\$145.00	\$1,160.00
Labor	DEN-Project Manager I	Security Labor	34	\$140.00	\$4,760.00



Performance Items

AutoCad Plans & Drawing Files	No	Stub Ups & Back Boxes	No
Submittals	No	Back Boxes	No
Permits	No	Conduit	No
System Training	No	Coring	No
Network Cabling & Infrastructure	Yes	Fire Stopping	No
Telephone Line	No	Patch & Touch-up Paint	No
120vac Power	Yes	Door/Frame Preparation	No
Locking Hardware	Yes	Construction Equipment	No
Lift/Boom Rental	No	Fire Alarm Installation & Verification	No
		Fire Pull Station Installation & Verification	No

Clarifications and Exclusions

- Taxes are excluded unless specifically shown as included in the pricing summary.
- All work to be completed during normal business hours (8:30am to 5:00pm, Monday to Friday, excluding Holidays) unless otherwise noted.
- All prices quoted herein are valid for 30 days unless otherwise noted.
- Any existing equipment, including cable, found to be faulty and in need of repair or replacement to ensure the proper installation and functioning of the equipment covered by this order may result in additional charges.
- If installation workflow is delayed due to a lack of site readiness including but not limited to inaccessibility, incompleteness, or construction, then extra charges may apply.
- Warranty Limitation. Unless otherwise specified, Paladin provides a one-year warranty on all parts and a 90-day labor warranty.



Proposal Acceptance

I have read the **General Terms and Conditions (Appendix A)** of the sale, understand them fully, and agree to abide by them.

I hereby certify that I am authorized by my company to sign this agreement. Paladin Technologies is hereby authorized to perform the work as specified.

Accepted By: Paladin Technologies

Proposal No. P0021302_01
Accepted By: Town of Bennett

Name: Kris Chilton

Name: _____

Signature: _____

Signature: _____

Title: Senior Account Executive

Title: _____

Date: 7/3/2024

Date: _____



Appendix A - General Terms & Conditions



General Terms & Conditions – Additional Services

- 2.2. Service Fee: You agree to pay annually in advance to Paladin Technologies (USA) Inc., its agents, or assigns, for monitoring and certain other services, the sum of dollars (\$), on the 1st day of the billing period and each billing thereafter following connection of the System for an original term of twelve (12) months. In addition, you shall pay the pro-rata share of the service fee for the month in which the connection is completed, plus applicable taxes. Alarm inspections, tests and service are charged separately. See Item 6.
- 2.3. Electronic Fund Transfer: Paladin Technologies (USA) Inc. offers electronic fund transfers and credit card payments. If you wish to subscribe to these services, please ask a Paladin Technologies (USA) Inc. representative for the Authorization Agreement.
- 2.4. Renewal: This Agreement shall automatically renew for successive twelve (12) month periods unless either party notifies the other in writing of its intention to terminate this Agreement, not less than thirty (30) days prior to the expiration of the original term or any renewal term thereof. We may increase the monitoring fees for any renewal period by giving you thirty (30) days written notice prior to increase.

3. MONITORING SERVICE

Monitoring and response shall be performed as follows: (a) when an emergency signal is received from the System, the Center shall make every reasonable effort to notify the appropriate responding agency, notify the first available person on your responsible party list, and follow your written instructions, if any, for that type of signal; (b) when a non-emergency signal is received, the Center shall make every reasonable effort to notify the first available person on the responsible party list, and follow written instructions provided by you for that signal. The Center reserves the right to verify all signals by using the two-way voice or video verification feature, (if available), by telephone or other method before notifying any responding agency. The Center may choose not to notify any agency if it has reason to believe that the signal received does not require such notification. Both Parties are obligated to comply with all notification and response requirements imposed by governmental agencies having jurisdiction over the System. We may discontinue or change any particular response service due to governmental or insurance requirements by giving you written notice. If your police or fire department now or in the future requires physical or visual verification of an emergency condition before responding to a request for assistance, you agree to subscribe to such service if provided by us at a commercially reasonable rate, or otherwise comply with such requirements, and we may charge an additional fee for such service. The city or county in which your premise is located may require that you obtain a permit for the use and monitoring of the System. Local authorities may not respond to alarm notifications until all permits or licenses for use of the System have been obtained. You consent to the tape recording of all telephonic communications between you, your premise and the Center. You agree that personnel at the Center and other employees may only be conversant in the English language and may not be able to communicate in other languages.

