

**TOWN OF SILVERTHORNE
COLORADO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR YEAR ENDING
DECEMBER 31, 2008**





COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2008

Prepared by:
Town of Silverthorne's
General Government Department

TOWN OF SILVERTHORNE, COLORADO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For Fiscal Year Ended December 31, 2008

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May 31, 2009

To the Honorable Mayor, Members of the Town Council and the Citizens of the Town of Silverthorne:

The Town of Silverthorne is pleased to present the comprehensive annual financial report, prepared in accordance with generally accepted accounting principles (GAAP) for the year ended December 31, 2009. The report is submitted as mandated by both local ordinance and state statutes. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Town government. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the Town government. The Town has established an internal control structure designed to ensure accurate financial reporting and to safeguard the assets of the Town. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. All disclosures necessary to enable the reader to gain an understanding of the Town's financial activities have been included.

The Town of Silverthorne's financial statements for the year ended December 31, 2008, have been issued an unqualified ("clean") opinion by Johnson, Holscher & Company, P.C., a firm of licensed certified public accountants. The independent auditor's report is presented as the first component of the financial section of this report.

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

Governmental Structure

Of all the towns in Colorado, few have probably experienced the overwhelming change that Silverthorne has in the short time since its incorporation in 1967. Over the course of its brief existence, the Town has gone from a makeshift construction camp for workers building the Dillon Dam, to a period in which the most the Town had to offer was a convenient refueling stop along Interstate 70, to a full-service, well-balanced community of over 4,000 people.

The Town of Silverthorne is located high in the Colorado Rocky Mountains, approximately 70 miles west of Denver, at an elevation of 8,730 feet. It is situated along the Lower Blue River Valley below peaks of 12,000 and 13,000 feet and is surrounded on two sides by large stands of forest and Wilderness Area. It is considered the gateway to Summit County and Western Colorado. Three major ski resorts are within 10 miles of Silverthorne making Silverthorne a "bedroom community" to the resorts and an attractive area for second homeowners.

The government operates under the council-manager form of government. Policymaking and legislative authority are vested in the Town Council, which consists of a mayor and six-member council. The Town Council is responsible for, among other things, passing ordinances, adopting the budget and hiring the Town Manager. The Town Manager is responsible for carrying out the policies and ordinances of the Town Council and for overseeing the day-to-day operations.

The Town provides a full range of services. These services include police protection, street construction and maintenance, infrastructure, water and sewer services, a recreation center, recreation activities and cultural events. Wastewater services are provided through a legally separate Joint Sewer Authority, which the Town manages and are therefore reported separately within the Town of Silverthorne's financial statements. Additional information on the Authority can be found in Note H in the notes to the financial statements.

The Town Council is required to adopt a final budget by no later than the thirty days prior to the beginning of the fiscal year. This annual budget serves as the foundation for the Town of Silverthorne's financial planning and control. The budget is prepared by fund, function (e.g. public safety), and department (e.g. police). Department Directors may transfer resources within a department. Transfers between departments require the Town Manager's approval while transfers between funds need approval from the Town Council. Adjustments to the budget are conducted several times during a fiscal year after Town Council review and approval via ordinance.

In order to accomplish the goals set for 2008, it is important to note the primary goal of the Town Council as described in its mission statement:

We, the Silverthorne Town Council, recognize our Town as a year-round, family community with economic, recreational and social opportunities for all citizens to have a mountain quality of life."

The Mission Statement and other tools such as the Home Rule Charter, the Municipal Code, the Comprehensive Plan, the Three Mile Plan, Parks, Trails & Open Space Plan and Department Policies (Operations, Personnel and Financial) all provide guidance to the Town Council and Town staff in their task of making decisions regarding daily operations as well as the future.

Factors Affecting Financial Condition

Local Economy: Fiscal year 2008 saw two very different economies. The first half of 2008 continued to see financial and physical growth. The last half of the fiscal year saw the national and state economic downturns catch up to Silverthorne with decrease in sales tax revenues and almost an abrupt halt of construction.

Silverthorne is home to many commercial businesses that service the community and surrounding areas. The remainder of the economy is tourism related, with 80 (when fully leased) Outlet stores, 36 fast-food/restaurants and 6 hotels. Major industries/employers in 2008 included: Silverthorne Outlet Stores, Xcel Public Utilities, Town of Silverthorne, U.S. Forest Service, Colorado Mountain Express, Target and a combination of lodging, building and restaurant businesses.

The Town continues to be financially stable. This can be mostly attributed to expenditure reductions during fiscal years 2002 – 2004, the opening of the Target store in March of 2003, strong tourism in 2005 - 2008 and the recent remodeling of the Outlet Stores. The reductions required during the financially challenged years had caused the Town to be cautious when adding expenditures back while at the same time addressing increases in wages, fuel and natural resource expenses. While the Town has had modest to moderate increases in cash throughout the years, it looks toward the future and realizes the need to diversify and increase revenues if the Town is to continue to grow and remain in healthy financial condition. However, due to conservative reserve policies, the Town is ready to handle the current down economy we currently are experiencing.

The primary challenge the Town faces currently and into the future is its dependency on sales tax revenues. Sales tax revenues comprised 64% of the general fund revenues. The national and local economy began a downturn in the summer of 2001 which continued into 2003. The decline in the economy was seen in Silverthorne with decreases (5.5%) in sales tax revenues from 2001 as

compared to 2002 sales tax collections. Sales tax collections saw moderate increases in 2003 and 2004 as reflected by the 3.8% and 2.7% respective increases. However, 2005 - 2007 finished with significant increases in sales taxes of 10%, 12.5% and 10.7%, respectively. Fiscal year 2008 saw sales tax revenues decrease 3%.

Recent history includes the relocation of our community grocery store to an adjacent community in April of 1998. A \$1 million sales tax shortfall (a loss of approximately 15% of general fund revenues) was the reality of the relocation. Since then the Town has added a buildings material store as well as a major office supply store. During the late 90's and early 2000, the local and national economy grew. This produced acceleration in the building industry that helped the Town's sales tax revenues grow. An economic downturn began in mid-2001. The September 11th terrorist attacks had a direct effect on tourism and the economy throughout 2002. The state-wide drought and wild fires during the summer of 2002 discouraged tourism in the Summit County area. 2003 saw tourism numbers return to the area however, consumers were cautious in their spending. In March of 2003 Target opened a 124,000 sq. ft. retail sundries store in Silverthorne.

The remodel and addition of eight new retail businesses to Phase II of the Outlet Stores was the primary reason for the increase in sales tax revenues in 2005. Phase III of the Outlets began renovations in 2006 and included the addition of a new anchor store, Old Navy. Several other new stores were added to that Phase that same year. The Outlets Phase III completed their remodel in 2007 and Phase I completed their remodel in late 2007. Several highly-sought-after retail stores, Columbia & Ann Taylor, opened in late 2007 with several additional stores joining the section of stores in 2008.

Local skier/snowboarder numbers were up for the 2007/2008 winter season but as the national & state economy became an official recession, we saw skier numbers and pass sales down for the beginning of the 2008/2009 winter season which in turn has a direct affect on the Town's most valuable revenue, sales tax.

New building permits issued in 2008 were slightly down compared to 2007. While the national housing market was already in a downturn in 2008, Silverthorne residential building growth continued until late 2008 when new construction stopped. Building permits revenues are a direct indicator as to building retailer's revenues. Building retail sales tax revenues were lower than 2007 by 2%.

Revenues still out paced expenditures in 2008, which allowed the Town to add a couple full-time positions that were needed due to increase in service levels. The Town also had the ability to address many maintenance projects that are now part of a long term asset management program. The pine beetle disease has killed many lodgepole pine trees in the Silverthorne area with most of the death in the surrounding national forest. The Town has had to enforce tree removal programs for both Town-owned property and the property of residents and businesses. Without the removal of the trees the risk of fire increases. Silverthorne is surrounded by national forest and open space so being prepared for fire has been an important priority for Council and staff.

Several new capital projects took place in 2008 including the continued expansion of the north trail system. Major street and infrastructure projects including a new water pumphouse and storage tank. The Town also added a residential area, Angler Mountain Ranch, which added several miles of streets and utility lines to the Town's capital assets.

Long-Term Financial Planning: The fund balance in the general fund (79% of annual expenditures) is above the Town's financial policies requirement of 6-months of annual expenditures. This certainly has the Town in a comfortable position as we continue to buffer the current economic downturn.

In 2009 the Town will continue with the construction of another portion of the Town's trail system. Additionally the Town will design and engineer the next section of the trail to be built in 2010. The trail is and has been a long-term goal for the Town and is mostly being funded by special revenue funds whose sole purpose is to use these funds towards these types of capital projects. Additionally, the Town searches for grants and donations to offset this cost of this trail. The Town expects to have the full trail completed by 2015 and will cost the Town approximately \$8 million dollars. The completion of the trail will be another asset to the Town that will draw both visitors and residential & commercial development.

The Town has a few large parcels of commercially zoned land still undeveloped. Since our only grocery store left Silverthorne in 1998, it has been a priority to bring another grocery store to Town. The economy certainly hasn't help in this endeavor. However, it's felt this will eventually happen as more homes are built. The other reason for the desire of a grocery store is the stores ability to generate sales tax revenues for the Town which would assist on bringing diversity to the Town's sales tax base.

The Town has developed a Town Center area located between the Blue River and Hwy 9. The Center currently consists of an enclosed pavilion, which hosts entertainment, arts, weddings, private and community events. A fly fishing shop and an outside public area to encourage gatherings and viewing of the river are also included. The second phase of the Town Center includes two restaurant/office/retail buildings with residential properties above the riverside building. The two pedestrian bridges connect the Center to Phase III of the Outlets. Pedestrian walkways also add to the accessibility to the Center. The Town of Silverthorne does not have a "downtown area" like older communities. The Town Center Project has been a vision for this community for quite some time. Its realization should stimulate additional economic development in the community. In essence, balancing the economics with the vision remains the priority of the Town.

The financial challenge for the Town is to bring balance between commercial development with residential. Commercial helps generate revenues for the Town. Residential requires public services but provides very limited revenues to offset the cost of those services.

Relevant Financial Policies: The Town recognizes that in order to maintain current service levels and the potential need to increase service levels when impacted by growth in future years, the Town will need to find other revenue sources and/or continue to encourage increases in sales tax generating businesses. Per the Town's Financial Policies, the Town maintains financial reserves "to pay for needs caused by unforeseen emergencies which may include revenue shortages." This contingency can assist the Town in maintaining current service levels, but utilizing these funds is not interpreted as a long-term solution to a situation. In fact, the Town Council does not consider the use of reserves for general operations. The question of "Who pays for services when growth occurs?" continues to be a statewide challenge for Colorado and locally for Silverthorne. The Town has addressed this issue by utilizing real estate transfer assessments and general improvement districts in future residential areas. Watch for these revenue sources to become a part of the Town's revenue base in future years.

Per the Town's financial policies, capital related funds allow fund balances to grow and then be utilized for one-time type of capital projects as defined by the funds. Therefore, it's not unusual to see years where capital expenditures are greater than actual revenues.

Major Initiatives: If there is one thing that can be said about 2008, it is that the Town continues to be faced with many economic challenges due to the economy and it affect on tourism, residential development and diversity of our revenues. Without a town-assessed property tax, there will be no additional revenues to assist paying for Town services and continue maintenance of Town assets.

Prior to the current economic downturn, local employers struggled to find and retain employees due to lack of affordable housing. The cost of housing in Summit County has grown to be too expensive as compared to wages local workers earn. In 2007, an affordable housing sales tax and an impact fee on any new building was put in place to help raise funds for local governments to be applied towards affordable housing. This could include purchasing/developing affordable housing for sale or rent, down payment assistances, current owners renovation and anything that could help provide housing for local employees. In 2008, the Town purchased the 50-acre Smith Ranch parcel which the Town intends to use as a "yet to be determined" affordable housing development. The current economy is reflecting opposite of past employer needs however, this is only temporary. Lack of affordable housing will be an issue in the future and the Town wants to be ready to address this issue when that time arrives. This will assist with maintaining our commercial base and keep our community a place where locals can make a home.

Town management and Council have and will continue to work hard and analyze many complex issues in order to save money and still provide services to the public while planning for the future.

Awards and Acknowledgements

Awards: The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Silverthorne for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2007. The Certificate of Achievement is a prestigious national award-recognized for conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report (CAFR), whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. Fiscal year 2007 was the twelfth year the Town of Silverthorne has received the award. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

The Town also received the GFOA Distinguished Budget Presentation Award for our 2009-2010 Financial Plan. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communication device.

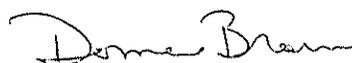
Acknowledgments: The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance & Administration Department. We would also like to express our appreciation for the cooperation of the other Town departments, which provided assistance and support.

Finally, we acknowledge the Mayor and Town Council, who have consistently supported the Town's goal of excellence in all aspects of financial management. Their continuing interest and support is greatly appreciated.

Respectfully Submitted,



Kevin Batchelder
Town Manager, Town of Silverthorne



Donna Braun, CPA, National & Co. CGFO
Director of Finance & Administration

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Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Silverthorne
Colorado

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting

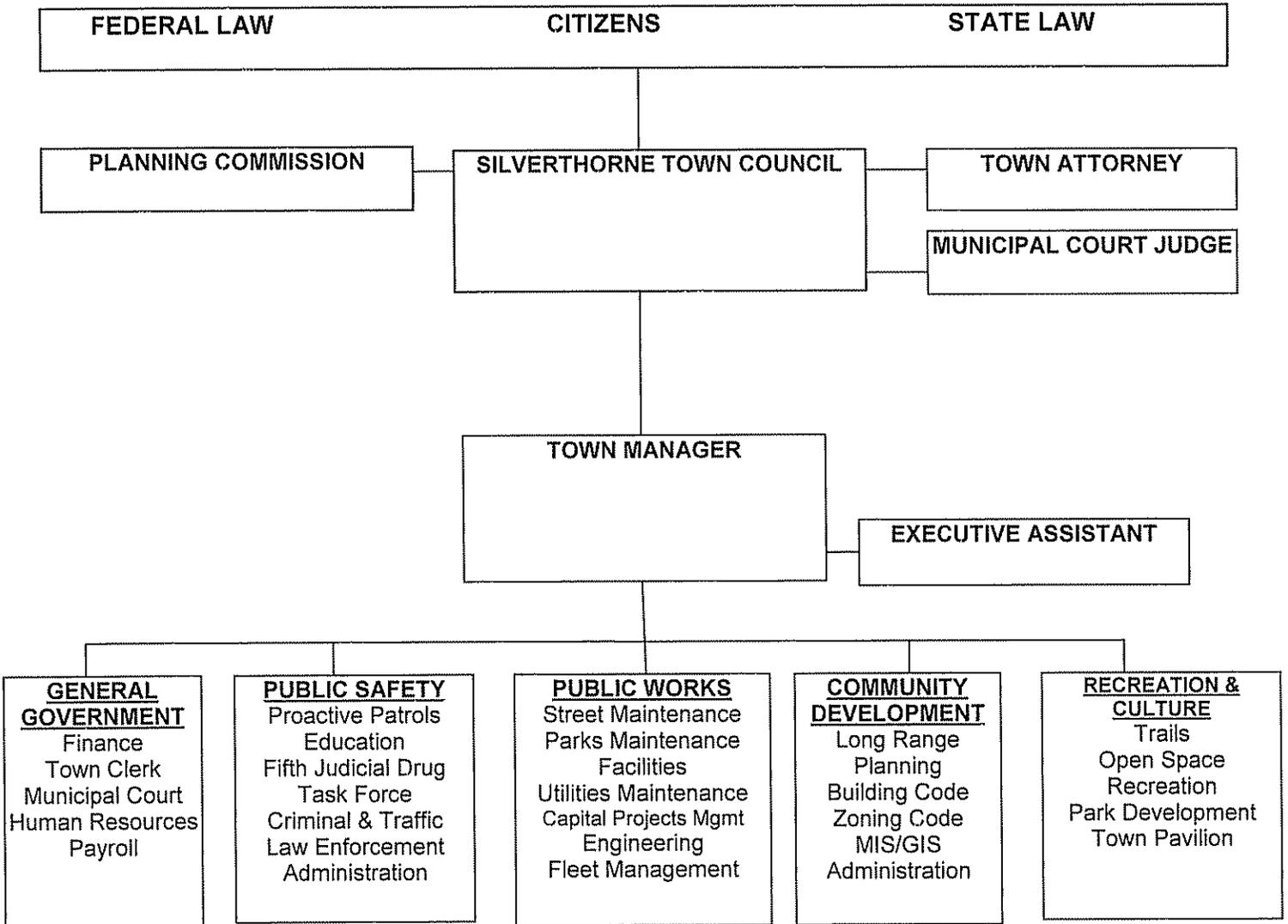


President

Executive Director



TOWN OF SILVERTHORNE, CO ORGANIZATIONAL CHART





TOWN OF SILVERTHORNE, COLORADO
LIST OF ELECTED AND ADMINISTRATIVE OFFICIALS
December 31, 2008

Elected Officials

Mayor	Dave Koop
Mayor Pro-tem	Peggy Long
Council Members	Bruce Butler
	Vince Lanuza
	Kevin McDonald
	Ann-Maria Sandquist
	Rosanne Shaw

Administrative Officials

Town Manager	Kevin Batchelder
Attorney	Gerald Dahl
Town Clerk	Michele Karlin
Administration & Finance Director	Donna Braun
Police Chief	Mark Hanschmidt
Public Works Director	Bill Linfield
Community Development Director	Mark Leidal
Recreation & Culture Director	Joanne Breigenzer

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

The Honorable Mayor and
Members of the Town Council
Town of Silverthorne, Colorado

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 Silverthorne, Colorado (the Town), as of and for the year ended December 31, 2008, which collectively comprise the basic financial statements of the Town as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to previously 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 Silverthorne, Colorado, as of December 31, 2008, and the results of its operations and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis and budget and actual schedules are not a required part of the basic financial statements, but are supplemental information the Governmental Accounting Standards Board requires. We applied limited procedures, consisting principally of inquiries of management, regarding measurement and presentation of the supplementary information. We did not audit the information and express no opinion thereon.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Town of Silverthorne's basic financial statements. The combining and individual fund financial statements and the budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Local Highway Finance Report is presented for purposes of additional analysis and is not a required part of the financial statements of the Town of Silverthorne, Colorado. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

We did not audit the data included in the introductory and statistical sections of this report and therefore express no opinion thereon.

Johnson, Holscher & Company, P.C.

Centennial, Colorado
May 5, 2009

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TOWN OF SILVERTHORNE, COLORADO

MANAGEMENT DISCUSSION & ANALYSIS

December 31, 2008

As management of the Town of Silverthorne, we offer readers of the Town of Silverthorne's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended December 31, 2008. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-5 of this report.

FINANCIAL HIGHLIGHTS

- The assets of the Town of Silverthorne exceeded its liabilities at the close of fiscal year 2008 by \$73,161,095 (*net assets*). Of this amount, \$19,815,983 (*unrestricted net assets*) may be used to meet the Town's ongoing obligations or unforeseen expenses.
- As of the close of fiscal year 2008, the Town of Silverthorne's governmental funds reported a combined ending fund balance of \$9,018,815 a decrease of \$3,417,835 compared to fiscal year 2007. \$8,212,035 of the total is considered unreserved.
- At the end of fiscal year 2008, unreserved fund balance for the general fund was \$6,762,288 or 76% of the total general fund expenditures.
- General fund 2008 revenues decreased by \$83,796 or .9% as compared to 2007. Governmental funds general sales tax revenues decreased by \$267,917 as compared to 2007 results.
- The Town called \$1,825,000 in 1998 Excise Tax Revenue Bonds leaving a principal balance of \$1,845,000. Retiring the Bonds early makes available approximately \$420,000 annually for the Sales Tax Capital Improvement Fund and saves the Town \$280,871 in future interest payments and a net present value savings of \$148,092.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

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

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

Both of the government-wide financial statements distinguish functions of the Town of Silverthorne that are principally supported by taxes and intergovernmental revenues (*Governmental Activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*Business-type Activities*). The Governmental Activities of the Town of Silverthorne include:

general government, public safety (police), public works, community development, recreation & culture, affordable housing and capital acquisition. The Business-type Activities of the Town of Silverthorne include water and sewer.

The government-wide financial statements can be found on pages 23-25 of this report.

Fund Financial Statements

A *fund* is a grouping that is used to maintain control over resources that have been segregated for specific activities or objectives. Some funds are required to be established by State law and bond covenants; however Town Council establishes other funds to help control and manage money for particular purposes. All of the Town's funds can be divided into four categories: Governmental Funds, Proprietary Funds, Fiduciary Funds and Internal Service Funds.

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

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

The Town of Silverthorne maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general, capital improvement and affordable housing fund. These three funds are considered to be major funds. The other three funds are combined in the special revenues funds into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The Town adopts an annual appropriated budget for its general and affordable housing funds. A budgetary comparison statement has been provided for the general and affordable housing funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 26-28 of this report.

