



Smith Ranch Workforce Housing Development



Maryland Creek Park Grand Opening

TOWN OF SILVERTHORNE, COLORADO COMPREHENSIVE ANNUAL FINANCIAL REPORT

For Fiscal Year Ended December 31, 2019



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Town of Silverthorne, Colorado
Comprehensive Annual Financial Report
For Fiscal Year Ended December 31, 2019



**Prepared by the Town of Silverthorne
Finance and Administrative Services Department
Laura Kennedy, Director of Finance**

TOWN OF SILVERTHORNE, COLORADO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For Fiscal Year Ended December 31, 2019

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July 31, 2020

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, 2019. 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, 2019, have been issued an unmodified ("clean") opinion by Hinkle & Company, PC, 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

Few other towns in Colorado 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 approximately 4,700 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 Areas. It is considered the gateway to Summit

County and Western Colorado. Five 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 Public Safety (Police); Public Works Services such as street and park construction and maintenance; Community Development (building and planning department); water and sewer services; the Silverthorne Recreation Center which includes recreation and programs; the Silverthorne Performing Arts Center (SPAC) and operational support for the Lake Dillon Theater Company; the Silverthorne Pavilion as well as community 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 F in the notes to the financial statements. Fire protection services are provided by a separate entity, the Summit Fire Protection District which is funded through property tax.

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 Works), and department (e.g. Streets). 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 evaluate progress against the goals set, it is important to note the primary goal of the Town Council as described in its Mission Statement, which was updated in 2019:

Silverthorne is about possibility. We provide our team, community, businesses and visitors a foundation to realize their potential.

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

Factors Affecting Financial Condition

Local Economy: Fiscal year 2019 results reflect continuing national/state/local economic growth. Sales taxes, which are the Town’s primary source of revenue, hit an all-time high in 2019 for the 7th year in a row. The Town is experiencing growth in both residential and commercial construction with many projects either being started or completed in 2019.

Silverthorne is home to many commercial businesses which service the community, the surrounding areas, and a large number of visitors to the Town. Retail stores include Lowe’s, Target, and the Silverthorne Outlet stores. In addition, there are 39 restaurants and 6 hotels. Major industries/employers in 2019 included: Lowe’s, Outlets at Silverthorne Stores, Xcel Public Utilities, the Town of Silverthorne, the U.S. Forest Service, Colorado Mountain Express, Target and a combination of lodging, building, and restaurant businesses. During the recession of 2009-2011, many of these businesses (and the Town) laid off employees or left positions vacant. However, from 2012-2019

employment statistics improved year over year and at 12/31/2019 the unemployment rate for Summit County and Colorado were 2.2% and 2.5% respectively. However, more recently, due to the COVID-19 pandemic and related State of Colorado's Governor's Stay at Home Order #D 2020-017, the current job market is very uncertain. Many businesses such as restaurants are limited to 50% capacity. Most recent unemployment rates for Summit County and Colorado as of June 2020 are at 16.6% and 10.7% respectively. We hope that as the public health situation improves, these measures will as well.

The Town continues to be financially stable and did not use General Fund balance for 2019 annual operations. The General Fund balance increased due to greater than budgeted revenues in sales tax, charges for services (primarily related to building permits), and real estate transfer assessments. Some highlights of the past 20 years of the Town's economic history: a Target store opened in March of 2003, and the Town experienced strong growth in tourism and the building industries from 2005-2008. From 2009 to 2011, revenues decreased due to the national recession. During this time, the Town froze salaries, left positions vacant, and had across-the-board budget reductions to supplies and services. In 2013, the Lowe's Home Improvement store opened and, in 2015, merit and market salary increases for employees were restored and moderate growth in department expenditures was authorized. While the Town has had sufficient revenues to cover operations throughout the years, in order to complete the various projects the community desires, it will be necessary to diversify and increase revenues. In the meantime, due to a conservative General Fund reserve policy (6 months of expenditures), the Town is in position to cover operational costs and handle economic difficulties.

The primary challenge the Town faces is its dependency on sales tax revenues. The Town does not have a property tax to generate revenues and the constituents have repeatedly eschewed this as a potential revenue stream. However, as a tourist destination, visitors to the Town contribute tremendously to sales tax revenues. In 2019, sales tax revenues comprised 58% of the General Fund and 89% of the Sales Tax Capital Fund revenues (not including transfers). Fiscal year 2019 sales tax revenues reached an all-time high of \$12,686,145 (an increase of 8.9% over 2018). The Town has many projects to complete in order to provide the amenities described in the Comprehensive Plan and the Silverthorne Parks, Open Space, Recreation, and Trails (SPORT) master plan. In addition, the residential growth the Town is experiencing will require increased services, especially in the areas of Public Safety, street maintenance, and parks.

Sales tax trends model the health of our local businesses and, unfortunately, the brick-and-mortar retail industry is declining nationwide. This is reflected in the decreased sales tax the Town receives from the Outlet stores. The Outlets continue to be an important source of Town's revenues, contributing 17.2% of the Town's total sales tax revenues (down from 20% in 2018). In addition to the Outlets and other small businesses, the Town is home to a two big-box stores: Target and Lowe's. A Hampton Inn hotel opened its doors in late 2015 and contributes to both sales tax and lodging tax revenues. A number of hotel chains have expressed interest in establishing new locations in Town due to our convenient location at the junction of Highways 9 and 6 and Interstate 70. A independent hostel business, "The Pad," is currently under construction and we anticipate an Indigo Hotel breaking ground in 2020. An impactful US Supreme Court decision, *South Dakota vs. Wayfair*, has generated a large increase in the Town's online sales tax revenues. Although this sector is still relatively small in comparison (3.2% of sales tax revenues), we will continue to monitor this sector closely for growth and compliance.

Skier visits are another indicator of the health of the local economy. A "visit" is considered the use of a lift ticket or ski pass for any part of the day and is a standard mark of performance. Per the National Ski-Areas Association, state-wide skier/snowboarder visits increased by 13% for the 2018-2019 season. The 2019-2020 season was off to a great start, but, according to Colorado Ski Country, ended with 14% fewer skier visits due to the COVID-19 related shutdown of Colorado ski areas in mid-March. The average ski area was open only 99 days, down from 121 days in the 2018-2019 season. These figures typically track in the same direction as the Town's sales tax revenue, but not necessarily to the

same degree because the ski season runs from approximately November to April and the Town's fiscal year is from January (prior ski season) to December.

New building permits issued in 2019 were down by 23.5% compared to 2018, however there is a great deal of residential development taking place in Town. In 2019, the Town issued 130 residential building permits versus 170 in 2018. The number of building permits issued is typically a leading indicator to construction retail sales tax revenues, but we have not yet seen a decline. In 2019, sales tax revenues for the building retail sector increased by 24.3%. Building related activities bring in one-time revenues including building permits, development excise tax, utility taps, and 5A workforce housing impact fees. In certain developments, the Town has worked to establish Real Estate Transfer Assessment (RETA) agreements which contribute to Town revenues when residential property changes ownership. In 2019, RETA revenues hit an all-time high of \$774,006, an increase of 26.7% or \$162,434 over 2018.

In 2018, the Town began utilizing a dedicated revenue stream resulting from a 2016 Summit County ballot measure (5A Funds) to develop workforce housing on the Smith Ranch property. The residential portion of this parcel is dedicated to the Smith Ranch workforce housing project, but the Town also owns the commercial pad along Colorado Highway 9. As the Town does not have a property tax, it is important to develop this property through retail growth in order to generate additional sales tax to fund services needed by the new neighborhood. An RFP was distributed in early 2020 and the Town is currently in discussion with a developer regarding the site.

In late 2019, a Nicotine policy workgroup consisting of Summit County and the Towns within worked together to get a ballot question approved by the County electorate. This resulted in a new tax of \$4/pack on cigarettes and 40% on all other tobacco and nicotine products including e-cigarettes and vaping devices.

New Facilities and Programs: General fund revenues out-paced expenditures in 2019 by \$1,971,959 (not including transfers). The Town continues to control expenditures while cautiously budgeting for sales tax revenues, however added residential development puts upward pressure on operational expenses. In the 2019 financials, the largest capital expense is related to the infrastructure and subsidy for the Smith Ranch housing development. This neighborhood will provide housing for the County's workforce who have 80-12% of the Area Median Income (AMI). In 2019, the Town received a new 27 acre park from the Summit Sky Ranch development as part of an annexation agreement. The park offers a disc golf course, dog park, meeting room, restrooms, play field, outdoor stage and pavilion. The Parks staff was expanded by three positions in order to maintain what is essentially a doubling of the Town's park acreage. The Town also purchased an unused fire station which is located in the heart of the Town Core. The purpose of this purchase was to have a measure of control of how that property will be developed in the future.

By focusing on economic development and coordinating with builders and developers, redevelopment of a full block of the Town Core began in 2019. A hotel, parking structure, residential/retail units, and a large Market Hall have been approved by the Planning Commission and Town Council. This area will be named "4th Street Crossing." We foresee added walkability through new sidewalks and on-street parking which will add vitality in the Town Core area. This development has also increased interest in redevelopment opportunities on adjacent properties. Town contributions to the construction of the parking structure and other public amenities will be made possible by incremental taxes on the improvements received by the Town's Urban Renewal Authority.

The Town has taken many steps towards the goal of a vibrant downtown area. In 2015, the Town completed an Arts strategic plan. Our Council has made the additional of arts and culture programs a goal for the Town and as part of our Town Core area. As part of the strategy, the Town has an agreement with the Lake Dillon Theater Company (LDTTC) to operate out of the Silverthorne Performing Arts Center (SPAC) which was completed in 2017. The SPAC is now a centerpiece for visitors to the

Town Core and complements the existing Pavilion events venue, which hosts entertainment, weddings, and other private and community events.

Phase I of the Town's Smith Ranch workforce housing development is complete. Sixty homes (a mix of single family homes, duplexes, and townhomes) have been completed and are now occupied. Phase 2 (primarily townhomes) is currently under construction with homes selling as soon as they are complete. Currently 11 of the 37 homes in Phase 2 are owner-occupied. Construction of the 28 (primarily single family) homes in Phase 3 will begin in 2020 and 14 are already under contract for sale. Although additional 5A sales tax revenues dedicated to affordable housing mentioned above allow the Town to contribute to this project, residential development adds service and maintenance expense to the Town's budget but does not directly contribute to revenues. We hope that the commercial tract fronting the property will attract a grocery store and other retailers as well as provide a daycare location.

Long-Term Financial Planning: The spendable fund balance in the General Fund is 101.5% of 2019 expenditures. This places the Town in a solid financial position; however, the impacts of additional programs and projects have long term effects which the Town will need to temper if new/additional revenue streams are not identified. In planning for the future, updates to the Comprehensive Plan; Recreation and Culture Strategic Plan; Parks, Trails and Open Space Master plan; Traffic Master Plan, and Drainage Plan are all budgeted for completion in the 2020 fiscal year. These documents will help provide direction in a changing environment for the path that the Town envisions for its future.

The ongoing financial challenge for the Town is to bring balance between commercial and residential development. Commercial business generates revenues for the Town and residential development requires public services and provides very limited revenues to offset the cost of those services. Additional challenges are the decline of brick and mortar retail and now the COVID-19 pandemic. A hopeful sign is that revenues related to online sales have ticked up as a result of the Wayfair vs. South Dakota Supreme Court decision.

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. In general, the Town Council does not consider the use of reserves for day to day 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 some residential areas. In 2020 we also began receiving Tobacco taxes on nicotine products as a result of a ballot question approved by the County electorate. This resulted in a new tax of \$4/pack on cigarettes and 40% on all other tobacco and nicotine products including e-cigarettes and vaping devices. The Town will continue to look for opportunities to add to the revenue base in future years.

Per the Town's financial policies, funds for planned equipment purchases, operating maintenance, and capital projects can accumulate in a fund's balance and then be utilized for one-time expenditures as defined by the fund. Therefore, it's not unusual to see years where capital expenditures are greater than actual revenues.

Major Initiatives: In recent years, revenue trends have given the Town confidence in investing in projects that we expect will increase tourism, development, and revenue diversity. The Town does not assess a property tax, therefore, residential development adds to the need to provide services without the offset of increased revenues. We remain dependent on growth in our sales tax base both through

additional retail offerings and visitors to our stores and hotels. With growth in population, we hope to attract additional retail development, including a grocery store.

Some examples of how the Town is committed to economic development are the Urban Renewal Authority (URA) the Town established and recently reactivated. Other initiatives include reviewing sections of our commercial districts, purchasing property and activating the use of tax incentive programs such as the Enhanced Sales Tax Incentive Program (ESTIP) and Tax Increment Financing (TIF). In 2020, URA incremental tax revenues will be approximately \$200K, but we expect a substantial increase as development takes place. We continue to pursue opportunities to make the best use of our commercial districts and the entrances to our community.

As mentioned above, the Town is also looking to expand cultural opportunities. In 2017, the Town completed a new Performing Arts Center. The Lake Dillon Theater Company provides programming, which makes the SPAC a community attraction. Other art related projects and events have been incorporated into the Town such as summer concerts and "First Fridays." We are working to fulfill our Council's goal to draw more people to our community and to encourage economic development but this priority is now tempered by public health restrictions and safety concerns around public gatherings due to the contagious nature of the coronavirus.

Town management and Council have and will continue to work together to analyze complex issues- looking for the best ways to utilize Town funds to 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, 2018. 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.

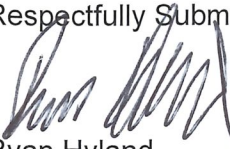
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report (CAFR), whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. Fiscal year 2018 was the twenty-fourth consecutive 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 2019-2020 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. The 2021-2022 biannual budget is currently under construction and, when complete, will be submitted for consideration for this prestigious award.

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,



Ryan Hyland
Town Manager, Town of Silverthorne



Laura Kennedy
Director of Finance & Administration



Government Finance Officers Association

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, 2018

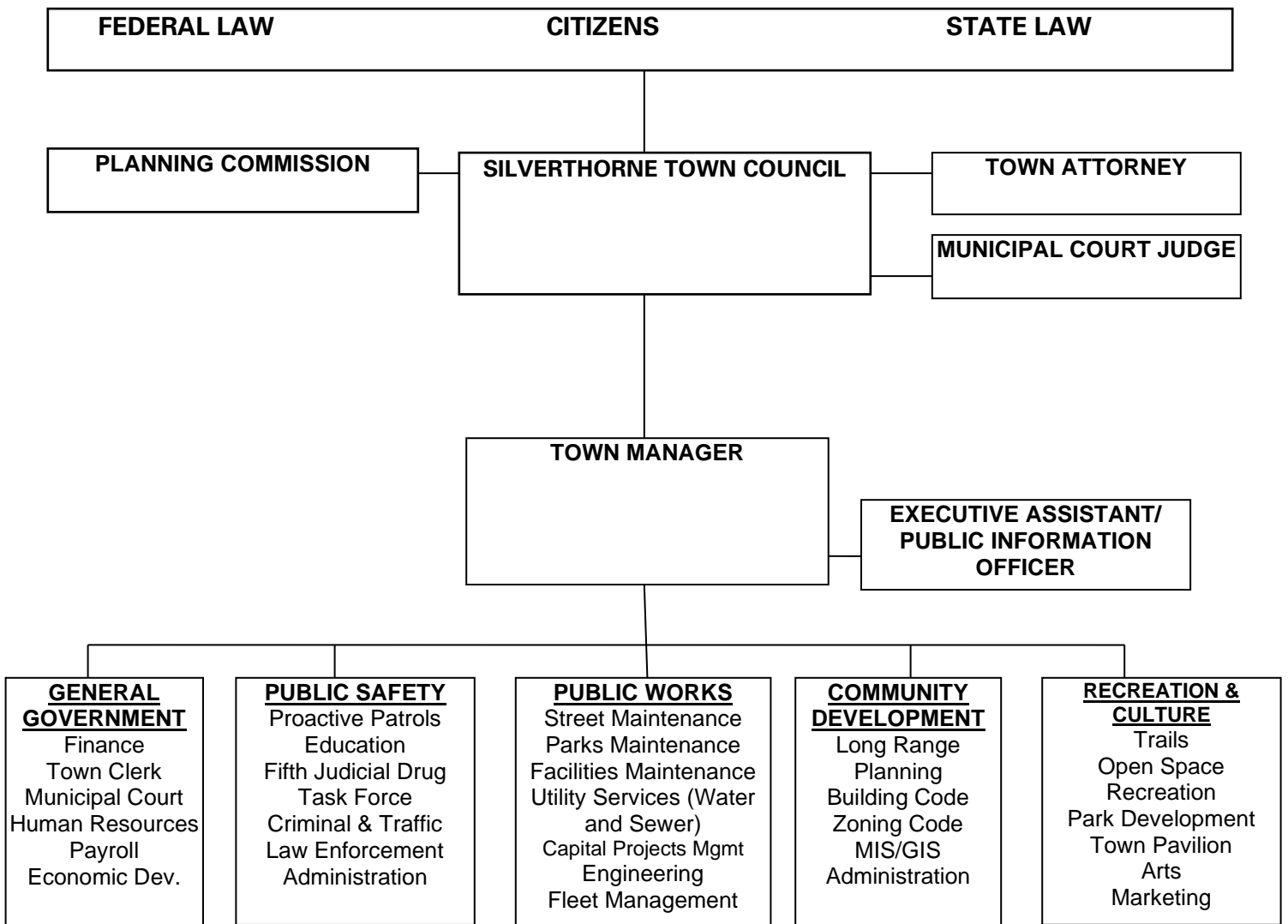
Christopher P. Morrill

Executive Director/CEO



SILVERTHORNE COLORADO

TOWN OF SILVERTHORNE, CO ORGANIZATIONAL CHART





TOWN OF SILVERTHORNE, COLORADO
LIST OF ELECTED AND ADMINISTRATIVE OFFICIALS
December 31, 2019

Elected Officials

Mayor	Ann-Marie Sandquist
Mayor Pro-tem	Kevin McDonald
Council Members	Kelly Baldwin
	Derrick Fowler
	Robert Kieber
	Tanya Shattuck
	Michael Spry

Administrative Officials

Town Manager	Ryan Hyland
Assistant Town Manager	Mark Leidal
Attorney	Karl Hanlon
Town Clerk	Michele Miller
Administration & Finance Director	Laura Kennedy
Police Chief	John Minor
Public Works Director	Tom Daugherty
Community Development Director	Mark Leidal
Recreation & Culture Director	JoAnne Cook

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

Independent Auditors' Report

Honorable Mayor and Members of the Town Council
Town of Silverthorne
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 as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Town of Silverthorne, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Silverthorne as of December 31, 2019, and the respective changes in financial position and cash flows, where applicable, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Silverthorne's basic financial statements. The introduction section, combining and individual fund statements and schedules, statistical section, and local highway finance report listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund statements and schedules and the local highway finance report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling the information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole. The introduction and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Hick & Company, PC

Greenwood Village, Colorado
July 30, 2020



TOWN OF SILVERTHORNE, COLORADO
MANAGEMENT DISCUSSION & ANALYSIS
December 31, 2019

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, 2019. 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 1-7 of this report.