4. CANCELLATION: TERMINATION

- 4.2. **If the Subscriber breaches any provision of this Agreement, upon 30 days written notice to Subscriber's address, Paladin Technologies (USA) Inc. may immediately interrupt and/or terminate service without any liability. At its sole discretion, Paladin Technologies (USA) Inc. may restore such interrupted or terminated service following the correction of violation and/or payment issues.
- 4.3. **We assume no liability for interruption of monitoring service due to strikes, riots, floods, storms, earthquakes, fires, power failures, your actions, interruption, or unavailability of telephone service, acts of God, war, or for any other cause beyond our control, and we will not be required to supply alternate monitoring services/methods during such interruption. This Agreement may be suspended or cancelled, at our option, if your premise and/or equipment, or the Center is destroyed by fire, other catastrophe, or so substantially



damaged that it is impractical to continue service, or in the event we are unable to render service as a result of any action by any governmental authority and/or insurance requirements.

- 4.4. Service Callout Always Required to Restore or Terminate Alarm Services: Termination or restoration of monitoring service for any reason requires a service call in the amount of \$ to eliminate or re-establish the Center reporting feature programmed in the System. Upon termination of monitoring service, you hereby authorize us to enter your premise for the sole purpose of removing the reporting feature programmed in the System and to remove all of our signs, decals and equipment. Monitoring service fees will continue to be billed until this mandatory service call is completed.
- 4.5. False/Excessive Unwanted Signals: In the event a fine, penalty, or fee is assessed against us by any governmental or municipal agency as a result of any alarm signal originating from your premise, and no alarm condition exists, you agree to reimburse us for same. In the event your System transmits an unusually high volume of false/unwanted signals, you authorize us to enter your premise for the sole purpose of removing the reporting feature programmed in the System. We reserve the right to charge additional fees associated with false and excessive unwanted signals.

5. DISCLAIMER OF LIABILITY

We do not represent or warrant that the System or services will prevent any loss or injury due to burglary, hold up, fire, or otherwise, or that the System or services will in all cases provide the protection for which they are intended. You acknowledge and agree that: (a) we have made no representations or warranties, express or implied, as to any matter whatsoever, nor have you relied on any representations or warranties express or implied; (b) you assume all risk of loss or damage to your premise or to the contents thereof; and assume all risk of injury (including personal injury or death) to persons using or on the premise. We make no representation or warranty as to the promptness of the Center's response, and we have no control over the response time or capability of any agency or person who may be notified as a result of the System or services being used. You acknowledge that: (a) you should obtain insurance for the protection of yourself and others who may use the System and services, (b) you have read and understood all of this Agreement, particularly paragraphs 11 and 12 which set forth our maximum liability in the event of any loss, injury or damage to you or anyone else; and (c) you have discussed paragraph 11 with our agent and understand that you may obtain a higher limitation of our limited liability by paying an additional service fee to us.

6. YOUR DUTIES

You shall carefully and properly test the System periodically, but not less than monthly, during the term of this Agreement. Some Systems may require daily or weekly testing. If the System includes fire protection, you agree to perform or permit us to perform all necessary inspections, tests, and service, and if performed by us, you agree to pay for all such inspections, tests and service at our then prevailing rates. If any defect in operation of the System develops, or in the event of a power failure or other interruption at your premise, you shall notify us immediately. You shall notify us in writing of any changes, revisions or modifications to the responsible party list or written instructions provided to us for signal handling. At your expense you shall obtain all necessary permits and licenses that may be required by any governmental agency for the use and operation of the System. When any device is used, including but not limited to space detection which is affected by the turbulence of air, occupied air space change or other disturbing conditions, you shall turn off and remove all things, animate or inanimate, including but not limited to all forced air heaters, air conditioners, animals and other sources of air turbulence or movement which may interfere with the effectiveness of the System during the closed period. You agree that we may disclose any information on the responsible party list to any agency having jurisdiction over the use and operation of the System. If the System includes any wireless devices, you will replace the batteries as needed. Failure to do so may result in failure of the System.



7. TRANSFER OF OWNERSHIP

You cannot sell, assign or transfer this Agreement without our written consent, and any and all permitted assignments shall include a requirement that any assignee will agree to abide by the terms and conditions herein. In the event a change in ownership is pending, you shall inform us in writing fourteen (14) days prior to such change becoming effective. All changes shall be provided via Certified Mail.