Proprietary Funds – The Town of Silverthorne maintains two types of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town uses enterprise funds to account for its water and sewer funds. *Internal service funds* are an accounting device used to accumulate and allocate costs internally. The Town uses internal service funds to account for long-term compensated absences. Because this service predominantly benefits the Town rather than business-type functions, it has been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for water and sewer funds. Both are considered to be major funds of the Town of Silverthorne. The Compensated Absences internal services fund is also presented in the proprietary fund statements.

The basic proprietary fund financial statements can be found on pages 31-33 of this report.

Fiduciary Funds – the Town of Silverthorne only maintains one fiduciary fund, joint sewer authority, which is an agency fund. It is used to account for situations where the Town's role is purely custodial. Agency funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's own programs. All assets reported in Agency funds are offset by a liability; the accrual basis of accounting is used to recognize receivables and payables.

The fiduciary fund financial statements can be found on page 34.

Notes to Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 35-55 of this report.

Supplementary & Other Information – The supplementary and combining statements referred to earlier in connection with major and non-major governmental funds are presented immediately following the required notes to financial statements. Combining and individual fund statements and schedules can be found on pages 61-74.

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

Net Assets – As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Town of Silverthorne, governmental activities assets exceeded liabilities by \$47 million at the close of fiscal year 2008.

Combined net assets of the Town at December 31, were:

	TOWN OF SILVERTHORNE'S NET ASSETS					
	Governmental Activities		Business-type Activities		Total Primary Government	
	2008	2007	2008	2007	2008	2007
Current and Other Assets	\$ 10,744,643	\$ 14,395,912	\$ 11,640,168	\$ 11,682,328	\$ 22,384,811	\$ 26,078,240
Capital Assets	40,021,953	35,120,184	14,840,210	13,834,516	54,862,163	48,954,700
Total Assets	50,766,596	49,516,096	26,480,378	25,516,844	77,246,974	75,032,940
Long-Term Liabilities	2,680,264	4,935,233	-	-	2,680,264	4,935,233
Other Liabilities	1,300,209	1,564,521	105,406	265,482	1,405,615	1,830,003
Total Liabilities	3,980,473	6,499,754	105,406	265,482	4,085,879	6,765,236
Net Assets:						
Invested in Capital Assets,						
Net of Related Debt	37,724,350	30,551,010	14,840,210	13,834,516	52,564,560	44,385,526
Restricted	780,551	765,449	-	-	780,551	765,449
Unrestricted	8,281,222	11,699,883	11,534,762	11,416,846	19,815,984	23,116,729
Total Net Assets	\$ 46,786,123	\$ 43,016,342	\$ 26,374,972	\$ 25,251,362	\$ 73,161,095	\$ 68,267,704

By far the largest portion of the Town of Silverthorne's net assets, 72%, reflects its investment in capital assets (e.g. land, buildings, infrastructure), less any related debt used to acquire those assets that is still outstanding. The Town of Silverthorne uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Silverthorne's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Unrestricted net assets may be used to meet the Town's ongoing obligations to citizens and creditors.

The \$22,384,811 of Total Primary Government current and other assets includes \$13,140,726 in cash, cash equivalents and investments. This reflects the strong cash balances that the Town of Silverthorne has maintained in 2008, even with approximately \$4.4 million in capital projects. The \$2,680,264 in long-

term liabilities outstanding contains \$1,845,000 in outstanding revenue bonds that are dependent on sales tax revenues in order to pay the bonds.

At the end of 2008, the Town of Silverthorne is able to report a positive balance of net assets for the government as a whole, as well as for its separate Governmental and Business-type Activities. The net assets - unrestricted for the governmental activities equals 76% of total expenses in the statement of activities for governmental activities for 2008.

During 2008, the Town of Silverthorne's net assets increased by \$3,769,781. The increase from the Governmental Activities can be attributed mostly from ongoing revenues out-pacing ongoing expenses (not including transfer) by \$3,451,369. The remaining \$1,123,610 increase in net assets is from Business Activities which can be attributed to capital contributions (tap fees and contributed infrastructure) and an increase in the sewer funds' investment in the Joint Sewer Authority.

Changes in Net Assets – Governmental activities increased the Town of Silverthorne's net assets by \$3,769,781 reflecting 77% of the growth to total net assets. This increase shows that the Town had continued to experience to grow but had a lower surplus as compared to 2007 by \$1,724,167 which is in line with the state and national economy.

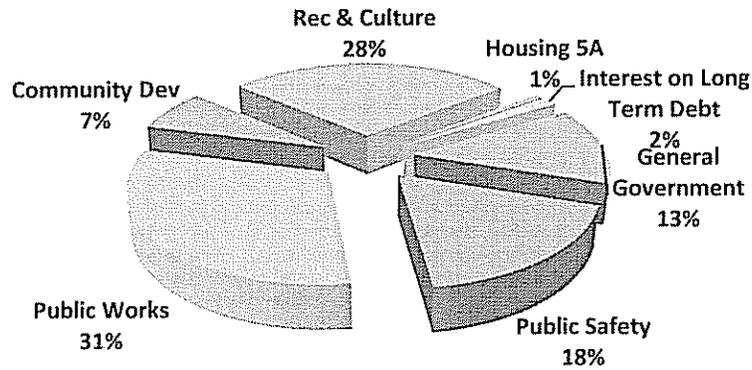
TOWN OF SILVERTHORNE'S CHANGES IN NET ASSETS

	Governmental Activities		Business-type Activities		Total Primary Government	
	2008	2007	2008	2007	2008	2007
Program Revenues:						
Charges for Services	\$ 2,651,991	\$ 2,443,851	\$ 1,910,359	\$ 1,824,007	\$ 4,562,350	\$ 4,267,858
Operating Grants & Contributions	18,179	7,773	-	-	18,179	7,773
Capital Grants & Contributions	1,307,592	2,517,121	1,321,018	2,265,718	2,628,610	4,782,839
General Revenues:						
Sales Taxes	8,750,545	8,744,604	-	-	8,750,545	8,744,604
Other Taxes	1,027,868	1,054,201	-	-	1,027,868	1,054,201
Other General Revenues	591,706	673,850	402,083	673,793	993,789	1,347,643
Total Revenues	<u>14,347,881</u>	<u>15,441,400</u>	<u>3,633,460</u>	<u>4,763,518</u>	<u>17,981,341</u>	<u>20,204,918</u>
Program Expenses:						
General Government	1,469,486	1,405,667	-	-	1,469,486	1,405,667
Public Safety	1,947,374	1,841,689	-	-	1,947,374	1,841,689
Public Works	3,378,759	3,053,768	-	-	3,378,759	3,053,768
Community Development	805,313	814,718	-	-	805,313	814,718
Recreation & Culture	3,054,899	2,912,284	-	-	3,054,899	2,912,284
Affordable Housing 5A	77,764	39,713	-	-	77,764	39,713
Interest on Long-term Debt	162,916	229,425	-	-	162,916	229,425
Water	-	-	1,129,095	1,101,207	1,129,095	1,101,207
Sewer	-	-	1,062,344	1,035,722	1,062,344	1,035,722
Total Expenses	<u>10,896,511</u>	<u>10,297,264</u>	<u>2,191,439</u>	<u>2,136,929</u>	<u>13,087,950</u>	<u>12,434,193</u>
Excess Before Transfers	3,451,370	5,144,136	1,442,021	2,626,589	4,893,391	7,770,725
Transfers	318,411	349,811	(318,411)	(349,811)	-	-
Change in Net Assets	3,769,781	5,493,947	1,123,610	2,276,778	4,893,391	7,770,725
Net Assets – Beginning of Year	<u>43,016,342</u>	<u>37,522,395</u>	<u>25,251,362</u>	<u>22,974,584</u>	<u>68,267,704</u>	<u>60,496,979</u>
Net Assets – End of Year	<u>\$ 46,786,123</u>	<u>\$ 43,016,342</u>	<u>\$ 26,374,972</u>	<u>\$ 25,251,362</u>	<u>\$ 73,161,095</u>	<u>\$ 68,267,704</u>

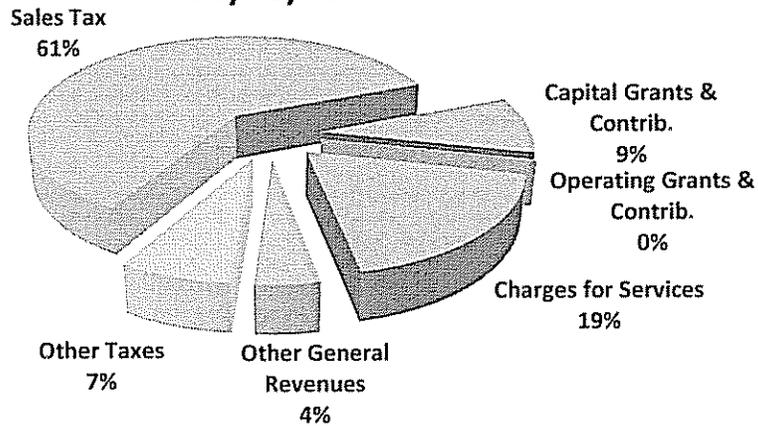
Governmental Activities

Governmental activities increased the Town of Silverthorne's net assets by \$3,769,781. The following are illustrative summaries of Governmental Activities revenues and expenses:

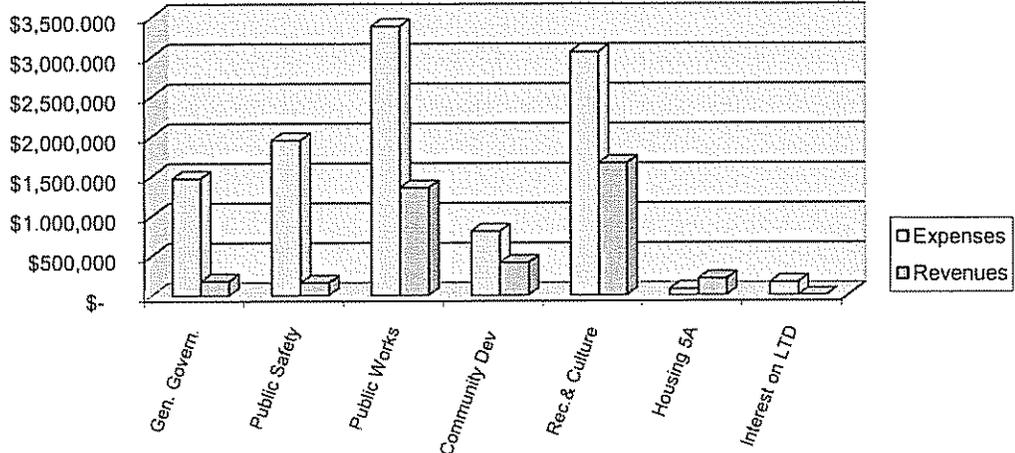
Governmental Activities Expenses as of 12/31/08



Governmental Activities - Revenues by Source as of 12/31/08



Governmental Activities - Expenses and Program Revenues



Governmental Activities Analysis:

- Sales taxes decreased by 3.06% (\$267,919) in 2008. The Town began the year still reflecting some growth but by mid-year the national and state economic issues began to have an effect on the Town's economy. The Outlets made up 61% (\$162,166) of the total sales tax deficit. Several new stores were added but the Outlets also lost a few stores. In general, all businesses were down for 2008. The Outlets make up 33% of the Town's total sales tax base. Additionally the building and consumer retail industry saw a sales tax revenue decrease of \$34,316 and \$113,569 respectively from 2007. The only industries to see increases for 2008 were lodging and auto. Lodging had a strong first quarter with no new hotels added in 2008. Auto saw an increase of 10.3% (\$64,925). While no new auto dealerships were added in 2008, one of the three dealerships relocated to a new more visible facility.
- Building related permits decreased by \$27,200 from 2007. The majority of building permits in 2008 were residential. While building still continues in the Eagles Nest/Three Peaks area, a new residential development, Angler Mountain, began developing multi-family high end homes. Silverthorne continues to be a choice area for new homes and is one of the few mountain communities in Summit County that still has residential land available for building. However, the housing slump that had already been affecting the state and national economy began to affect the Town in late 2008.
- Fiscal year 2008 saw interest rates decrease which is reflected in the \$209,581 decrease over 2007 investment income results. This is also due to less cash available for investment due to capital projects and paying off debt early.
- Capital Grants & Contributions include several grants/donations the Town received during 2008 including \$200,000 from South Maryland Creek Ranch for the construction of a portion of north trail system. Contributions included infrastructure from developers in the amount of \$1.07 million.
- Governmental expenses increased by \$599,247 or 5.8% from 2007. The majority of this increase is due to salary and benefits increases from 2007. An increase in costs to address pine beetle kill on trees on town properties and to assist citizens with their tree removal were added in 2008. Higher fuel and energy costs also added to the increase.

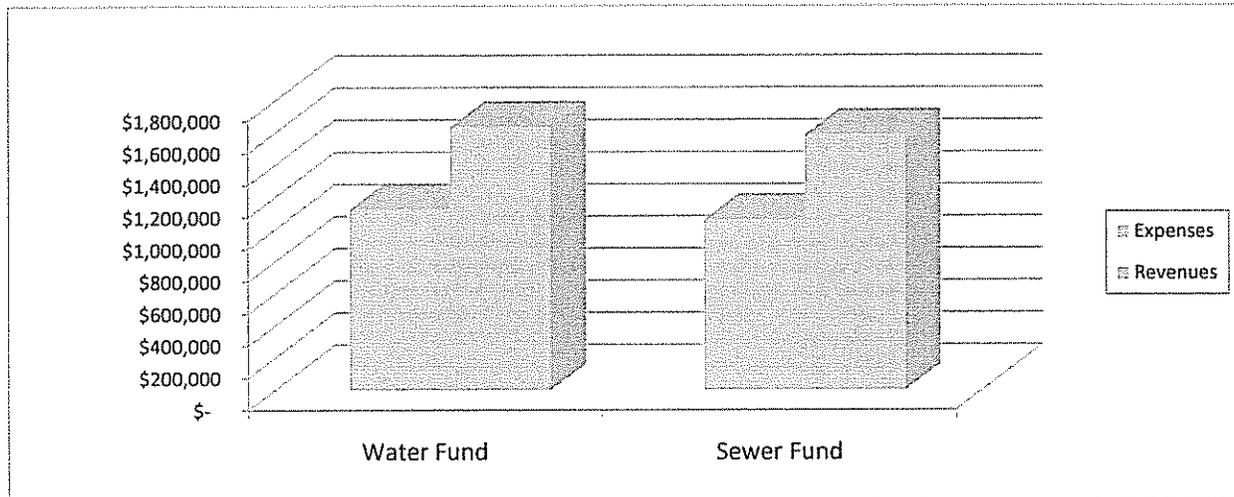
Business-type Activities

Net assets in Business-type Activities increased by \$1,123,610. Business type activities include water and sewer service. The majority of the increase is due to capital contributions by developers and sales of utility taps.

There were no increases in user rates for the water and sewer funds in 2008. Charges for services make up approximately 53% of program revenues with system development fees and capital contributions making up the other 36%. The capital contributions reflect the continued building growth in the Town although the Town began to see a decrease in new building permits in late 2008. It should be noted that users' fee revenues grew slightly (4.7%) due to additional homes being added on the Town system.

The following chart demonstrates the current level of recovery for the Town's business type activities:

Expenses & Program Revenues – Business-Type Activities



FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

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

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

As the Town completed the year, its governmental funds reported a combined fund balance of \$9,018,815. Of that balance, \$8,182,035 constitutes unreserved fund balance which is available for spending at the government's discretion. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed for items such as 1) an encumbrance of \$30,000 for committed projects, 2) inventories and prepaid expenditures of \$26,229, 3) a state constitution mandated emergency reserve of \$268,560, 4) debt service reserved in the amount of \$511,991, per bond ordinance.

The general fund is the chief operating fund of the Town of Silverthorne. At the end of the current fiscal year, unreserved fund balance of the general fund was \$6,762,288 while the total fund balance decreased from 2007 to \$7,087,077. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to fund expenditures. Unreserved fund balance represents 76% of total 2008 general fund expenditures, while total fund balance represents 79% of that same amount.

The fund balance of the Town of Silverthorne's general fund decreased by \$1,323,647 during the current fiscal year. Key factors for 2008 are as follows:

- Revenues were .9% (\$83,796) lower for 2008 compared to 2007. The largest decreases in revenues include \$140,442 in interest revenue and \$112,120 in sales tax revenues. As mentioned earlier investment rates and cash available to invest were lower than 2007. Additionally, the national & state economy is beginning to have an effect on our local businesses.

- The Town planned on fiscal year 2008 expenditures to grow. The general fund added two new full-time positions during 2008. Additionally, the Town gave a 2% cost of living increase and up to a 5% merit increases to employees. The Town also expended funds to deal with the ever growing pine beetle and noxious weed issues. Overall, 2008 expenditures increased by \$536,206 (6%) from 2007.
- In order to assist with the purchase of the Smith Ranch and calling the 1998 Excise Tax Bonds early, the general fund transferred \$2,060,000 to the sales tax capital improvement fund.

The capital improvement fund has a total fund balance of \$1,624,953. Approximately \$511,991 is reserved for the payment of debt service. The net decrease in fund balance during the current year was \$113,831. The Town expended \$2,380,900 on capital projects and asset management. The fund assisted in purchasing the Smith Ranch parcel (\$869,710), major street/trail expenditures continue to be a priority for the Town with \$583,952 being spent on reconstruction projects and \$927,238 was spent on numerous asset management projects. Debt service is paid from this fund with \$2.6 million expended in 2008 including \$1.825M in early bond principal payments. Like the general fund, the major revenue source for the capital improvement fund is sales tax revenues.

The special revenue housing 5A fund was uniquely active in 2008. This fund's revenue sources sunset in 2016. The Town purchased a portion of the 50 acre Smith Ranch parcel to be developed, sometime in the future, into an affordable housing development. A \$2 million advancement from the development excise tax and sewer fund was needed in order make this purchase possible. A Town affordable housing master plan was also produced in 2008. This fund currently has a deficit fund balance of \$1,839,441 due to the advancement. The payback of the advancement is scheduled over the next five years.

Special revenue funds (other governmental funds) have a total fund balance of \$2,146,226. None of the fund balance is considered reserved, but is designated for expenditures based on past election questions. The special revenue fund balance increased by \$324,004 in 2008.

Proprietary funds – The Town of Silverthorne's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the water and sewer funds at the end of the year amounted to \$11,534,761. The total growth in net assets for all proprietary funds was \$1,123,610. Other factors concerning the finances of these two funds have been addressed in the discussion of the Town's business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the Town Council revised the Town budget two times. These budget amendments fell into two categories:

- Supplemental appropriations approved shortly after the beginning of the year to reflect projects and purchases not completed as expected in 2007.
- Midyear adjustments for unanticipated projects, debt and increases/decreases due to the economy and service levels.

Differences between the original budget and the amended budget were material compared to past years. Sales tax, development excise tax, and building related revenues were amended to account for decreases to sales tax revenues due to the economy and the increase in building revenues as compared to original budget. Additionally, the Town Council chose to pay down debt and purchase land mid-year. However, even with these adjustments, actual expenditures for the general fund were \$370,592 below final budget amounts and resources available for appropriation were \$138,905 above the final budgeted.

The statement of budget to actual for the General Fund can be found on page 29.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Town of Silverthorne's investment in capital assets for its governmental and business-type activities as of December 31, 2008 amounts to \$54,862,163 (net of accumulated depreciation). This investment in capital assets includes land, buildings, vehicles, parks & recreation, equipment, roads, bridges, trails and utility system infrastructure. The total net increase in the Town of Silverthorne's investment in capital assets for the current fiscal year was \$4,362,929.

Major capital assets events during the 2008 fiscal year included the following:

- The construction of section 3 of the trail system – Bald Eagle Rd to Legend Lake Circle at a cost of \$404,490.
- The contribution of \$1,890,834 in streets, bridges and water/sewer infrastructure from developers for Angler Mountain filing 1 & 2.
- Purchase of the 50-acre Smith Ranch parcel at a cost of \$3,578,893.
- Major maintenance of Town streets at a cost of \$583,952.
- Brian Avenue water line replacement at a cost of \$357,830.
- The completion of construction of the base zone tank on Current Way & Bighorn Pump house at a cost of \$341,400.
- The replacement of heavy equipment and vehicles for \$298,859.
- Asset management projects through out the Town at a cost of \$742,791.
- Addition of capital assets out-paced the annual depreciation, hence the overall increase to capital assets.

The table below provides a summary of total capital assets at December 31:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2008	2007	2008	2007	2008	2007
Land/Projects in Progress	\$ 9,945,989	\$ 6,283,281	\$ 146,770	\$ 7,347	\$ 10,092,759	\$ 6,290,628
Buildings	9,792,418	9,808,755	-	-	9,792,418	9,808,755
Vehicles & Heavy equipment	1,776,705	1,839,396	-	-	1,776,705	1,839,396
Parks & Recreation	1,439,935	1,497,278	-	-	1,439,935	1,497,278
Equipment & Furniture	457,327	259,984	138,923	139,531	596,250	399,515
Infrastructure	15,350,126	14,097,675	-	-	15,350,126	14,097,675
Other Improvements	1,259,453	1,333,815	158,578	97,726	1,418,031	1,431,541
Water/Sewer Infrastructure	-	-	13,684,219	12,878,192	13,684,219	12,878,192
Water Rights	-	-	711,720	711,720	711,720	711,720
Total	<u>\$40,021,953</u>	<u>\$35,120,184</u>	<u>\$14,840,210</u>	<u>\$13,834,516</u>	<u>\$ 54,862,163</u>	<u>\$ 48,954,700</u>

Note G of the financial statements on page 47 provides a summary of the Town's capital assets.