FINANCIAL HIGHLIGHTS

- The assets of the Town of Silverthorne exceeded its liabilities at the close of fiscal year 2019 by \$139,339,219 (*net position*). Of this amount, \$31,974,892 (*unrestricted net position*) may be used to meet the Town's ongoing obligations or unforeseen expenses.
- As of the close of fiscal year 2019, the Town of Silverthorne's governmental funds reported a combined ending fund balance of \$23,739,747; an increase of \$2,692,379 compared to fiscal year 2018. \$13,628,435 of the fund balance total is considered unassigned.
- The liabilities of the governmental funds increased by 24% or \$1,163,190 primarily due to more accrued liabilities related to payroll and escrow deposits for construction/development projects outstanding at year-end. Liabilities for the proprietary funds also increased due to more accounts payable outstanding at year-end.
- Outstanding debt in the governmental funds decreased by \$547,129.
- Deferred inflows consist of property taxes to be collected in 2019 for the Urban Renewal Authority (URA) Fund. The increase in deferred inflows of \$92,135 is due to increasing property values within the boundaries of the URA due to redevelopment and the strong real estate market.
- At the end of fiscal year 2019, unassigned fund balance for the general fund was \$13,628,435 or 101.1% of the total general fund expenditures.
- The General Fund balance increased by \$1,971,959 in 2019. The primary contributor to the increase was sales tax revenue which was \$701,112 higher than in the prior year. Governmental funds general sales tax revenue, which is the Town's primary revenue source, increased by \$1,037,378 or 8.9% as compared to 2018 results.
- As stated above, revenues in the General Fund revenues were above budget in Sales tax. Other General Fund revenue streams that performed better than budgeted were Licenses and Permits (primarily related to building permits); and Charges for Services (primarily due to Real Estate Transfer Assessments). All three of these revenue streams are dependent on a strong economy reflected by consumer consumption, residential development, and real estate activity.
- Expenditures in the General Fund were less than budgeted in the Public Works Department primarily due to wages (open positions), fuel, and utilities; and in Administration due to the payoff of Enhanced Sales Tax Incentive Agreements. Expenditures were over budget in the Community Development department due to greater than budgeted building inspection fees. These services are outsourced and offset by the collection of fees for building permits which, as noted above, were also greater than budgeted.
- The Town governmental and proprietary funds added \$11,870,697 in capital assets in 2019. Contributed infrastructure from developers amounted to \$6,153,007 in the governmental funds and \$1,182,534 in the proprietary funds.

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

The **statement of activities** presents information showing how the Town of Silverthorne's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses reported in this statement for some items will result in cash flows in future 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, urban renewal and housing. The Business-type Activities of the Town of Silverthorne include water and sewer.

The government-wide financial statements can be found on pages 28-29 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 seven 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, Sales Tax Capital Improvement, Urban Renewal Authority, and 5A Housing fund. These three funds are considered to be major funds. The other three funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining and individual fund statements and schedules* elsewhere in this report.

The Town adopts an annual appropriated budget for its General, Sales Tax Capital Improvement, Urban Renewal Authority, and 5A Housing funds. A budgetary comparison statement has been provided for the General, Sales Tax Capital Improvement, Urban Renewal Authority, and 5A Housing funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 30-32 of this report.

Proprietary Funds – The Town of Silverthorne maintains two types of proprietary funds. *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 an internal service fund to account for health & short-term disability insurance claims. Because these services predominantly benefit the Town rather than business-type functions, they have been primarily 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 health & short-term disability insurance claims internal service fund is also presented in the proprietary fund statements.

The basic proprietary fund financial statements can be found on pages 33-35 of this report.

Fiduciary Funds – The Town of Silverthorne maintains one fiduciary fund, the 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 36.

Notes to Financial Statements & Required Supplementary Information – The notes and required supplementary information provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes and required supplementary information to the financial statements can be found on pages 37-58 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 63-78.

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

Net Position – As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the Town of Silverthorne, governmental activities assets exceeded liabilities by approximately \$88 million at the close of fiscal year 2019.

Combined net position of the Town at December 31, was:

	TOWN OF SILVERTHORNE’S NET POSITION					
	Governmental Activities		Business-type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Current and Other Assets	\$ 26,930,666	\$ 23,261,274	\$ 18,857,612	\$ 16,116,893	\$ 45,788,278	\$ 39,378,167
Capital Assets	67,933,501	61,702,764	32,759,242	32,527,905	100,692,743	94,230,669
Total Assets	94,864,167	84,964,038	51,616,854	48,644,798	146,481,021	133,608,836
Long-Term Liabilities	3,964,828	4,450,773	48,729	48,099	4,013,557	4,498,872
Other Liabilities	2,667,385	1,651,209	216,239	46,558	2,883,624	1,697,767
Total Liabilities	6,632,213	6,101,982	264,968	94,657	6,897,181	6,196,639
Deferred Inflows of Resources	244,621	152,486	-	-	244,621	152,486
Net Position:						
Net Investment in Capital Assets	64,539,566	57,761,700	32,759,242	32,527,905	97,298,808	90,289,605
Restricted	10,065,519	9,285,253	-	-	10,065,519	9,285,253
Unrestricted	13,382,248	11,662,617	18,592,644	16,022,236	37,974,892	27,684,853
Total Net Position	\$ 87,987,333	\$ 78,709,570	\$ 51,351,886	\$ 48,550,141	\$ 139,339,219	\$ 127,259,711

By far the largest portion of the Town of Silverthorne’s net position, 70%, 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 any debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Unrestricted net position may be used to meet the Town’s ongoing obligations to citizens and creditors.

The \$45,788,278 of Total Primary Government current and other assets includes \$26,485,233 in cash and investments. This reflects the strong cash balances that the Town of Silverthorne has maintained in 2019, even while completing over \$11.9 million in capital projects. Cash & investments increased by \$4.9 million in 2019 due to the strong local economy and robust construction and development in the area. Sales tax, real estate transfer assessment, and charges for services (especially building permits) made the greatest contributions to the increase. Capital assets increased by \$6,462,073 due primarily to contributions by developers of roads and a new park. The \$4,013,557 in long-term liabilities outstanding consists of lease/purchase agreements and accrued compensated absences.

At the end of 2019, the Town of Silverthorne is able to report a positive balance of net position for the government as a whole, as well as for its separate Governmental and Business-type Activities. The Governmental Activities unrestricted net position equals 64.2% of total expenses for Governmental Activities in the Statement of Activities for 2019.

During 2019, the Town of Silverthorne’s Governmental Activities net position increased by \$9,277,763. This increase can be attributed to numerous sources including: capital contributions from developers of over \$6M, increased sales tax revenues over 2018. The net position from Business-Type Activities reflects an increase of \$2,801,745. Tap fees of \$2,755,737 and capital contributions from developers of \$1,182,533 contributed to this increase.

Changes in Net Position – Governmental activities increased the Town of Silverthorne’s net position by \$9,277,009, reflecting a 11.8% growth to total net position. 2019 had an increased surplus as compared to 2018, by \$4,845,754). The Town is experiencing an increase in revenues but seeing growth in expenses as well (an increase of \$4,808,534 in 2019 over 2018). The increase in expenditures is primarily due to the infrastructure costs and subsidy for a workforce housing neighborhood the Town is developing known as

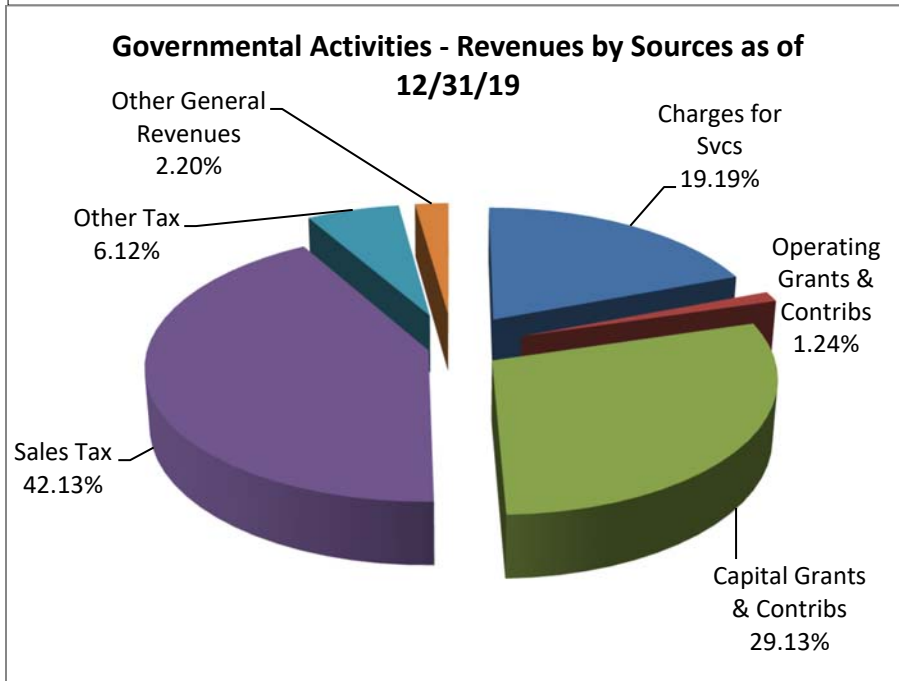
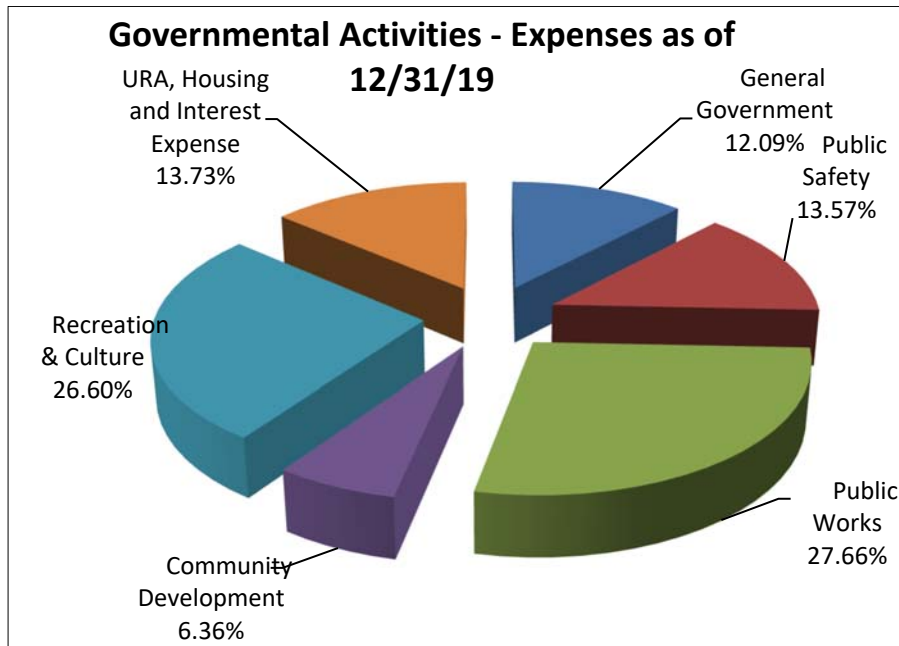
The Smith Ranch. The increased surplus in 2019 was primarily due to investment in capital assets. The Smith Ranch project will continue, but the infrastructure costs have mostly been expended. We had anticipated the Governmental Activities net position to increase in the coming year (before the global COVID-19 crisis developed).

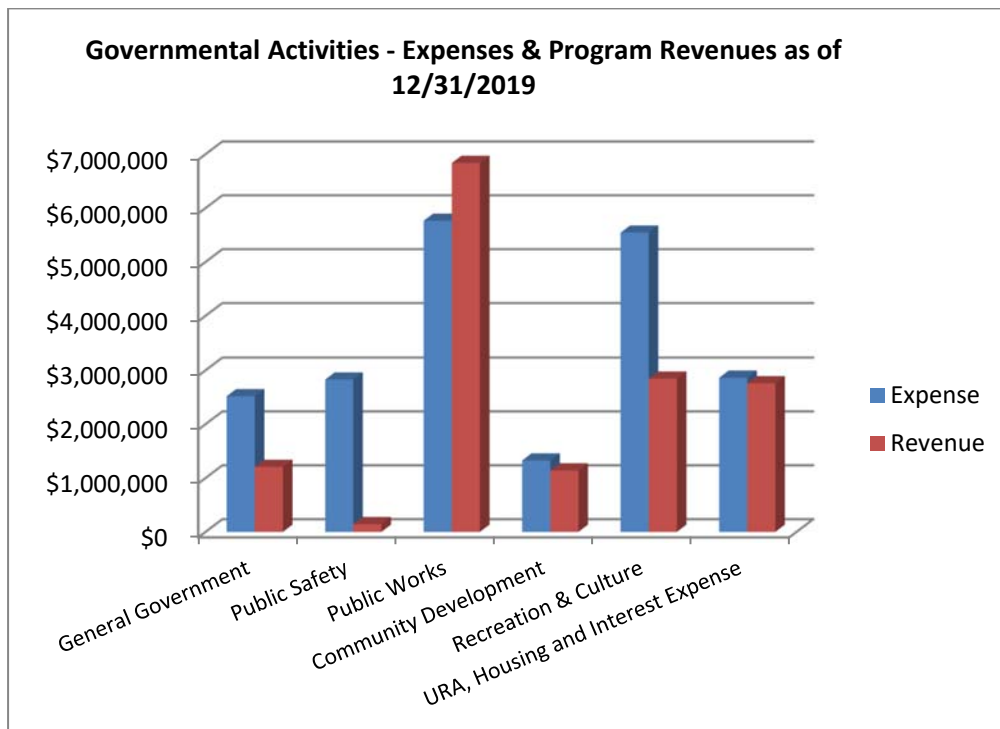
TOWN OF SILVERTHORNE'S CHANGES IN NET POSITION

	Governmental Activities		Business-type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Program Revenues:						
Charges for Services	\$ 5,777,681	\$ 4,397,721	\$ 2,873,676	\$ 3,261,576	\$ 8,651,357	\$ 7,659,297
Operating Grants & Contributions	373,639	469,152	-	-	373,639	469,152
Capital Grants & Contributions	8,773,310	3,257,943	3,938,270	5,159,389	12,711,580	8,417,332
General Revenues:						
Sales Taxes	12,686,145	11,648,767	-	-	12,686,145	11,648,767
Other Taxes	1,841,881	1,464,387	-	-	1,841,881	1,464,387
Other General Revenues	662,031	1,472,429	347,822	233,631	1,009,853	1,706,060
Total Revenues	<u>30,114,687</u>	<u>22,710,399</u>	<u>7,159,768</u>	<u>8,654,596</u>	<u>37,274,455</u>	<u>31,364,995</u>
Program Expenses:						
General Government	2,518,771	2,559,056	-	-	2,518,771	2,559,056
Public Safety	2,826,860	2,289,344	-	-	2,826,860	2,289,344
Public Works	5,762,932	4,923,284	-	-	5,762,932	4,923,284
Community Development	1,325,116	1,057,047	-	-	1,325,116	1,057,047
Recreation & Culture	5,542,825	4,986,296	-	-	5,542,825	4,986,296
Housing	2,716,179	107,922	-	-	2,716,179	107,922
Urban Renewal Authority	73,609	33,916	-	-	73,609	33,916
Interest on Long Term Debt	70,633	71,526	-	-	70,633	71,526
Water	-	-	2,307,721	2,025,905	2,307,721	2,025,912
Sewer	-	-	2,050,302	1,864,471	2,050,302	1,864,471
Total Expenses	<u>20,836,924</u>	<u>16,028,390</u>	<u>4,358,023</u>	<u>3,890,376</u>	<u>25,195,488</u>	<u>19,918,766</u>
Excess Before Transfers	9,277,763	6,682,009	2,801,745	4,764,220	12,079,508	11,446,229
Transfers	-	-	-	-	-	-
Change in Net Position	9,277,763	4,432,009	2,801,745	7,014,220	12,079,508	11,446,229
Net Position –Beginning of Yr	<u>78,709,570</u>	<u>74,277,561</u>	<u>48,550,141</u>	<u>41,535,921</u>	<u>127,259,711</u>	<u>115,813,482</u>
Net Position – End of Year	<u>\$ 87,987,333</u>	<u>\$ 78,709,570</u>	<u>\$ 51,351,886</u>	<u>\$ 48,550,141</u>	<u>\$139,339,219</u>	<u>\$127,259,711</u>

Governmental Activities

Governmental activities increased the Town of Silverthorne’s net position by \$9,277,963. The following are illustrative summaries of Governmental Activities revenues and expenses:





Governmental Activities Analysis:

- Sales tax revenues increased by 8.5% (\$701,112) in 2019. Prior to the Coronavirus pandemic, all economic indicators were forecasting the national/state/local economies to continue at a slow rate of growth. However, we are now expecting a sales tax revenue decrease of 20% in 2020.
- The Town’s building-related retail sector is the most significant sector at 26.8% of total sales tax. In 2019, it increased by 24.33% or \$665,115 over prior year. Lowe’s continues to help retain building material sales that were leaving the Summit County area in the past as well as bring additional sales taxes to the Town. The Enhanced Sales Tax Incentive Program (ESTIP) agreement with Lowe’s was fulfilled in the last quarter of 2018 which reduced Administrative expenses in 2019.
- The consumer retail sales tax category is the second largest contributor to Town sales tax at 19.5%. Sales tax from this category increased slightly by \$85,155 or 3.56% (does not include the Outlets at Silverthorne). Revenues from The Outlets at Silverthorne decreased, by 8.12% or (\$193,099). Overall, the Outlets have seen a number of retail stores close which is a trend not limited to Silverthorne. Retailers nationwide are suffering from a decline in sales from brick-and-mortar locations. The Outlets comprise approximately 17% of the Town’s total sales tax revenues so this trend is very concerning. In 2019, as a result of the Supreme Court decision on Wayfair vs. South Dakota, the Town experienced increased sales tax revenues from online sales. Although it is the least significant category of sales tax at 3.2%, the increase in 2019 over 2018 was 241% of \$290,528. We are hopeful that this trend will continue to benefit the Town, especially in light of temporary business closures related to public health and the Coronavirus outbreak in 2020.
- Building related permits and taxes increased by \$686,048 or 53.72% in comparison to 2018. A number of residential developments (South Maryland Creek Ranch, a.k.a. Summit Sky Ranch, Smith Ranch, Blue River Flats, River West) are under construction. The Town recently approved the development of 4th Street Crossing-a mixed use development including a hotel, live/work units, office space, a parking garage, and a Market Hall. The parking garage is near-complete, and the construction of the hotel and Market Hall are taking place in 2020. However, the residential and live/work units are on hold due to the uncertainty in the current economic environment. However, in 2020 we have seen record increases in this revenue stream to date.
- In fiscal year 2019, investment income increased over prior year by \$108,238 or 33.4%.