8. DEFAULT

If you fail to pay any amount due, file petition in bankruptcy, receivership or insolvency; if you make any assignment for the benefit of creditors, or fail to perform any other provisions hereof; we shall have the right and may exercise any or all of the following remedies: (a) recover all the past due amounts from you and continue to monitor the System, in which case we shall be entitled to recover the monthly amount due under the contract for said services; or (b) discontinue service upon five (5) days written notice and recover all sums we may be entitled to under the law. In addition, a late payment fee of 1.5% (or the maximum interest rate permitted by law whichever is less) per month may be applied to your account if periodic invoices are not paid by the due date. The late payment fee is for costs associated with the late payment and shall not be deemed an interest payment. You agree to pay a fee of \$25.00 for any check EFT or ACH transaction returned unpaid by a financial institution for any reason. A minimum-handling fee of \$5.00 may be assessed to cover costs for rebilling and mailing statements. We may request payment by money order, cashier's check, or similar form of secure payment at our discretion at any time. If we retain the services of a collection agency or an attorney to assist in remedying your breach of this Agreement including, but not limited to, non-payment of charges herein, you shall be liable for and agree to pay all expenses associated to collections, including attorney's fees.

9. ASSIGNEES AND SUBCONTRACTORS

We shall have the right to assign this Agreement to any other person, firm, or corporation without notice to you and shall have the further right to subcontract any services, which we may perform. Upon our assignment of this Agreement, our obligations shall terminate. You acknowledge that this Agreement, and particularly those paragraphs relating to our limited liability and third-party indemnification, inure to the benefit of and are applicable to any assignees, and/or subcontractors and the work they perform, and that they bind you with respect to said assignees, and/or subcontractors with the same force and effect as they bind you to us.

10. TRANSMISSION FACILITIES

Means to transmit alarm signals to a receiving station shall conform to the requirements of applicable codes and the local authority having jurisdiction.

10.2. Standard Telephone Service: The communicator maybe connected to your standard landline telephone service. The System will not work on standard cellular telephone service. You will pay for all telephone charges including any installation fee for a special jack to connect the System to your telephone service. We recommend the use of an RJ31X or equivalent telephone jack to give the System priority over other telephones on your premise; however, when the System is activated, you will be unable to use your telephone to make other calls (such as calls to the 911 emergency operator), and therefore, you may wish to have the System connected to a second telephone line. You agree to reimburse us for any costs we may incur to reprogram the System's communication devices because of area code changes or other dialing pattern changes.

10.3. Internet Transmission: The communicator may be connected to the Internet. In order for the System to transmit signals, it must have uninterrupted access to an Internet connection. We make no representations or warranties as to how fast a signal will be received at the Center, because signal transmission speed may be adversely affected by Internet traffic or other causes beyond our control. You further acknowledge that



- signals are transmitted over the Internet, which is wholly beyond our control and is maintained and serviced, solely by the applicable Internet service provider.
- 10.4. Cellular or Radio Transmission: If cellular or radio service is used as a primary or secondary transmission path, the communicator is connected to a cellular or radio network. The use of cellular or radio systems may be controlled by the public utilities agency of your state, and the Federal Communications Commission and changes in rules, regulations and policies may necessitate our discontinuing or changing such transmission facilities at our option. Cellular or radio transmissions may be impaired or interrupted by atmospheric conditions, including electrical storms, power failures or other conditions and events beyond our control.
- 10.5. **The use of DSL, BPL, VoIP or other broadband or Internet-based telephone service may prevent the System from transmitting alarm signals to the Center, after it is installed or at any time in the future, and/or interfere with the telephone line-seizure feature of the System. Such services should be installed on a telephone number that is not used for alarm signal transmission. You agree to notify us if you have installed or intend to install DSL, VoIP, BPL or other broadband or Internet service. Immediately after the installation of DSL, VoIP, BPL, or other broadband or Internet service you must test the System's signal transmission with the Center.
11. Paladin Technologies (USA) Inc. is not an insurer; Limitation of Liability: You understand that: (a) we are not an insurer of your premise, property or the personal safety of persons on your premise; (b) you are solely responsible for providing any life, health or disability insurance for yourself and persons who use the System, and insurance on your premise and its contents; (c) the amount you pay to us is based only on the value of the service we provide and not on the value of your premise or its contents; (d) alarm systems and monitoring service may not always operate properly for various reasons; (e) it is difficult to determine in advance the value of the property that might be lost, stolen or destroyed if the System or our service fails to operate properly; (f) it is difficult to determine in advance how fast the police or fire department or others would respond to an alarm signal; and (g) it is difficult to determine in advance what portion, if any, of any property loss, personal injury or death would be proximately caused by our failure to perform, our negligence, or a failure of the System or service. Therefore, you agree that even if a court decides that our breach of this Agreement, or a failure of the System, or our negligence, or a failure of the installation or design of the System, or a failure of monitoring or repair service caused or allowed any harm or damage (whether property damage, personal).