Long-Term Debt

At the end of the current fiscal year, the Town of Silverthorne government funds had total bonded debt outstanding of \$1,845,000 all backed by the full faith and credit of the Town but secured by 60% of the Town's 2% sales tax revenues. For 2008, the Town of Silverthorne's total long-term debt decreased by \$2,476,556. The notes payable increased by \$166,000 in government funds for vehicles and heavy equipment purchases.

Note J of the financial statements on page 50 provides a summary of the Town's long-term debt.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Sales tax revenues account for approximately 63% of government fund revenues and are an important source for providing funds for the general operations/maintenance and capital for the Town of Silverthorne.
- The national, state and local economies are projected to continue to have no growth throughout 2009. Silverthorne has elected to be conservative with sales tax revenue projections for 2009 by estimating sale tax revenues to be slightly down from 2008. Existing businesses are estimated to decrease by .5% on average compared to 2008 results.
- The Target Enhanced Sales Tax Incentive Program (ESTIP) is scheduled to be paid in full by April of 2009. The ESTIP program rebates a portion of sales tax revenues generated by Target back to Target for public improvements Target made during construction in 2003. The annual ESTIP payment is about \$400,000 per year. The ESTIP that the Town will not have to pay back for 2009 is estimated to add \$275,000 back into sales tax revenues.
- The last quarter of 2008 was drastically different than expected and had caused the Town Staff to make adjustments prior to the beginning of fiscal year 2009. While not appropriated as of yet, the Town Staff made \$1.1 million in reductions to the General and Sales tax CIP Fund budgets in preparation for a slow winter tourist season.
- The Town added no new full-time positions in 2009. The 2009 expenditure budget remains conservative with minimal wage increases and health insurance rates. Higher energy/gas prices have also been addressed in the 2009 budget.
- The Town has put a stronger emphasis on asset management by developing a ten year plan and adding just under \$1 million to the 2009 budget for projects.
- Another section of the north trail system will be constructed in 2009 at a cost of \$2.05 million and staff continues to design and engineer the next section that will be constructed in 2010. Almost all of the funding will come from prior year surpluses.
- The Town is anxious to develop affordable housing with the approximately \$5 million in housing 5A funds that the Town will receive through 2016 when the housing 5A sales tax and impact fees will expire. The Town Council is beginning to plan the Smith Ranch parcel, which was purchased in 2008 for a future affordable housing development.
- The development excise tax, water and sewer funds will continue to plan and construct the Cottonwood Public Works/Utility Shop. Construction is budgeted for 2009 and includes \$1.3 million in grants/donations to assist in the paying for construction.

Even as we head into down economic times, the Town of Silverthorne continues to be in a strong financial position. General fund reserves are at levels required in the Town's financial policies (equal to six months of operations expenditures). While this strong financial position is reassuring; the fact remains that annual operation expenditures must be paid for from revenues earned during this same period, not from reserves. In other words, we must live within our means.

All these factors were considered in preparing the Town of Silverthorne's budget for the 2009 fiscal year.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Town of Silverthorne's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, PO Box 1309, Silverthorne, Colorado 80498.

TOWN OF SILVERTHORNE, COLORADO

STATEMENT OF NET ASSETS

December 31, 2008

	Primary Governmental		Total
	Governmental Activities	Business-Type Activities	
ASSETS			
Cash & Cash Equivalents	\$ 4,914,217	\$ 2,113,866	\$ 7,028,083
Investments	4,266,575	1,846,068	6,112,643
Accounts Receivable	863,884	477,285	1,341,169
Due from Other Governments	911,317	-	911,317
Internal Balances	(1,000,000)	1,000,000	-
Inventory	10,932	27,379	38,311
Deposits & Prepaids	15,297	1,257	16,554
Deferred Charges	28,966	-	28,966
Restricted Cash & Cash Equivalents	733,455	-	733,455
Investment in Joint Sewer Authority	-	6,174,313	6,174,313
Capital Assets:			
Non-depreciable Assets	9,945,989	858,490	10,804,479
Depreciable Assets, Net	30,075,964	13,981,720	44,057,684
TOTAL ASSETS	<u>50,766,596</u>	<u>26,480,378</u>	<u>77,246,974</u>
LIABILITIES			
Accounts Payable	355,210	67,765	422,975
Accrued Liabilities	907,146	10,301	917,447
Unearned Revenues	37,853	-	37,853
Noncurrent Liabilities:			
Due Within One Year	603,027	27,340	630,367
Due in More Than One Year	2,077,237	-	2,077,237
TOTAL LIABILITIES	<u>3,980,473</u>	<u>105,406</u>	<u>4,085,879</u>
NET ASSETS			
Invested in Capital Assets			
Net of Related Debt	37,724,350	14,840,210	52,564,560
Restricted for:			
Emergency	268,560	-	268,560
Debt Service	511,991	-	511,991
Unrestricted	8,281,222	11,534,762	19,815,984
TOTAL NET ASSETS	<u>\$ 46,786,123</u>	<u>\$ 26,374,972</u>	<u>\$ 73,161,095</u>

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

TOWN OF SILVERTHORNE, COLORADO

STATEMENT OF ACTIVITIES

Year Ended December 31, 2008

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	\$ 1,469,486	\$ 182,069	\$ -	\$ -
Public Safety	1,947,374	143,199	18,179	-
Public Works	3,378,759	83,963	-	1,267,224
Community Development	805,313	412,551	-	-
Recreation & Culture	3,054,899	1,620,801	-	40,368
Housing 5A	77,764	209,408	-	-
Interest on Long-Term Debt	162,916	-	-	-
Total Governmental Activities	10,896,511	2,651,991	18,179	1,307,592
Business-Type Activities				
Water	1,129,095	899,740	-	740,745
Sewer	1,062,344	1,010,619	-	580,273
Total Business-Type Activities	2,191,439	1,910,359	-	1,321,018
TOTAL PRIMARY GOVERNMENT	\$ 13,087,950	\$ 4,562,350	\$ 18,179	\$ 2,628,610
GENERAL REVENUES				
Taxes:				
Sales Taxes				
Lodging Tax				
Franchise Taxes				
Development Excise Tax				
Highway Users Tax				
Other Taxes				
Investment Income				
Miscellaneous				
Transfers				
Total General Revenues and Transfers				
Change in Net Assets				
Net Assets - Beginning of Year				
Net Assets - End of Year				

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

**Net (Expense) revenues and
Changes in Net Assets**

<u>Governmental Activities</u>	<u>Business-Type Activites</u>	<u>Total</u>
\$ (1,287,417)	\$ -	\$ (1,287,417)
(1,785,996)	-	(1,785,996)
(2,027,572)	-	(2,027,572)
(392,762)	-	(392,762)
(1,393,730)	-	(1,393,730)
131,644	-	131,644
<u>(162,916)</u>	<u>-</u>	<u>(162,916)</u>
<u>(6,918,749)</u>	<u>-</u>	<u>(6,918,749)</u>
-	511,390	511,390
<u>-</u>	<u>528,548</u>	<u>528,548</u>
-	1,039,938	1,039,938
<u>(6,918,749)</u>	<u>1,039,938</u>	<u>(5,878,811)</u>
8,750,545	-	8,750,545
146,041	-	146,041
241,047	-	241,047
311,944	-	311,944
177,240	-	177,240
151,596	-	151,596
361,769	159,173	520,942
229,937	242,910	472,847
318,411	(318,411)	-
<u>10,688,530</u>	<u>83,672</u>	<u>10,772,202</u>
3,769,781	1,123,610	4,893,391
<u>43,016,342</u>	<u>25,251,362</u>	<u>68,267,704</u>
<u>\$ 46,786,123</u>	<u>\$ 26,374,972</u>	<u>\$ 73,161,095</u>

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

TOWN OF SILVERTHORNE, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2008

	<u>General</u>	<u>Capital Improvement</u>	<u>Housing 5A Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash & Cash Equivalents	\$ 3,697,665	\$ 508,527	\$ 63,333	\$ 644,692	\$ 4,914,217
Investments	3,204,168	444,093	55,309	563,005	4,266,575
Accounts Receivable	572,944	272,949	177	17,814	863,884
Due from Other Governments	869,577	-	41,740	-	911,317
Due from Other Funds	-	-	-	1,000,000	1,000,000
Inventory	10,932	-	-	-	10,932
Deposits & Prepays	15,297	-	-	-	15,297
Restricted Cash & Cash Equivalents	<u>221,456</u>	<u>511,999</u>	<u>-</u>	<u>-</u>	<u>733,455</u>
Total Assets	\$ <u>8,592,039</u>	\$ <u>1,737,568</u>	\$ <u>160,559</u>	\$ <u>2,225,511</u>	\$ <u>12,715,677</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	287,595	54,841	-	12,774	355,210
Due to Other Funds	396,653	-	2,000,000	-	2,396,653
Accrued Liabilities	782,861	57,774	-	66,511	907,146
Unearned Revenues	<u>37,853</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,853</u>
Total Liabilities	<u>1,504,962</u>	<u>112,615</u>	<u>2,000,000</u>	<u>79,285</u>	<u>3,696,862</u>
FUND BALANCES					
Reserved For:					
Encumbrances	30,000	-	-	-	30,000
Inventory & Prepays	26,229	-	-	-	26,229
Emergencies	268,560	-	-	-	268,560
Debt Service	-	511,991	-	-	511,991
Unreserved, reported in:					
General Fund	6,762,288	-	-	-	6,762,288
Capital Improvement Fund	-	1,112,962	-	-	1,112,962
Special Revenue Funds	<u>-</u>	<u>-</u>	<u>(1,839,441)</u>	<u>2,146,226</u>	<u>306,785</u>
Total Fund Balances	<u>7,087,077</u>	<u>1,624,953</u>	<u>(1,839,441)</u>	<u>2,146,226</u>	<u>9,018,815</u>
Total Liabilities & Fund Balances	\$ <u>8,592,039</u>	\$ <u>1,737,568</u>	\$ <u>160,559</u>	\$ <u>2,225,511</u>	

Amounts reported for governmental activities in the
Statement of Net Assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	40,021,953
Other long-term assets are not available to pay for current-period expenditures and therefore, are deferred in the funds	28,966
Long-term liabilities including bonds payable, accrued interest and capital leases are not due and payable in the current period and therefore are not reported in the funds	<u>(2,283,611)</u>
Net Assets of Governmental Activities	\$ <u>46,786,123</u>

The accompanying notes are an integral part of the financial statements

TOWN OF SILVERTHORNE, COLORADO

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**

Year Ended December 31, 2008

	<u>Governmental Funds</u>				<u>Total Governmental Funds</u>
	<u>General</u>	<u>Capital Improvement</u>	<u>Housing 5A Fund</u>	<u>Other Governmental Funds</u>	
REVENUES					
Taxes	\$ 6,487,459	\$ 2,559,111	\$ 273,858	\$ 457,985	\$ 9,778,413
Intergovernmental	-	-	-	40,368	40,368
Licenses, Permits & Fees	464,899	-	209,408	-	674,307
Charges for Services	2,012,446	-	-	-	2,012,446
Fines & Forfeitures	99,243	-	-	-	99,243
Interest	243,086	41,537	15,734	61,412	361,769
Grants	18,179	-	-	200,000	218,179
Miscellaneous	44,626	36,407	-	-	81,033
Total Revenues	<u>9,369,938</u>	<u>2,637,055</u>	<u>499,000</u>	<u>759,765</u>	<u>13,265,758</u>
EXPENDITURES					
Current:					
General Government	1,394,565	-	-	-	1,394,565
Public Safety	1,914,928	-	-	-	1,914,928
Public Works	2,252,885	-	-	-	2,252,885
Community Development	743,026	-	-	-	743,026
Recreation & Culture	2,646,592	-	-	13,799	2,660,391
Affordable Housing 5A	-	-	103,361	-	103,361
Capital Outlay	-	2,380,900	2,700,000	421,962	5,502,862
Debt Service:					
Principal	-	2,437,571	-	-	2,437,571
Interest & Fiscal Charges	-	180,813	-	-	180,813
Total Expenditures	<u>8,951,996</u>	<u>4,999,284</u>	<u>2,803,361</u>	<u>435,761</u>	<u>17,190,402</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>417,942</u>	<u>(2,362,229)</u>	<u>(2,304,361)</u>	<u>324,004</u>	<u>(3,924,644)</u>
OTHER FINANCING SOURCES (USES)					
Capital Leases	-	166,000	-	-	166,000
Sales of General Capital Assets	-	22,398	-	-	22,398
Transfer In	318,411	2,060,000	-	-	2,378,411
Transfer Out	(2,060,000)	-	-	-	(2,060,000)
Total Other Financing Sources (Uses)	<u>(1,741,589)</u>	<u>2,248,398</u>	<u>-</u>	<u>-</u>	<u>506,809</u>
Net Change in Fund Balances	(1,323,647)	(113,831)	(2,304,361)	324,004	(3,417,835)
Fund Balance, Beginning of Year	<u>8,410,724</u>	<u>1,738,784</u>	<u>464,920</u>	<u>1,822,222</u>	<u>12,436,650</u>
Fund Balance, End of Year	<u>\$ 7,087,077</u>	<u>\$ 1,624,953</u>	<u>\$ (1,839,441)</u>	<u>\$ 2,146,226</u>	<u>\$ 9,018,815</u>

The accompanying notes are an integral part of the financial statements

TOWN OF SILVERTHORNE, COLORADO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUND TYPES
TO THE STATEMENT OF ACTIVITIES

Year Ended December 31, 2008

NET CHANGES IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS		\$ (3,417,835)
<p>Amounts reported for Governmental Activities in the Statement of Activities (page 24) are different because:</p>		
<p>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 as depreciation expenses. This is the amount by which depreciation exceeded capital outlays in the current period</p>		3,860,152
<p>The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins and donations) is to increase net assets.</p>		1,041,617
<p>Repayment of debt principal is an expenditure in the Governmental Funds, but the repayment reduces long-term debt liabilities in the Statement of Net Assets. Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. These include capital lease proceeds, bond & capital payments</p>		2,271,571
<p>Some Governmental Fund expenditures reflect payments related to prior periods (i.e. claims & judgments, accrued interest and amortizations). Such amounts should not be included in the Statement of Activities</p>		14,276
		14,276
Changes in net assets of governmental activities (page 25)		\$ <u><u>3,769,781</u></u>

The accompanying notes are an integral part to the financial statements.

TOWN OF SILVERTHORNE, COLORADO

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL

Year Ended December 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 6,574,794	\$ 6,534,794	\$ 6,487,459	\$ (47,335)
Licenses & Permits	307,454	386,454	464,899	78,445
Charges for Services	1,857,036	1,948,536	2,012,446	63,910
Fines and Forfeitures	94,000	94,000	99,243	5,243
Interest	338,470	248,470	243,086	(5,384)
Grants	-	9,779	18,179	8,400
Miscellaneous	9,000	9,000	44,626	35,626
	<u>9,180,754</u>	<u>9,231,033</u>	<u>9,369,938</u>	<u>138,905</u>
EXPENDITURES				
Current				
General Government	1,460,115	1,445,115	1,394,565	50,550
Public Safety	2,029,864	2,015,867	1,914,928	100,939
Public Works	2,257,714	2,341,214	2,252,885	88,329
Community Development	827,026	797,026	743,026	54,000
Culture & Recreation	2,742,366	2,723,366	2,646,592	76,774
	<u>9,317,085</u>	<u>9,322,588</u>	<u>8,951,996</u>	<u>370,592</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>(136,331)</u>	<u>(91,555)</u>	<u>417,942</u>	<u>509,497</u>
OTHER FINANCING SOURCES (USES)				
Transfer In	309,486	309,486	318,411	8,925
Transfer Out	<u>(110,000)</u>	<u>(2,400,000)</u>	<u>(2,060,000)</u>	<u>340,000</u>
Total Other Financing Sources (Uses)	<u>199,486</u>	<u>(2,090,514)</u>	<u>(1,741,589)</u>	<u>348,925</u>
Net Change in Fund Balances	63,155	(2,182,069)	(1,323,647)	858,422
Fund Balance, Beginning of Year	<u>8,410,724</u>	<u>8,410,724</u>	<u>8,410,724</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 8,473,879</u>	<u>\$ 6,228,655</u>	<u>\$ 7,087,077</u>	<u>\$ 858,422</u>

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

TOWN OF SILVERTHORNE, COLORADO
HOUSING 5A SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

Year Ended December 31, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 273,997	\$ 273,997	\$ 273,858	\$ (139)
Licenses, Permits & Fees	189,270	189,270	209,408	20,138
Interest	18,673	18,673	15,734	(2,939)
Total Revenues	481,940	481,940	499,000	17,060
EXPENDITURES				
Capital Outlay	-	2,700,000	2,700,000	-
Professional Services	69,270	69,270	63,361	5,909
Housing Down Payment Assistance	-	40,000	40,000	-
Total Expenditures	69,270	2,809,270	2,803,361	5,909
Excess of Revenues Over Expenditures	412,670	(2,327,330)	(2,304,361)	22,969
Fund Balance, Beginning of Year	464,920	464,920	464,920	-
Fund Balance, End of Year	\$ 877,590	\$ (1,862,410)	\$ (1,839,441)	\$ 22,969

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

TOWN OF SILVERTHORNE, COLORADO

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
December 31, 2008

	Business-Type Activities - Enterprise Funds			Governmental
	Water Fund	Sewer Fund	Totals	Activities - Internal Service Fund
ASSETS				
Current Assets:				
Cash & Cash Equivalents	\$ 1,115,377	\$ 998,489	\$ 2,113,866	\$ -
Investments	974,094	871,974	1,846,068	-
Accounts Receivable	208,134	269,151	477,285	-
Inventory	25,144	2,235	27,379	-
Deposits & Prepays	1,257	-	1,257	-
Due from Other Funds	-	200,000	200,000	396,653
Investment in Joint Sewer Authority	-	6,174,313	6,174,313	-
Total Current Assets	2,324,006	8,516,162	10,840,168	396,653
Noncurrent Assets:				
Due from Other Funds	-	800,000	800,000	-
Capital Assets:				
Non-depreciable Assets	848,064	10,426	858,490	-
Depreciable Assets, Net	9,508,774	4,472,946	13,981,720	-
Total Noncurrent Assets	10,356,838	5,283,372	15,640,210	-
TOTAL ASSETS	12,680,844	13,799,534	26,480,378	396,653
LIABILITIES				
Current Liabilities:				
Accounts Payable	62,890	4,875	67,765	-
Accrued Liabilities	10,301	-	10,301	-
Compensated Absences	27,340	-	27,340	-
TOTAL LIABILITIES	100,531	4,875	105,406	-
NET ASSETS				
Invested in Capital Assets	10,356,838	4,483,372	14,840,210	-
Unrestricted	2,223,475	9,311,287	11,534,762	396,653
TOTAL NET ASSETS	\$ 12,580,313	\$ 13,794,659	\$ 26,374,972	\$ 396,653

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

TOWN OF SILVERTHORNE, COLORADO

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
FUND NET ASSETS - PROPRIETARY FUNDS**

Year Ended December 31, 2008

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Governmental Activities - Internal Service Fund</u>
	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>	
OPERATING REVENUES				
Users Fees	\$ 886,906	\$ 1,004,859	\$ 1,891,765	\$ -
Charges for Services	5,834	5,760	11,594	-
Miscellaneous	7,000	-	7,000	446,244
Total Operating Revenues	<u>899,740</u>	<u>1,010,619</u>	<u>1,910,359</u>	<u>446,244</u>
OPERATING EXPENSES				
Operations	448,022	50,002	498,024	-
Maintenance	115,091	8,320	123,411	-
Contractual Services	81,974	770,811	852,785	-
Leave Time Used	-	-	-	411,746
Depreciation & Amortization	484,008	233,211	717,219	-
Total Operating Expenses	<u>1,129,095</u>	<u>1,062,344</u>	<u>2,191,439</u>	<u>411,746</u>
Net Operating Income	<u>(229,355)</u>	<u>(51,725)</u>	<u>(281,080)</u>	<u>34,498</u>
NON-OPERATING REVENUES/EXPENSES				
Interest Revenue	74,738	84,435	159,173	-
Equity Income in Joint Sewer Authority Investment	-	242,910	242,910	-
Total Non-operating Revenues	<u>74,738</u>	<u>327,345</u>	<u>402,083</u>	<u>-</u>
Income Before Transfers & Contributions	(154,617)	275,620	121,003	34,498
Transfer out to General Fund	(185,151)	(133,260)	(318,411)	-
Capital Contributions	740,745	580,273	1,321,018	-
Changes in Net Assets	400,977	722,633	1,123,610	34,498
NET ASSETS, Beginning of Year	<u>12,179,336</u>	<u>13,072,026</u>	<u>25,251,362</u>	<u>362,155</u>
NET ASSETS, End of Year	<u>\$ 12,580,313</u>	<u>\$ 13,794,659</u>	<u>\$ 26,374,972</u>	<u>396,653</u>