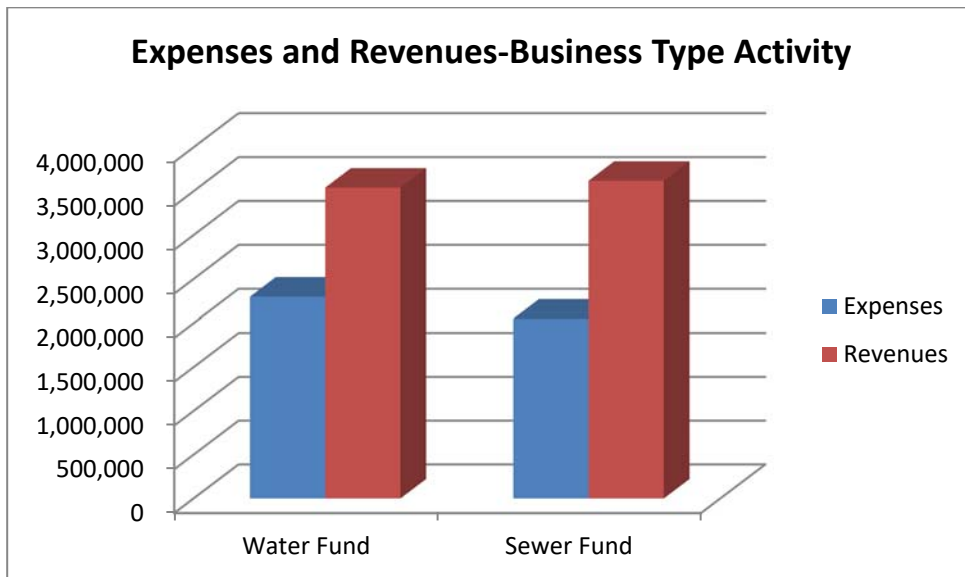
- Governmental activities' expenses increased by \$4,808,537 or 30% from 2018. This was primarily due to the construction of infrastructure in the Town's workforce-housing development known as Smith Ranch. In addition, an additional premium payment of approximately \$500,000 was made from the General Fund to the Health Insurance Fund due to continued increases in claims. Health Insurance premiums charged to the Town's employees were increased by 10% in 2019 and another 30% in 2020 to offset growing health insurance claims costs going forward.
- The Town added \$9.54 million in depreciable capital assets and saw depreciation expense increase by \$509K.
- Wage and benefit expenses increased by 6.7% or \$591K over 2018. Position additions and changes contributing to this increase were two additional full time officer positions in the Public Safety department, a part time administrative position upgraded to full time to administer Short Term Rentals, a part time position in the Community Development Dept. to assist with the increased volume of permits, a Marketing Assistant to help with Town marketing initiatives, and additional year-round Parks staff to maintain the new Park. Expenditures related to seasonal pay and overtime both decreased as a result of these staff additions. Merit increases were offered at up to 5%.

Business-type Activities

Net position in Business-type Activities increased by \$2,810,335. Business type activities include water and sewer service.

In 2019, there was a small rate increase for water and sewer users. Additionally, there were 124 new accounts added, an increase of 6.2%. Revenues from user fees were up 2%. Charges for services made up approximately 40% of program revenues with system development fees and capital contributions making up the other 60%. The capital contributions included infrastructure contributions of approximately \$1.2 million. The remainder of capital contributions were due to tap fees of \$2,755,737 which reflect the ongoing growth of residential construction in the Town.

The following chart demonstrates the current level of recovery for the Town's 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.

The Town is reporting fund balance classifications as required by Governmental Accounting Standards Board Statement #54 (GASB 54). The objective of GASB 54 reporting is to enhance the usefulness of the fund balance information by providing clearer fund balance classifications that can be applied more consistently across governments. The classifications are designed based on the relative strength of the constraints that control how specific amounts can be spent, or in the case of inventories, the inability to be spent. This change in reporting does not present any changes in the strategic initiatives of the Town, and enhances public disclosure of the Town's financial condition.

The ***nonspendable*** classification is generally for inventories and prepaid expenses that are a part of fund balance but are not available for spending.

The ***restricted*** classification includes amounts that can be spent only for the specific purposes stipulated by constitution, external resources providers, or through enabling legislation. Under the Colorado Constitution, the Town has restricted fund balance for emergencies and other fund balances for which the funds may only be used for a specific purpose.

The ***unassigned*** classification is the residual classification for the Town's General Fund only and includes all spendable amounts not contained in other classifications. The Town has made a choice via its financial policies and a resolution to use 6-months of General Fund expenditures for unforeseen emergencies.

	General Fund	Capital Improvement Fund	Urban Renewal Authority Fund	5A Housing Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:						
Prepays	\$ 15,981	\$ -	\$ -	\$ -	\$ -	\$ 15,981
Inventories	29,812	-	-	-	-	29,812
Total Nonspendable	<u>45,793</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,793</u>
Restricted for:						
Emergencies	715,107	-	-	-	-	715,107
Blue River Improvements	-	-	-	-	1,213,372	1,213,372
Parks, Trails & Open Space	-	-	-	-	657,343	657,373
Marketing	-	-	-	-	98,256	98,256
Affordable Housing	-	-	-	1,535,848	-	1,535,848
Capital Improvements	-	2,982,160	250,770	-	2,612,663	5,845,593
Total Restricted	<u>715,107</u>	<u>2,982,160</u>	<u>250,770</u>	<u>1,535,848</u>	<u>4,581,634</u>	<u>10,065,519</u>
Unassigned	<u>13,628,435</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,628,435</u>
Total Fund Balances	<u>\$14,389,335</u>	<u>\$ 2,982,160</u>	<u>\$250,770</u>	<u>\$1,535,848</u>	<u>\$ 4,581,634</u>	<u>\$ 23,739,747</u>

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.

As the Town completed the year, its governmental funds reported a combined fund balance of \$23,739,747. Of that balance, \$13,628,435 constitutes spendable fund balance which is available for spending at the government's discretion, as it relates to a specific use or for emergencies. A portion of the fund balance is not available for new spending because it has already been spent for items such as inventories, and prepaid expenses. The nonspendable fund balance at December 31, 2019 was \$45,793.

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS **CONTINUED**

The General Fund is the chief operating fund of the Town of Silverthorne. At the end of the current fiscal year, spendable fund balance of the General Fund was \$13,628,435, while the total fund balance increased from 2018 to \$14,389,335. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to fund expenditures. Unassigned fund balance represents 101.5% of total 2019 General Fund expenditures, while total fund balance represents 105.5% of that same amount.

During fiscal year 2019, the fund balance of the Town's general fund increased by \$1,971,959. Key factors for 2019 are as follows:

- Revenues were 13.6% (\$1,843,251) higher in 2019 compared to 2018. The largest contributor to the increase was tax revenues which were \$741,578 higher than in the prior year. Sales tax makes up the largest portion of tax revenues with the General Fund receiving approximately 58% of total revenues from sales tax. In 2019, General Fund sales tax revenues totaled \$8.9 million which was an increase of \$701,112 (8.5%) from 2018.
- Expenditures for 2019 increased by \$1,143,081 (9.3%) as compared to 2018. Items that contributed to the increase include: wages and benefit expense increases, including merit increases of up to 5%; fees for services also increased for various reasons. For example, building inspections are outsourced to the County so fees related to building inspection services increased by \$238K (this expense is offset by permit fees collected). Contracted services related to Christmas lights, flower planting, and snow plowing also increased in 2019.

The Sales Tax Capital Improvement Fund (C.I.P) has a fund balance of \$2,982,160. The increase in fund balance during 2019 was \$116,900 and is primarily due to increased sales tax revenues. The Town expended \$4,049,652 on new capital and asset management projects. Some of the most significant expenditures were for the purchase of the unused fire station at the property adjacent to the 4th Street Crossing development for \$1.2M. The Town wanted to have a measure of control over this valuable property in the redevelopment of our downtown. Additionally, segments 6a and 7 of the Blue River Trail were completed in 2019 at a cost of \$512K. There is one final section of the trail that needs to be completed for the trail to run from one end of Town to the other. Other priorities included maintaining capital assets: street maintenance (\$290K), fleet replacements (\$672K), facilities (\$548K), and debt payments (\$621K). Similar to the General Fund, the primary revenue source for the C.I.P. Fund is sales tax. The Town is able to provide continuing funding for capital and asset management projects because 60% of sales tax revenues is legally required to be used in the Capital Improvement Fund.

The Town's Urban Renewal Authority (URA) is considered a blended component of the Town as the URA board is the Town Council and the URA is currently dependent on the Town for funding. This fund currently has a balance of \$250,770 and is holding commercial property with a value of \$3,148,429 with an investment in a joint venture of \$718,661. In recent years, an advancement from the General Fund assisted with the purchase of the property and the activities of the fund. Incremental property tax revenues of \$167K were received in 2019. In 2018, the Town assisted with distributing an RFP for development of the block along Highway 9 between 3rd and 4th Streets. A proposal was accepted by the private owners of this property and redevelopment is now taking place. Once completed, this redevelopment, known as Fourth Street Crossing, will add to incremental property, sales, and lodging tax revenues in the URA which will be used to assist in the funding of public amenities included in the project such as a parking structure and transit center.

The 5A Housing Fund accounts for sales tax assessed by the Summit Combined Housing Authority and distributed back to the Town for sales transacted in Silverthorne. Impact fees of \$2 per square foot of new construction are also collected by the Town. The funds are used towards promoting workforce housing in

the Town. Due to the successful ballot question in November of 2016 which approved an additional 0.6% in sales tax for workforce housing, the Town began receiving increased 5A housing fund revenues in 2017. The fund balance at the end of 2019 was \$1,535,848. The Town began installing infrastructure for the first phase of construction of the Smith Ranch workforce housing development in 2018. When completed, the neighborhood is expected to offer approximately 200 units: a mix of single family, duplexes, and townhomes. The project is phased over 4 years with anticipated completion in 2022. Homes in the first phase were available for sale beginning in the spring of 2019.

Capital project funds (other governmental funds) have a total fund balance of \$4,581,634. The fund balance is considered spendable, but is restricted for expenditures based on past election questions. The capital projects nonmajor fund balance increased by \$683,062 in 2019 primarily due to tax collections in the Development Excise Fund of \$824K. The Lodging Tax Fund transferred \$522K to the Capital Improvement Fund to assist with the funding of the Blue River Trail segments 6a & 7.

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 position of the water and sewer funds at the end of the year amounted to \$18,577,137. The net position for the proprietary funds increased by \$2,810,335 in 2019. 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 five 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 2018 (roll forwards).
- Midyear adjustments for increases due to increased staff levels, building and sales tax activity, economic development incentives, unanticipated projects, and expenditure savings.

Material differences between the original budget and the amended budget include:

- General Fund
 - Revenues: none
 - Expenditures: position upgrades and additions, Public Safety radio replacements needed due to County communications center software upgrade, building inspections fees paid to the County were greater than originally anticipated due to the robust residential construction taking place, health insurance premiums, and additional software modules added to increase efficiency and meet new processing needs.

The statement of budget to actual for the General Fund can be found on page 57.

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, 2019 amounts to \$96,727,915 (net of accumulated depreciation and related debt). This investment in capital assets includes land, buildings, vehicles, equipment, roads, bridges, trails, intangibles, water rights and utility system infrastructure. The total net increase in the Town of Silverthorne’s investment in capital assets for the current fiscal year was \$6,438,310. The increase was primarily due to the purchase of an unused fire station, capital contributions by developers, and infrastructure for the Smith Ranch workforce housing development.

Major capital assets events during the 2019 fiscal year included the following:

- The purchase of an unused fire station in the downtown area of Town for \$1.2M in the Capital fund.
- Developer contributions, including streets, water, and sewer infrastructure: \$6.1M
- Maintenance of Town streets and bridges \$290K.
- Lightweight vehicles and heavy equipment including a sweeper and backhoe: \$672K.
- Annual Depreciation for the Governmental-Type: \$3,822,999 and Business-Type: \$1,499,549.

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Land	\$ 9,524,924	\$ 9,524,924	\$ 3,871	\$ 3,871	\$ 9,528,795	\$ 9,528,795
Projects in Progress	4,077,209	3,432,970	345,290	-	4,422,499	3,432,970
Buildings	20,763,521	20,266,503	3,669,982	3,765,306	24,433,503	24,031,809
Vehicles & Heavy Equipment	3,315,898	3,032,944	-	-	3,315,898	3,032,944
Equipment & Furniture	1,087,805	1,187,525	345,630	379,959	1,433,435	1,567,484
Infrastructure	21,022,413	19,616,808	-	-	21,022,413	19,616,808
Other Improvements	7,280,653	4,116,334	2,780,943	2,880,851	10,061,596	6,997,185
Water/Sewer Infrastructure	-	-	17,130,192	16,993,465	17,130,192	16,993,465
Intangibles	861,078	524,756	59,084	80,203	920,162	604,959
Water Rights	-	-	8,424,250	8,424,250	8,424,250	8,424,250
Total	<u>\$67,933,501</u>	<u>\$61,702,764</u>	<u>\$32,759,242</u>	<u>\$32,527,905</u>	<u>\$100,692,743</u>	<u>\$ 94,230,669</u>

Note E 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 and proprietary/business funds had no bond debt. In 2019, the Town's governmental activities total long-term debt decreased by \$485,945 leaving a balance of \$3,964,828. This consists of a lease purchase of Town Hall to fund construction of the SPAC (\$3,245,000), lease/purchase financing of two snow plow replacements (\$148,935), and compensated absences of \$570,892. For the business-type funds, the total long-term debt increased by \$630 and has a balance of \$48,729. The outstanding long term debt is for compensated absences.

Note H of the financial statements on pages 49-50 provides a summary of the Town's long-term debt.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Sales tax revenue accounts for approximately 65% of government fund revenues and continues to be an important and primary revenue source for providing funds for the general operations/maintenance and capital for the Town of Silverthorne.
- The national, state and local economies had been projected to experience continued growth and the 2020 budget initially included an increase of 2% in sales tax revenues. However, as the COVID-19 pandemic developed, revenue budgets were revised to decrease by 20% in 2020. So far, the Town is down 11% in sales tax revenues, but the outcome of the current public health crisis and the length and depth of the recession are yet to be seen.
- In late 2019, a Nicotine policy workgroup consisting of Summit County and the Towns within worked together to get a ballot question approved by the County electorate. This resulted in a new tax of \$4/pack on cigarettes and 40% on all other tobacco and nicotine products including e-cigarettes and vaping devices. This has created a new revenue stream in 2020 that is generating approximately \$55K per month.
- The Town is committed to supporting arts and culture in the community. The Lake Dillon Theater Company (LDTC) began operating out of the new Silverthorne Performing Arts Center (SPAC) in June of 2017 and the Town has budgeted \$335K in contributions in 2020 to assist with operations and programming. In 2018, the Town began hosting a First Fridays event series which is the focus of community art displays and gatherings. Several of the First Friday events were canceled during the initial coronavirus shutdown, but some small and physically-distanced events (e.g. a drive-in movie) have been offered as ways for community members to safely get together again.
- No new positions were budgeted for fiscal year 2020. Some employees were furloughed during facility shutdowns due to COVID-19, but all full time and approximately 30% of part time furloughed employees have returned to work. All summer seasonal positions were left unfilled. The initial 2020 budget included a provision for merit increases of up to 5%, but we are currently on a pay and hiring freeze.

- Supporting local residents and businesses became a priority when the local economy was shut down to all but the most essential businesses. The Town used some of the 2019 surplus to fund \$350,000 in emergency business grants to assist with rent and payroll as well as \$160,000 in donations to a local nonprofit which provides food and other benefits to people in need.
- Timing of construction of the Smith Ranch workforce housing development was reconsidered to break down the phases into smaller filings. The Smith Ranch development is now expected to be complete by 2022. The Town's portion of infrastructure is installed, and the Town will subsidize the cost of the completed homes at the time of closing.
- We continue to emphasize economic development in 2020 with funding for business grants, ESTIP programs, Workforce Housing Business Assistance programs, art programming and operational support, marketing and advertising. Construction in the Fourth Street Crossing development continues with the parking structure mostly complete and the Market Hall going up. The Indigo Hotel has pulled their building permit and will be breaking ground in the near future. The Fourth Street Crossing live/work units are on hold until the economic impacts of the current public health and economic crisis are more certain. A new ESTIP agreement with a retail developer may go into effect in 2020 if the proposed TJ Maxx and Sierra Trading Post open.
- The Town has done its best to limit rate increases for 2020. The sewer services quarterly rates increased by 3% and there was a 5% increase to the flat portion of the water rates.
- Asset management is a priority and there was initially \$4.2M in the 2020 budget for these purposes. This included a number of building maintenance items, recreation and fleet equipment replacements, park improvement projects, street maintenance, and drainage construction and improvement at several parks and trails. However, about \$700K in projects are being postponed at this time. Although sales tax revenues have not been impacted as deeply as we originally thought, no one knows what lies ahead during this unprecedented public health crisis.
- Although the Town is in a strong financial position to serve our current population and maintain existing assets, we are very cautious and will pause on many of the downtown improvements that were planned until the impact on revenues and outcome of expenditure cuts is more clear. An opportunity for a stormwater management fee will be explored in the upcoming budget cycle. With the amount of development taking place, we have found that our ditches, culverts, and other drainage infrastructure is not functioning properly and crumbling from years of neglect.

Due to prudent fiscal management, the Town of Silverthorne is in a strong financial position to weather the current economic and public health crisis. Although we have a fund balance and reserves that will help weather the downturn, in the long term it is only sustainable to pay annual operational expenditures from current revenues. In other words, we must strive to live within our means. In the future, decreased service levels may be necessary if revenues deteriorate. All these factors were considered in preparing and revising the Town of Silverthorne's budget for the 2020 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 Town of Silverthorne, Finance Director, PO Box 1309, Silverthorne, Colorado 80498.

GOVERNMENT WIDE FINANCIAL STATEMENTS

TOWN OF SILVERTHORNE, COLORADO

STATEMENT OF NET POSITION

December 31, 2019

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash & Investments	\$ 18,688,767	\$ 7,796,466	\$ 26,485,233
Accounts Receivable	1,316,224	691,100	2,007,324
Property Taxes Receivable	244,621	-	244,621
Due from Other Governments	1,627,176	-	1,627,176
Internal Balances	(15,507)	15,507	-
Prepays	15,981	1,490	17,471
Inventory	29,812	35,709	65,521
Deposits	-	-	-
Land Held for Resale	3,148,429	-	3,148,429
Investment in Joint Venture	718,661	-	718,661
Restricted Cash & Investments	1,156,502	-	1,156,502
NonCurrent Assets:			
Investment in Joint Sewer Authority	-	10,317,340	10,317,340
Capital Assets:			
Nondepreciable Assets	13,602,133	8,773,411	22,375,544
Depreciable Assets, Net	54,331,368	23,985,831	78,317,199
TOTAL ASSETS	<u>94,864,167</u>	<u>51,616,854</u>	<u>146,481,021</u>
LIABILITIES			
Accounts Payable	583,643	195,382	779,025
Accrued Liabilities	1,694,241	20,857	1,715,098
Unearned Revenues	98,787	-	98,787
Accrued Interest Payable	5,795	-	5,795
Claims Payable	284,919	-	284,919
Noncurrent Liabilities:			
Due Within One Year	1,075,561	45,317	1,120,878
Due in More Than One Year	2,889,267	3,412	2,892,679
TOTAL LIABILITIES	<u>6,632,213</u>	<u>264,968</u>	<u>6,897,181</u>
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	244,621	-	244,621
TOTAL DEFERRED INFLOWS	<u>244,621</u>	<u>-</u>	<u>244,621</u>
NET POSITION			
Net Investment in Capital Assets	64,539,566	32,759,242	97,298,808
Restricted for:			
Emergency	715,107	-	715,107
Blue River Improvements	1,213,372	-	1,213,372
Parks, Trails & Open Space	657,343	-	657,343
Marketing	98,256	-	98,256
Affordable Housing	1,535,848	-	1,535,848
Capital Improvements	5,845,593	-	5,845,593
Unrestricted	13,382,248	18,592,644	31,974,892
TOTAL NET POSITION	<u>\$ 87,987,333</u>	<u>\$ 51,351,886</u>	<u>\$ 139,339,219</u>