General Terms & Conditions – Additional Services

1. DEFINITIONS AND ENTIRE AGREEMENT

“Customer” means the party named as Client in the attached Project Description & Investment document.

“Paladin Technologies” means Paladin Technologies (USA) Inc.

“Paladin Goods and Services” means the goods and services described in the attached Project Description & Investment document and any schedules attached by Paladin Technologies.

“Quotation” means the agreement between Paladin Technologies and the Customer, comprised of the attached Project Description & Investment document, any schedules attached by Paladin Technologies, and these General Terms and Conditions.

“Site” means the site for the work listed in the attached Project Description & Investment document.

This Quotation may be accepted by the Customer by either signing where indicated in the attached Project Description & Investment document or by issuance to Paladin Technologies of a purchase order or similar document, which will constitute acceptance of these terms and conditions. This Quotation represents the entire agreement between the Customer and Paladin Technologies. No change, modification, amendment, or other agreement about this Quotation will be binding on Paladin Technologies unless agreed to in writing by an authorized Paladin Technologies representative. No Paladin Technologies sales agent or representative is authorized to make any representations, warranties, or agreements, or to bind Paladin Technologies in any way, except for the representations, warranties and obligations provided for in this Quotation. The laws of the jurisdiction where the Site is located, including builders’ lien legislation, will apply to this Quotation and Paladin Technologies will have all rights of a contractor under such builders’ lien legislation.

2. WARRANTY

Paladin Technologies warrants that the services provided by Paladin Technologies and its employees and subcontractors as part of the Paladin Goods and Services will be free from defects in design or workmanship for a period of one (1) year from the date of completion of the installation, provided that:

- (a) the installation remains in ‘as installed’ condition, without any damage, abuse, modification, addition, or alteration by the Customer or any other party; and
- (b) all regular maintenance and inspections as recommended by Paladin Technologies have been performed.

In the event of any defects in such services, Paladin Technologies will immediately upon notification by the Customer make the necessary repairs, at no cost to the Customer.

Paladin Technologies does not make any representation or warranty regarding any goods or equipment forming part of the Paladin Goods and Services; however, Paladin Technologies will assist the Customer to enforce all manufacturers’ warranties applicable to such goods and equipment. On-site service charges may apply in connection with such assistance.

Prior to returning any goods or equipment, a Return Material Authorization (RMA) form must be completed and can be obtained by contacting service@paladintechnologies.com. Shipping, handling, administration, and/or insurance charges may apply for Paladin Technologies to facilitate product RMA returns and manufacturer repairs.



Except as expressly provided in this Warranty section, Paladin Technologies disclaims all warranties, expressed, implied or statutory, in relation to the Paladin Goods and Services and/or any other goods or services provided by Paladin Technologies to the Customer pursuant to this Quotation, and all such statutory or implied warranties are hereby waived and excluded.

3. PRICING AND PAYMENT TERMS

All pricing provided for in this Quotation is a best estimate only, based upon the information available at the time of quoting. Pricing is valid assuming completion of supply of the Paladin Goods and Services within one (1) year from the date of this Quotation. All prices and charges for the Paladin Goods and Services are subject to change due to Site, environmental, economic, and other conditions, including without limitation currency exchange fluctuations and pricing changes by suppliers, and may be modified as determined by Paladin Technologies from time to time.

On approved credit ("O.A.C."), all charges must be paid in full, without any offset, deduction, or delay within thirty (30) days of the date of an invoice. Credit privileges may be revoked at any time at the sole discretion of Paladin Technologies Credit Department or Senior Finance Executives. Interest will apply at 1.5% per month (18% per annum) on any amounts which are not paid in full within such thirty (30) day period, calculated from the date that the invoice was originally issued. A fee of twenty-five percent (25%) of the applicable price provided in this Quotation will be charged for any product returns, if they are returned in their original and unopened packaging within fifteen (15) days of delivery. The Customer will be responsible for, and will pay on demand, all costs incurred by Paladin Technologies in connection with the enforcement of the terms of this Quotation including, but not limited to, travel expenses, court costs, collection agent costs, litigation costs and all legal fees incurred by Paladin Technologies.

All applicable federal, provincial, state, and/or local taxes are payable in addition to the pricing in this Quotation.

For travel outside the municipal boundaries of the cities in which a Paladin Technologies office is located, the applicable hourly charge per Paladin Technologies personnel member and \$1.25 per kilometer per vehicle will be charged from the point of origin to the Customer's Site and return. Where applicable, airfare costs will be billed in addition to the hourly personnel charge.