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

TOWN OF SILVERTHORNE, COLORADO

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

Year Ended December 31, 2008

	Business-Type Activities - Enterprise Funds			Governmental
	Water Fund	Sewer Fund	Totals	Activities - Internal Service Fund
Cash Flows From Operating Activities				
Cash Received From Customers/Users	\$ 888,795	\$ 1,010,118	\$ 1,898,913	\$ 411,746
Cash Paid to Suppliers	(490,664)	(794,029)	(1,284,693)	-
Cash Paid to Employees	(318,644)	(31,467)	(350,111)	(411,746)
Net Cash Provided By Operating Activities	79,487	184,622	264,109	-
Cash Flows from Noncapital Financing Activities				
Advancement to Housnig 5A Fund	-	(1,000,000)	(1,000,000)	-
Transfer to General Fund	(185,151)	(133,260)	(318,411)	-
Net Cash Used in Noncapital Financing Activities	(185,151)	(1,133,260)	(1,318,411)	-
Cash Flows from Capital and Related Financing Activities				
Acquisition of Capital Assets	(825,977)	(73,326)	(899,303)	-
Tap Fees	259,862	237,546	497,408	-
Net Cash Flows Provided (Used) by Capital and Related Financing Activities	(566,115)	164,220	(401,895)	-
Cash Flows from Investing Activities				
Proceeds from Sales and Maturities of Investments	803,223	800,420	1,603,643	-
Purchase of Investments	(1,192,578)	(1,113,473)	(2,306,051)	-
Interest Received on Investments	74,738	84,435	159,173	-
Net Cash Provided (Used) by Investing Activities	(314,617)	(228,618)	(543,235)	-
NET DECREASE IN CASH AND CASH EQUIVALENTS	(986,396)	(1,013,036)	(1,999,432)	-
Cash & Cash Equivalents, Beginning of Year	2,101,773	2,011,525	4,113,298	-
Cash & Cash Equivalents, End of Year	\$ 1,115,377	\$ 998,489	\$ 2,113,866	\$ -
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ (229,355)	\$ (51,725)	\$ (281,080)	\$ 34,498
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Depreciation & Amortization	484,008	233,211	717,219	-
Changes to Assets & Liabilities:				
Accounts Receivable	(10,944)	(501)	(11,445)	-
Inventory	127	(192)	(65)	-
Deposits & Prepays	(444)	-	(444)	-
Due from Other Funds	-	-	-	(34,498)
Accounts Payable	(156,520)	3,829	(152,691)	-
Accrued Liabilities	(95)	-	(95)	-
Compensated Absences	(7,290)	-	(7,290)	-
Total Adjustments	308,842	236,347	545,189	(34,498)
Net Cash Provided By Operating Activities	\$ 79,487	\$ 184,622	\$ 264,109	\$ -
Non-cash Investing, Capital and Financing Activities				
Contributed Infrastructure from Developers	\$ 480,883	\$ 342,727	\$ 823,610	\$ -
Increase in Fair Value of Investments	7,788	7,268	15,056	-

The accompanying notes are an integral part of the financial statements

TOWN OF SILVERTHORNE, COLORADO

STATEMENT OF ASSETS & LIABILITIES - AGENCY FUND

December 31, 2008

Joint Sewer
Authority

ASSETS

CURRENT ASSETS

Cash & Cash Equivalents	\$ 2,261,881
Investments	<u>1,975,199</u>
Total Current Assets	<u>\$ 4,237,080</u>

LIABILITIES

LIABILITIES

Funds Held in Trust for Others	\$ <u>4,237,080</u>
Total Liabilities	<u>\$ 4,237,080</u>

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

TOWN OF SILVERTHORNE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Silverthorne is a Colorado Home Rule Town operating under a charter provided by the authority of the Constitution of the State of Colorado, and adopted by its citizens on April 4, 1994. The Town operates under a Council-Manager form of government and provides services as authorized by its charter.

The accounting policies of the Town of Silverthorne conform to generally accepted accounting principles (GAAP) as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The following is a summary of the more significant policies:

1. Financial Reporting Entity

In accordance with Governmental Accounting Standards Board releases, the Town has considered the possibility of inclusion of other entities in its reporting entity.

The definition of the reporting entity is based primarily on financial accountability. The Town is financially accountable for departments that make up its legal entity. It is also financially accountable for legally separate organizations if Town officials appoint a voting majority of the organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose the specific financial burdens on the Town. The Town may also be financially accountable for governmental organizations that are fiscally dependent upon it.

No entities were identified that could be included in the Town's reporting entity, as the Town was not financially accountable for other entities.

2. Government-wide & Fund Financial Statements

The government-wide financial statements (e.g., the statement of net assets and the statement of activities and the statement of changes in net assets) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type* activities, which rely to a significant extent on fees and charges for support.

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

Separate financial statements are provided for governmental, proprietary and fiduciary funds, and are included in the basic financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

TOWN OF SILVERTHORNE, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2008

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Measurement Focus & Basis of Accounting

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting* as are the proprietary fund and fiduciary fund financial statements. Accordingly, all of the Town's assets and liabilities, including capital assets, as well as infrastructure assets and long-term liabilities, are included in the accompanying Statement of Net Assets. The Statement of Activities presents changes in net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

Franchise fees, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. Sales and lodging taxes collected and held by vendors at year end on behalf of the Town are also recognized as revenue if collected within 30 days after year end. Expenditure-driven grants are recognized as revenue when qualifying expenditures have been incurred and all other grant requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the Town.

TOWN OF SILVERTHORNE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Financial Statement Presentation

The Town uses funds to report on its financial position, the results of its operations and cash flows. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

The Town reports the following major funds:

Governmental Funds

Governmental funds are used to account for all or most of a government's general activities, including the collection and distribution of earmarked moneys (Special Revenue Funds), and the acquisition or construction of general capital assets (Capital Projects Funds). The General Fund is used to account for all activities of the general government not accounted for in some other fund.

In 2008 the Town had the following Governmental Funds:

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

Sales Tax Capital Improvement Fund – This fund is used to account for 60% of the Town's 2% sales tax. The funds are used for the acquisition, construction and debt of major capital products and facilities other than those financed by proprietary funds and trust funds.

Special Revenue Funds:

Lottery Conservation Trust Fund – This fund is used to account for the Town's share of lottery funds distributed by the State of Colorado. Funds are to be used for parks, trails, recreation and open space.

Lodging Tax Fund – This fund is used to account for the 2% tax on lodging sales. Funds are to be split and expended 85% to parks, trails & open space capital and 15% for marketing.

Development Excise Tax Fund – This fund is used to account for the \$2 per square foot charged on new residential construction. Funds are to be used for growth related operations and capital expenditures.

Housing 5A Fund - This fund is used to account for the .125% sales tax that is assessed by the Summit Housing Authority and distributed back to the Town of Silverthorne for sales that took place in Silverthorne. Funds are to be used to pay for annual Authority fees and housing related expenses. Additionally, an Impact Fee is assessed on new building based on square footage. Proceeds from the impact fee are to be used for capital type housing projects.

Proprietary Funds

In 2008 the Town had the following Proprietary Funds:

Enterprise Funds:

Water Fund – This fund is used to account for the acquisitions, operation and maintenance of the facilities, services and water rights associated with providing water to the Town.

Sewer Fund – This fund is used to account for the operation and maintenance of the infrastructure and services associated with providing sewer services to the Town.

Internal Service Fund:

Compensated Absences Fund – This fund is used to account for the Town's governmental compensated absences earned and used during the fiscal year.

TOWN OF SILVERTHORNE, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2008

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Proprietary Funds (continued)

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Town has elected not to follow subsequent private-sector guidance.

Internal Service Funds account for services provided to other departments, funds or agencies of the Town, on a cost reimbursement basis.

Fiduciary Funds

In 2008 the Town had the following Fiduciary Fund:

Agency Fund:

Joint Sewer Authority (JSA) Agency Fund – This fund is used to account for the joint venture which provides wastewater collection and treatment facilities for the central basin of Summit County. There are five participants (Town of Silverthorne, Town of Dillon, Dillon Valley Metro District, Buffalo Mountain Metro District and the Mesa Cortina Metro District) to the JSA and the Town is the managing entity.

Agency and Trust Funds generally are used to account for assets that the government holds on behalf of others as their agent. These funds are custodial in nature and do not have spending or financial flow measurement focus. Agency funds are not included in the government wide financial statements.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's water and sewer functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* 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. The principal operating revenues of the enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenues and expenses.

TOWN OF SILVERTHORNE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008

NOTE B – ASSETS, LIABILITIES & NET ASSETS OR EQUITY

1. Cash & Investments

The Town pools cash resources of its various funds in order to facilitate the management of cash. The balance in the pooled cash accounts is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing securities and disclosed as part of the Town's investments.

Town Investment Policies and Colorado State statutes authorize the Town to invest in U.S. government securities, U.S. government mortgage-backed securities, repurchase agreements, bonds and other obligations of states and their subdivisions, corporate bonds and other authorized investments. In the disclosure of custodial credit risk (Note E - Investments), U.S. Agency Securities includes mortgage-backed securities and agency bonds and notes.

Investments are stated at fair market value. Earnings on investments are recognized when earned and include realized and unrealized gains on investments. All investments are in compliance with state statutes governing investments.

2. Receivables & Payables

Interfund receivables and payables arise from goods provided or services rendered. These transactions are recorded by all funds affected in the period in which the transactions are executed.

3. Property Taxes

In April of 1994 the Town had a ballot question that included the phrase "... and reduce the Town of Silverthorne ad valorem property tax to zero." The voters of Silverthorne approved this reduction in property taxes when the ballot question was approved, and therefore, the Town no longer collects property taxes. Property tax revenues currently are not recognized.

4. Inventory & Prepaid Items

Inventories are merchandise inventories intended for sale to the public. Inventories are valued at cost using the first in/first out (FIFO) method. The cost of governmental fund-type inventories is recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

5. Restricted Cash & Investments

Restricted cash and cash equivalents of \$221,456 are reported in the General Fund. These funds represent escrowed monies held from developers pending satisfactory completion of various construction projects within the Town. The Sales Tax CIP Fund has \$511,999 in restricted cash held in the reserved bond account as required per the 1998 Excise Tax Revenue bond agreement.

TOWN OF SILVERTHORNE, COLORADO

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008

NOTE B – ASSETS, LIABILITIES & NET ASSETS OR EQUITY (CONTINUED)

6. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with a cost of more than \$5,000 and an estimated useful life in excess of one year. Capital assets are valued at historical or estimated historical costs. Donated or contributed assets are recorded at their estimated fair market value on the date received.

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 capital asset, as applicable.

Assets are depreciated using the straight-line method. Depreciation expense is reflected as an operating expense in the government-wide statement of activities.

Estimated useful lives for asset types are as follows:

<u>Asset</u>	<u>Years</u>
Buildings and improvements	15-40
Equipment and vehicles	5-15
Infrastructure	7-50
Parks and recreation	5-25
Reservoir, plants and lines	15-60

7. Compensated Absences

Employees accrue personal leave time which may be used in place of traditional sick and vacation time. Personal leave accrues to employees based on a sliding scale, and may be carried over to subsequent periods. Upon termination in good standing, employees are compensated for 100% of unused personal time.

Compensation time is earned when a full time employee works over 40 hours in a week. The time is figured at time and half for each hour worked over 40 hours. The Town's personnel policies state that "an employee may not work over 80 hours of compensation time in a year and they may not accrue more than 80 hours on the records at any time."

Accumulated personal and compensation time is available to employees due to services employees have already provided to the Town. No liability should be reported in the governmental funds in connection with compensated absences until they are paid or, in the case of separation payments for unused leave, due for payment (i.e., at separation). The Town elects to advance fund its personal and compensation time as it is earned by employees. Therefore compensated absences are accounted for as an internal service fund.

In the government-wide statements, compensated absences are accounted for as a noncurrent liability. The following summarizes the changes in the Town's Compensated Absences activity for the year ended December 31, 2008:

	<u>Balance</u> <u>12/31/07</u>	<u>Additions</u>	<u>Retirement</u>	<u>Balance</u> <u>12/31/08</u>	<u>Due within</u> <u>One Year</u>
Governmental Activities	\$ 362,155	\$ 446,244	\$ (411,746)	\$ 396,653	\$ 396,653
Business type Activities	\$ 34,630	\$ 35,067	\$ (42,357)	\$ 27,340	\$ 27,340

TOWN OF SILVERTHORNE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008

NOTE B – ASSETS, LIABILITIES & NET ASSETS OR EQUITY (CONTINUED)

8. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

9. Reservations of Fund Equity

In the fund financial statements, governmental funds report reservation of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

10. Statement of Cash Flows

For purposes of the statement of cash flows, the Town considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

NOTE C – RECONCILIATION OF GOVERNMENT-WIDE & FUND FINANCIAL STATEMENTS

1. Explanation of Certain Differences between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Assets

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds and net assets – governmental activities as reported in the government-wide statement of net assets*. The principal element of that difference is the capital assets of \$56,110,362 less depreciation of \$16,088,409 for a net adjustment of \$40,021,953 which are not reported in the funds. Another element of that reconciliation explains that “long-term liabilities, including bonds payable, accrued interest and capital leases that are not due and payable in the current period and therefore are not reported in the funds.” The details of the \$2,254,645 difference are as follows:

Bonds & Capital Lease Payable	\$ 2,297,603
Less: Deferred charge on bonds (to be amortized as interest expense)	(28,966)
Issuance discount (to be amortized as interest expense)	(35,081)
Add: Accrued interest	<u>21,089</u>
Net Adjustment to reduce fund balance – total governmental funds to arrive at net assets – governmental activities	<u>\$ 2,254,645</u>

TOWN OF SILVERTHORNE, COLORADO

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008

NOTE C – RECONCILIATION OF GOVERNMENT-WIDE & FUND FINANCIAL STATEMENTS
(CONTINUED)

2. Explanation of Certain Differences between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Governmental-Wide Statement of Activities

The governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “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 as depreciation expense.” The details of this \$3,860,152 difference are as follows:

Capital Outlay	\$ 5,374,923
Depreciation Expenses	<u>(1,514,771)</u>
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 3,860,152</u>

Another element of that reconciliation states that “The net effect of various miscellaneous transactions involving capital assets is to decrease net assets.” The details of this \$1,041,617 difference are as follows:

Net cost of the Capital Asset sold	\$ (25,607)
Contribution of Capital Assets	<u>1,067,224</u>
Net adjustments to increase net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities.	<u>\$ 1,041,617</u>

Another element of that reconciliation states that “Repayment of debt principal is an expenditure in the Governmental Funds, but the repayment reduces long-term debt liabilities in the Statement of Net Assets. Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets.” The details of this \$2,271,571 difference are as follows:

Capital Lease Financing	\$ (166,000)
Principal Repayments:	
Revenue Bonds	2,150,000
Capital Leases	<u>287,571</u>
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities.	<u>\$2,271,571</u>

TOWN OF SILVERTHORNE, COLORADO

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008

**NOTE C – RECONCILIATION OF GOVERNMENT-WIDE & FUND FINANCIAL STATEMENTS
(CONTINUED)**

Another element of that reconciliation states that “Some Governmental Fund expenditures reflect payments related to prior periods. Such amounts should not be included in the Statement of Activities.” The detail of this \$14,276 difference is as follows:

Accrued Interest	\$ 22,281
Amortization of Deferred Charges, Issuance Costs and Discounts	<u>(8,005)</u>
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities.	<u>\$ 14,276</u>

NOTE D - BUDGETS & BUDGETARY ACCOUNTING & CONTROL

Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgets for the proprietary funds and fiduciary fund are adopted on a basis consistent with GAAP except that the budgeted expenditures also include capital outlay and bond principal payments and exclude depreciation and equity gain/loss in joint ventures. Council legally adopts all governmental, proprietary and fiduciary fund budgets. All annual appropriations lapse at the end of the fiscal year.

During the year the Town Council meets with each Department to approve policy, identify goals and performance measures. It is the Department’s responsibility to prepare an annual budget to implement policy and accomplish the goals identified. Each year the Manager will present the Financial Policies in August, Capital Budget in September, and the Operating Budget in October. The Council holds two public hearings prior to the Council’s adoption of the Budget Resolution schedule to be completed on or before the first regular Council meeting in November of each year.

The appropriated budget is prepared by fund, department, programs and categories. The Manager may approve transfer of budget between departments within a fund. Departments may request the Manager’s approval to transfer budget between categories and programs within a department. The Manager will review requests to ensure compliance with the goals and objectives of the annual budget as approved by the Council. Transfers of appropriation between funds require the approval of Council. The legal level of budgetary control is the fund level. Council can amend the approved budget during the year as long as no determined savings exist which can be used instead.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrances accounting – under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation – is utilized in all funds. Encumbrances outstanding at year–end lapse and do not constitute expenditures or liabilities because the commitments will be re-appropriated during the subsequent year.

TOWN OF SILVERTHORNE, COLORADO

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008

NOTE D - BUDGETS & BUDGETARY ACCOUNTING & CONTROL (CONTINUED)

Throughout 2008, the Town Council revised the Budget through Ordinance #2008-2 and #2008-18 by adjusting revenue budgets and appropriations in most budgeted funds. Original and revised budgets are as follows:

Funds	Original Budget Appropriation	Budget As Amended	Budgeted Expenditures	Actual Expenditures	Variance Favorable (Unfavorable)
General Fund	\$ 9,490,241	\$ 9,540,519	\$11,722,588	\$11,011,996	\$ 710,592
Sales Tax Capital Improvement Fund	2,959,902	5,335,277	5,250,936	4,999,284	251,652
Lodging Tax Fund	472,207	362,207	280,196	217,470	62,726
Conservation Trust Fund	40,804	40,804	40,804	40,550	254
Development Excise Tax Fund	280,341	325,341	220,000	177,741	42,259
Housing 5A Fund	481,940	481,940	2,809,270	2,803,361	5,909
Water Fund	1,192,867	1,192,867	1,979,159	1,656,215	322,944
Sewer Fund	1,305,558	1,305,558	1,165,179	1,035,719	129,460
Joint Sewer Authority	2,132,807	2,132,807	2,597,376	2,254,694	342,682
Total	\$18,356,667	\$20,717,320	\$26,065,508	\$24,197,030	\$ 18,68,478

The following explains the difference of GAAP to budget for proprietary funds:

Proprietary Funds	Water Fund	Sewer Fund
2008 GAAP Operating Expenses	\$ 1,129,095	\$1,062,344
Plus: Capital Outlay	825,977	73,326
Transfer Out to General Fund	185,151	133,260
Less: Depreciation Expense	(484,008)	(233,211)
2008 Non-GAAP Operating Expenses	<u>\$1,656,215</u>	<u>\$1,035,719</u>

Deficit Fund Equity – The Housing 5A Fund had a deficit fund balance of \$1,839,411 as of December 31, 2008. The fund purchased land for \$2.7M that will be used for a yet-to-be determined affordable housing project. The fund was able to purchase the property due to \$2M in advancements from the Development Excise Tax and Sewer Fund. The advancements will be paid back over a five year period of time as revenues are retained in the Housing 5A Fund.

NOTE E - DEPOSITS & INVESTMENTS

The Town maintains a cash and short-term investments pool that is available for use by all Funds. Additionally, the Town pools longer-term investments for all Funds.

The Colorado Public Deposit Protection Act (PDDPA) 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 PDDPA. PDDPA 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 equal to the aggregate uninsured deposits.

The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools, and are the co-agents for release of the collateralized assets.

TOWN OF SILVERTHORNE, COLORADO
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2008

NOTE E –DEPOSITS AND INVESTMENTS (Continued)

The Town of Silverthorne is governed by the deposit and investment limitations of state law. The deposits and investments held at December 31, 2008, and reported at fair value, are shown below.

<u>Type</u>	<u>Weighted Average Maturity (Years)</u>	<u>S & P Rate</u>	<u>Fair Value</u>
Deposits:			
Demand Deposits			\$ 387,151
Government Pools			7,371,737
Cash on Hand			<u>2,650</u>
			<u>\$ 7,761,538</u>
Investments:			
Certificate of Deposit	.201		\$ 755,781
Fed. Natl. Mtg Assn.	1.548	AAA	2,289,309
Fed. Home Loan Mortgage Corp.	2.092	AAA	1,516,075
Fed. Home Loan Bank	1.321	AAA	<u>1,551,478</u>
			<u>\$ 6,112,643</u>
Portfolio weighted average to maturity	1.471		
Total Deposits & Investments			<u>\$13,874,181</u>
Reconciliation to Statement of Net Assets			
Current:			
Cash & Cash Equivalents			\$ 7,028,083
Restricted Cash & Cash Equivalents			733,455
Investments			<u>6,112,643</u>
			<u>\$13,874,181</u>

Custodial Credit Risk – Deposits in financial institutions, reported as cash, cash equivalents, and investments had a balance of \$13,874,181 as of December 31, 2008, which was fully insured by depository insurance or secured with collateral held by the Town of Silverthorne’s agent in its name. All investments, evidenced by individual securities, are registered in the name of Town of Silverthorne.

Investment Interest Rate Risk – The Town has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising for increasing interest rates. The Town’s general policy is to buy and hold investments to maturity. The Town’s investment portfolio will be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the Town’s investment risk constraints and the cash flow characteristics of the portfolio.