TOWN OF SILVERTHORNE, COLORADO

STATEMENT OF ACTIVITIES

Year Ended December 31, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
PRIMARY GOVERNMENT							
Governmental Activities							
General Government	\$ 2,518,771	\$ 1,205,961	\$ -	\$ -	\$ (1,312,810)	\$ -	\$ (1,312,810)
Public Safety	2,826,860	133,083	9,056	-	(2,684,721)	-	(2,684,721)
Public Works	5,762,932	217,738	364,583	6,253,799	1,073,188	-	1,073,188
Community Development	1,325,116	1,139,050	-	-	(186,066)	-	(186,066)
Recreation & Culture	5,542,825	2,541,083	-	303,145	(2,698,597)	-	(2,698,597)
Urban Renewal	73,609	-	-	-	(73,609)	-	(73,609)
Housing	2,716,179	540,767	-	2,216,366	40,954	-	40,954
Interest on Long-Term Debt	70,633	-	-	-	(70,633)	-	(70,633)
Total Governmental Activities	20,836,925	5,777,682	373,639	8,773,310	(5,912,294)	-	(5,912,294)
Business-Type Activities							
Water	2,307,721	1,292,809	-	2,163,816	-	1,148,904	1,148,904
Sewer	2,050,302	1,580,867	-	1,774,454	-	1,305,019	1,305,019
Total Business-Type Activities	4,358,023	2,873,676	-	3,938,270	-	2,453,923	2,453,923
TOTAL PRIMARY GOVERNMENT	\$ 25,194,948	\$ 8,651,358	\$ 373,639	\$ 12,711,580	(5,912,294)	2,453,923	(3,458,371)
GENERAL REVENUES							
Taxes:							
Sales Taxes					12,686,145	-	12,686,145
Lodging Tax					363,982	-	363,982
Franchise Taxes					293,173	-	293,173
Development Excise Tax					824,054	-	824,054
Other Taxes					360,672	-	360,672
Restricted to Specific							
Programs					107,327	-	107,327
Investment Income					432,443	152,780	585,223
Gain on Sale of Capital Assets					41,915	20,200	62,115
Miscellaneous					80,346	174,842	255,188
TRANSFERS					-	-	-
Total General Revenues and Transfers					15,190,057	347,822	15,537,879
Change in Net Position					9,277,763	2,801,745	12,079,508
NET POSITION, Beginning of Year					78,709,570	48,550,141	127,259,711
NET POSITION, End of Year					\$ 87,987,333	\$ 51,351,886	\$ 139,339,219

TOWN OF SILVERTHORNE, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2019

	<u>General</u>	<u>Sales Tax Capital Improvement</u>	<u>Urban Renewal Authority</u>	<u>5A Housing</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash & Investments	\$ 9,687,927	\$ 2,732,514	\$ 338,552	\$ 1,069,712	\$ 4,583,062	\$ 18,411,767
Accounts Receivable	502,720	395,415	-	67,804	41,703	1,007,642
Property Taxes Receivable	-	-	244,621	-	-	244,621
Due from Other Governments	1,223,964	-	-	403,212	-	1,627,176
Interfund Receivable	3,952,773	-	-	-	-	3,952,773
Prepays	15,981	-	-	-	-	15,981
Inventory	29,812	-	-	-	-	29,812
Land Held for Resale	-	-	3,148,429	-	-	3,148,429
Investment in Joint Venture	-	-	718,661	-	-	718,661
Restricted Cash & Investments	1,117,128	-	39,374	-	-	1,156,502
Total Assets	\$ 16,530,305	\$ 3,127,929	\$ 4,489,637	\$ 1,540,728	\$ 4,624,765	\$ 30,313,364
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES						
Accounts Payable	418,879	114,207	2,098	4,880	43,131	583,195
Accrued Liabilities	1,623,304	31,562	39,375	-	-	1,694,241
Interfund Payable	-	-	3,952,773	-	-	3,952,773
Unearned Revenues	98,787	-	-	-	-	98,787
Total Liabilities	2,140,970	145,769	3,994,246	4,880	43,131	6,328,996
DEFERRED INFLOWS OF RESOURCES						
Property Taxes	-	-	244,621	-	-	244,621
Total Deferred Inflows of Resources	-	-	244,621	-	-	244,621
FUND BALANCES						
Nonspendable:						
Prepays	15,981	-	-	-	-	15,981
Inventory	29,812	-	-	-	-	29,812
Restricted for:						
Emergency	715,107	-	-	-	-	715,107
Blue River Improvements	-	-	-	-	1,213,372	1,213,372
Parks, Trails & Open Space	-	-	-	-	657,343	657,343
Marketing	-	-	-	-	98,256	98,256
Affordable Housing	-	-	-	1,535,848	-	1,535,848
Capital Improvements	-	2,982,160	250,770	-	2,612,663	5,845,593
Unassigned	13,628,435	-	-	-	-	13,628,435
Total Fund Balances	14,389,335	2,982,160	250,770	1,535,848	4,581,634	23,739,747
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 16,530,305	\$ 3,127,929	\$ 4,489,637	\$ 1,540,728	\$ 4,624,765	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 67,933,501

An Internal Service Fund is used by management to charge the costs of certain activities to individual funds, such as self funded insurance. A portion of the assets and liabilities of the internal service fund are included in governmental activities in the statement of net position. 284,708

Long-term liabilities, including lease payable, accrued interest and compensated absences, are not due and payable in the current period, and therefore are not reported in the funds. (3,970,623)

Total Net Position of Governmental Activities **\$ 87,987,333**

TOWN OF SILVERTHORNE, COLORADO

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**
Year Ended December 31, 2019

	General	Sales Tax Capital Improvement	Urban Renewal Authority	5A Housing	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	\$ 9,388,835	\$ 3,784,635	\$ 166,520	\$ -	\$ 1,188,036	\$ 14,528,026
Intergovernmental	471,910	-	-	2,216,366	53,145	2,741,421
Licenses, Permits & Fees	1,290,737	-	-	540,767	-	1,831,504
Charges for Services	3,630,137	-	-	-	-	3,630,137
Fines & Forfeitures	67,820	-	-	-	-	67,820
Interest	208,499	76,459	7,166	41,639	89,605	423,368
Grants/Donations	9,056	276,994	-	-	-	286,050
Miscellaneous	328,573	-	-	-	-	328,573
Total Revenues	<u>15,395,567</u>	<u>4,138,088</u>	<u>173,686</u>	<u>2,798,772</u>	<u>1,330,786</u>	<u>23,836,899</u>
EXPENDITURES						
Current:						
General Government	2,316,793	-	-	-	43,838	2,360,631
Public Safety	2,684,785	-	-	-	-	2,684,785
Public Works	2,954,123	-	-	-	-	2,954,123
Community Development	1,196,819	-	-	-	-	1,196,819
Recreation & Culture	4,271,088	-	-	-	-	4,271,088
Urban Renewal	-	-	73,609	-	-	73,609
Housing	-	-	-	2,716,179	-	2,716,179
Capital Outlay	-	4,049,652	-	262,213	156,171	4,468,036
Debt Service:						
Principal	-	547,129	-	-	-	547,129
Interest & Fiscal Charges	-	73,908	-	-	-	73,908
Total Expenditures	<u>13,423,608</u>	<u>4,670,689</u>	<u>73,609</u>	<u>2,978,392</u>	<u>200,009</u>	<u>21,346,307</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>1,971,959</u>	<u>(532,601)</u>	<u>100,077</u>	<u>(179,620)</u>	<u>1,130,777</u>	<u>2,490,592</u>
OTHER FINANCING SOURCES (USES)						
Sale of Capital Assets	-	127,989	-	-	-	127,989
Misc. Developer Contribution	-	-	-	-	73,798	73,798
Transfer In	-	521,512	-	-	-	521,512
Transfers Out	-	-	-	-	(521,512)	(521,512)
Total Other Financing Sources (Uses)	<u>-</u>	<u>649,501</u>	<u>-</u>	<u>-</u>	<u>(447,714)</u>	<u>201,787</u>
Net Change in Fund Balances	1,971,959	116,900	100,077	(179,620)	683,063	2,692,379
Fund Balances, Beginning of Year	<u>12,417,376</u>	<u>2,865,260</u>	<u>150,693</u>	<u>1,715,468</u>	<u>3,898,571</u>	<u>21,047,368</u>
Fund Balances, End of Year	<u>\$ 14,389,335</u>	<u>\$ 2,982,160</u>	<u>\$ 250,770</u>	<u>\$ 1,535,848</u>	<u>\$ 4,581,634</u>	<u>\$ 23,739,747</u>

The accompanying footnotes 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 FUNDS
TO THE STATEMENT OF ACTIVITIES**
Year Ended December 31, 2019

Amounts reported for Governmental Activities in the Statement of Activities are different because:

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 2,692,379
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 expense. This is the amount by which capital outlay \$3,986,803 and contributions by developers \$6,153,007, exceeds the disposal/sale of capital assets (\$86,074) and depreciation expense (\$3,822,999) in the current period.	6,230,737
The repayment of long-term debt principal is an expenditure in governmental funds, but the repayment reduces long term liabilities in the statements of net position and does not affect the statement of activities. This reconciling item reflects principal payments on the capital lease.	547,128
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. This amount represents the increase in accrued compensated absences \$61,182 and decrease in accrued interest payable \$3,275.	(57,908)
An Internal Service Fund is used by management to charge the costs of certain activities to individual funds, such as self-funded insurance. A portion of the activities of the internal service fund is reported with governmental activities in the statement of activities.	<u>(134,573)</u>
Change in Net Position of Governmental Activities	<u>\$ 9,277,763</u>

TOWN OF SILVERTHORNE, COLORADO

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2019

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Water Fund	Sewer Fund	Totals	Fund
ASSETS				
Current Assets:				
Cash & Investments	\$ 3,469,725	\$ 4,326,741	\$ 7,796,466	\$ 277,000
Accounts Receivable	280,618	410,482	691,100	308,582
Prepays	1,490	-	1,490	-
Inventory	35,709	-	35,709	-
Total Current Assets	3,787,542	4,737,223	8,524,765	585,582
Noncurrent Assets:				
Investment in Joint Sewer Authority	-	10,317,340	10,317,340	-
Capital Assets:				
Nondepreciable Assets	8,773,411	-	8,773,411	-
Depreciable Assets, Net	13,979,060	10,006,771	23,985,831	-
Total Noncurrent Assets	22,752,471	20,324,111	43,076,582	-
TOTAL ASSETS	26,540,013	25,061,334	51,601,347	585,582
LIABILITIES				
Current Liabilities:				
Accounts Payable	183,625	11,757	195,382	448
Accrued Liabilities	20,857	-	20,857	-
Claims Payable	-	-	-	284,919
Compensated Absences	45,317	-	45,317	-
Total Current Liabilities	249,799	11,757	261,556	285,367
Noncurrent Liabilities:				
Compensated Absences	3,412	-	3,412	-
TOTAL LIABILITIES	253,211	11,757	264,968	285,367
NET POSITION				
Net Investment in Capital Assets	22,752,471	10,006,771	32,759,242	-
Unrestricted	3,534,331	15,042,806	18,577,137	300,215
TOTAL NET POSITION	\$ 26,286,802	\$ 25,049,577	51,336,379	\$ 300,215

Amounts Reported for Business-Type Activities in the Statement of Net Position are different because:

An Internal Service Fund is used by management to charge the costs of health and short-term disability claims to individual funds. A portion of the assets and liabilities of the Internal Service Fund are included in business-type activities in the Statement of Net Position.

15,507

Total Net Position of Business-Type Activities \$ 51,351,886

TOWN OF SILVERTHORNE, COLORADO

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

Year Ended December 31, 2019

	<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				
User Fees	\$ 1,286,034	\$ 1,580,867	\$ 2,866,901	\$ -
Charges for Services	6,775	0	6,775	1,285,451
Miscellaneous	-	-	-	5,697
Total Operating Revenues	<u>1,292,809</u>	<u>1,580,867</u>	<u>2,873,676</u>	<u>1,291,148</u>
OPERATING EXPENSES				
Operations	1,122,739	489,093	1,611,832	-
Maintenance	210,993	27,047	238,040	-
Contractual Services	29,428	591,461	620,889	-
Claims & Wellness	-	-	-	1,438,284
Miscellaneous	-	-	-	566
Depreciation	935,975	563,574	1,499,549	-
Total Operating Expenses	<u>2,299,135</u>	<u>1,671,175</u>	<u>3,970,310</u>	<u>1,438,850</u>
Net Operating Income (Loss)	<u>(1,006,326)</u>	<u>(90,308)</u>	<u>(1,096,634)</u>	<u>(147,702)</u>
NONOPERATING REVENUES/(EXPENSES)				
Interest Revenue	63,742	89,038	152,780	4,539
Gain on Sale of Capital Assets	20,200	-	20,200	-
Equity Gain in Joint Sewer Authority	-	174,842	174,842	-
AMP Fees paid to Joint Sewer Authority (JSA)	-	(379,123)	(379,123)	-
Total Nonoperating Revenues (Expenses)	<u>83,942</u>	<u>(115,243)</u>	<u>(31,301)</u>	<u>4,539</u>
Income (Loss) Before Transfers and Contributions	(922,384)	(205,551)	(1,127,935)	(143,163)
Capital Contributions-Tap Fees	1,511,164	1,244,573	2,755,737	-
Capital Contributions-Developers	652,652	529,881	1,182,533	-
Change in Net Position	1,241,432	1,568,903	2,810,335	(143,163)
NET POSITION, Beginning of Year	<u>25,045,370</u>	<u>23,480,674</u>	<u>48,526,044</u>	<u>443,378</u>
NET POSITION, End of Year	<u>\$ 26,286,802</u>	<u>\$ 25,049,577</u>	<u>\$ 51,336,379</u>	<u>\$ 300,215</u>

Amounts Reported for Business-Type Activities in the Statement of Activities are different because:

Change in Net Position of Proprietary Funds \$ 2,810,335

An Internal Service Fund is used by management to charge the costs of health claims to individual funds. A portion of the activities of the Internal Service Fund is reported with business-type activities in the Statement of Activities.

(8,590)

Change in Net Position of Business-Type Activities \$ 2,801,745

TOWN OF SILVERTHORNE, COLORADO

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

Year Ended December 31, 2019

	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	\$ 1,289,013	\$ 1,547,350	\$ 2,836,363	\$ 354,639
Cash Received from Interfund Services Provided	0	-	-	808,052
Cash Paid to Suppliers	(639,615)	(1,014,173)	(1,653,788)	(1,279,372)
Cash Paid for Interfund Services Used	(70,654)	-	(70,654)	-
Cash Paid to Employees	(483,524)	(85,439)	(568,963)	-
Net Cash Provided (Used) by Operating Activities	<u>95,220</u>	<u>447,738</u>	<u>542,958</u>	<u>(116,681)</u>
Cash Flows from Capital & Related Financing Activities				
Acquisition of Capital Assets	(479,157)	(69,197)	(548,354)	-
Investment in Joint Sewer Authority	0	(162,496)	(162,496)	-
AMP Fees paid to Joint Sewer Authority (JSA)	0	(379,123)	(379,123)	-
Proceeds from the Sale of Capital Assets	20,200	-	20,200	-
Tap Fees	1,511,164	1,244,573	2,755,737	-
Net Cash Provided (Used) by Capital & Related Financing Activities	<u>1,052,207</u>	<u>633,757</u>	<u>1,685,964</u>	<u>-</u>
Cash Flows from Investing Activities				
Interest Received	<u>63,742</u>	<u>89,037</u>	<u>152,779</u>	<u>4,539</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>1,211,169</u>	<u>1,170,532</u>	<u>2,381,701</u>	<u>(112,142)</u>
Cash & Cash Equivalents, Beginning of Year	<u>2,258,556</u>	<u>3,156,209</u>	<u>5,414,765</u>	<u>389,142</u>
Cash & Cash Equivalents, End of Year	<u>\$ 3,469,725</u>	<u>\$ 4,326,741</u>	<u>\$ 7,796,466</u>	<u>\$ 277,000</u>
RECONCILIATION OF NET OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Net Operating Income (Loss)	\$ (1,006,326)	\$ (90,308)	\$ (1,096,634)	\$ (147,702)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	935,975	563,574	1,499,549	-
Changes to Assets & Liabilities:				
Accounts Receivable	(3,796)	(33,517)	(37,313)	(128,457)
Prepays	(1,490)	-	(1,490)	-
Inventory	8,530	-	8,530	-
Accounts Payable	159,719	7,989	167,708	(5,050)
Accrued Liabilities	1,978	-	1,978	-
Claims Payable	-	-	-	164,527
Compensated Absences	630	-	630	-
Total Adjustments	<u>1,101,546</u>	<u>538,046</u>	<u>1,639,592</u>	<u>31,020</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 95,220</u>	<u>\$ 447,738</u>	<u>\$ 542,958</u>	<u>\$ (116,682)</u>
Non-cash Capital Activities				
Contributed Infrastructure from Developers	<u>\$ 652,652</u>	<u>\$ 529,881</u>	<u>\$ 1,182,533</u>	<u>\$ -</u>

TOWN OF SILVERTHORNE, COLORADO

STATEMENT OF ASSETS AND LIABILITIES - AGENCY FUND

December 31, 2019

	<u>Joint Sewer Authority</u>
ASSETS	
CURRENT ASSETS	
Cash & Investments	\$ <u>6,732,823</u>
Total Current Assets	\$ <u><u>6,732,823</u></u>
LIABILITIES	
LIABILITIES	
Funds Held for Authority	\$ <u>6,732,823</u>
Total Liabilities	\$ <u><u>6,732,823</u></u>

TOWN OF SILVERTHORNE, COLORADO

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

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

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 organizations that are fiscally dependent upon it.

The Silverthorne Urban Renewal Authority (URA) was established in 1996 along with the Silverthorne Urban Renewal Plan to assist with revitalization of the Town's commercial areas and downtown core. The Town amended the Silverthorne Urban Renewal Plan in 2013 to allow for tax increment financing and the ability to purchase commercial properties. The Town Council serves as the governing board for the URA and the Town has operational responsibilities. Although the URA is legally separate from the Town, the URA's primary revenue source, tax increment financing, can only be established by the Town. The URA does not issue separate financial statements and is reported as a capital projects fund in the Town's financial statements. The URA is considered a blended component unit of the Town.

2. Government-wide & Fund Financial Statements

The government-wide financial statements (e.g., the statement of net position and the statement of activities) 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. Exceptions to this general rule are charges between the government's water and sewer functions and various other functions of the Town. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

TOWN OF SILVERTHORNE, COLORADO

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 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 Position. The Statement of Activities presents changes in net position. 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, regardless of the timing of related cash flow. The agency fund utilizes the accrual basis of accounting.

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, judgments and compensated absences, are recorded only when payment is due.

Taxes, intergovernmental revenues, 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 recognized as revenue if collected within sixty days after year end. Expenditure-driven grants are recognized as revenue when qualifying expenditures have been incurred, all other grant requirements imposed by the provider have been met, and if collected within sixty days after year-end. All other revenue items are considered to be measurable and available only when cash is received by the Town.

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

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 monies for 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.

TOWN OF SILVERTHORNE, COLORADO

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In 2019, the Town had the following major 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 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 related to major capital projects and facilities other than those financed by proprietary funds and fiduciary funds. This was approved by voters in 1992.

Urban Renewal Authority Fund – This fund is used to account for all financial activities related to the URA. The URA’s main function is to collect property tax increment revenues and to assist with revitalization of the Town’s commercial areas and downtown core.

5A Housing Fund – This fund used to account for impact fees collected by the Town and sales tax assessed by the Summit Combined Housing Authority and distributed back to the Town for sales transacted in Silverthorne. The funds are used towards promoting workforce housing in the Town.

Proprietary Funds

In 2019, the Town had the following major 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.

Additionally, the Town reports the following fund types:

Internal Service Fund

Internal Service Fund – This fund is used to account for the Town’s self-funded insurance programs. Internal Service Funds account for services provided to other departments, funds or agencies of the Town, on a cost reimbursement basis.

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 proprietary funds are charges to customers for sales and services. Operating expenses for proprietary 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, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fiduciary Funds

In 2019, 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. The Town holds all assets on behalf of the JSA in a purely custodial capacity.