Incidentals such as freight, disposal fees, equipment rental fees for non-Paladin Technologies owned equipment, per diem/meals, accommodations, parking and airfare will be charged at cost plus ten (10%) percent, where applicable. The Paladin Technologies Bucket Truck rental will be charged out at One Hundred and Twenty-Five (\$125.00) dollars per hour with a two (2) hour minimum.

Paladin Technologies may delay or discontinue the Paladin Goods and Services and/or terminate this Quotation without any liability or obligation whatsoever to Customer if (a) any equipment or component of the Customer's system is altered, modified, changed or moved without written authorization from Paladin Technologies; (b) the Customer defaults under any agreement with Paladin Technologies, including without limitation any default in payment under this Quotation; (c) Paladin Technologies' business and/or operations are disrupted or adversely affected due to causes beyond Paladin Technologies' reasonable control; (d) goods, labour, transportation and/or capital are not readily available; and/or (e) the Customer is or becomes bankrupt, insolvent, makes an assignment for the benefit of its creditors, fails to pay its debts as due, and/or otherwise suspends its business operations. The Customer may not terminate this Quotation unless Paladin Technologies has failed to fulfill its obligations hereunder for a period of thirty (30) days after written notice from the Customer. In the event Customer terminates this Quotation for any reason, the Customer will indemnify Paladin Technologies and save it harmless from any and all



losses, costs and expenses associated with such termination, including, but not limited to loss of profit, lost opportunities, direct, consequential, and incidental damages, and injury to goodwill and reputation.

4. CREDIT APPROVAL

Paladin Technologies' obligations under this Quotation are always subject to Paladin Technologies' Credit Policy ("Credit Policy") and the approval by Paladin Technologies' Finance department, at its sole discretion. If credit is not approved, alternative full or partial prepayment methods may be required to proceed. The Customer specifically consents to the collection and use by Paladin Technologies of Customer credit and financial information, including the Customer's credit file with any credit reporting agencies.

5. SITE ACCESS AND CONDITION

The Customer must provide Paladin Technologies and its personnel and subcontractors with access to the Site as and when required, and the Customer is responsible for ensuring that the Site is a safe workplace in conformity with all applicable workers' compensation and workplace safety laws and regulations.

6. RISK

All risks and liability for loss or damage to any goods or equipment forming part of the Paladin Goods and Services will immediately pass to the Customer upon delivery to the Customer or to its carrier. Notwithstanding such passage of risk, in default of payment Paladin Technologies may, without limiting its other rights and remedies, remove from the Site any Paladin Goods and Services which have not been paid for in full.

7. SCHEDULE AND DELAYS

Paladin Technologies will make commercially reasonable efforts to meet the scheduled dates for delivery or installation of the Paladin Goods and Services provided for in this Quotation, subject always to actions, omissions or delays of others or other circumstances beyond the reasonable control of Paladin Technologies. Under no circumstances will Paladin Technologies have any liability or obligation to the Customer or to any other person for any loss or damage resulting from any delay unless such delay was caused solely by Paladin Technologies' breach of this section.

8. INDEPENDENT CONTRACTORS

Paladin Technologies and the Customer are independent contractors, and neither will be considered to be the agent, representative, master or servant of the other party for any purpose whatsoever. Nothing in this relationship will be construed to create a joint venture, partnership, fiduciary or other similar relationship between the parties.

9. LIMITATION OF LIABILITY

Under no circumstances, including any breach by Paladin Technologies of its obligations under this Quotation, any breakdown or non-performance of any equipment or system forming part of the Paladin Goods and Services, or any negligence by Paladin Technologies or any of its employees, agents or subcontractors, will Paladin Technologies or any of its officers, directors, employees, shareholders or representatives have any liability to the Customer or any of the Customer's officers, directors, employees, shareholders or representatives for any loss, costs, or damages in excess of the aggregate of the amounts actually received by Paladin Technologies from the Customer pursuant to this Quotation, regardless of the form of action or the basis for the claim.

10. CONFIDENTIALITY

This Quotation and its terms, including all pricing terms and the system design, as well as any other information, material or documents provided to the Customer by Paladin Technologies either prior to or after this Quotation has



been signed (collectively, "Confidential Information") are to be kept strictly confidential by the Customer and its employees and agents. No disclosure of any Confidential Information may be made to anyone outside the Customer's organization (other than to its professional advisors or as the Customer may be legally obligated to make) without the prior written consent of Paladin Technologies.

Suggested Motion

I move to waive the RFP process and authorize the Mayor and the Town of Bennett to enter into a standard Town contract agreement with Paladine Technologies for the safety building security upgrades in the amount of \$76,336.07