Investment Credit Risk – The Town has a formal investment policy that limits its investment choices. The investment choices are within the limitations of state laws and include:

- Direct obligations of the US government, its agencies and instrumentalities to which the full faith and credit of the US government is pledged, or obligations to the payment of which the full faith and credit of the State is pledged;
- Certificates of deposits or savings accounts that are either insured or secured with acceptable collateral with in-state financial institutions;
- With certain limitations, commercial paper, government pools and money market funds regulated by the securities and Exchange Commission (SEC).

TOWN OF SILVERTHORNE, COLORADO

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008

NOTE E –DEPOSITS & INVESTMENTS (Continued)

Concentration of Investment Credit Risk – The Town places limits on the amount it may invest in any one issuer. The Town’s investment policy limits concentration depending on the investment instruments. At a maximum the policy allows no more than 50% of the portfolio in any single issuer.

At December 31, 2008, the Town had invested a carrying amount of \$7,371,737 in Governmental Pools (Pools) from the Colorado Government Liquid Asset Trust (COLOTRUST) and Colorado Surplus) Asset Fund Trust (CSAFE). The Pools are an investment vehicle established by state statute for local government entities to pool surplus assets. The trusts are similar to money market funds, with each share valued at \$1.00. Designated custodial banks provided safekeeping depository services, and substantially all securities owned by the Pools are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian’s internal records identify the investment as owned by the Pools. Investments consist of U.S. Treasury and U.S. Agency securities and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. These investments are not categorized since the underlying securities cannot be determined.

NOTE F – RECEIVABLES & DUE FROM OTHER GOVERNMENTS

Receivables and Due from Other Governments as of year-end 2008 for the Town’s individual major funds and non-major funds in the aggregate are as follows.

	General Fund	Capital Improvement Fund	Lodging Tax Fund	Develop. Excise Tax Fund	Housing 5A Fund	Water Fund	Sewer Fund
Receivables/Due from Governments:							
Interest	\$ 10,239	\$ 1,419	\$ 549	\$ 1,250	\$ 177	\$ 3,113	\$ 2,786
Taxes	1,081,590	271,530	16,015	-	41,740	-	-
Grants/Contributions	9,763	-	-	-	-	-	-
Accounts	65,637	-	-	-	-	205,021	266,365
Employees/COBRA	275,292	-	-	-	-	-	-
Total Receivables & Due From Other Governments	<u>\$ 1,442,521</u>	<u>\$ 272,949</u>	<u>\$ 16,564</u>	<u>\$ 1,250</u>	<u>\$ 41,917</u>	<u>\$ 208,134</u>	<u>\$ 269,151</u>

The Town does not have an allowance for uncollectible accounts as past history has not proven the need for an allowance.

TOWN OF SILVERTHORNE, COLORADO

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008

NOTE G – CAPITAL ASSETS

The following is a summary of changes in the capital assets for the year ended December 31, 2008:

	Balance January 1, 2008	Additions	Disposals	Balance December 31, 2008
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 6,283,281	\$ 3,578,593	\$ -	\$ 9,861,874
Projects in Progress	<u>-</u>	<u>84,115</u>	<u>-</u>	<u>84,115</u>
Total capital assets not being depreciated	6,283,281	3,662,708	-	9,945,989
Capital assets, being depreciated:				
Buildings	14,152,537	412,446	(24,042)	14,540,941
Vehicles & Heavy Equipment	2,771,700	124,649	(49,611)	2,846,738
Parks & Recreation	2,988,575	41,315	(18,042)	3,011,848
Equipment & Furniture	646,764	267,066	(27,762)	886,068
Infrastructure	21,194,522	1,917,248	-	23,111,770
Other Improvements	<u>1,750,293</u>	<u>16,715</u>	<u>-</u>	<u>1,767,008</u>
Total capital assets being depreciated	<u>43,504,391</u>	<u>2,779,439</u>	<u>(119,457)</u>	<u>46,164,373</u>
Less accumulated depreciation:				
Buildings	(4,343,782)	(410,920)	6,179	(4,748,523)
Vehicles & Heavy Equipment	(932,304)	(179,596)	41,867	(1,070,033)
Parks & Recreation	(1,491,297)	(98,658)	18,042	(1,571,913)
Equipment & Furniture	(386,780)	(69,723)	27,762	(428,741)
Infrastructure	(7,096,847)	(664,797)	-	(7,761,644)
Other Improvements	<u>(416,478)</u>	<u>(91,077)</u>	<u>-</u>	<u>(507,555)</u>
Total accumulated depreciation	<u>(14,667,488)</u>	<u>(1,514,771)</u>	<u>93,850</u>	<u>(16,088,409)</u>
Total capital assets, being depreciated, net	<u>28,836,903</u>	<u>1,264,668</u>	<u>(25,607)</u>	<u>30,075,964</u>
Governmental activities capital assets, net	<u>\$ 35,120,184</u>	<u>\$ 4,927,376</u>	<u>\$ (25,607)</u>	<u>\$ 40,021,953</u>
Business - Type Activities				
	Balance January 1, 2008	Additions	Disposals	Balance December 31, 2008
Capital assets, not being depreciated:				
Land	\$ 3,871	\$ -	\$ -	\$ 3,871
Projects in Progress	3,476	139,423	-	142,899
Water Rights	<u>711,720</u>	<u>-</u>	<u>-</u>	<u>711,720</u>
Total capital assets, not being depreciated	<u>719,067</u>	<u>139,423</u>	<u>-</u>	<u>858,490</u>
Capital assets, being depreciated:				
Water Tanks	2,128,179	144,688	-	2,272,867
Lines	13,472,648	1,244,340	-	14,716,988
Wells	2,607,476	118,256	-	2,725,732
Machinery & Equipment	334,767	5,135	-	339,902
Other Improvements	<u>104,982</u>	<u>71,071</u>	<u>-</u>	<u>176,053</u>
Total capital assets, being depreciated	<u>18,648,052</u>	<u>1,583,490</u>	<u>-</u>	<u>20,231,542</u>
Less accumulated depreciation:				
Water Tanks	(576,252)	(54,972)	-	(631,224)
Lines	(3,784,959)	(530,052)	-	(4,315,011)
Wells	(968,900)	(116,233)	-	(1,085,133)
Machinery & Equipment	(195,236)	(5,743)	-	(200,979)
Other Improvements	<u>(7,256)</u>	<u>(10,219)</u>	<u>-</u>	<u>(17,475)</u>
Total accumulated depreciation	<u>(5,532,603)</u>	<u>(717,219)</u>	<u>-</u>	<u>(6,249,822)</u>
Total capital assets, being depreciated, net	<u>13,115,449</u>	<u>866,271</u>	<u>-</u>	<u>13,981,720</u>
Business-type activities capital assets, net	<u>\$ 13,834,516</u>	<u>\$ 1,005,694</u>	<u>\$ -</u>	<u>\$ 14,840,210</u>

TOWN OF SILVERTHORNE, COLORADO

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008

NOTE G – CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions as follows:

Governmental Activities:

General Government	\$ 50,034
Public Safety	32,446
Public Works	1,018,553
Community Development	33,965
Recreation & Culture	<u>379,773</u>

Total Governmental Activities Depreciation Expenses \$1,514,771

Business-Type Activities:

Water Fund	\$ 484,008
Sewer Fund	<u>233,211</u>

Total Business-Type Activities Depreciation Expenses \$ 717,219

NOTE H - INVESTMENT IN SILVERTHORNE/DILLON JOINT SEWER AUTHORITY

The Town is a participant in the Silverthorne/Dillon Joint Sewer Authority (JSA), which was formed to construct and operate a wastewater treatment facility. Participants in the Authority are the Towns of Silverthorne and Dillon, the Dillon Valley District, the Buffalo Mountain Metropolitan District and the Mesa Cortina Metro District.

Construction costs are paid by each participant based on their share of the available capacity in each phase of the project. Operating costs are funded by quarterly billings to the participants, which are based on the number of taps each participant has connected to the system.

The Town records its investments in the Authority, and its share of operating costs in the sewer fund. The investment is accounted for under the equity method in accordance with generally accepted government accounting standards. The Town had an investment in the Authority at December 31, 2008, the date of the most recent audited financial statements, of \$6,174,313 which represents a 57.74% share in the joint venture. At December 31, 2008, the Town was responsible for 41.74% of the Authority's operating expenses.

The following is a summary of the Authority's financial information for the years ended December 31, based on audited financial statements:

	<u>December 31, 2008</u>	<u>December 31, 2007</u>
Total Assets	<u>\$ 10,960,831</u>	<u>\$ 10,518,440</u>
Total Liabilities	\$ 267,528	\$ 245,835
Total Net Assets	<u>10,693,303</u>	<u>10,272,605</u>
Total Liabilities & Net Assets	<u>\$ 10,960,831</u>	<u>\$ 10,518,440</u>
Total Operating Revenue	\$ 2,041,240	\$ 1,971,618
Total Operating Expenditures	(1,758,561)	(1,581,897)
Non-Operating Income	<u>138,019</u>	<u>214,866</u>
Net Income	<u>\$ 420,698</u>	<u>\$ 604,587</u>

TOWN OF SILVERTHORNE, COLORADO

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008

NOTE H - INVESTMENT IN SILVERTHORNE/DILLON JOINT SEWER AUTHORITY (CONTINUED)

Based on the 2008 audited results, the Town's equity in the income of the Authority was \$242,911.

Joint Sewer Authority financial statements are issued annually and can be obtained from the managing entity, the Town of Silverthorne.

NOTE I – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The interfund balances as of December 31, 2008, are as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Compensated Absences Internal Service	\$396,653

Transfers in/out to other funds consists of the following:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ 318,411	\$ 2,060,000
Capital Improvement Fund	2,060,000	-
Water Fund	-	185,151
Sewer Fund	-	<u>133,260</u>
Total	<u>\$ 2,378,411</u>	<u>\$ 2,378,411</u>

In the general fund financial statements, total "transfers in" of \$318,411 are less than total "transfers out" of \$2,060,000 because of the 15%/10% of water/sewer revenues that are transferred to the general fund to cover services and general goodwill provided to the water/sewer funds. The transfer of \$2,060,000 to the Capital Improvement Fund was done in order to assist in the calling of the 2008 Revenue Bonds and the purchase of the Smith Ranch Parcel, both one-time expenditures.

Advances to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Housing 5A Fund	Development Excise Tax Fund	\$1,000,000
Housing 5A Fund	Sewer Fund	<u>1,000,000</u>
		<u>\$2,000,000</u>

The amounts payable to the development excise tax and sewer fund relate to advancements made to the Housing 5A Fund to purchase the Smith Ranch parcel in order to use the land for a future affordable housing development. The Housing 5A Fund is budgeted to pay \$200,000 per year to the Development Excise Tax and the Sewer Fund each over the next five years.

TOWN OF SILVERTHORNE, COLORADO

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008

NOTE J - LONG-TERM DEBT

Governmental Activities:

The following summarizes the changes in the Town's long-term liability activity for the year ended December 31, 2008:

	Balance <u>12/31/07</u>	<u>Additions</u>	<u>Retirement</u>	Balance <u>12/31/08</u>	Due Within <u>One Year</u>
1998 Excise Tax Revenue Bonds	\$ 3,995,000	\$ -	\$(2,150,000)	\$ 1,845,000	\$ -
Accrued Interest	43,370	21,089	(43,370)	21,089	21,089
Bond Discounts	(39,466)	-	4,385	(35,081)	(4,385)
Capital Leases	<u>574,174</u>	<u>166,000</u>	<u>(287,571)</u>	<u>452,603</u>	<u>189,670</u>
Total	<u>\$ 4,573,078</u>	<u>\$187,089</u>	<u>\$ (2,476,556)</u>	<u>\$ 2,283,611</u>	<u>\$ 206,374</u>

1. Capital Lease Obligations

In 2008, the Town entered into a three year lease agreement for a plow blade, two passenger vehicles, Ford pickup, a lift, a sand V-box and a large print copier for Community Development.

In 2007, the Town entered into two leases; one a three year lease agreement financing for a water carrying truck, a Ford pick-up truck for Public Works, a Dodge van for the recreation center and copier machine for the recreation center. The second lease is a five year lease for a snow blower.

In 2006, the Town entered into two leases; one a three year lease agreement financing for three Chevy Impala Public Safety patrol vehicles and two Chevy pick-up trucks for Public Works and Public Safety. The second lease is a five year lease for a backhoe and a plow truck.

In 2005, the Town entered into a three year lease agreement financing for three Chevy Tahoe Public Safety patrol vehicles and two Ford pick-up trucks with plow equipment for Public Works.

In 2004, the Town entered into a four year lease agreement financing for a plow truck, sidewalk tractor and street sweeper for the Public Works Department and two copiers for the Town Hall.

In 2003, the Town entered into a five year lease for a plow truck.

These lease agreements qualify as capital leases for accounting purposes and therefore, have been recorded at the present value of the future minimum lease payments.

The assets acquired through capital leases as of 12/31/08 are as follows:

<u>Leased Capital Assets</u>	<u>Amount</u>
2003 International Plow Truck	158,676
2004 2 - Savin Copiers	29,215
2004 Johnston Sweeper/Trackless Tractor	190,555
2004 International Plow Truck	129,904
2005 3 - Chevy Tahoes	99,951
2005 2 - Ford Trucks	90,049
2006 3 - Chevy Impalas	66,565
2006 2 - Chevy Trucks	49,279
2006 CAT Backhoe & International Plow	269,128
2007 Snow Blower	142,450
2007 Copier	11,441
2007 2 - Trucks & Dodge Caravan	83,435
2008 2 - Passenger Vehicles & Pickup	63,962
2008 Plow Blade	37,950
2008 Lift	22,926
2008 Large Scale Printer/Copier	18,347
2008 V Box Sander	19,815
Total	<u>\$ 1,483,648</u>

TOWN OF SILVERTHORNE, COLORADO

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008

NOTE J - LONG-TERM DEBT (CONTINUED)

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2008 were:

<u>Year Ending December 31,</u>	<u>Minimum Lease Payment</u>	<u>Interest</u>	<u>Present Value of Minimum Lease Payments</u>
2009	204,889	15,219	189,670
2010	167,272	8,331	158,941
2011	91,046	2,618	88,428
2012	<u>15,879</u>	<u>315</u>	<u>15,564</u>
Total	<u>\$ 479,086</u>	<u>\$ 26,483</u>	<u>\$ 452,603</u>

2. Bonds

Revenue Bond Debt

In 1998, the Town issued \$6.3 million in Excise Tax Revenue Bonds, Series 1998. The proceeds from the bonds provided funds to build the Town Center Pavilion project and related public improvements along Blue River Parkway.

In June of 2008, the Town elected to call \$1,825,000 in outstanding bonds. The outstanding bonds were due to be paid in April of 2009 – 2013. The Town saved \$280,871 in future interest payments. The net present value analysis reflected a \$148,092 savings. Additionally it made available an approximate \$420,000 annually in funding.

Issue	:	1998 Excise Tax Revenue Bonds
Type	:	Revenue Bond
Primary source	:	Sales tax revenue dedicated to Capital
Purpose	:	To Construct Town Center Pavilion & Public Improvements to Blue River Parkway
Issue Date	:	1998
Call Date	:	April, 2008
Final Payment	:	April, 2018
Original Amount	:	\$6,300,000
12/08 Balance	:	\$1,845,000
Annual Requirements	:	\$204,428 - \$512,976
Interest Rate Range	:	3.85% - 5.05%

<u>PAYMENT</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>RATE</u>	<u>TOTAL</u>
2009	-	91,070	4.70%	\$ 91,070
2010	-	91,538	4.70%	91,538
2011	-	92,153	4.70%	92,153
2012	-	92,839	4.80%	92,839
2013	-	93,172	5.05%	93,172
2014 - 2017	<u>1,845,000</u>	<u>192,279</u>	5.05%	<u>2,037,279</u>
Total	<u>\$ 1,845,000</u>	<u>\$ 653,051</u>		<u>\$2,498,051</u>

TOWN OF SILVERTHORNE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008

NOTE K - PENSION PLANS

ICMA Deferred Compensation Plan

The Town offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all full time, ¾ time and elected/appointed Town officials, permits them to defer up to the lesser of 25% or \$15,500 of their salary until future years. The Town is not required to provide a matching contribution for full time employees however the Town matches ¾ time and elected/appointed official's contributions. The deferred compensation is not available until termination, retirement, death, or unforeseeable emergency. The plan is administered by ICMA.

ICMA Retirement Prototype Money Purchase Plan & Trust (A 401 Qualified Plan)

All full-time employees, except elected/appointed officials and temporary employees defined by the Town code participate in a Section 401(A) defined contribution money purchase retirement plan. The plan, administered by ICMA Retirement Corporation, requires the Town to contribute monthly an amount equal to 10.5% of each employee's salary. All amounts contributed are vested immediately. Each participant is required to contribute 7.5% of earnings for the plan year as a condition of participation in the plan. The Town has the authority to make changes to the plan as to contributions and vesting rights as long as the changes are within the laws as set by the Federal Government.

The covered payroll for the plan was \$4,513,905. The Town's total payroll for the same period was \$4,595,650. Total contributions by the Town for the year ended December 31, 2008 were \$473,960. Total contributions by the employees for the year ended December 31, 2008 were \$338,618.

NOTE L - COLORADO CONTRABAND FORFEITURE ACT

The Town's police department has entered into a program with other law enforcement agencies in the Colorado Fifth Judicial District whereby most assets acquired under the Colorado Contraband Forfeiture Act are turned over to the District to be used for authorized purposes to benefit all agencies within the District. At December 31, 2008, the Town had \$1,610 in seizure funds, which the police department is using for rewards for information leading to solving police cases. Expenditures of the funds are subject to the same internal controls and audit procedures as all other Town expenditures.

NOTE M - RISK MANAGEMENT

Colorado Intergovernmental Risk Sharing Agency (CIRSA)

The Town is involved with CIRSA, a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to the provision of 24-10-115.5, Colorado Revised Statutes (1982 Replacement Volume) and Colorado Constitution, Article XIV, section 18(2).

The purposes of CIRSA are to provide members defined liability and property coverage and to assist members to prevent and reduce losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees or officers. CIRSA provides insurance coverage for workers compensation, property, liability, crime, police professional and errors and omissions insurance. CIRSA does not cover contractual risks.

It is the intent of CIRSA to create an entity in perpetuity, which will administer and use funds contributed by members to defend and indemnify, in accordance with the Bylaws, any member of

TOWN OF SILVERTHORNE, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2008

NOTE M - RISK MANAGEMENT (CONTINUED)

CIRSA against stated liability or loss, to the limit of the financial resources of CIRSA. All income and assets of CIRSA are dedicated to the exclusive benefit of its members.

The deductible amount paid by the Town of each incident in 2008 was \$5,000; there is no change in coverage from past years. Maximum coverage is as follows:

	Per <u>Claim</u>	Per <u>Occurrence</u>
Property	\$ 500,000	\$ 500,000
Liability	1,000,000	1,000,000
Crime	150,000	150,000
Police Professionals	1,000,000	1,000,000
Errors and Omissions	1,000,000	1,000,000

Colorado statute provides municipalities with immunity from liability in excess of \$600,000 per occurrence. Additional coverage of up to \$5 million is provided for certain federal claims not subject to the Colorado Immunity Act. In addition, the Town carries excess coverage of \$501 million for Property, and \$500,000 for crime coverage. Silverthorne's Town Council approves Silverthorne's continued membership in CIRSA via their annual review of the Town's budget for the various departments and funds.

The Board of Directors, who is elected by the membership for two-year terms, governs CIRSA. All actions of the membership require a 2/3 majority vote of all members present at a meeting. CIRSA is a separate legal entity and the Town does not approve budgets nor does it have ability to significantly affect the operations of the unit.

Below is a summary of financial condition of CIRSA as of December 31, the date of the most recent audited financial statements:

	<u>2008</u>	<u>2007</u>
Assets	\$ <u>71,802,392</u>	\$ <u>66,291,264</u>
Liabilities	\$ 33,243,800	\$ 32,691,419
Total Net Assets	<u>38,558,592</u>	<u>33,599,845</u>
Total Liabilities & Net Assets	\$ <u>71,802,392</u>	\$ <u>66,291,264</u>
Revenues	\$ 24,327,643	\$ 26,490,950
Expenses	<u>(18,691,229)</u>	<u>(18,997,029)</u>
Excess of Expenses over Revenues	\$ <u>5,636,414</u>	\$ <u>7,493,921</u>

The Town of Silverthorne's respective share of CIRSA's members' fund balances was \$405,327 at December 31, 2008. All settlements to date have been well under the maximum coverage allowed.

As of January 1, 2008, the Town's workers compensation insurance is provided by a fully covered private insurance carrier. Prior to this date the Town's workers compensation insurance was provided by CIRSA.

Group Insurance - Health, Dental & Short Term Disability

In January of 2001, the Town changed insurance plans for health, dental and short-term disability for employees and their dependents. Under the new program, the Town provides health insurance coverage for each employee up to \$45,000 and aggregate losses for all employees up to \$2,000,000. The Town purchases commercial insurance for claims in excess of coverage provided by the Town and for all other risk of loss.