NOTE B - ASSETS, LIABILITIES & NET POSITION OR FUND BALANCE

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 can be invested in various interest-bearing securities and disclosed as part of the Town's investments.

The Town considers pooled cash and investments to be cash equivalents for the statement of cash flows. Cash equivalents include investments with original maturities of three months or less.

2. Receivables

Receivables are reported net of an allowance for uncollectible accounts, where applicable.

3. Property Taxes Receivable

Property taxes earned but collected in the subsequent year are recorded as receivables and deferred inflows of resources at year end. Taxes are due in the subsequent year on April 30th, or in two installments on February 28th and June 15th. Taxes are collected by the County Treasurer and remitted to the Town (URA) on a monthly basis. 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 the Town approved this reduction in property taxes when the ballot question was approved, and therefore, the Town's General Fund no longer collects property taxes. However, the Silverthorne Urban Renewal Authority does receive property taxes through a tax increment within the Urban Renewal designated area.

4. Inventory & Prepaids

Inventories are merchandise intended for sale to the public. For the enterprise funds, some of the inventories are also available for internal use. Inventories are valued at cost using the first in/first out (FIFO) method. The cost of inventories is recorded as expenditures or expenses when consumed.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both government-wide and fund financial statements using the consumption method.

5. Deposits & Land Held for Resale

Deposits are funds being held in a separate account, outside of Town bank accounts, that are intended to be used or held for a Town purpose.

Land held for resale is any property purchased through the URA that is intended to be sold for future commercial development. The land is reported at cost, which is the approximate fair value of the land.

TOWN OF SILVERTHORNE, COLORADO

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE B - ASSETS, LIABILITIES & NET POSITION OR FUND BALANCE (CONTINUED)

6. Restricted Cash & Investments

Restricted cash and investments of \$1,111,128, are reported in the General and URA Funds. These funds represent escrowed monies held from pending satisfactory completion of various construction projects within the Town and for the Blue River Real Estate Company, LLC that the URA is an equal partner with Craig Realty.

7. Capital Assets

Capital assets, which include land, building and improvements, other improvements, intangibles, equipment and furniture, vehicles and heavy 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 and the proprietary funds in the financial statements. Capital assets are defined by the Town as assets with a cost of \$5,000 or more 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 acquisition 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.

Capital assets are depreciated using the straight-line method. Depreciation expense is reflected as an operating expense in the government-wide statement of activities and the proprietary fund statements.

Estimated useful lives for asset types are as follows:

<u>Asset</u>	<u>Years</u>
Buildings and Improvements	5-40
Equipment and Furniture	5-15
Vehicles and Heavy Equipment	5-15
Infrastructure	7-50
Intangible Assets	5-10
Other Improvements	5-25
Water Tanks, Wells and Lines	10-60

8. Unearned Revenues

Unearned revenues include contributions/donations that have been collected but the corresponding expenditures have not been incurred. The next calendar year's business licenses that are collected prior to the first of the year are also unearned.

9. Deferred Inflows of Resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources include property taxes earned but levied for a subsequent year. Grant revenues not available as current financial resources are deferred in the governmental fund financial statements.

10. 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 up to a maximum of 560 hours, and may be carried over to subsequent periods. Upon termination in good standing, employees are compensated for 100% of unused personal time.

TOWN OF SILVERTHORNE, COLORADO

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE B - ASSETS, LIABILITIES & NET POSITION OR FUND BALANCE (CONTINUED)

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.

Accumulated personal and compensation time is available to employees due to services employees have already provided to the Town. No liability is reported in the governmental funds in connection with compensated absences until they are paid or due for payment.

11. Long-term Obligations

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary funds statement of net position. Debt premiums and discounts are deferred and amortized over the life of the debt using the straight-line method.

In the fund financial statements, governmental funds recognize the face amount of debt issued as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

Issuance costs, whether or not withheld from debt proceeds, are reported as current expenditures or expenses.

12. Net Position/Fund Balances

In the government-wide financial statements and the proprietary funds in the fund financial statements, net position is restricted when constraints placed on the use of resources are externally imposed. In the fund financial statements, governmental funds report fund balances based on financial reporting standards that establish criteria for classifying fund balances into specifically defined classifications to make the nature and extent of constraints more useful and understandable. The classifications comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances may be classified as nonspendable, restricted, committed, assigned, or unassigned.

- Nonspendable Fund Balance – Amounts that cannot be spent because they are either not in spendable form, or legally or contractually required to be maintained intact. Examples are items that are not expected to be converted to cash including inventories and prepaids.
- Restricted Fund Balance – Amounts that are restricted for specific purposes. The spending constraints placed on the use of fund balance amounts are externally imposed by creditors, grantors, contributors, laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation that are legally enforceable.
- Committed Fund Balance – Amounts that can only be used for specific purposes pursuant to constraints imposed by the Town Council by ordinance. The committed amounts cannot be used for any other purpose until Town Council removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts.
- Assigned Fund Balance – Amounts that are constrained by the Town's intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by Town Council through policy or resolution, or Council can delegate the authority. Council has granted, through resolution, the Town Manager or the Manager's Designee, the authority to designate the assigned fund balance for each fund based on the intended use of such resources.

TOWN OF SILVERTHORNE, COLORADO

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE B - ASSETS, LIABILITIES & NET POSITION OR FUND BALANCE (CONTINUED)

- Unassigned Fund Balance – The remaining fund balance of the General Fund after amounts are set aside for other classifications. Negative fund balances of other funds are also included in this category.

The Town of Silverthorne has established a formal policy for its use of restricted and unrestricted (committed, assigned, unassigned) fund balance. If expenditures are incurred, the Town uses restricted fund balance first, if the expenditure meets the restricted purpose, followed by committed amounts, assigned amounts, and finally, unassigned amounts.

13. Subsequent Events

We have evaluated subsequent events through July 30, 2020, the date the financial statements were available to be issued.

NOTE C – 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 Town’s deposits are entirely covered by federal depository insurance (FDIC) or by collateral held under Colorado’s Public Deposit Protection Act (PDPA). The PDPA requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by State regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits. At December 31, 2019, the Town had bank deposits of \$1,331,413 collateralized with securities held by the financial institution’s agent but not in the Town’s name.

At the end of 2019, the Town held deposits and investments with the following maturities:

		<u>Maturities</u>			
		<u>Carrying</u>	<u>Less than one</u>	<u>Less than</u>	
		<u>S&P Rating</u>	<u>Amounts</u>	<u>year</u>	<u>five years</u>
Deposits:					
	Cash on Hand	Not Rated	\$4,710	\$4,710	
	Bank Deposits	Not Rated	1,873,730	1,873,730	
Investments					
	United States Treasuries	NA	5,447,578	3,103,573	2,344,005
	US Agencies	AA+	6,590,971	3,318,203	3,272,768
	Money Market Fund	Aaa	492,119	492,119	
	Investment Pools	AAAm	19,965,450	19,965,450	
			<u>\$34,374,558</u>	<u>28,757,785</u>	<u>5,616,773</u>
Reconciliation to the Financial Statements					
				\$26,485,233	
				1,156,502	
				<u>6,732,823</u>	
				<u>\$34,374,558</u>	

TOWN OF SILVERTHORNE, COLORADO

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE C - DEPOSITS & INVESTMENTS (CONTINUED)

The Town of Silverthorne is governed by the deposit and investment limitations of State law. Custodial risk is not addressed by State statutes or by policy. 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 and certain US agency securities;
- 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 and money market funds regulated by the Securities and Exchange Commission (SEC);
- Local government investment pools

The Town measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Quoted prices for identical investments in active markets
- Level 2: : Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; and,
- Level 3: Unobservable inputs

At December 31, 2019, the Town had the following fair value measurements:

Investments measured at Fair Value:	Total	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
U.S. Instrumentalities	12,038,549		12,038,549	
Total	\$12,038,549		\$12,038,549	
Investments Measured at Net Asset Value:				
Colotrust	9,597,308			
CSAFE	10,368,142			
Money Market Funds	492,119			
Total	\$20,457,569			

Credit Risk – State statutes limit investments in money market funds to those that maintain a constant share price, with a maximum remaining maturity in accordance with the Securities and Exchange Commission’s Rule 2a-7, and either have assets of one billion dollars or the highest rating issued by one or more nationally recognized statistical rating organizations.

Interest Rate Risk – State statutes generally limit investments to an original maturity of no more than five years. 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 is 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.

Concentration of 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. Additionally, the Town’s investment policy recommends the Town diversify use of investment instruments to avoid

TOWN OF SILVERTHORNE, COLORADO

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE C - DEPOSITS & INVESTMENTS (CONTINUED)

incurring unreasonable risk in over investing in one specific instrument or in one institution. The Town's investment policy recommends that "no more than 25% of the portfolio deposited in any single bank or savings and loan. No more than 50% of the portfolio in PDPA collateralized deposits." At December 31, 2019, the Town's investments in the Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Home Loan Bank, and Federal Farm Credit Banks Funding Corporation represented 2%, 1%, 7% and 9%, respectively, of total investments.

At December 31, 2019, the Town had invested \$19,965,450 in Local Governmental Investment Pools (Pools) from the Colorado Local Government Liquid Asset Trust (COLOTRUST) and Colorado Surplus Asset Fund Trust (CSAFE). The Pools are investment vehicles established by State statute for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating the Pools.

Colotrust – Colotrust is not a 2a7-like external investment pool. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. The government-investor does not "look through" the pool to report a pro rata share of the pool's investments, receivables and payables. This investment is valued using the NAV per share (or its equivalent) of the investments.

Colotrust is an investment vehicle established by state statute for local entities in Colorado to pool surplus funds for investment purposes and are registered with the State Securities Commissioner. The pools operate similarly to money market funds and each share is equal in value to \$1.00. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions of each pooled investment. 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 investments owned by the participating governments. Investments of the pools consist of US Treasury bills, notes, and note strips, commercial paper allowed by state statute and repurchase agreements collateralized by US Treasury securities and or US Instrumentalities. Colotrust is rated AAAM by Standard and Poor's. Information regarding Colotrust's financial statements is available at their website www.colotrust.com.

CSAFE – CSAF is considered to be a 2a7-like investment and is valued at amortized cost. The 2a7-like investments do not have any unfunded commitments, redemption restrictions or redemption notice periods. The 2a7-like investments conform to Colorado Statutes CRS 24-75-601 et. Seq. and therefore invests primarily in securities of the United States Treasury, United States Agencies, Primary Dealer Repurchase Agreements, highly rated commercial paper, highly rated corporate bonds, Colorado Depositories collateralized at 102% of market value investments will conform to its Permitted Investments and will meet Standard & Poor's investment guidelines to achieve a AAAM rating, the highest attainable rating for a Local Government Investment Pool. Information regarding CSAF's financial statements is available at the website www.csafe.org.

TOWN OF SILVERTHORNE, COLORADO

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE D – RECEIVABLES & DUE FROM OTHER GOVERNMENTS

Receivables and Due from Other Governments, as of December 31, 2019, for the Town’s individual major funds and non-major funds in the aggregate, are as follows.

	General Fund	Sales Tax Capital Improvement Fund	Urban Renewal Authority Fund	5A Housing	Nonmajor Funds	Water Fund	Sewer Fund
Receivables:							
Taxes	\$ 327,848	\$ 395,255	\$ -	\$ -	\$ 41,703	\$ -	\$ -
Accounts	174,872	160	-	67,804	-	280,618	410,482
Total Receivables	<u>\$ 502,720</u>	<u>\$ 395,415</u>	<u>\$ -</u>	<u>\$ 67,804</u>	<u>\$ 41,703</u>	<u>\$ 280,618</u>	<u>\$ 410,482</u>
Due from Other Governments							
County	\$ 2,286	\$ -	\$244,621	\$ -	\$ -	\$ -	\$ -
Local Authority	-	-	-	403,212	-	-	-
State	1,221,678	-	-	-	-	-	-
Total Other Governments	<u>\$1,223,964</u>	<u>\$ -</u>	<u>\$244,621</u>	<u>\$403,212</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF SILVERTHORNE, COLORADO

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE E – CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended December 31, 2019.

<u>Governmental Activities</u>	Balance December 31, 2018	Additions	Disposals	Balance December 31, 2019
Capital assets, not being depreciated:				
Land	\$ 9,524,924	\$ -	\$ -	\$ 9,524,924
Projects in Progress	3,432,970	891,675	(247,436)	4,077,209
Total capital assets not being depreciated	<u>12,957,894</u>	<u>891,675</u>	<u>(247,436)</u>	<u>13,602,133</u>
Capital assets, being depreciated:				
Buildings and Improvements	29,834,449	1,509,244	-	31,343,693
Vehicles & Heavy Equipment	4,930,531	771,228	(353,557)	5,348,202
Equipment & Furniture	2,519,007	137,724	-	2,656,731
Infrastructure	38,743,152	2,827,642	-	41,570,794
Intangibles	1,100,606	467,084	-	1,567,690
Other Improvements	8,755,013	3,782,649	-	12,537,662
Total capital assets being depreciated	<u>85,882,758</u>	<u>9,495,571</u>	<u>(353,557)</u>	<u>95,024,772</u>
Less accumulated depreciation:				
Buildings and Improvements	(9,567,945)	(1,012,227)	-	(10,580,172)
Vehicles & Heavy Equipment	(1,897,587)	(402,200)	267,483	(2,032,304)
Equipment & Furniture	(1,331,483)	(237,443)	-	(1,568,926)
Infrastructure	(19,126,344)	(1,422,037)	-	(20,548,381)
Intangibles	(575,850)	(130,762)	-	(706,612)
Other Improvements	(4,638,679)	(618,330)	-	(5,257,009)
Total accumulated depreciation	<u>(37,137,888)</u>	<u>(3,822,999)</u>	<u>267,483</u>	<u>(40,693,404)</u>
Total capital assets, being depreciated, net	<u>48,744,870</u>	<u>5,672,572</u>	<u>(86,074)</u>	<u>54,331,368</u>
Governmental activities capital assets, net	<u>\$ 61,702,764</u>	<u>\$ 6,564,247</u>	<u>\$ (333,510)</u>	<u>\$ 67,933,501</u>
<u>Business - Type Activities</u>	Balance December 31, 2018	Additions	Disposals	Balance December 31, 2019
Capital assets, not being depreciated:				
Land	\$ 3,871	\$ -	\$ -	\$ 3,871
Projects in Progress	-	345,290	-	345,290
Water Rights	8,424,250	-	-	8,424,250
Total capital assets, not being depreciated	<u>8,428,121</u>	<u>345,290</u>	<u>-</u>	<u>8,773,411</u>
Capital assets, being depreciated:				
Buildings and Improvements	3,812,968	-	-	3,812,968
Water Tanks	4,121,205	-	-	4,121,205
Lines	23,309,025	1,317,040	-	24,626,065
Wells	3,840,212	13,353	-	3,853,565
Machinery & Equipment	858,229	38,317	(29,201)	867,345
Intangibles	277,834	3,569	-	281,403
Other Improvements	3,321,455	13,318	-	3,334,773
Total capital assets, being depreciated	<u>39,540,928</u>	<u>1,385,597</u>	<u>(29,201)</u>	<u>40,897,324</u>
Less accumulated depreciation:				
Buildings and Improvements	(47,662)	(95,324)	-	(142,986)
Water Tanks	(1,222,135)	(102,857)	-	(1,324,992)
Lines	(10,831,434)	(919,512)	-	(11,750,946)
Wells	(2,223,408)	(171,297)	-	(2,394,705)
Machinery & Equipment	(478,270)	(72,646)	29,201	(521,715)
Intangibles	(197,631)	(24,688)	-	(222,319)
Other Improvements	(440,604)	(113,226)	-	(553,830)
Total accumulated depreciation	<u>(15,441,144)</u>	<u>(1,499,550)</u>	<u>29,201</u>	<u>(16,911,493)</u>
Total capital assets, being depreciated, net	<u>24,099,784</u>	<u>(113,953)</u>	<u>-</u>	<u>23,985,831</u>
Business-type activities capital assets, net	<u>\$ 32,527,905</u>	<u>\$ 231,337</u>	<u>\$ -</u>	<u>\$ 32,759,242</u>

TOWN OF SILVERTHORNE, COLORADO

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE E – CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions as follows:

Governmental Activities:

General Government	\$ 111,193
Public Safety	95,109
Public Works	2,554,297
Community Development	76,355
Recreation & Culture	<u>968,045</u>
Total Governmental Activities Depreciation Expenses	<u>\$3,822,999</u>

NOTE F - INVESTMENT IN JOINT VENTURES

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 JSA 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 JSA and its share of operating costs in the Sewer Fund. The investment is accounted for under the equity method. The Town had an investment in the JSA at December 31, 2019, the date of the most recent audited financial statements, of \$10,317,340. The Town represents a 67.17% share in the joint venture. At December 31, 2019, the Town was responsible for 41.9% of the JSA's operating expenses.

Based on the 2019 audited results, the Town's equity in the JSA increased by \$337,115.

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

Urban Renewal Authority Joint Venture

The Town's Urban Renewal Authority (URA) is an equal partner with Craig Reality in the Acorn commercial property that was purchased in 2014. The partnership formed is Blue River Real Estate Company, LLC. The purpose of the partnership is to attain and hold a section of commercial property to be used at a future date within a new commercial development.

All revenues and expenses are to be equally shared. Equal payments are to be made to the LLC when needed. The URA had an investment in the partnership as of December 31, 2019, of \$718,661. The URA represents a 50% share in the joint venture. At December 31, 2019, the URA was responsible for 50% of the partnerships operating expenses.

TOWN OF SILVERTHORNE, COLORADO

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE G – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either *Interfund Receivables* or *Payables*. Any residual balances outstanding between governmental and business-type activities are reported in the government-wide financial statements as internal balances.

Interfunds:

<u>Interfund Receivable</u>	<u>Interfund Payable</u>	<u>Amount</u>
General Fund	Urban Renewal Authority Fund	\$3,952,773

The amounts payable to the General Fund relate to the advance made to the URA for URA activity and land purchases. Repayment will be made from increment property taxes and proceeds from the sale of land.

Transfers between funds during the year ended December 31, 2019, were as follows:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
Sales Tax Capital Improvement Fund	\$ 521,512	\$ -
Lodging Fund	<u>-</u>	<u>521,512</u>
Total Transfers	<u>\$ 521,512</u>	<u>\$ 521,512</u>

The transfer between the Sales Tax Capital Improvement and Lodging Fund was for the purpose of constructing two segments of the Blue River Trail.

NOTE H - LONG-TERM DEBT

Governmental & Business Activities:

The following summarizes the changes in the Town's long-term liabilities for the year ended December 31, 2019:

	<u>Balance 12/31/18</u>	<u>Additions</u>	<u>Retirement</u>	<u>Balance 12/31/19</u>	<u>Due Within One Year</u>
Governmental Activities:					
Capital Leases	\$3,941,064	\$ -	\$ (547,128)	\$ 3,393,936	\$ 540,348
Compensated Absences – Gov.	<u>509,709</u>	<u>686,088</u>	<u>(624,905)</u>	<u>570,892</u>	<u>535,213</u>
Total Governmental	<u>\$4,450,773</u>	<u>\$ 686,088</u>	<u>\$(1,172,033)</u>	<u>\$ 3,964,828</u>	<u>\$ 1,075,561</u>
Business-Type Activities:					
Compensated Absences – Bus.	<u>\$ 48,099</u>	<u>\$ 53,295</u>	<u>\$ (52,664)</u>	<u>\$ 48,729</u>	<u>\$ 45,317</u>

Compensated absences of the governmental activities are expected to be liquidated with revenues from the General Fund.