TOWN OF SILVERTHORNE, COLORADO

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008

NOTE M - RISK MANAGEMENT (CONTINUED)

For the Town's dental and short-term disability program, the Town provides coverage equal to the coverage that was provided by the private insurance industry. The coverage has a low risk to the Town. There is no excess coverage insurance for these plans. The dental insurance allows a \$1,500 cap per person per year. The short-term disability insurance covers a maximum of 12 weeks of 60% of weekly salary with a maximum of \$750 per week.

All Town departments participate in the group insurance and make payments to the General Fund liability accounts based on prior claims experience in amounts needed to pay current year claims and to establish a reserve for catastrophic losses. The claims liability account had a balance of \$293,953 as of December 31, 2008. This balance does not include possible claims that a liability has been incurred at the date of the financial statements or the amount of the loss that can be reasonably estimated.

The following summarizes the self-funded insurance liability account for the year ending December 31,:

	<u>2008</u>	<u>2007</u>
Self-Funded Insurance Liability, Beginning of yr	\$ 376,971	\$ 425,633
Premiums Paid	670,207	625,793
Claim Payments less Reinsurance	<u>(753,225)</u>	<u>(674,455)</u>
Self-Funded Insurance Liability, End of yr	<u>\$ 293,953</u>	<u>\$ 376,971</u>

NOTE N – CONTINGENT LIABILITIES

The Town has no active lawsuits as of the end of 2008.

NOTE O - TAXPAYER BILL OF RIGHTS & THE AMENDMENT ONE ELECTION QUESTION

At the November 3, 1992 general election, Colorado voters approved an amendment to the Colorado Constitution commonly known as the Taxpayer's Bill of Rights (the Amendment). The Amendment was effective December 31, 1992, and its provisions limit government taxes, spending, revenues and debt without electoral approval.

The Amendment by its terms applies to local governments such as the Town but excludes "enterprises" which are defined as a (1) government owned business, (2) authorized to issue its own debt and (3) receives less than 10% of its annual revenue in grants from all state and local governments. The Town considers its Water and Sewer Funds to be "enterprise" funds and, therefore, considers them excluded from the terms of the Amendment.

On April 5, 1994 an election question was put before and approved by the Citizens of Silverthorne. The election question asked the citizens for the Town to retain the ability to collect and expend the full revenues generated without any increase in any tax rate and expenditures and revenues on debt service, municipal operations and capital projects without the limitation of the Amendment. The period this covers is January 1, 1994 to December 31, 2013.

TOWN OF SILVERTHORNE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008

**NOTE O - TAXPAYER BILL OF RIGHTS & THE AMENDMENT ONE ELECTION QUESTION
(CONTINUED)**

The ballot question specifically identified dollar amounts in 1994 and future years. This question was considered the most challenging to be approved by the voters because it provided the highest level of compliance to Amendment One, as well as providing the most freedom for the Town over the next 19 years.

For 2008, The Town was required to reserve 3% of its fiscal year spending as "emergency reserves." The TABOR emergency reserve of \$268,560 has been recorded as reserved net assets in the General Fund and Governmental Fund.

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**COMBINING AND INDIVIDUAL FUND FINANCIAL
STATEMENTS AND SCHEDULES**

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NON-MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Conservation Trust Fund - This fund is used to account for the Town's share of lottery funds distributed by the State of Colorado. Funds are to be used for Parks, Trails and Open Space.

Lodging Tax Fund – This fund is used to account for the 2% tax on lodging sales. Funds are to be split and expended 85% to Parks, Trails and Open Space – 15% for marketing

Development Excise Tax Fund – This fund is used to account for the \$2 per square foot charged on new residential construction. Funds are to be used for growth related operations and capital expenditures.

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TOWN OF SILVERTHORNE, COLORADO

COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS

December 31, 2008

	Special Revenue Funds			Total Other Governmental Funds
	Conservation Trust Fund	Lodging Tax Fund	Develop. Ex. Tax Fund	
ASSETS				
Cash & Cash Equivalents	\$ -	\$ 196,869	\$ 447,823	\$ 644,692
Investments	-	171,924	391,081	563,005
Accounts Receivable	-	16,564	1,250	17,814
Due From other Funds	-	-	1,000,000	1,000,000
Total Assets	\$ -	\$ 385,357	\$ 1,840,154	\$ 2,225,511
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ -	\$ 12,774	\$ -	\$ 12,774
Accrued Liabilities	-	66,511	-	66,511
Total Liabilities	-	79,285	-	79,285
FUND BALANCES				
Fund Balance:				
Reserved For:				
Encumbrances	-	-	-	-
Unreserved	-	306,072	1,840,154	2,146,226
Total Fund Balances	-	306,072	1,840,154	2,146,226
Total Liabilities & Fund Balances	\$ -	\$ 385,357	\$ 1,840,154	\$ 2,225,511

See the accompanying Independent Auditors' Report.

TOWN OF SILVERTHORNE, COLORADO

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - OTHER GOVERNMENTAL FUNDS**

Year Ended December 31, 2008

	<u>Special Revenue Funds</u>			Total Other Governmental Funds
	<u>Conservation Trust Fund</u>	<u>Lodging Tax Fund</u>	<u>Develop. Ex. Tax Fund</u>	
REVENUES				
Taxes	\$ -	\$ 146,041	\$ 311,944	\$ 457,985
Intergovernmental	40,368	-	-	40,368
Grants/Miscellaneous	182	199,818	-	200,000
Interest	-	9,220	52,192	61,412
Total Revenues	<u>40,550</u>	<u>355,079</u>	<u>364,136</u>	<u>759,765</u>
EXPENDITURES				
Capital Outlay	40,550	203,671	177,741	421,962
Professional Services	-	-	-	-
Housing Down Payment Assistance	-	-	-	-
Recreation & Culture - Marketing	-	13,799	-	13,799
Total Expenditures	<u>40,550</u>	<u>217,470</u>	<u>177,741</u>	<u>435,761</u>
Excess of Revenues Over Expenditures	-	137,609	186,395	324,004
Fund Balance, Beginning of Year	<u>-</u>	<u>168,463</u>	<u>1,653,759</u>	<u>1,822,222</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ 306,072</u>	<u>\$ 1,840,154</u>	<u>\$ 2,146,226</u>

See the accompanying Independent Auditors' Report.

TOWN OF SILVERTHORNE, COLORADO

CAPITAL IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

Year Ended December 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 2,684,628	\$ 2,675,003	\$ 2,559,111	\$ (115,892)
Interest	65,867	50,867	41,537	(9,330)
Miscellaneous	36,407	36,407	36,407	(0)
Total Revenues	<u>2,786,902</u>	<u>2,762,277</u>	<u>2,637,055</u>	<u>(125,222)</u>
EXPENDITURES				
Capital Outlay	1,914,904	2,463,928	2,380,900	83,028
Debt Services:				
Principal	612,570	2,437,570	2,437,571	(1)
Interest and Fiscal Charges	210,002	349,438	180,813	168,625
Total Expenditures	<u>2,737,476</u>	<u>5,250,936</u>	<u>4,999,284</u>	<u>251,652</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>49,426</u>	<u>(2,488,659)</u>	<u>(2,362,229)</u>	<u>126,430</u>
OTHER FINANCING SOURCES				
Capital Leases	166,000	166,000	166,000	-
Sales of General Capital Assets	7,000	7,000	22,398	15,398
Transfer From General Fund	-	2,400,000	2,060,000	(340,000)
Total Other Financing Sources	<u>173,000</u>	<u>2,573,000</u>	<u>2,248,398</u>	<u>(324,602)</u>
Net Change in Fund Balance	222,426	84,342	(113,831)	(198,172)
Fund Balance, Beginning of Year	<u>1,738,784</u>	<u>1,738,784</u>	<u>1,738,784</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 1,961,210</u>	<u>\$ 1,823,125</u>	<u>\$ 1,624,953</u>	<u>\$ (198,172)</u>

See the accompanying Independent Auditors' Report.

TOWN OF SILVERTHORNE, COLORADO
CONSERVATION TRUST SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

Year Ended December 31, 2008

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Intergovernmental	\$ 40,804	\$ 40,368	\$ (436)
Interest	-	182	182
Total Revenues	<u>40,804</u>	<u>40,550</u>	<u>(254)</u>
EXPENDITURES			
Capital Outlay	<u>40,804</u>	<u>40,550</u>	<u>254</u>
Total Expenditures	<u>40,804</u>	<u>40,550</u>	<u>254</u>
Excess of Revenues Over Expenditures	-	-	-
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

See the accompanying Independent Auditors' Report.

TOWN OF SILVERTHORNE, COLORADO

LODGING TAX SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

Year Ended December 31, 2008

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Taxes	\$ 127,474	\$ 146,041	\$ 18,567
Grants & Miscellaneous	228,348	199,818	(28,530)
Interest	6,385	9,220	2,835
Total Revenues	362,207	355,079	(7,128)
EXPENDITURES			
Capital Outlay	265,196	203,671	61,525
Recreation & Culture - Marketing	15,000	13,799	1,201
Total Expenditures	280,196	217,470	62,726
Excess of Revenues Over Expenditures	82,011	137,609	55,598
Fund Balance, Beginning of Year	168,463	168,463	-
Fund Balance, End of Year	\$ 250,474	\$ 306,072	\$ 55,598

See the accompanying Independent Auditors' Report.

TOWN OF SILVERTHORNE, COLORADO
DEVELOPMENT EXCISE TAX SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

Year Ended December 31, 2008

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Taxes	\$ 270,000	\$ 311,944	\$ 41,944
Interest	55,341	52,192	(3,149)
Total Revenues	<u>325,341</u>	<u>364,136</u>	<u>38,795</u>
EXPENDITURES			
Capital Outlay	<u>220,000</u>	<u>177,741</u>	<u>42,259</u>
Total Expenditures	<u>220,000</u>	<u>177,741</u>	<u>42,259</u>
Excess of Revenues Over Expenditures	105,341	186,395	81,054
Fund Balance, Beginning of Year	<u>1,653,759</u>	<u>1,653,759</u>	-
Fund Balance, End of Year	<u>\$ 1,759,100</u>	<u>\$ 1,840,154</u>	<u>\$ 81,054</u>

See the accompanying Independent Auditors' Report.

Internal Service Fund

Internal service funds are used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

Compensated Absences Fund – This fund is used for accumulating the long term (over 12 months) compensated absences that are a liability for the Town's governmental funds. It's assumed these absences won't be used within a year of the statement date.

Agency Fund

Agency funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments and/or other funds

Joint Sewer Authority - This fund is used to account for the management of funds for the Silverthorne/Dillon Joint Sewer Authority which was formed to construct and operate a sewage treatment facility for five local Towns and Districts including the Town of Silverthorne.

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TOWN OF SILVERTHORNE, COLORADO

COMPENSATED ABSENCES INTERNAL SERVICE FUND

STATEMENT OF NET ASSETS

December 31, 2008

	<u>Compensated Absences</u>
ASSETS	
Current Assets:	
Due from other Funds	\$ <u>396,653</u>
TOTAL ASSETS	<u>396,653</u>
LIABILITIES	
Current Liabilities:	-
Noncurrent Liabilities:	<u>-</u>
TOTAL LIABILITIES	<u>-</u>
NET ASSETS	
Invested in Capital Assets	
Unrestricted	<u>396,653</u>
TOTAL NET ASSETS	<u>\$ <u>396,653</u></u>

See the accompanying Independent Auditors' Report.

TOWN OF SILVERTHORNE, COLORADO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
FUND NET ASSETS - COMPENSATED ABSENCES INTERNAL SERVICE FUND

Year Ended December 31, 2008

	<u>Compensated Absences</u>
REVENUES	
Charges for Leave Time Earned	\$ <u>446,244</u>
Total Revenues	<u>446,244</u>
EXPENDITURES	
Leave Time Used	<u>411,746</u>
Total Expenditures	<u>411,746</u>
Excess of Revenues Over Expenditures	<u>34,498</u>
NET ASSETS, Beginning of Year	<u>362,155</u>
NET ASSETS, End of Year	\$ <u><u>396,653</u></u>

See the accompanying Independent Auditors' Report.

TOWN OF SILVERTHORNE, COLORADO

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND

Year Ended December 31, 2008

	<u>Balance</u> <u>January 1, 2008</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>December 31, 2008</u>
Joint Sewer Authority				
ASSETS				
Cash and Cash Equivalents	\$ 3,351,109	\$ 3,190,081	\$ (4,279,309)	\$ 2,261,881
Investments	<u>931,870</u>	<u>2,046,307</u>	<u>(1,002,978)</u>	<u>1,975,199</u>
Total Assets	<u>\$ 4,282,979</u>	<u>\$ 5,236,388</u>	<u>\$ (5,282,287)</u>	<u>\$ 4,237,080</u>
LIABILITIES				
Funds Held for Others	<u>\$ 4,282,979</u>	<u>\$ 5,236,388</u>	<u>\$ (5,282,287)</u>	<u>\$ 4,237,080</u>
Total Liabilities	<u>\$ 4,282,979</u>	<u>\$ 5,236,388</u>	<u>\$ (5,282,287)</u>	<u>\$ 4,237,080</u>

See the accompanying Independent Auditors' Report.

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

LOCAL HIGHWAY FINANCE REPORT

City or County:
SILVERTHORNE
YEAR ENDING :
December 2008

This Information From The Records Of (example - City of _ or County of _) TOWN OF SILVERTHORNE
Prepared By: T. McArthur
Phone: 970-262-7301

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)	556,379
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	1,064,741
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	71,728
2. General fund appropriations		b. Snow and ice removal	231,809
3. Other local imposts (from page 2)	4,235,027	c. Other	
4. Miscellaneous local receipts (from page 2)	78,988	d. Total (a. through c.)	303,537
5. Transfers from toll facilities		4. General administration & miscellaneous	276,676
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	572,060
a. Bonds - Original Issues		6. Total (1 through 5)	2,773,393
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	99,558
7. Total (1 through 6)	4,314,015	b. Redemption	1,348,050
B. Private Contributions		c. Total (a. + b.)	1,447,608
C. Receipts from State government (from page 2)	204,799	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	21,521
E. Total receipts (A.7 + B + C + D)	4,518,814	b. Redemption	276,292
		c. Total (a. + b.)	297,813
		3. Total (1.c + 2.c)	1,745,421
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	4,518,814

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

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	2,504,865		1,348,050	1,156,815
1. Bonds (Refunding Portion)				
B. Notes (Total)	543,433	147,653	276,292	414,794

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	0	4,518,814	4,518,814		0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2008

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	66,165
1. Sales Taxes	4,162,325	c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	9,723
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	72,702	g. Other Misc. Receipts	3,100
6. Total (1. through 5.)	4,235,027	h. Other	
c. Total (a. + b.)	4,235,027	i. Total (a. through h.)	78,988
	(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	177,240	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	27,559	d. Federal Transit Admin	
d. Other (Specify)		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	27,559	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	204,799	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			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		501,681	501,681
(4). System Enhancement & Operation		54,698	54,698
(5). Total Construction (1) + (2) + (3) + (4)	0	556,379	556,379
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	556,379	556,379
			(Carry forward to page 1)

Notes and Comments:

TOWN OF SILVERTHORNE, COLORADO

STATISTICAL SECTION
(Unaudited)

This part of the Town of Silverthorne's comprehensive annual financial report presents detailed information as a context for understanding this year's financial statements, note disclosures and supplementary information. This section includes data for the Town (i.e., the primary government) and the business-type funds. This information has not been audited by the independent auditor.

Contents	Schedules	Pages
Financial Trends These tables contain trend information that may assist the reader in assessing the Town's current financial performance by placing it in historical perspective.	1-8	76-83
Revenue Capacity These tables contain information that may assist the reader in assessing the viability of the Town's most significant "own-source" revenues.	9-14	84-89
Debt Capacity These tables present information that may assist the reader in analyzing the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.	15-18	90-93
Demographic and Economic Information These tables offer economic and demographic indicators that are commonly used for financial analysis and depict the Town's present and ongoing financial status.	19-21	94-96
Operating Information These tables contain service and infrastructure indicators that represent how the information in the Town's financial statements relates to the services the Town provides and the activities it performs.	22-23	97-98

Source:

Unless otherwise noted, the information in these tables is derived from the annual financial reports for the relevant year. The Town implemented GASB Statement No. 34 in calendar year 2002, therefore tables presenting government-wide financial data include only the years 2002-present.

Town of Silverthorne, Colorado
 Government-wide Net Assets by Category
 Last Seven Fiscal Years
(modified accrual basis of accounting)

Source	2002 (1)	2003	2004	2005 (2)	2006	2007	2008
Governmental Activities							
Invested in Capital Assets, Net of Related Debt	\$ 11,035,900	\$ 13,034,885	\$13,249,443	\$ 23,871,148	\$21,157,048	\$ 30,551,010	\$ 37,724,350
Restricted	1,353,661	1,332,329	1,314,910	916,688	743,056	765,449	780,551
Unrestricted	8,219,322	8,841,141	9,683,670	8,662,117	15,622,291	11,699,883	8,281,222
Subtotal Governmental Activities Net Assets	<u>20,608,883</u>	<u>23,208,355</u>	<u>24,248,023</u>	<u>33,449,953</u>	<u>37,522,395</u>	<u>43,016,342</u>	<u>46,786,123</u>
Business-type Activities							
Invested in Capital Assets (3)	17,077,694	17,166,955	17,290,192	11,047,259	10,988,647	13,834,516	14,840,210
Restricted	-	-	-	-	-	-	-
Unrestricted	8,776,225	9,752,788	10,100,696	11,123,035	11,985,937	11,416,846	11,534,762
Subtotal Business-type Activities	<u>25,853,919</u>	<u>26,919,743</u>	<u>27,390,888</u>	<u>22,170,294</u>	<u>22,974,584</u>	<u>25,251,362</u>	<u>26,374,972</u>
Primary Government							
Invested in Capital Assets, Net of Related Debt	28,113,594	30,201,840	30,539,635	34,918,407	32,145,695	44,385,526	52,564,560
Restricted	1,353,661	1,332,329	1,314,910	916,688	743,056	765,449	780,551
Unrestricted	16,995,547	18,593,929	19,784,366	19,785,152	27,608,228	23,116,729	19,815,984
Total Primary Government Net Assets	<u>\$ 46,462,802</u>	<u>\$ 50,128,098</u>	<u>\$51,638,911</u>	<u>\$ 55,620,247</u>	<u>\$60,496,979</u>	<u>\$ 68,267,704</u>	<u>\$ 73,161,095</u>

(1) The year of GASB 34 implementation.

(2) Fiscal year 2005 includes the Pavilion Enterprise Fund closure of \$6,601,489 to the General Fund.

(3) There is no capital related debt for business-type activities.

Town of Silverthorne, Colorado
 Changes in Net Assets - Governmental Activities
 Last Seven Fiscal Years
 (modified accrual basis of accounting)

Source	2002 (1)	2003	2004	2005 (2)	2006	2007	2008
Expenses:							
General Government	1,180,289	1,200,089	\$1,195,066	\$1,220,157	\$1,328,306	\$1,405,667	\$1,469,486
Public Safety	1,775,598	1,748,117	1,640,205	1,728,498	1,886,232	1,841,689	1,947,374
Public Works	3,175,612	2,516,778	2,738,467	2,822,074	2,942,747	3,053,768	3,378,759
Community Development	707,406	640,302	616,439	665,785	738,851	814,718	805,313
Recreation & Culture	1,779,417	1,778,049	1,868,467	2,523,010	2,682,592	2,912,284	3,054,899
Housing 5A	-	-	-	-	-	39,713	77,764
Interest on Long-Term Debt	535,342	504,432	478,517	337,529	240,015	229,425	162,916
Total Expenses	9,153,664	8,387,767	8,537,161	9,297,053	9,818,743	10,297,264	10,896,511
Program Revenues:							
Charges for Services							
General Government	108,623	120,212	131,621	146,421	153,354	169,744	182,069
Public Safety	86,534	83,482	82,054	136,320	104,384	115,227	143,199
Public Works	63,568	68,303	66,124	68,547	72,733	71,279	83,963
Community Development	303,409	254,986	298,747	504,012	404,569	449,551	412,551
Recreation & Culture	1,068,380	1,088,756	1,118,114	1,402,465	1,515,738	1,638,050	1,620,801
Housing 5A	-	-	-	-	-	-	209,408
Operating Grants & Contributions	340,791	272,519	266,923	310,299	57,324	7,773	18,179
Capital Grants & Contributions	247,490	2,028,174	249,270	663,921	1,788,089	2,517,121	1,307,592
Total Program Revenues	2,218,795	3,916,432	2,212,853	3,231,985	4,096,191	4,968,745	3,977,762
Net (Expense)/Revenue	(6,934,869)	(4,471,335)	(6,324,308)	(6,065,068)	(5,722,552)	(5,328,519)	(6,918,749)
General Revenues & Transfers:							
Taxes:							
Sales Taxes for General Purpose	4,291,469	4,375,938	4,487,364	4,901,082	5,505,476	6,029,697	5,917,576
Sales Taxes for Capital & Debt	1,700,238	1,840,677	1,897,958	2,118,292	2,393,680	2,714,907	2,832,969
Lodging Tax	110,470	103,026	95,664	101,817	122,571	135,088	146,041
Franchise Taxes	139,364	171,634	174,999	193,884	211,959	204,669	241,047
Development Excise Tax	263,709	276,026	350,785	615,538	402,059	381,781	311,944
Other Taxes	53,247	47,767	61,669	47,131	336,234	332,663	328,836
Investment Income	171,895	122,159	153,795	219,867	443,509	571,350	361,769
Miscellaneous	47,814	44,377	47,702	100,580	48,404	102,500	229,937
Gains on Sales of Capital Assets	33,078	-	-	-	-	-	-
Transfers	266,784	89,203	94,040	6,968,807	331,102	349,811	318,411
Total General Revenues & Transfers	7,078,068	7,070,807	7,363,976	15,266,998	9,794,994	10,822,466	10,688,530
Changes in Net Assets	\$ 143,199	\$2,599,472	\$1,039,668	\$9,201,930	\$4,072,442	\$5,493,947	\$3,769,781

(1) The year of GASB 34 implementation.

(2) Fiscal year 2005 includes the Pavilion Fund closure of \$6,601,489 to the General Fund.

Town of Silverthorne, Colorado
 Changes in Net Assets - Business-type Activities
 Last Seven Fiscal Years
 (accrual basis of accounting)

Source	2002 (1)	2003	2004	2005 (2)	2006	2007	2008
Expenses:							
Water	\$ 723,630	\$ 761,421	\$ 810,246	\$ 1,068,559	\$ 942,428	\$ 1,101,207	\$ 1,129,095
Sewer	800,928	844,120	905,982	968,266	1,022,839	1,035,722	1,062,344
Pavilion	442,086	471,428	466,800	-	-	-	-
Total Expenses	<u>1,966,644</u>	<u>2,076,969</u>	<u>2,183,028</u>	<u>2,036,825</u>	<u>1,965,267</u>	<u>2,136,929</u>	<u>2,191,439</u>
Program Revenues:							
Charges for Services							
Water	840,015	814,082	809,921	844,505	853,448	850,636	899,740
Sewer	874,561	928,516	964,372	996,302	1,027,270	973,371	1,010,619
Pavilion	124,881	148,137	166,618	-	-	-	-
Capital Grants & Contributions	1,789,125	1,063,961	446,731	1,487,220	616,320	2,265,718	1,321,018
Total Program Revenues	<u>3,628,582</u>	<u>2,954,696</u>	<u>2,387,642</u>	<u>3,328,027</u>	<u>2,497,038</u>	<u>4,089,725</u>	<u>3,231,377</u>
Net (Expense)/Revenue	1,661,938	877,727	204,614	1,291,202	531,771	1,952,796	1,039,938
General Revenues & Transfers:							
Investment Income	68,920	53,061	80,957	125,072	274,474	324,704	159,173
Miscellaneous	234,073	224,239	279,614	331,940	329,146	349,089	242,910
Transfers	(266,784)	(89,203)	(94,040)	(6,968,807)	(331,102)	(349,811)	(318,411)
Total General Revenues & Transfers	<u>36,209</u>	<u>188,097</u>	<u>266,531</u>	<u>(6,511,795)</u>	<u>272,518</u>	<u>323,982</u>	<u>83,672</u>
Changes in Net Assets	<u>\$1,698,147</u>	<u>\$ 1,065,824</u>	<u>\$ 471,145</u>	<u>\$ (5,220,593)</u>	<u>\$ 804,289</u>	<u>\$2,276,778</u>	<u>\$ 1,123,610</u>

(1) The year of GASB 34 implementation.

(2) Fiscal year 2005 includes the Pavilion Fund closure of \$6,601,489 to the General Fund.

Town of Silverthorne, Colorado
 Changes in Net Assets - Proprietary Funds
 Last Seven Fiscal Years
(accrual basis of accounting)

Source	2002 (1)	2003	2004	2005 (2)	2006	2007	2008
Operating Revenues:							
Users Fees	\$1,791,405	\$1,845,201	\$1,892,280	\$1,812,234	\$1,846,356	\$1,813,100	\$1,898,765
Charges for Services	48,052	45,534	48,631	28,573	34,362	10,907	11,594
Total Operating Revenues	1,839,457	1,890,735	1,940,911	1,840,807	1,880,718	1,824,007	1,910,359
Operating Expenses:							
Operations	469,744	514,040	555,568	370,789	423,211	457,614	498,024
Maintenance	252,014	238,277	229,429	261,193	160,378	146,354	123,411
Contractual Services	665,812	699,623	745,615	854,473	813,238	899,027	852,785
Depreciation and Amortization	579,074	625,029	652,416	550,370	568,440	631,585	717,219
Total Operating Expenses	1,966,644	2,076,969	2,183,028	2,036,825	1,965,267	2,134,580	2,191,439
Operating Income/(Loss)	(127,187)	(186,234)	(242,117)	(196,018)	(84,549)	(310,573)	(281,080)
Non-Operating Revenues/Expenses:							
Interest Revenue	68,920	53,061	80,957	125,072	274,474	324,704	159,173
Loss on Disposal of Capital Assets	-	-	-	-	-	(2,349)	-
Equity Income on Joint Sewer Authority Investment	234,073	224,239	279,614	331,940	329,146	349,089	242,910
Total Non-Operating Revenues	302,993	277,300	360,571	457,012	603,620	671,444	402,083
Income Before Transfers & Capital Contributions	175,806	91,066	118,454	260,994	519,071	360,871	121,003
Transfer out to General Fund	(266,784)	(89,203)	(94,040)	(6,968,807)	(331,102)	(349,811)	(318,411)
Capital Contributions	1,789,125	1,063,961	446,731	1,487,220	616,320	2,265,718	1,321,018
Changes in Net Assets	\$1,698,147	\$1,065,824	\$471,145	(\$5,220,593)	\$804,289	\$2,276,778	\$1,123,610

(1) The year of GASB 34 implementation.

(2) Fiscal year 2005 includes the Pavilion Fund closure of \$6,601,489 to the General Fund.

Town of Silverthorne, Colorado
 Changes in Net Assets - Total
 Last Seven Fiscal Years
 (modified accrual basis of accounting)

Source	2002 (1)	2003	2004	2005 (2)	2006	2007	2008
Expenses:							
Governmental Activities	\$9,153,664	\$ 8,387,767	\$8,537,161	\$ 9,297,053	\$9,818,743	\$10,297,264	\$ 10,896,511
Business-type Activities	1,966,644	2,076,969	2,183,028	2,036,825	1,965,267	2,136,929	2,191,439
Total Expenses	11,120,308	10,464,736	10,720,189	11,333,878	11,784,010	12,434,193	13,087,950
Program Revenues:							
Governmental Activities	2,329,265	4,019,458	2,308,518	3,231,985	4,096,191	4,968,745	3,977,762
Business-type Activities	3,628,582	2,954,696	2,387,642	3,328,027	2,497,038	4,089,725	3,231,377
Total Program Revenues	5,957,847	6,974,154	4,696,160	6,560,012	6,593,229	9,058,470	7,209,139
Net (Expense)/Revenue	(5,162,461)	(3,490,582)	(6,024,029)	(4,773,866)	(5,190,781)	(3,375,723)	(5,878,811)
General Revenues & Transfers:							
Governmental Activities	6,967,598	6,967,781	7,268,311	15,266,998	9,794,994	10,822,466	10,688,530
Business-type Activities	36,209	188,097	266,531	(6,511,795)	272,518	323,982	83,672
Total General Revenues & Transfers	7,003,807	7,155,878	7,534,842	8,755,203	10,067,512	11,146,448	10,772,202
Changes in Net Assets	\$1,841,346	\$ 3,665,296	\$1,510,813	\$ 3,981,337	\$4,876,731	\$ 7,770,725	\$ 4,893,391

(1) The year of GASB 34 implementation.

(2) Fiscal year 2005 includes the Pavilion Enterprise Fund closure of \$6,601,489 to the General Fund.

Town of Silverthorne, Colorado
 Fund Balances - Governmental Funds
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

Source	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Fund										
Reserved	\$ 350,297	\$ 3,286,977	\$ 3,440,854	\$ 359,789	\$ 298,474	\$ 288,056	\$ 422,507	\$ 262,404	\$ 299,264	\$ 324,789
Unreserved	7,192,601	4,124,815	3,883,441	5,990,004	6,363,437	6,817,651	5,724,207	7,060,565	8,111,460	6,762,288
Subtotal General Fund	7,542,898	7,411,792	7,324,295	6,349,793	6,661,911	7,105,707	6,146,714	7,322,969	8,410,724	7,087,077
General Fund Percentage Change	21.0%	-1.7%	-1.1%	-13.3%	4.9%	6.6%	-13.4%	19.1%	14.9%	-15.7%
All Other Governmental Funds										
Reserved	4,227,291	2,393,882	2,076,248	1,046,000	1,046,000	1,067,857	632,777	800,976	626,976	511,991
Unreserved										
Capital Improvement Fund	892,342	1,000,173	262,895	1,421,790	1,613,664	1,522,995	861,092	972,607	1,111,808	1,112,962
Conservation Trust Fund	25,059	55,214	71,854	84,956	-	13,573	-	-	-	-
Lodging Tax Fund	95,205	131,062	230,809	330,617	234,534	349,185	376,503	28,862	168,463	306,072
Excise Tax Fund	-	206,801	360,959	280,567	561,670	886,867	1,522,971	1,426,594	1,653,759	1,840,154
Housing 5A Fund	-	-	-	-	-	-	-	-	464,920	(1,839,441)
Subtotal All Other Governmental Funds	5,239,897	3,787,132	3,002,765	3,163,930	3,455,868	3,840,477	3,393,343	3,229,039	4,025,926	1,931,738
Total Governmental Funds										
Reserved	4,577,588	5,680,859	5,517,102	1,405,789	1,344,474	1,355,913	1,055,284	1,063,380	926,240	836,780
Unreserved	8,205,207	5,518,065	4,809,958	8,107,934	8,773,305	9,590,271	8,484,773	9,488,628	11,510,410	8,182,035
Total Governmental Funds	\$ 12,782,795	\$ 11,198,924	\$ 10,327,060	\$ 9,513,723	\$ 10,117,779	\$10,946,184	\$9,540,057	\$10,552,008	\$ 12,436,650	\$ 9,018,815
All Governmental Funds Percentage Change	-0.4%	-12.3%	-7.7%	-7.8%	6.3%	8.1%	-12.8%	10.6%	17.8%	-27.5%

Town of Silverthorne, Colorado
 Changes in Fund Balances - Governmental Funds
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

Source	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Total Revenues	\$ 9,196,947	\$ 9,887,281	\$ 9,961,011	\$ 8,996,999	\$ 9,799,401	\$ 9,398,596	\$ 11,239,910	\$ 13,457,434	\$ 13,806,106	\$ 13,265,758
Total Expenditures	9,516,813	11,981,267	11,547,288	10,255,371	9,544,303	9,068,450	13,457,071	13,239,399	12,532,906	17,190,402
Excess (Deficiency of Revenues Over (Under) Expenditures	(319,866)	(2,093,986)	(1,586,277)	(1,258,372)	255,098	330,146	(2,217,161)	218,035	1,273,200	(3,924,644)
Other Financing Sources (Uses)										
Proceeds from Bonds	-	-	-	-	-	-	-	-	-	-
Capital Leases	-	231,261	740,505	506,543	182,738	353,719	193,325	384,972	237,326	166,000
Sales of General Capital Assets	-	45,000	161,950	49,078	77,017	50,500	36,803	77,842	24,305	22,398
Claims and Judgment	-	-	-	(377,371)	-	-	64,880	-	-	-
Fund Closure of Pavilion Fund to General Fund	-	-	-	-	-	-	148,708	-	-	-
Transfer In	306,025	1,512,766	874,149	1,112,500	286,703	418,040	2,567,318	496,102	649,811	2,378,411
Transfer Out	(42,261)	(1,278,912)	(1,062,191)	(845,715)	(197,500)	(324,000)	(2,200,000)	(165,000)	(300,000)	(2,060,000)
Total Other Financing Sources	263,764	510,115	714,413	445,035	348,958	498,259	811,034	793,916	611,442	506,809
Net Change in Fund Balances	\$ (56,102)	\$ (1,583,871)	\$ (871,864)	\$ (813,337)	\$ 604,056	\$ 828,405	\$ (1,406,127)	\$ 1,011,951	\$ 1,884,642	\$ 9,018,815

Town of Silverthorne, Colorado
 General Governmental Expenditures by Function
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

Function	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Government	\$ 1,060,202	\$ 1,189,923	\$ 1,128,179	\$ 1,091,066	\$ 1,129,510	\$ 1,122,206	\$ 1,143,685	\$ 1,244,030	\$ 1,316,409	\$ 1,394,565
Public Safety	1,383,355	1,612,194	1,586,392	1,688,083	1,724,376	1,612,507	1,691,899	1,737,911	1,808,163	1,914,928
Public Works	1,103,404	1,658,143	1,872,713	1,811,206	1,615,325	1,583,648	1,711,576	1,775,885	2,057,478	2,252,885
Community Development	824,757	543,833	542,224	559,451	503,334	493,107	553,298	638,500	756,543	743,026
Recreation and Culture	1,417,169	1,413,081	1,550,113	1,595,141	1,561,493	1,643,871	2,154,316	2,284,185	2,496,865	2,660,391
Housing 5A	-	-	-	-	-	-	-	-	39,713	103,361
Total Current	5,788,887	6,417,174	6,679,621	6,744,947	6,534,038	6,455,339	7,254,774	7,680,511	8,475,171	9,069,156
% Change from Prior Year	2.0%	10.9%	4.1%	1.0%	-3.1%	-1.2%	12.4%	5.9%	10.3%	7.0%
Capital Outlay	713,575	3,553,484	2,306,453	1,205,846	2,470,303	788,766	8,095,380	4,077,703	2,959,272	2,297,603
% Change from Prior Year	44.5%	79.9%	-54.1%	-91.3%	51.2%	-213.2%	90.3%	-98.5%	-37.8%	-28.8%
Debt Service										
Principal	465,000	740,858	866,069	968,811	819,279	931,947	4,383,029	560,744	620,620	2,437,571
Interest and Fiscal Charges	571,760	572,297	568,716	538,004	507,945	482,301	355,168	238,482	228,132	180,813
Total Debt Service	1,036,760	1,313,155	1,434,785	1,506,815	1,327,224	1,414,248	4,738,197	799,226	848,752	2,618,384
% Change from Prior Year	42.4%	26.7%	9.3%	5.0%	-11.9%	6.6%	235.0%	-83.1%	6.2%	208.5%
Total Expenditures	\$ 7,539,222	\$ 11,283,813	\$ 10,420,859	\$ 9,457,608	\$ 10,331,565	\$ 8,658,353	\$ 20,088,351	\$ 12,557,440	\$ 12,283,195	\$ 13,985,143
% Change from Prior Year	9.8%	33.2%	-8.3%	-10.2%	8.5%	-19.3%	56.9%	-60.0%	-2.2%	12.2%
Debt Service as a Percentage of Noncapital Expenditures (1)	17.9%	20.5%	21.5%	22.3%	20.3%	21.9%	65.3%	10.4%	10.0%	28.9%

(1) Debt service amount includes fiscal charges.

Town of Silverthorne, Colorado
 Changes in Fund Balances - Governmental Funds
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

Source	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Revenues:										
Taxes	\$ 6,088,461	\$ 6,974,677	\$ 7,337,754	\$ 6,829,294	\$ 7,073,515	\$ 7,333,121	\$ 8,241,007	\$ 8,971,978	\$ 9,798,805	\$ 9,778,413
Intergovernmental	24,811	94,540	142,973	71,286	32,999	32,603	33,990	42,012	292,353	40,368
Licenses and Permits	547,369	396,872	393,676	325,972	305,737	354,805	551,889	442,241	486,642	674,307
Charges for Services	1,306,873	1,277,110	1,337,595	1,337,395	1,369,517	1,390,657	1,609,322	1,716,864	1,895,858	2,012,446
Fines and Forfeitures	126,487	89,434	81,536	85,604	84,407	78,080	129,063	98,018	99,555	99,243
Interest	630,908	761,714	390,497	171,895	122,160	153,795	219,868	443,509	571,351	361,769
Grants	-	-	-	-	687,585	39,062	438,880	1,700,752	606,555	218,179
Miscellaneous	472,038	292,934	276,980	175,553	123,481	16,473	15,891	42,060	54,987	81,033
Total Revenues	\$ 9,196,947	\$ 9,887,281	\$ 9,961,011	\$ 8,996,999	\$ 9,799,401	\$ 9,398,596	\$ 11,239,910	\$ 13,457,434	\$ 13,806,106	\$ 13,265,758
Expenditures:										
General Government	1,060,202	1,189,923	1,128,179	1,091,066	1,129,510	1,122,206	1,143,685	1,244,030	1,316,409	1,394,565
Public Safety	1,383,355	1,612,194	1,586,392	1,688,083	1,724,376	1,612,507	1,691,899	1,737,911	1,808,163	1,914,928
Public Works	1,103,404	1,658,143	1,872,713	1,811,206	1,615,325	1,583,648	1,711,576	1,775,885	2,057,478	2,252,885
Community Development	824,757	543,833	542,224	559,451	503,334	493,107	553,298	638,500	756,543	743,026
Recreation and Culture	1,417,169	1,413,081	1,550,113	1,595,141	1,561,493	1,643,871	2,154,316	2,284,185	2,496,865	2,660,391
Housing 5A	-	-	-	-	-	-	-	-	39,713	103,361
Capital Outlay	2,691,166	4,250,938	3,432,882	2,003,609	1,683,041	1,198,863	1,464,100	4,759,662	3,208,983	5,502,862
Debt Service:										
Principal	465,000	740,858	866,069	968,811	819,279	931,947	4,383,029	560,744	620,620	2,437,571
Interest and Fiscal Charges	571,760	572,297	568,716	538,004	507,945	482,301	355,168	238,482	228,132	180,813
Total Expenditures	9,516,813	11,981,267	11,547,288	10,255,371	9,544,303	9,068,450	13,457,071	13,239,399	12,532,906	17,190,402
Excess (Deficiency of Revenues Over (Under) Expenditures	(319,866)	(2,093,986)	(1,586,277)	(1,258,372)	255,098	330,146	(2,217,161)	218,035	1,273,200	(3,924,644)
Other Financing Sources (Uses)										
Proceeds from Bonds	-	-	-	-	-	-	-	-	-	-
Capital Leases	-	231,261	740,505	506,543	182,738	353,719	193,325	384,972	237,326	166,000
Sales of General Capital Assets	-	45,000	161,950	49,078	77,017	50,500	36,803	77,842	24,305	22,398
Claims and Judgment	-	-	-	(377,371)	-	-	64,880	-	-	-
Fund Closure of Pavilion Fund to General Fund	-	-	-	-	-	-	148,708	-	-	-
Transfer In	306,025	1,512,766	874,149	1,112,500	286,703	418,040	2,567,318	496,102	649,811	2,378,411
Transfer Out	(42,261)	(1,278,912)	(1,062,191)	(845,715)	(197,500)	(324,000)	(2,200,000)	(165,000)	(300,000)	(2,060,000)
Total Other Financing Sources (Uses)	263,764	510,115	714,413	445,035	348,958	498,259	811,034	793,916	611,442	506,809
Net Change in Fund Balances	\$ (56,102)	\$ (1,583,871)	\$ (871,864)	\$ (813,337)	\$ 604,056	\$ 828,405	\$ (1,406,127)	\$ 1,011,951	\$ 1,884,642	\$ (3,417,835)

Town of Silverthorne, Colorado
 General Governmental Tax Revenues by Source
 Last Ten Fiscal Years
(modified accrual basis of accounting)

Revenue Source	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Sales Tax	\$5,629,846	\$6,210,823	\$6,362,660	\$5,991,707	\$6,216,615	\$6,385,322	\$ 7,019,374	\$7,899,156	\$8,744,604	\$8,750,545
Lodging Tax	98,369	98,976	103,888	110,470	103,026	95,664	101,817	122,571	135,088	146,041
Dev. Excise Tax	-	273,468	417,484	263,710	276,026	350,785	615,538	402,059	381,781	311,944
Property Tax	-	-	-	-	-	-	-	-	-	-
Franchise Tax	109,854	116,354	144,505	139,363	171,634	174,999	193,884	211,959	204,669	241,047
Highway User Tax	127,805	150,187	167,444	181,994	169,826	173,450	166,990	191,059	185,077	177,240
Cigarette Tax	58,790	56,922	54,903	52,977	47,035	61,052	47,131	50,984	51,194	49,426
Road & Bridge Tax	41,557	43,206	61,802	64,585	60,994	66,032	67,990	64,848	66,757	72,702
Miscellaneous Tax	22,240	24,741	25,068	24,490	28,359	25,816	28,283	29,342	29,635	29,468
Total Revenues	\$6,088,461	\$6,974,677	\$7,337,754	\$6,829,294	\$7,073,515	\$7,333,120	\$ 8,241,007	\$8,971,978	\$9,798,805	\$9,778,413
% change from prior year	3.0%	14.6%	5.2%	-6.9%	3.6%	3.7%	12.4%	8.9%	9.2%	-0.2%

Source: Town of Silverthorne Sales Tax Reports

Town of Silverthorne, Colorado
Silverthorne Property Tax Mill Levies (1)
Last Seven Fiscal Years

	2002	2003	2004	2005	2006	2007	2008
Summit County Government:							
General Fund	5.420	5.347	5.416	5.311	5.250	4.625	4.704
Road & Bridge Fund	1.120	1.127	1.141	1.082	1.079	0.943	0.932
Social Services Fund	0.263	0.221	0.163	0.154	0.189	0.211	0.158
Library Fund	0.689	0.797	0.772	0.732	0.761	0.646	0.644
Capital Expenditures	2.085	2.156	2.148	2.251	2.035	2.360	2.362
Legacy Fund	0.000	0.000	0.000	0.000	0.196	0.288	0.253
Open Space	2.128	2.140	2.128	2.018	2.001	1.630	1.611
Public Lands	0.376	0.378	0.376	0.356	0.353	0.288	0.284
Early Childhood Care & Learning	0.000	0.000	0.000	0.500	0.500	0.500	0.500
Total	12.081	12.166	12.144	12.404	12.364	11.491	11.448
Summit School District RE-1:							
General Fund	13.916	14.447	14.027	13.387	13.377	13.271	13.320
Bond Redemption Fund	4.701	4.720	6.032	5.740	5.691	4.663	4.653
Special Building & Technology Fund	7.620	7.620	3.352	3.370	3.370	3.671	3.396
Kindergarten Fund	0.000	0.000	0.000	0.000	0.000	0.000	0.438
Transportation Fund	0.317	0.429	0.421	0.413	0.410	0.485	0.484
Total	26.554	27.216	23.832	22.910	22.848	22.090	22.291
Junior College:							
Colorado Mountain College	3.997	3.997	3.997	3.997	3.997	3.997	3.997
Special Districts:							
Colorado River Water Conservation District	0.255	0.255	0.252	0.230	0.221	0.191	0.198
Eagles Nest Metropolitan District (2)	17.000	17.000	17.000	17.000	17.000	15.030	15.014
Lake Dillon Fire Protection District	8.280	8.345	8.345	8.289	8.311	8.275	8.286
Middle Park Water Conservancy District	0.078	0.078	0.078	0.075	0.075	0.062	0.062
Silverthorne Fire Protection District (Bond only)	0.100	0.000	0.000	0.000	0.000	0.000	0.000
Total	25.713	25.678	25.675	25.594	25.607	23.558	23.560
Total Mill Levies	68.345	69.057	65.648	64.905	64.816	61.136	61.296

(1) The Town does not have a property tax.