TOWN OF SILVERTHORNE, COLORADO

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE H - LONG-TERM DEBT (CONTINUED)

Capital Lease Obligations:

In 2016, the Town entered into a ten year lease-purchase agreement for \$4,500,000 on the Town Hall building in order to provide funding for the construction of the Silverthorne Performing Arts Center. Semiannual payments (including interest) of approximately \$250,000 are due on June 1st and December 1st starting on June 1, 2017. The interest rate on this financing is 1.92%.

In 2016, the Town entered into a lease purchase agreement for \$417,416 to purchase two additional plow trucks and attachments. Both of these vehicles have a useful life of ten years and in 2019, \$36,746 was included in depreciation expense. Prior year accumulated depreciation was \$91,864. The interest rate on this financing is 1.96%. Semiannual payments of \$44,015 are due on the 15th of February and August each year and began on August 15, 2016.

In 2014, The Town entered into a lease purchase agreement for \$180,000 to purchase a John Deere front loader and related accessories. The front loader has an estimated useful life of ten years. This year, \$17,670 was included in depreciation expense and the prior year accumulated depreciation was \$77,145. The equipment is used by the Town's Public Works department. The amount financed was \$180,000 at an interest rate of 3.5%. Semi-annual payments are \$19,778 which include interest. Payments are due on July 1st and January 1st and began on July 1, 2015.

The following is a schedule of the future minimum lease payments under these capital leases:

Year	Principal	Interest	Total
2020	540,348	62,699	603,047
2021	488,588	52,268	540,856
2022	455,000	43,248	498,248
2023	460,000	34,464	494,464
2024	470,000	25,584	495,584
2025-2026	<u>980,000</u>	<u>23,664</u>	<u>1,003,664</u>
Total	<u>\$ 3,393,936</u>	<u>\$ 241,927</u>	<u>\$ 3,635,863</u>

NOTE I - PENSION PLANS

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

All full-time and $\frac{3}{4}$ time employees, except elected/appointed officials as 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 100% 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 Council has the authority to make changes to the plan as to the contributions and vesting rights as long as the changes are within the laws as set by the Federal Government.

Total contributions by the Town for the year ended December 31, 2019, were \$686,070. Total contributions by the employees for the year ended December 31, 2019, were \$490,050.

TOWN OF SILVERTHORNE, COLORADO

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE J - 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, 2019, the Town had \$3,382 in seizure funds, which the police department is using for rewards for information leading to solving police cases.

NOTE K - RISK MANAGEMENT

Colorado Intergovernmental Risk Sharing Agency (CIRSA)

The Town is a member with CIRSA, a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to the provisions of 24-10-115.5, Colorado Revised Statutes (1982 Replacement Volume) and 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 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 for each incident in 2019 was \$5,000; there is no change in coverage from past years. CIRSA is a separate legal entity and the Town does not approve budgets nor does it have the ability to significantly affect the operations of CIRSA.

Group Insurance - Health & Short Term Disability

The Town has an established partially self-funded insurance plan for health and short-term disability for employees and their dependents. Under the health insurance program, for employees, spouses and dependents who choose to participate, the Town provides health insurance coverage up to \$65,000 and aggregate losses for all participants up to \$1,000,000. The Town purchases commercial insurance for claims in excess of coverage provided by the Town.

For the Town's 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 short-term disability insurance covers a maximum of 12 weeks of 60% of weekly salary with a maximum of \$1,000 per week.

All Town departments participate in the group insurance and make payments to the Health & Short-term Disability Claims Internal Service Fund based on prior claims experience in amounts needed to pay current year claims and to establish a reserve for catastrophic losses. The Fund has a net position of \$300,215 as of December 31, 2019.

TOWN OF SILVERTHORNE, COLORADO

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE K - RISK MANAGEMENT (CONTINUED)

The Town has established a reserve for incurred but not reported (IBNR) claims based on claims experience. The IBNR reserves are included in claims payable and include a provision for incremental claim adjustment expenses as well as estimated recoveries, if applicable. Other than current amounts, the Town does not believe that IBNR claims can be reasonably estimated. Therefore, no long-term liability is reported in the financial statements. Changes in claims payable were as follows:

	2018	2019
Claims Payable, Beginning of Year	\$ 73,510	\$ 120,392
Claims and Changes in Provisions	1,138,068	1,234,524
Claim Payments	<u>(1,091,186)</u>	<u>(1,069,997)</u>
Claims Payable, End of Year	<u>\$ 120,392</u>	<u>\$ 284,919</u>

NOTE L- CONTINGENCIES AND COMMITMENTS

Litigation

During the normal course of business, the Town incurs claims and other assertions against it from various agencies and individuals. The Town and legal counsel intend to vigorously defend such claims. In the opinion of the Town's management, such claims would not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the Town at December 31, 2019.

Economic Development Agreements

The Town has entered into Enhanced Sales Tax Incentive Programs (ESTIP) agreements in an effort to promote economic development and re-development within the Town. Enhanced sales tax shall mean the amount of sales tax collected by the Town and available to the Town after the deduction of sixty percent (60%) of the two-percent Town sales taxes required by election, over and above a base amount negotiated and agreed upon by the applicant and the Town, and approved by the Town Council. Any owner of a newly established retail-sales-tax-generating business or location, or the owner of an existing retail-sales-tax-generating business or location which wishes to expand substantially, which newly established or substantial expansion is accomplished subsequent to the effective date of this Division, may apply to the Town for inclusion within the ESTIP, provided that the new or expanded business is reasonably likely to generate enhanced sales taxes of at least five thousand dollars (\$5,000) in the first year of operation.

The uses eligible for the shared enhanced sales taxes shall be strictly limited to those which are public or public-related in nature. Some examples are improvements to streets, sidewalks, drainage facilities, demolition and site restoration for redevelopment, landscaping, decorative structures, enhanced architectural features, public transportation improvements, installation of utility lines and any other improvements of a similar nature which are specifically approved by the Town Council. Public or public-related purposes also include redevelopment of existing properties, occupancy of existing vacant space and expansion or creation of jobs in the Town. There were five active agreements as of December 31, 2019: Angry James' Brewery, Baker's Brewery, Craig Realty (Starbucks), Murdoch's, and Treeline Craft Kitchen. The gross dollar amount by which the Town's sales tax revenues were decreased during 2019 was \$126,547.

TOWN OF SILVERTHORNE, COLORADO

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

Lease Agreement

The Town constructed a new performing arts facility using debt proceeds and contributions from the Lake Dillon Theater Company (the "Theater Company"). In June of 2017, the Town entered into a lease agreement with the Theater Company to use the facility for theater performances and educational programs through December 31, 2037, with two additional five-year renewal options. However, the Town retains ownership of the facility. Monthly rent of \$1,800 is required by the agreement, in addition to \$1 per ticket sold. The lease agreement is reported in the financial statements as an operating lease, with revenues recorded as lease payments.

NOTE M - 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 "enterprises" and, therefore, considers them excluded from the terms of the Amendment.

On April 5, 1994 an election question was approved by the Citizens of the Town 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 covered was January 1, 1994 to December 31, 2013.

On November 3, 2009, an election question was approved by the Citizens of Silverthorne. The election question asked the citizens for the Town to continue beyond December 31, 2013, 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 basis of this question was to take the 1994 election question and continue to be exempt from TABOR as it relates to revenue limits indefinitely.

For 2019, The Town was required to reserve 3% of its fiscal year spending as "emergency reserves." The TABOR emergency reserve of \$715,107 has been recorded as restricted fund balance in the General Fund.

NOTE N – SUBSEQUENT EVENT

Subsequent to year-end, the United States of America, the State of Colorado, the County of Summit, and the Town of Silverthorne have declared an emergency associated with the Coronavirus pandemic. The Town has been economically impacted by the event, however the full economic effect has yet to be determined.

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REQUIRED SUPPLEMENTARY INFORMATION

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TOWN OF SILVERTHORNE, COLORADO

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE

Year Ended December 31, 2019

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Taxes	\$ 8,994,868	\$ 8,994,868	\$ 9,388,835	\$ 393,967
Intergovernmental	396,248	396,248	471,910	75,662
Licenses, Permits & Fees	668,023	668,023	1,290,737	622,714
Charges for Services	3,108,922	3,108,922	3,630,137	521,215
Fines & Forfeitures	77,892	77,892	67,820	(10,072)
Interest	60,002	60,002	208,499	148,497
Grants/Donations	114,327	34,327	9,056	(25,271)
Miscellaneous	45,337	125,337	328,572	203,235
	<u>13,465,619</u>	<u>13,465,619</u>	<u>15,395,566</u>	<u>1,929,947</u>
Total Revenues				
	<u>13,465,619</u>	<u>13,465,619</u>	<u>15,395,566</u>	<u>1,929,947</u>
EXPENDITURES				
Current				
General Government	2,290,566	2,443,459	2,316,792	126,667
Public Safety	2,457,530	2,785,662	2,684,785	100,877
Public Works	3,216,830	3,172,658	2,954,123	218,535
Community Development	875,605	919,283	1,196,819	(277,536)
Recreation & Culture	4,075,944	4,213,945	4,271,088	(57,143)
	<u>12,916,475</u>	<u>13,535,007</u>	<u>13,423,607</u>	<u>111,400</u>
Total Expenditures				
	<u>12,916,475</u>	<u>13,535,007</u>	<u>13,423,607</u>	<u>111,400</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	549,144	(69,388)	1,971,959	2,041,347
OTHER FINANCING SOURCES (USES)				
Transfer Out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	549,144	(69,388)	1,971,959	2,041,347
	<u>549,144</u>	<u>(69,388)</u>	<u>1,971,959</u>	<u>2,041,347</u>
Fund Balance, Beginning of Year	9,164,902	12,417,376	12,417,376	-
	<u>9,164,902</u>	<u>12,417,376</u>	<u>12,417,376</u>	<u>-</u>
Fund Balance, End of Year	\$ <u>9,714,046</u>	\$ <u>12,347,988</u>	\$ <u>14,389,335</u>	\$ <u>2,041,347</u>

See the accompanying Independent Auditors' Report.

TOWN OF SILVERTHORNE, COLORADO

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2019**

NOTE 1 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets for the governmental funds, except for interfund loan activity in General, Housing 5A and Development Excise Tax Funds, are adopted on a basis consistent with generally accepted accounting principles (GAAP). Additionally, interfund loan activity, developer proceeds and capital outlay of the Urban Renewal Authority Fund, are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgets for the proprietary fund are adopted on a basis consistent with GAAP, except that the budgeted expenditures also include capital outlay and exclude depreciation expense and equity gain/loss from joint ventures and capital assets. The Council does not budget for the fiduciary funds. Council legally adopts all governmental and proprietary 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 the 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 items 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.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

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Capital Project Funds

Capital project funds are used to account for financial resources that are restricted, committed, or assigned to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets.

Sales Tax Capital Improvement Fund - This fund is used to account for the 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

Silverthorne Urban Renewal Authority – The Silverthorne Urban Renewal Authority was established in 1996 and the Silverthorne Urban Renewal Authority was approved in 2013 in order to revitalize blighted areas and stimulate commercial development in the Town.

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 voter approved 2% tax on lodging sales. Funds are to be split and expended 85% to Parks, Trails and Open Space – 15% for marketing.

5A Housing Fund – This fund is used to account for the voter approved .725% sales tax and impact fees that is assessed by the Summit Housing Authority and distributed back to the Town for affordable housing related capital projects.

Development Excise Tax Fund – This fund is used to account for the voter approved \$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
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2019

	<u>Capital Project Funds</u>			Total Other Governmental Funds
	<u>Conservation Trust</u>	<u>Lodging Tax</u>	<u>Development Excise Tax</u>	
ASSETS				
Cash & Investments	\$ 129,758	\$ 1,840,641	\$ 2,612,663	\$ 4,583,062
Accounts Receivable	<u>-</u>	<u>41,703</u>	<u>-</u>	<u>41,703</u>
Total Assets	<u>\$ 129,758</u>	<u>\$ 1,882,344</u>	<u>\$ 2,612,663</u>	<u>\$ 4,624,765</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	<u>-</u>	<u>43,131</u>	<u>-</u>	<u>43,131</u>
Total Liabilities	<u>-</u>	<u>43,131</u>	<u>-</u>	<u>43,131</u>
FUND BALANCES				
Restricted For:				
Blue River Improvements & CRCA	\$ -	\$ 1,213,372	\$ -	\$ 1,213,372
Parks, Trails & Open Space	129,758	527,585	-	657,343
Marketing	-	98,256	-	98,256
Capital Improvements	<u>-</u>	<u>-</u>	<u>2,612,663</u>	<u>2,612,663</u>
Total Fund Balances	<u>129,758</u>	<u>1,839,213</u>	<u>2,612,663</u>	<u>4,581,634</u>
Total Liabilities & Fund Balances	<u>\$ 129,758</u>	<u>\$ 1,882,344</u>	<u>\$ 2,612,663</u>	<u>\$ 4,624,765</u>

TOWN OF SILVERTHORNE, COLORADO

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

Year Ended December 31, 2019

	Capital Project Funds			Total Other Governmental Funds
	Conservation Trust	Lodging Tax	Development Excise Tax	
REVENUES				
Taxes	\$ -	\$ 363,982	\$ 824,054	\$ 1,188,036
Intergovernmental	53,145	-	-	53,145
Interest	2,372	36,164	51,069	89,605
Total Revenues	55,517	400,146	875,123	1,330,786
EXPENDITURES				
Current:				
General Government - Marketing	-	43,838	-	43,838
Blue River Restoration	-	17,135	-	17,135
Capital Outlay	-	8,728	130,308	139,036
Total Expenditures	-	69,701	130,308	200,009
Excess (Deficiency) of Revenues Over/(Under) Expenditures	55,517	330,445	744,815	1,130,777
OTHER FINANCING SOURCES (USES)				
Miscellaneous-Developer Contribution	-	-	73,798	73,798
Transfer Out	-	(521,512)	-	(521,512)
Total Other Financing Sources (Uses)	-	(521,512)	73,798	(447,714)
Net Change in Fund Balance	55,517	(191,067)	818,613	683,063
Fund Balances, Beginning of Year	74,241	2,030,280	1,794,050	3,898,571
Fund Balances, End of Year	\$ 129,758	\$ 1,839,213	\$ 2,612,663	\$ 4,581,634

See the accompanying Independent Auditors' Report.

TOWN OF SILVERTHORNE, COLORADO

CONSERVATION TRUST FUND
BUDGETARY COMPARISON SCHEDULE

Year Ended December 31, 2019

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES				
Intergovernmental	\$ 42,000	\$ 42,000	\$ 53,145	\$ 11,145
Interest	200	199	2,372	2,173
Total Revenues	<u>42,200</u>	<u>42,199</u>	<u>55,517</u>	<u>13,318</u>
EXPENDITURES				
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess/(Deficiency) of Revenues Over Expenditures	42,200	42,199	55,517	13,318
OTHER FINANCING SOURCES (USES)				
Transfer Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	42,200	42,199	55,517	13,318
Fund Balance, Beginning of Year	<u>70,768</u>	<u>74,241</u>	<u>74,241</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 112,968</u></u>	<u><u>\$ 116,440</u></u>	<u><u>\$ 129,758</u></u>	<u><u>\$ 13,318</u></u>

See the accompanying Independent Auditors' Report.

TOWN OF SILVERTHORNE, COLORADO

LODGING TAX FUND
BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2019

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES				
Taxes	\$ 324,740	\$ 324,740	\$ 363,982	\$ 39,242
Interest	4,458	4,457	36,164	31,707
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	329,198	329,197	400,146	70,949
	<hr/>	<hr/>	<hr/>	<hr/>
EXPENDITURES				
General Government - Marketing	49,341	49,341	43,838	5,503
Blue River Restoration	-	-	17,135	(17,135)
Capital Outlay	35,000	35,000	8,728	26,272
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	84,341	84,341	69,701	14,640
	<hr/>	<hr/>	<hr/>	<hr/>
Excess of Revenues Over Expenditures	244,857	244,856	330,445	85,589
	<hr/>	<hr/>	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES)				
CRCA Distribution	-	-	-	-
Transfer Out	(662,000)	521,512	(521,512)	1,043,024
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	(662,000)	521,512	(521,512)	1,043,024
	<hr/>	<hr/>	<hr/>	<hr/>
Net Change in Fund Balance	(417,143)	766,368	(191,067)	(957,435)
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Balance, Beginning of Year	1,072,588	2,030,280	2,030,280	-
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Balance, End of Year	\$ <u>655,445</u>	\$ <u>2,796,648</u>	\$ <u>1,839,213</u>	\$ <u>(957,435)</u>

See the accompanying Independent Auditors' Report.

TOWN OF SILVERTHORNE, COLORADO

DEVELOPMENT EXCISE TAX FUND
BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2019

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES				
Taxes	\$ 385,000	\$ 385,000	\$ 824,054	\$ 439,054
Interest	11,000	11,001	51,069	40,068
Total Revenues	<u>396,000</u>	<u>396,001</u>	<u>875,123</u>	<u>479,122</u>
EXPENDITURES				
Capital Outlay	<u>319,000</u>	<u>319,000</u>	<u>130,308</u>	<u>188,692</u>
Total Expenditures	<u>319,000</u>	<u>319,000.00</u>	<u>130,308</u>	<u>188,692.00</u>
Excess of Revenues Over Expenditures	77,000	77,001	744,815	667,814
OTHER FINANCING SOURCES (USES)				
Developer Contribution	<u>73,798</u>	<u>73,798</u>	<u>73,798</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>73,798</u>	<u>73,798</u>	<u>73,798</u>	<u>-</u>
Net Change in Fund Balance	150,798	150,799	818,613	667,814
Fund Balance, Beginning of Year	<u>1,581,339</u>	<u>1,794,050</u>	<u>1,794,050</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 1,732,137</u>	<u>\$ 1,944,849</u>	<u>\$ 2,612,663</u>	<u>\$ 667,814</u>

See the accompanying Independent Auditors' Report.

TOWN OF SILVERTHORNE, COLORADO

5A HOUSING FUND
BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2019

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES				
Intergovernmental	\$ 1,922,296	\$ 1,922,299	\$ 2,216,366	\$ 294,067
Licenses, Permits & Fees	200,000	200,000	540,767	340,767
Charges for Services	-	-	-	-
Interest	<u>23,001</u>	<u>23,001</u>	<u>41,639</u>	<u>18,638</u>
Total Revenues	<u>2,145,297</u>	<u>2,145,300</u>	<u>2,798,772</u>	<u>653,472</u>
EXPENDITURES				
Housing Administrative Fees	51,000	51,000	48,293	2,707
Capital Outlay	500,000	750,000	262,213	487,787
Housing Programs	<u>1,441,604</u>	<u>2,634,999</u>	<u>2,667,886</u>	<u>(32,887)</u>
Total Expenditures	<u>1,992,604</u>	<u>3,435,999</u>	<u>2,978,392</u>	<u>457,607</u>
Net Change in Fund Balance	152,693	(1,290,699)	(179,620)	1,111,079
Fund Balance, Beginning of Year	<u>1,934,316</u>	<u>1,715,468</u>	<u>1,715,468</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 2,087,009</u></u>	<u><u>\$ 424,769</u></u>	<u><u>\$ 1,535,848</u></u>	<u><u>\$ 1,111,079</u></u>

See the accompanying Independent Auditors' Report.

TOWN OF SILVERTHORNE, COLORADO
SALES TAX CAPITAL IMPROVEMENT FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2019

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES				
Taxes	\$ 3,492,396	\$ 3,492,396	\$ 3,784,635	\$ 292,239
Grants/Donations	607,000	250,000	276,994	26,994
Interest	52,098	52,098	76,459	24,361
	<u>4,151,494</u>	<u>3,794,494</u>	<u>4,138,088</u>	<u>343,594</u>
EXPENDITURES				
Capital Outlay	5,294,209	6,289,709	4,049,652	2,240,057
Debt Services:				
Principal	547,130	547,130	547,129	1
Interest & Fiscal Charges	73,904	73,904	73,908	(4)
	<u>5,915,243</u>	<u>6,910,743</u>	<u>4,670,689</u>	<u>2,240,054</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,763,749)</u>	<u>(3,116,249)</u>	<u>(532,601)</u>	<u>2,583,648</u>
OTHER FINANCING SOURCES/USES				
Sale of Capital Assets	62,502	62,501	127,989	65,488
Transfers In	662,000	521,512	521,512	-
Transfers Out	-	-	-	-
	<u>724,502</u>	<u>584,013</u>	<u>649,501</u>	<u>65,488</u>
Net Change in Fund Balance	(1,039,247)	(2,532,236)	116,900	2,649,136
Fund Balance, Beginning of Year	<u>3,049,224</u>	<u>2,865,260</u>	<u>2,865,260</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 2,009,977</u>	<u>\$ 333,024</u>	<u>\$ 2,982,160</u>	<u>\$ 2,649,136</u>

See the accompanying Independent Auditors' Report.

TOWN OF SILVERTHORNE, COLORADO

URBAN RENEWAL AUTHORITY FUND
BUDGETARY COMPARISON SCHEDULE

Year Ended December 31, 2019

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES				
Taxes	\$ 160,000	\$ 160,000	\$ 166,520	\$ 6,520
Interest	-	-	7,166	7,166
 Total Revenues	<u>160,000</u>	<u>160,000</u>	<u>173,686</u>	<u>13,686</u>
 EXPENDITURES				
Urban Renewal	<u>30,000</u>	<u>80,000</u>	<u>73,609</u>	<u>6,391</u>
 Total Expenditures	<u>30,000</u>	<u>80,000</u>	<u>73,609</u>	<u>6,391</u>
 Net Change in Fund Balance	130,000	80,000	100,077	20,077
 Fund Balance, Beginning of Year	<u>153,276</u>	<u>150,693</u>	<u>150,693</u>	<u>-</u>
 Fund Balance, End of Year	<u><u>\$ 283,276</u></u>	<u><u>\$ 230,693</u></u>	<u><u>\$ 250,770</u></u>	<u><u>\$ 20,077</u></u>

See the accompanying Independent Auditors' Report.

Enterprise Funds

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the government's council is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the government's council has decided that periodic determination of net income is appropriate for accountability purposes.

Water Fund - This fund is used to account for the provision of water service for the Town.

Sewer Fund - This fund is used to account for the provision of sewer service for the Town.

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TOWN OF SILVERTHORNE, COLORADO

WATER FUND
BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2019

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
User Fees	\$ 1,195,734	\$ 1,195,731	\$ 1,286,034	\$ 90,303
Charges for Services	79,998	9,998	6,775	(3,223)
Tap Fees	695,999	1,150,000	1,511,164	361,164
Interest	9,500	9,500	63,742	54,242
Total Revenues	1,981,231	2,365,229	2,867,715	502,486
EXPENSES				
Operations	987,214	1,089,647	1,122,743	(33,096)
Maintenance	291,501	346,499	210,993	135,506
Contractual Services	37,099	37,099	29,428	7,671
Capital Outlay	40,000	640,000	479,157	160,843
Total Expenses	1,355,814	2,113,245	1,842,321	270,924
Excess (Deficiency) of Revenues Over Expenditures	625,417	251,984	1,025,394	773,410
Change in Net Position, Budgetary Basis	\$ 625,417	\$ 251,984	1,025,394	\$ 773,410
ADJUSTMENTS TO GAAP BASIS				
Capital Outlay			479,157	
Depreciation Expense			(935,975)	
Contributed Capital from Developers			652,652	
Gain on Sale of Capital Assets			20,200	
Change in Net Position, GAAP Basis			\$ 1,241,428	

See the accompanying Independent Auditors' Report.

TOWN OF SILVERTHORNE, COLORADO

SEWER FUND
BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2019

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
User Fees	\$ 1,448,636	\$ 1,448,640	\$ 1,580,867	\$ 132,227
Charges for Services	3,000	3,000	-	(3,000)
Tap Fees	574,201	950,000	1,244,573	294,573
Interest	124,001	120,001	89,038	(30,963)
	<u>2,149,838</u>	<u>2,521,641</u>	<u>2,914,478</u>	<u>392,837</u>
EXPENSES				
Operations	422,737	457,752	489,093	(31,341)
Maintenance	39,999	90,000	27,047	62,953
Contractual Services	1,006,945	1,006,945	970,584	36,361
Capital Outlay	25,000	25,000	69,197	(44,197)
	<u>1,494,681</u>	<u>1,579,697</u>	<u>1,555,921</u>	<u>23,776</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>655,157</u>	<u>941,944</u>	<u>1,358,557</u>	<u>416,613</u>
Change in Net Position, Budgetary Basis	<u>\$ 655,157</u>	<u>\$ 941,944</u>	<u>1,358,557</u>	<u>\$ 416,613</u>
ADJUSTMENTS TO GAAP BASIS				
Capital Outlay			69,197	
Depreciation Expense			(563,574)	
Contributed Capital from Developers			529,881	
Equity Gain in Joint Sewer Authority Investment			174,842	
Change in Net Position, GAAP Basis			<u>\$ 1,568,903</u>	

See the accompanying Independent Auditors' Report.

Internal Service Funds

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit, or to other governmental units, on a cost-reimbursement basis.

Health & Short-Term Disability Fund – This fund is used to account for the first \$65,000 in medical claims per claimant per year and short-term disability claims. The claims related premiums are paid into this fund to cover the claims which are paid through a third party administrator.

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TOWN OF SILVERTHORNE, COLORADO

HEALTH & SHORT-TERM DISABILITY CLAIMS FUND
BUDGETARY COMPARISON SCHEDULE

Year Ended December 31, 2019

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for Services	\$ 783,790	\$ 783,790	\$ 1,285,451	\$ 501,661
Interest	2,500	2,500	4,539	2,039
Miscellaneous	1,000	1,000	5,697	4,697
Total Revenues	<u>787,290</u>	<u>787,290</u>	<u>1,295,687</u>	<u>508,397</u>
EXPENSES				
Claims	735,100	717,505	1,409,580	(692,075)
Wellness Program	25,000	25,000	28,704	(3,704)
Miscellaneous	650	650	566	84
Total Expenses	<u>760,750</u>	<u>743,155</u>	<u>1,438,850</u>	<u>(695,695)</u>
Change in Net Position	26,540	44,135	(143,163)	(187,298)
Net Position, Beginning of Year	<u>246,578</u>	<u>443,378</u>	<u>443,378</u>	<u>-</u>
Net Position, End of Year	<u>\$ 273,118</u>	<u>\$ 487,513</u>	<u>\$ 300,215</u>	<u>\$ (187,298)</u>

See the accompanying Independent Auditors' Report.

TOWN OF SILVERTHORNE, COLORADO

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUND

Year Ended December 31, 2019

	<u>Balance</u> <u>January 1, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>December 31, 2019</u>
Joint Sewer Authority				
ASSETS				
Cash and Investments	\$ <u>6,363,402</u>	\$ <u>2,924,517</u>	\$ <u>(2,555,096)</u>	\$ <u>6,732,823</u>
Total Assets	\$ <u><u>6,363,402</u></u>	\$ <u><u>2,924,517</u></u>	\$ <u><u>(2,555,096)</u></u>	\$ <u><u>6,732,823</u></u>
LIABILITIES				
Funds Held for Authority	\$ <u>6,363,402</u>	\$ <u>2,924,517</u>	\$ <u>(2,555,096)</u>	\$ <u>6,732,823</u>
Total Liabilities	\$ <u><u>6,363,402</u></u>	\$ <u><u>2,924,517</u></u>	\$ <u><u>(2,555,096)</u></u>	\$ <u><u>6,732,823</u></u>

See the accompanying Independent Auditors' Report.

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	80-89
Revenue Capacity These tables contain information that may assist the reader in assessing the viability of the Town's most significant "own-source" revenues.	9-15	90-93
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.	16-19	94-97
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.	20-22	98-99
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.	23-24	100-102

Town of Silverthorne, Colorado
Government-wide Net Position by Category
Last Ten Fiscal Years
(accrual basis of accounting)

Source	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental Activities										
Net Investment in Capital Assets	\$ 40,917,450	\$ 41,837,491	\$ 43,533,197	\$ 46,177,806	\$ 45,104,372	\$ 45,798,581	\$ 45,863,329	\$ 52,216,856	\$ 57,761,700	\$ 64,539,566
Restricted	253,108	-	-	-	-	-	-	-	-	-
Restricted for: (1)										
Emergency	-	258,084	266,008	421,023	434,517	467,218	510,785	632,415	655,261	715,107
Trail Easements	-	-	-	386,461	-	-	-	-	-	-
Blue River Improvements	-	-	68,314	68,323	268,379	268,853	270,361	272,850	1,208,970	1,213,372
Parks, Trails & Open Space	-	157,948	81,448	61,325	23,620	90,929	309,921	491,730	809,585	657,343
Marketing	-	40,625	44,331	42,994	48,997	84,934	91,193	85,477	85,966	98,256
Affordable Housing	-	-	-	-	34,441	529,059	1,087,223	2,356,814	1,715,468	1,535,848
Capital Improvements	-	2,128,797	3,148,262	2,070,935	2,446,972	2,188,396	4,278,404	6,968,302	4,810,003	5,845,593
Unrestricted	7,392,136	5,445,153	5,919,695	6,727,071	9,471,179	10,662,103	10,329,479	11,253,117	11,662,617	13,382,248
Subtotal Governmental Activities	48,562,694	49,868,098	53,061,255	55,955,938	57,832,477	60,090,073	62,740,695	74,277,561	78,709,570	87,987,333
Net Position										
Business-type Activities										
Net Investment in Capital Assets (2)	21,312,175	20,957,378	20,831,886	22,425,901	22,920,439	22,303,504	21,442,855	26,395,123	32,527,905	32,759,242
Unrestricted	11,905,165	12,190,736	12,082,221	13,122,888	13,099,229	14,492,431	16,421,066	15,140,798	16,022,236	18,592,644
Subtotal Business-type Activities	33,217,340	33,148,114	32,914,107	35,548,789	36,019,668	36,795,935	37,863,921	41,535,921	48,550,141	51,351,886
Primary Government										
Net Investment in Capital Assets	62,229,625	62,794,869	64,365,083	68,603,707	68,024,811	68,102,085	67,306,184	78,611,979	90,289,605	97,298,808
Restricted	253,108	-	-	-	-	-	-	-	-	-
Restricted for: (1)										
Emergency	-	258,084	266,008	421,023	434,517	467,218	510,785	632,415	655,261	715,107
Trail Easements	-	-	-	386,461	-	-	-	-	-	-
Blue River Improvements	-	-	68,314	68,323	268,379	268,853	270,361	272,850	1,208,970	1,213,372
Parks, Trails & Open Space	-	157,948	81,448	61,325	23,620	90,929	309,921	491,730	809,585	657,343
Marketing	-	40,625	44,331	42,994	48,997	84,934	91,193	85,477	85,966	98,256
Affordable Housing	-	-	-	-	34,441	529,059	1,087,223	2,356,814	1,715,468	1,535,848
Capital Improvements	-	2,128,797	3,148,262	2,070,935	2,446,972	2,188,396	4,278,404	6,968,302	4,810,003	5,845,593
Unrestricted	19,297,301	17,635,889	18,001,916	19,849,959	22,570,408	25,154,534	26,750,545	26,393,915	27,684,853	31,974,892
Total Primary Government	\$ 81,780,034	\$ 83,016,212	\$ 85,975,362	\$ 91,504,727	\$ 93,852,145	\$ 96,886,008	\$ 100,604,616	\$ 115,813,482	\$ 127,259,711	\$ 139,339,219
Net Position										

(1) Required for GASB 54, implemented in FY2011.

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

Town of Silverthorne, Colorado
 Changes in Net Position - Governmental Activities
 Last Ten Fiscal Years
 (accrual basis of accounting)

Source	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses:										
General Government	\$ 1,536,770	\$ 1,670,910	\$ 1,872,746	\$ 2,241,236	\$ 1,935,134	\$ 2,312,724	\$ 2,747,399	\$ 2,642,943	\$ 2,559,056	\$ 2,518,771
Public Safety	1,832,321	1,740,615	1,837,454	1,890,569	1,928,658	1,888,198	2,031,902	2,211,154	2,289,344	2,826,860
Public Works	3,411,665	3,489,925	3,726,877	3,956,584	4,538,704	4,315,694	4,468,632	4,502,614	4,923,284	5,762,932
Community Development	719,689	780,753	746,989	844,004	917,763	925,638	1,057,165	1,015,199	1,057,047	1,325,116
Recreation & Culture	3,038,923	3,049,233	3,241,437	3,214,835	3,419,012	3,897,197	4,042,014	4,634,365	4,986,296	5,542,825
Urban Renewal	-	-	-	25,386	30,967	2,298	800	6,491	33,916	73,609
Housing	84,104	42,821	37,444	61,489	44,081	32,575	40,652	107,832	107,922	2,716,179
Interest on Long-Term Debt	7,576	2,417	-	-	-	3,167	46,876	105,834	71,526	70,633
Total Expenses	10,631,048	10,776,674	11,462,947	12,234,103	12,814,319	13,377,491	14,435,440	15,226,432	16,028,390	20,836,924
Program Revenues:										
Charges for Services										
General Government	205,876	243,697	334,442	354,339	431,398	587,756	632,652	1,108,707	845,017	1,205,961
Public Safety	143,689	139,631	133,987	175,426	156,672	167,225	129,639	139,285	116,819	133,083
Public Works	76,318	78,318	102,056	80,150	78,765	79,487	81,037	84,636	90,097	217,738
Community Development	200,217	219,989	151,940	408,477	345,634	438,838	681,801	597,868	677,882	1,139,050
Recreation & Culture	1,583,607	1,692,136	1,708,500	1,848,633	1,890,066	2,067,382	2,175,423	2,303,049	2,400,381	2,541,083
Housing	-	-	-	130,757	216,458	232,560	283,466	264,167	267,525	540,767
Operating Grants & Contributions	252,062	452,588	421,313	473,856	489,073	416,907	351,748	380,463	469,152	373,639
Capital Grants & Contributions	106,017	318,192	2,537,671	1,320,774	266,083	288,657	357,611	5,656,864	3,257,943	8,773,310
Total Program Revenues	2,567,786	3,144,551	5,389,909	4,792,412	3,874,149	4,278,812	4,693,376	10,535,039	8,124,816	14,924,630
Net (Expenses)/Revenues	(8,063,262)	(7,632,123)	(6,073,038)	(7,441,691)	(8,940,170)	(9,098,679)	(9,742,064)	(4,691,393)	(7,903,574)	(5,912,294)
General Revenues & Transfers:										
Taxes:										
Sales Taxes for General Purpose	5,292,277	5,430,076	5,717,520	6,319,207	6,649,243	7,164,905	7,539,125	7,924,041	8,200,398	8,901,510
Sales Taxes for Capital & Debt	2,202,647	2,321,097	2,443,476	2,664,399	2,779,772	3,008,841	3,184,953	3,260,874	3,448,369	3,784,635
Lodging Tax	120,602	128,803	126,856	141,420	160,594	187,720	266,832	287,181	320,265	363,982
Franchise Taxes	231,610	233,638	227,469	258,518	274,436	280,925	270,551	278,160	282,765	293,173
Development Excise Tax	96,986	105,958	129,080	409,336	231,332	350,438	663,574	501,663	599,174	824,054
Other Taxes	-	-	-	-	136,301	153,612	212,164	220,789	262,183	360,672
Grants & Contributions not Restricted	360,206	150,967	49,288	54,361	103,539	97,353	95,743	88,731	94,090	107,327
Investment Income	91,096	47,392	42,473	24,124	20,204	20,294	62,718	126,305	324,205	432,443
Gain on Sales of Capital Assets	-	-	22,339	18,281	199,799	42,625	62,287	1,134,409	55,273	41,915
Miscellaneous	182,165	177,218	204,454	37,353	261,489	49,562	34,739	156,106	998,861	80,346
Transfers	282,915	342,378	303,240	409,375	-	-	-	2,250,000	(2,250,000)	-
Total General Revenues & Transfers	8,860,504	8,937,527	9,266,195	10,336,374	10,816,709	11,356,275	12,392,686	16,228,259	12,335,583	15,190,057
Change in Net Position	\$ 797,242	\$ 1,305,404	\$ 3,193,157	\$ 2,894,683	\$ 1,876,539	\$ 2,257,596	\$ 2,650,622	\$ 11,536,866	\$ 4,432,009	\$ 9,277,763

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

Source	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses:										
Water	\$ 1,161,340	\$ 1,143,688	\$ 1,354,773	\$ 1,307,263	\$ 1,611,244	\$ 1,763,394	\$ 1,896,289	\$ 1,981,577	\$ 2,025,905	\$ 2,307,721
Sewer	1,191,002	1,423,734	1,247,906	1,236,203	1,366,990	1,307,929	1,490,060	1,646,160	1,864,471	2,050,302
Total Expenses	<u>2,352,342</u>	<u>2,567,422</u>	<u>2,602,679</u>	<u>2,543,466</u>	<u>2,978,234</u>	<u>3,071,323</u>	<u>3,386,349</u>	<u>3,627,737</u>	<u>3,890,376</u>	<u>4,358,023</u>
Program Revenues:										
Charges for Services										
Water	963,413	935,373	947,202	909,877	950,644	1,038,816	1,166,615	1,150,367	1,356,463	1,292,809
Sewer	1,078,408	1,138,130	1,149,668	1,167,496	1,224,868	1,269,538	1,329,075	1,384,367	1,905,113	1,580,867
Capital Grants & Contributions	275,185	741,708	517,458	3,356,775	951,489	1,019,012	1,811,304	6,826,900	5,159,389	3,938,270
Total Program Revenues	<u>2,317,006</u>	<u>2,815,211</u>	<u>2,614,328</u>	<u>5,434,148</u>	<u>3,127,001</u>	<u>3,327,366</u>	<u>4,306,994</u>	<u>9,361,634</u>	<u>8,420,965</u>	<u>6,811,946</u>
Net (Expenses)/Revenues	(35,336)	247,789	11,649	2,890,682	148,767	256,043	920,645	5,733,897	4,530,589	2,453,923
General Revenues & Transfers:										
Investment Income	36,005	25,363	23,217	14,310	12,289	10,145	27,820	44,685	89,483	152,780
Gain on Sale of Capital Assets	-	-	-	15,042	9,108	8,000	-	-	-	20,200
Miscellaneous	215,406	-	34,367	124,023	300,715	502,079	119,521	143,418	144,148	174,842
Transfers	(282,915)	(342,378)	(303,240)	(409,375)	-	-	-	(2,250,000)	2,250,000	-
Total General Revenues & Transfers	<u>(31,504)</u>	<u>(317,015)</u>	<u>(245,656)</u>	<u>(256,000)</u>	<u>322,112</u>	<u>520,224</u>	<u>147,341</u>	<u>(2,061,897)</u>	<u>2,483,631</u>	<u>347,822</u>
Change in Net Position	<u>\$ (66,840)</u>	<u>\$ (69,226)</u>	<u>\$ (234,007)</u>	<u>\$ 2,634,682</u>	<u>\$ 470,879</u>	<u>\$ 776,267</u>	<u>\$ 1,067,986</u>	<u>\$ 3,672,000</u>	<u>\$ 7,014,220</u>	<u>\$ 2,801,745</u>