(2) Applies only to properties in the Eagles Nest subdivision.

Source: Summit County Assessor's Office

Town of Silverthorne, Colorado
Water and Sewer Rates
Last Ten Fiscal Years

	1999	2000	2001	2002	2003	2004	2005	2006	2007(1)	2008(2)
Water Rates:										
Monthly	\$ 12.57	\$ 12.57	\$ 12.95	\$ 13.34	\$ 13.34	\$ 13.34	\$ 13.34	\$ 13.74	\$ 15.00	\$ 15.00
Per 1,000 Gallons	1.77	1.82	1.88	1.94	1.98	1.98	1.98	1.98	1.00	1.00
Tap Fee	3,800	4,000	4,200	4,400	4,600	4,800	5,000	5,200	5,400	5,800
Sewer Rates:										
Monthly	\$ 26.74	\$ 26.74	\$ 27.54	\$ 28.37	\$ 29.22	\$ 30.10	\$ 30.10	\$ 30.10	\$ 27.83	\$ 27.83
Tap Fee	3,800	4,000	4,200	4,400	4,600	4,800	5,000	5,200	5,400	5,400

(1) The Town instituted a tiered water rate commencing in 2007. The rate is \$1.00 for 0 - 5,000 gallons used, \$2.00 for 5,001-10,000 gallons used, \$3.00 for 10,001-16,666 gallons used and \$4.00 for 16,667 and above.

(2) The Town changed the tiered water rates for 2008. The rates are \$1.00 for 0-15,000 gallons used, \$2.00 for 15,001-30,000 gallons used, \$3.00 for 30,001-50,000 gallons used and \$4.00 for 50,001 and above.

Source: Town of Silverthorne Water Department

Town of Silverthorne, Colorado
Taxable Sales by Category
Last Ten Fiscal Years
(modified accrual basis of accounting)

Retail Category	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Auto	\$ 541,265	\$ 612,953	\$ 667,235	\$ 655,787	\$ 632,762	\$ 602,400	\$ 578,537	\$ 590,555	\$ 630,615	\$ 695,540
Building	658,000	1,053,769	1,066,967	935,279	935,205	968,499	1,045,206	1,235,386	1,402,298	1,368,016
Consumer	493,353	675,063	749,150	715,283	1,300,262	1,371,738	1,453,477	1,531,309	1,739,658	1,626,089
Outlet Stores	2,352,772	2,256,001	2,212,571	2,032,253	1,740,770	1,847,703	2,288,733	2,736,923	2,968,227	2,806,060
Food/Liquor	1,058,708	1,064,754	1,111,445	1,102,391	1,051,711	1,075,406	1,094,804	1,182,601	1,276,947	1,255,496
Lodging	214,052	221,822	216,564	226,126	211,614	197,016	216,182	244,383	266,450	286,675
Services	193,841	326,376	338,728	324,587	344,291	322,560	342,465	377,998	460,410	438,810
Total	<u>\$ 5,511,991</u>	<u>\$ 6,210,738</u>	<u>\$ 6,362,660</u>	<u>\$ 5,991,706</u>	<u>\$ 6,216,615</u>	<u>\$ 6,385,322</u>	<u>\$ 7,019,404</u>	<u>\$ 7,899,155</u>	<u>\$ 8,744,605</u>	<u>\$ 8,476,686</u>

Percentage of Total

Auto	9.82%	9.87%	10.49%	10.94%	10.18%	9.43%	8.24%	7.48%	7.21%	8.21%
Building	11.94%	16.97%	16.77%	15.61%	15.04%	15.17%	14.89%	15.64%	16.04%	16.14%
Consumer	8.95%	10.87%	11.77%	11.94%	20.92%	21.48%	20.71%	19.39%	19.89%	19.18%
Outlet Stores	42.68%	36.32%	34.77%	33.92%	28.00%	28.94%	32.61%	34.65%	33.94%	33.10%
Food/Liquor	19.21%	17.14%	17.47%	18.40%	16.92%	16.84%	15.60%	14.97%	14.60%	14.81%
Lodging	3.88%	3.57%	3.40%	3.77%	3.40%	3.09%	3.08%	3.09%	3.05%	3.38%
Services	3.52%	5.26%	5.32%	5.42%	5.54%	5.05%	4.88%	4.79%	5.27%	5.18%
Total	<u>100.00%</u>									

Source: Town of Silverthorne Sales Tax Reports

Town of Silverthorne, Colorado
Computation of Legal Debt Margin
Last Ten Fiscal Years

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Assessed valuations:										
Assessed value	<u>\$ 74,333,380</u>	<u>\$ 82,769,900</u>	<u>\$ 109,860,860</u>	<u>\$ 113,033,030</u>	<u>\$ 117,965,730</u>	<u>\$ 119,326,850</u>	<u>\$ 120,357,050</u>	<u>\$ 123,742,000</u>	<u>\$ 154,922,390</u>	<u>\$ 159,036,460</u>
Legal debt margin:										
Debt limitation - 3 percent of assessed value (1)	2,230,001	2,483,097	3,295,826	3,390,991	3,538,972	3,579,806	3,610,712	3,712,260	4,647,672	4,771,094
Debt applicable to limitation:										
Total bonded debt	11,230,000	10,755,000	10,250,000	9,720,000	9,160,000	8,580,000	4,585,000	4,295,000	3,995,000	1,845,000
Less: Special assessment bonds	-	-	-	-	-	-	-	-	-	-
Revenue bonds	(11,230,000)	(10,755,000)	(10,250,000)	(9,720,000)	(9,160,000)	(8,580,000)	(4,585,000)	(4,295,000)	(3,995,000)	(1,845,000)
Debt exempt by law from legal debt margin (Water Bonds)	-	-	-	-	-	-	-	-	-	-
	<u>(11,230,000)</u>	<u>(10,755,000)</u>	<u>(10,250,000)</u>	<u>(9,720,000)</u>	<u>(9,160,000)</u>	<u>(8,580,000)</u>	<u>(4,585,000)</u>	<u>(4,295,000)</u>	<u>(3,995,000)</u>	<u>(1,845,000)</u>
Total debt applicable to limitation	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 2,230,001</u>	<u>\$ 2,483,097</u>	<u>\$ 3,295,826</u>	<u>\$ 3,390,991</u>	<u>\$ 3,538,972</u>	<u>\$ 3,579,806</u>	<u>\$ 3,610,712</u>	<u>\$ 3,712,260</u>	<u>\$ 4,647,672</u>	<u>\$ 4,771,094</u>

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(1) Colorado State Statute limits the total amount of General Obligation debt to three percent (3%) of the jurisdictions actual property value.

Town of Silverthorne, Colorado
Revenue Bond Coverage
Water and Sewer Fund
Last Seven Fiscal Years

	2002	2003	2004	2005	2006	2007	2008
Gross Revenues (1)	\$ 2,013,365	\$ 2,019,166	\$ 2,113,626	\$ 1,965,879	\$ 2,155,192	\$ 2,148,711	\$ 2,069,532
Operating Expenses (2)	1,080,323	1,111,344	1,194,644	1,486,455	1,396,826	1,502,995	1,474,220
Net Revenue Available for Debt Service	933,042	907,822	918,982	479,424	758,366	645,716	595,312
Debt Service Requirement (3)							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-
Coverage	-	-	-	-	-	-	-

(1) Total revenues (including interest) exclusive of tap fees.

(2) Total operating expenses exclusive of depreciation and amortization, and bond interest.

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Town of Silverthorne, Colorado
Revenue Bond Coverage
Government Fund Types (1)
Last Seven Fiscal Years

	2002	2003	2004	2005	2006	2007	2008
Gross Revenues (1)	\$ 10,665,120	\$ 10,345,859	\$ 10,220,855	\$ 14,250,944	\$ 14,416,350	\$ 14,717,548	\$ 15,832,567
Operating Expenses (2)	11,478,458	9,741,803	9,392,450	15,657,071	13,404,399	12,832,906	19,250,402
Net Revenue Available for Debt Service	(813,338)	604,056	828,405	(1,406,127)	1,011,951	1,884,642	(3,417,835)
Debt Service Requirement							
Principal	530,000	560,000	580,000	610,000	290,000	300,000	325,000
Interest	500,248	474,455	448,755	421,389	214,570	201,808	187,976
Total	1,030,248	1,034,455	1,028,755	1,031,389	504,570	501,808	512,976
Coverage	(0.79)	0.58	0.81	(1.36)	2.01	3.76	(6.66)

(1) Includes general, special revenue and capital improvement funds.

(2) Includes transfers in/out from/to all . Excludes capital expenditures from Parkway & Pavilion Fund.

Town of Silverthorne, Colorado
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Population (1)	3,305	3,319	3,540	3,625	3,709	3,759	3,858	3,908	4,026	4,044
Assessed Value	\$ 74,333,380	\$ 82,769,900	\$ 109,860,860	\$ 113,033,030	\$ 117,965,730	\$ 119,326,850	\$ 120,357,050	\$ 123,742,000	\$ 154,922,390	\$ 159,036,460
Governmental Activities										
General Obligation Bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue Bonds	\$ 11,230,000	\$ 10,755,000	\$ 10,250,000	\$ 9,720,000	\$ 9,160,000	\$ 8,580,000	\$ 4,585,000	\$ 4,295,000	\$ 3,995,000	\$ 1,845,000
Capital Leases	\$ 400,148	\$ 365,547	\$ 744,983	\$ 812,714	\$ 736,173	\$ 737,945	\$ 543,241	\$ 657,468	\$ 574,174	\$ 452,603
Business-Type Activities										
General Obligation Bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue Bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Leases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Primary Government	\$ 11,630,148	\$ 11,120,547	\$ 10,994,983	\$ 10,532,714	\$ 9,896,173	\$ 9,317,945	\$ 5,128,241	\$ 4,952,468	\$ 4,569,174	\$ 2,297,603
Percentage of Personal Income (2)	10.99%	9.68%	9.27%	8.69%	8.18%	6.96%	3.61%	3.33%	2.66%	1.22%
Per Capita (3)	\$ 3,519	\$ 3,351	\$ 3,106	\$ 2,906	\$ 2,668	\$ 2,479	\$ 1,329	\$ 1,267	\$ 1,135	\$ 568

(1) Annual government censuses and Summit County/Community Development department.

(2) Percentage of per capita income from schedule 19.

(3) Represents per capita of Silverthorne population.

Town of Silverthorne, Colorado
 Computation of Overlapping Bonded Debt
 General Obligation Bonds
 December 31, 2008

Overlapping Entity	2008 Value	Outstanding General Obligation Debt	Net Outstanding General Obligation Debt Chargeable to Properties within the Town	
			Percent	Amount
Eagle's Nest Metropolitan District	\$ 53,803,070	\$ 7,680,000	100%	\$ 7,680,000
Summit County School District RE-1	1,576,547,460	62,655,000	10	6,265,500
			Total	<u>\$ 13,945,500</u>

Sources: Summit County Assessor's Office and information obtained from individual entities

Town of Silverthorne, Colorado
Demographics Statistics
Last Ten Fiscal Years

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Silverthorne Population (1)	3,305	3,319	3,540	3,625	3,709	3,759	3,858	3,908	4,026	4,044
County Population (1)	20,309	23,548	26,355	26,798	27,114	27,743	27,507	27,782	28,296	29,116
Personal Income (3) (4) (5)	738,790	819,422	824,791	814,724	815,205	889,901	956,937	1,055,139	1,117,392	1,223,118
Per Capita Income (3) (4) (5)	32,025	34,617	33,510	33,443	32,621	35,594	36,796	38,047	42,635	46,399
Median Family Income (1) (3) (4) (5)	64,118	67,093	67,556	66,780	67,473	70,720	78,400	80,752	84,741	81,300
Silverthorne School Enrollment (2)	270	275	238	212	225	280	275	307	315	336
Unemployment Rate (1) (3) (4)	2.2%	2.0%	2.7%	4.3%	4.7%	3.3%	4.1%	3.2%	2.7%	3.8%

(1) Annual government censuses and Summit County/Community Development department.
 (2) RE-1 School District
 (3) Statistics available for Summit County only.
 (4) Colorado Department of Local Affairs
 (5) 2008 is an estimate based on historical data.

Town of Silverthorne, Colorado
Principal Employers
Current Year and Previous Year

Employer	2008			2007		
	Employees (1)	Rank	Percentage (2) of Total County Employment	Employees (1)	Rank	Percentage (2) of Total County Employment
Outlets at Silverthorne	400	1	1.97%	360	1	1.87%
Colorado Mountain Express	250	2	1.23%	250	2	1.30%
Neils Lunceford	190	3	0.94%	140	4	0.73%
Town of Silverthorne	157	4	0.77%	167	3	0.87%
Target Stores	117	5	0.58%	135	5	0.70%
United Parcel Service	82	6	0.40%	76	6	0.39%
Raven Golf Club @ 3 Peaks	65	7	0.32%	65	8	0.34%
Old Chicago Restaurant	60	8	0.30%	50	9	0.26%
Bighorn Materials, Inc	55	9	0.27%	70	7	0.36%
Xcel Energy	48	10	0.24%	47	10	0.24%
Hudson Auto Source	40	11	0.20%	42	12	0.22%
Wendy's	40	12	0.20%	38	13	0.20%
Vista Auto Group	38	13	0.19%	42	11	0.22%
Village Inn Restaurant	31	14	0.15%	35	14	0.18%
Summit Ford, Inc	29	15	0.14%	26	15	0.13%
Total	1,602		7.90%	1,543		8.00%

As of the 2008 CAFR report the Town only has information through 2007.

(1) Includes part-time and seasonal employees, if any.

(2) Based on County employment number.

Sources: Department of Local Affairs, Summit County and information obtained from individual entities

Town of Silverthorne, Colorado
Operating Indicators by Function
Last Ten Fiscal Years

Function	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Administrative Services:										
Council Meetings	22	22	23	22	22	22	22	22	23	23
Newsletters	n/a	n/a	3	3	12	4	6	6	6	6
Business Licenses	771	780	866	864	915	934	890	1,007	1,005	1,067
Elections	1	1	1	2	1	1	-	1	-	1
Public Safety:										
Physical Arrests	563	457	403	366	375	278	334	290	347	533
Parking Violations	102	137	171	65	75	74	110	100	114	251
Traffic Violations	888	731	429	590	779	740	1,031	1,112	1,265	1,265
Calls for Service	16,586	17,274	17,456	16,416	16,922	14,481	16,263	7,933	15,205	9,501
Public Works:										
Street Resurfacing (miles)	n/a	1.95	5.17	4.18						
Miles of Streets to Plow	19.08	19.08	24.05	25.49	25.49	25.49	26.08	26.08	26.08	28.08
Miles of Sidewalks to Maintain	n/a	n/a	11	14	14	14	14	14	14.5	17.75
Community Development (1):										
Building Permits Issued	202	179	102	112	82	90	125	87	151	92
CO's Issued	n/a	109	70	25	64	44	42	61	38	56
Computers	n/a	n/a	71	74	88	90	90	93	105	113
Users	n/a	n/a	94	94	95	95	97	100	120	121
Applications	n/a	n/a	19	22	23	23	24	25	25	27
Recreation & Culture:										
Annual Visitors	175,670	184,127	197,458	206,020	201,179	201,817	201,003	211,744	242,010	259,922
Daily Admissions	n/a	n/a	38,763	37,619	38,049	38,500	33,500	35,640	35,700	34,000
Free Fitness Classes	n/a	n/a	1,676	1,658	1,708	1,600	1,678	1,565	1,538	1,593
Pavilion Wedding Rentals	-	-	n/a	n/a	24	25	30	36	50	51
Pavilion Non-Wedding Rentals	-	-	n/a	n/a	56	67	75	38	74	95
Water & Sewer:										
Water EQR's	2280.93	2438.32	2528.47	2591.01	2652.92	2682.65	2767.41	2818.22	2980.35	3053.25
Service Connections	1,176	1,253	1,278	1,278	1,354	1,394	1,439	1,518	1,518	1,602
Average Daily Consumption in Gallons	540,000	590,000	660,000	640,000	620,000	690,000	720,000	700,000	760,000	691,500
Sewer EQR's	2274.06	2430.45	2520.60	2583.14	2647.41	2696.04	2767.94	2809.35	2971.48	3042.08
Service Connections	1,141	1,218	1,257	1,257	1,335	1,371	1,416	1,475	1,517	1,574

(1) Includes Management Information Systems

Source: Town of Silverthorne Biennial Financial Plan, Comprehensive Annual Financial Report and Individual Departments

Town of Silverthorne, Colorado
Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Public Safety:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	9	10	10	10	10	10	9	9	9	9
Public Works:										
Miles of Streets	19.08	19.08	24.05	25.49	25.49	25.49	26.08	26.08	26.08	28.08
Miles of Sidewalks	n/a	n/a	11	14	14	14	14	14	14.5	17.75
Traffic Lights	6	6	7	8	8	8	8	8	8	8
Recreation & Culture:										
Park/Open Space Acreage	70.65	70.65	70.65	70.65	70.65	70.65	70.65	72.18	72.18	72.18
Parks	3	3	3	3	3	3	3	4		
Swimming Pools	4	4	4	4	4	4	4	4	4	4
Tennis Courts	4	4	4	4	4	4	4	4	4	4
Skateboard Parks	1	1	1	1	1	1	1	1	1	1
Volleyball Courts	-	-	-	1	1	1	4	4	4	4
Pavilion (Community Center)	-	-	1	1	1	1	1	1	1	1
Water & Sewer:										
Miles of Water Mains	31.95	31.95	40.95	40.95	40.95	42.50	45.50	46.50	46.50	46.50
Fire Hydrants	n/a	n/a	n/a	349	357	361	369	369	376	388
Miles of Sewers	11.25	11.25	18.50	18.50	18.50	26.25	28.25	28.25	28.25	28.25
Manholes	n/a	n/a	n/a	719	731	735	748	748	759	789

Source: Town of Silverthorne Biennial Financial Plan, Comprehensive Annual Financial Report and Individual Departments

Town of Silverthorne, Colorado
 Summary of Approved Full-time Positions by Department
 Last Ten Fiscal Years

Function/Program	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Elected/Appointed	8	8	8	8	8	8	8	8	8	8
Total Elected/Appointed	8									
Administrative Services	8	8	8	9	8	8	8	9	9	10
Public Safety	22	23	23	23	21	20	21	21	21	21
Public Works	13	18	21	21	20	19	19	20	20	20
Water and Sewer	2	2	3	4	4	4	4	4	4	4
Community Development	9	8	8	8	8	7	8	8	8	8
Recreation and Culture (1)	14	16	17	18	18	16	17	19	19	19
Pavilion	-	-	2	2	3	3	3	3	3	4
Total Full-Time Employees	68	75	83	85	82	77	80	84	84	86

(1) Includes three 3/4 time employees.

Source: Town of Silverthorne Biennial Financial Plan