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

Source	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Operating Revenues:										
Users Fees	\$2,032,061	\$2,061,699	\$2,088,388	\$2,068,686	\$2,157,860	\$2,295,516	\$2,429,279	\$2,517,008	\$2,817,807	\$2,866,901
Charges for Services	9,760	11,804	8,482	8,687	17,652	12,838	66,411	17,726	6,489	6,775
Total Operating Revenues	2,041,821	2,073,503	2,096,870	2,077,373	2,175,512	2,308,354	\$2,495,690	\$2,534,734	\$2,824,296	\$2,873,676
Operating Expenses:										
Operations	501,184	518,748	530,359	562,240	944,393	1,015,303	1,211,639	1,197,677	1,379,576	1,611,832
Maintenance	159,665	199,856	359,048	236,744	341,765	424,514	344,196	415,884	261,793	238,040
Contractual Services	872,484	857,304	882,193	866,492	754,592	676,369	511,766	556,334	540,151	620,889
Depreciation and Amortization	819,009	954,880	817,881	875,017	939,766	962,926	980,658	1,106,436	1,359,972	1,499,549
Total Operating Expenses	2,352,342	2,530,788	2,589,481	2,540,493	2,980,516	3,079,112	3,048,259	3,276,331	3,541,492	3,970,310
Operating Income (Loss)	(310,521)	(457,285)	(492,611)	(463,120)	(805,004)	(770,758)	(552,569)	(741,597)	(717,196)	(1,096,634)
Non-Operating Revenues/(Expenses):										
Interest Revenue	36,005	25,363	23,217	14,310	12,289	10,145	27,820	44,685	89,483	152,780
Gain/(Loss) on Disposal of Capital Assets	-	(11,371)	(7,917)	15,042	9,108	8,000	-	-	-	20,200
Opportunity Fees	-	-	-	-	-	-	-	-	437,280	-
Equity Income in Joint Sewer Authority Investment	215,406	(40,639)	34,367	124,023	300,715	502,079	119,521	143,418	144,148	174,842
AMP Fees to JSA (1)	-	-	-	-	-	-	(333,711)	(348,218)	(363,355)	(379,123)
Total Non-Operating Revenues/(Expenses)	251,411	(26,647)	49,667	153,375	322,112	520,224	(186,370)	(160,115)	307,556	(31,301)
Income (Loss) Before Transfers & Capital Contributions	(59,110)	(483,932)	(442,944)	(309,745)	(482,892)	(250,534)	(738,939)	(901,712)	(409,640)	(1,127,935)
Transfer out to General Fund	(282,915)	(342,378)	(303,240)	(409,375)	-	-	-	-	-	-
Transfer out to Capital Improvement Fund	-	-	-	-	-	-	-	(2,250,000)	-	-
Transfers in from Capital Improvement Fund	-	-	-	-	-	-	-	-	2,250,000	-
Tap Fees & Capital Contributions	275,185	741,708	517,458	3,356,775	951,489	1,019,012	-	6,826,900	5,159,389	3,938,270
Change in Net Position	<u>(\$66,840)</u>	<u>(\$84,602)</u>	<u>(\$228,726)</u>	<u>\$2,637,655</u>	<u>\$468,597</u>	<u>\$768,478</u>	<u>(738,939)</u>	<u>3,675,188</u>	<u>6,999,749</u>	<u>2,810,335</u>

(1) JSA AMP Fees reported as non-operating expenses beginning in 2016.

Town of Silverthorne, Colorado
 Changes in Net Position - Total
 Last Ten Fiscal Years
(accrual basis of accounting)

Source	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses:										
Governmental Activities	\$ 10,631,048	\$ 10,776,674	\$ 11,462,947	\$ 12,234,103	\$ 12,814,319	\$ 13,377,491	\$ 14,435,440	\$ 15,226,432	\$ 16,028,390	\$ 20,836,924
Business-type Activities	2,352,342	2,567,422	2,602,679	2,543,466	2,978,234	3,071,323	3,386,349	3,627,737	3,890,376	4,358,023
Total Expenses	<u>12,983,390</u>	<u>13,344,096</u>	<u>14,065,626</u>	<u>14,777,569</u>	<u>15,792,553</u>	<u>16,448,814</u>	<u>17,821,789</u>	<u>18,854,169</u>	<u>19,918,766</u>	<u>25,194,947</u>
Program Revenues:										
Governmental Activities	2,337,143	2,916,688	5,389,909	4,792,412	3,874,149	4,278,812	4,693,376	10,535,039	8,124,816	14,924,630
Business-type Activities	2,317,006	2,815,211	2,614,328	5,434,148	3,127,001	3,327,366	4,306,994	9,361,634	8,420,965	6,811,946
Total Program Revenues	<u>4,654,149</u>	<u>5,731,899</u>	<u>8,004,237</u>	<u>10,226,560</u>	<u>7,001,150</u>	<u>7,606,178</u>	<u>9,000,370</u>	<u>19,896,673</u>	<u>16,545,781</u>	<u>21,736,576</u>
Net (Expense)/Revenue	(8,329,241)	(7,612,197)	(6,061,389)	(4,551,009)	(8,791,403)	(8,842,636)	(8,821,419)	1,042,504	(3,372,985)	(3,458,371)
General Revenues & Transfers:										
Governmental Activities	9,091,147	9,165,390	9,266,195	10,336,374	10,816,709	11,356,275	12,392,686	16,228,259	12,335,583	15,190,057
Business-type Activities	(31,504)	(317,015)	(245,656)	(256,000)	322,112	520,224	147,341	(2,061,897)	2,483,631	347,822
Total General Revenues & Transfers	<u>9,059,643</u>	<u>8,848,375</u>	<u>9,020,539</u>	<u>10,080,374</u>	<u>11,138,821</u>	<u>11,876,499</u>	<u>12,540,027</u>	<u>14,166,362</u>	<u>14,819,214</u>	<u>15,537,879</u>
Change in Net Position	<u>\$ 730,402</u>	<u>\$ 1,236,178</u>	<u>\$ 2,959,150</u>	<u>\$ 5,529,365</u>	<u>\$ 2,347,418</u>	<u>\$ 3,033,863</u>	<u>\$ 3,718,608</u>	<u>\$ 15,208,866</u>	<u>\$ 11,446,229</u>	<u>\$ 12,079,508</u>

Town of Silverthorne, Colorado
Fund Balances - Governmental Funds
Last Ten Fiscal Years

Source	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Nonspendable:										
Inventory & Prepays	\$ -	\$ 32,087	\$ 23,823	\$ 27,880	\$ 119,697	\$ 17,744	\$ 26,860	\$ 29,580	\$ 47,811	\$ 45,793
Restricted	375,817	-	-	-	-	-	-	-	-	-
Restricted For: (1)										
Emergency	-	258,084	266,008	421,023	434,517	467,218	510,785	632,415	655,261	715,107
Unrestricted	6,122,549	-	-	-	-	-	-	-	-	-
Unassigned	-	5,857,715	6,157,776	6,741,760	9,236,295	10,874,244	10,624,320	11,383,592	11,714,304	13,628,435
Subtotal General Fund	6,498,366	6,147,886	6,447,607	7,190,663	9,790,509	11,359,206	11,161,965	12,045,587	12,417,376	14,389,335
General Fund Percentage Change	1.9%	-5.4%	4.9%	11.5%	36.2%	16.0%	-1.7%	7.9%	3.1%	15.9%
All Other Governmental Funds										
Nonspendable:										
Inventory, Prepays, Resale Land & Joint Inv.	\$ -	\$ -	\$ 4,618	\$ 3,148,429	\$ 3,877,791	\$ 3,891,234	\$ 3,891,538	\$ -	\$ -	\$ -
Restricted	133,000	-	-	-	-	-	-	-	-	-
Restricted, reported in: (1)										
Capital Improvement Fund	480,806	635,566	1,579,978	853,207	1,251,744	668,040	2,130,289	4,970,989	2,865,260	2,982,160
Conservation Trust Fund	-	-	39,103	-	-	38,607	84,702	28,568	74,241	129,758
Lodging Tax Fund	349,562	198,573	154,990	559,103	340,996	406,109	586,773	821,489	2,030,280	1,839,213
Excise Tax Fund	1,385,539	1,493,231	1,568,284	1,217,728	1,195,228	1,520,356	2,148,115	1,915,038	1,794,050	2,612,663
5A Housing Fund	(1,469,126)	(1,002,422)	(737,424)	(410,255)	34,441	529,059	1,087,223	2,356,814	1,715,468	1,535,848
Urban Renewal Authority	-	-	-	(3,187,665)	(3,947,994)	(3,917,592)	(3,862,877)	82,275	150,693	250,770
Subtotal All Other Governmental Funds	879,781	1,324,948	2,609,549	2,180,547	2,752,206	3,135,813	6,065,763	10,175,173	8,629,992	9,350,412
Total Governmental Funds										
Nonspendable	-	32,087	28,441	3,176,309	3,997,488	3,908,978	3,918,398	29,580	47,811	45,793
Restricted (2)	508,817	2,585,454	3,608,363	3,051,061	3,256,926	3,629,389	6,547,887	10,725,313	9,285,253	10,065,519
Unassigned (2)	6,869,330	5,857,715	6,157,776	3,554,095	5,288,301	6,956,652	6,761,443	11,465,867	11,714,304	13,628,435
Total Governmental Funds	\$ 7,378,147	\$ 8,475,256	\$ 9,794,580	\$ 9,781,465	\$ 12,542,715	\$ 14,495,019	\$ 17,227,728	\$ 22,220,760	\$ 21,047,368	\$ 23,739,747
All Governmental Funds Percentage Change	6.0%	14.9%	15.6%	-0.1%	28.2%	15.6%	18.9%	29.0%	-5.3%	12.8%

(1) Required for GASB 54, implemented in FY2011.

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

Source	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total Revenues	\$ 11,129,403	\$ 12,182,568	\$ 12,168,761	\$ 14,034,091	\$ 14,483,903	\$ 15,573,926	\$ 17,026,165	\$ 21,080,501	\$ 21,842,020	\$ 23,836,899
Total Expenditures	11,131,960	12,140,869	11,087,961	14,229,117	12,980,312	13,708,038	19,308,290	20,260,786	21,797,046	21,346,307
Excess (Deficiency of Revenues Over (Under) Expenditures	(2,557)	41,699	1,080,800	(195,026)	1,503,591	1,865,888	(2,282,125)	819,715	44,974	2,490,592
Other Financing Sources (Uses)										
Capital Lease	-	-	-	-	180,000	-	4,917,416	-	-	-
Sale of Capital Assets	136,875	185,116	200,282	99,705	1,220,301	86,416	97,418	1,923,317	99,520	127,989
Colorado River Compact Agreement Distrib.	-	-	-	-	-	-	-	-	932,114	73,798
Loan Repayment	-	-	-	-	267,613	-	-	-	-	-
Transfers In	282,915	942,378	303,240	1,934,375	450,000	360,000	1,500,000	4,669,710	1,650,000	521,512
Transfers Out	-	(1,074,506)	-	(1,525,000)	(450,000)	(360,000)	(1,500,000)	(2,419,710)	(3,900,000)	(521,512)
Total Other (Uses) Financing Sources	419,790	52,988	503,522	509,080	1,667,914	86,416	5,014,834	4,173,317	(1,218,366)	201,787
Net Change in Fund Balances	<u>\$ 417,233</u>	<u>\$ 94,687</u>	<u>\$ 1,584,322</u>	<u>\$ 314,054</u>	<u>\$ 3,171,505</u>	<u>\$ 1,952,304</u>	<u>\$ 2,732,709</u>	<u>\$ 4,993,032</u>	<u>\$ (1,173,392)</u>	<u>\$ 2,692,379</u>

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

Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Current:										
General Government	\$ 1,430,842	\$ 1,606,449	\$ 1,775,620	\$ 2,113,352	\$ 1,786,908	\$ 2,006,008	\$ 2,561,322	\$ 2,528,484	\$ 2,432,557	\$ 2,360,631
Public Safety	1,758,679	1,696,797	1,726,112	1,777,197	1,827,667	1,718,693	1,945,172	2,095,430	2,265,578	2,684,785
Public Works	2,067,316	2,062,359	2,126,862	2,120,051	2,086,824	2,061,593	2,339,892	2,486,495	2,703,731	2,954,123
Community Development	641,036	695,909	676,672	750,395	844,267	758,949	953,271	925,400	969,397	1,196,819
Recreation and Culture	2,552,086	2,566,259	2,577,156	2,666,719	2,781,363	2,973,466	3,116,542	3,658,772	3,958,584	4,271,088
Urban Renewal	-	-	-	39,236	30,967	2,298	800	6,491	33,916	73,609
5A Housing	84,104	42,821	37,444	61,489	44,081	32,575	40,652	107,832	68,995	2,716,179
Total Current Expenditures	8,534,063	8,670,594	8,919,866	9,528,439	9,402,077	9,553,582	10,957,650	11,808,904	12,432,758	16,257,234
% Change from Prior Year	0.1%	1.6%	2.9%	6.8%	-1.3%	1.6%	14.7%	7.8%	5.3%	30.8%
Capital Outlay (1)	2,430,624	3,379,228	2,152,216	4,700,678	3,578,235	4,134,661	8,217,572	7,804,662	8,244,050	3,986,803
% Change from Prior Year	-16.5%	39.0%	-36.3%	118.4%	-23.9%	15.6%	98.7%	-5.0%	5.6%	-51.6%
Debt Service										
Principal	158,942	88,428	15,564	-	-	16,628	74,148	526,366	539,210	547,129
Interest and Fiscal Charges	8,331	2,619	315	-	-	3,167	58,920	120,854	84,892	73,908
Total Debt Service	167,273	91,047	15,879	-	-	19,795	133,068	647,220	624,102	621,037
% Change from Prior Year	-92.2%	-45.6%	-82.6%	-100.0%	0.0%	100.0%	572.2%	386.4%	-3.6%	-0.5%
Total Expenditures	\$ 11,131,960	\$ 12,140,869	\$ 11,087,961	\$ 14,229,117	\$ 12,980,312	\$ 13,708,038	\$ 19,308,290	\$ 20,260,786	\$ 21,300,910	\$ 20,865,074
% Change from Prior Year	-18.0%	9.1%	-8.7%	28.3%	-8.8%	5.6%	40.9%	4.9%	5.1%	-2.0%
Debt Service as a Percentage of Noncapital Expenditures (2)	1.9%	1.0%	0.2%	0.0%	0.0%	0.2%	1.2%	5.2%	3.0%	3.8%

(1) 2018 Capital Outlay is from the Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.

(2) Debt service amount includes financial charges.

Town of Silverthorne, Colorado
 General Governmental Revenues by Source (1)
 Last Ten Fiscal Years

Revenue Source	2010	2011	2012	2013	2014	2015	2016	2017 (2)	2018	2019
Taxes	\$ 8,323,214	\$ 8,598,402	\$ 8,782,052	\$ 9,792,880	\$ 10,231,678	\$ 11,146,441	\$ 12,137,199	\$ 12,472,708	\$ 13,113,153	\$ 14,528,026
Intergovernmental	248,440	245,999	487,782	646,936	711,647	737,858	765,326	2,421,908	2,571,054	2,741,421
Licenses, Permits & Fees	324,285	570,985	291,456	618,974	658,735	769,227	1,047,002	944,186	1,044,648	1,831,504
Charges for Services	1,910,868	2,460,431	2,114,406	2,254,078	2,356,781	2,690,962	2,865,641	3,472,955	3,255,539	3,630,137
Fines and Forfeitures	124,666	118,523	83,922	124,730	102,943	110,966	71,374	81,354	61,074	67,820
Interest	91,096	47,390	42,473	24,124	20,204	20,294	60,536	123,468	323,084	423,368
Grants/Donations	34,419	16,025	158,315	519,648	147,047	65,059	37,557	1,402,344	1,383,785	286,050
Miscellaneous	72,415	124,813	208,355	52,721	254,868	33,119	41,530	161,578	89,683	328,573
Total Revenues	\$ 11,129,403	\$ 12,182,568	\$ 12,168,761	\$ 14,034,091	\$ 14,483,903	\$ 15,573,926	\$ 17,026,165	\$ 21,080,501	\$ 21,842,020	\$ 23,836,899
% change from prior year	<u>-3.2%</u>	<u>9.5%</u>	<u>-0.1%</u>	<u>15.3%</u>	<u>3.2%</u>	<u>7.5%</u>	<u>9.3%</u>	<u>23.8%</u>	<u>3.6%</u>	<u>9.1%</u>

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

(2) Intergovernmental revenue increased as a result of a ballot measure to increase County sales tax by 0.6% for Workforce housing which is shared with Silverthorne for projects in Town.

Taxes	74.8%	70.6%	72.2%	69.8%	70.6%	71.6%	71.3%	59.2%	60.0%	60.9%
Intergovernmental	2.2%	2.0%	4.0%	4.6%	4.9%	4.7%	4.5%	11.5%	11.8%	11.5%
Licenses, Permits & Fees	2.9%	4.7%	2.4%	4.4%	4.5%	4.9%	6.1%	4.5%	4.8%	7.7%
Charges for Services	17.2%	20.2%	17.4%	16.1%	16.3%	17.3%	16.8%	16.5%	14.9%	15.2%
Fines	1.1%	1.0%	0.7%	0.9%	0.7%	0.7%	0.4%	0.4%	0.3%	0.3%
Interest	0.8%	0.4%	0.3%	0.2%	0.1%	0.1%	0.4%	0.6%	1.5%	1.8%
Grants	0.3%	0.1%	1.3%	3.7%	1.0%	0.4%	0.2%	6.7%	6.3%	1.2%
Miscellaneous	0.7%	1.0%	1.7%	0.4%	1.8%	0.2%	0.2%	0.8%	0.4%	1.4%
Total Revenues	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

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

Source	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues:										
Taxes	\$ 8,323,214	\$ 8,598,402	\$ 8,782,052	\$ 9,792,880	\$ 10,231,678	\$ 11,146,441	\$ 12,137,199	\$ 12,472,708	\$ 13,113,153	\$ 14,528,026
Intergovernmental	248,440	245,999	487,782	646,936	711,647	737,858	765,326	2,421,908	2,571,054	2,741,421
Licenses, Permits & Fees	324,285	570,985	291,456	618,974	658,735	769,227	1,047,002	944,186	1,044,648	1,831,504
Charges for Services	1,910,868	2,460,431	2,114,406	2,254,078	2,356,781	2,690,962	2,865,641	3,472,955	3,255,539	3,630,137
Fines & Forfeitures	124,666	118,523	83,922	124,730	102,943	110,966	71,374	81,354	61,074	67,820
Interest	91,096	47,390	42,473	24,124	20,204	20,294	60,536	123,468	323,084	423,368
Grants/Donations	34,419	16,025	158,315	519,648	147,047	65,059	37,557	1,402,344	1,383,785	286,050
Miscellaneous	72,415	124,813	208,355	52,721	254,868	33,119	41,530	161,578	89,683	328,573
Total Revenues	\$ 11,129,403	\$ 12,182,568	\$ 12,168,761	\$ 14,034,091	\$ 14,483,903	\$ 15,573,926	\$ 17,026,165	\$ 21,080,501	\$ 21,842,020	\$ 23,836,899
Expenditures:										
General Government	1,430,842	1,606,449	1,775,620	2,113,352	1,786,908	2,006,008	2,561,322	2,528,484	2,432,557	2,360,631
Public Safety	1,758,679	1,696,797	1,726,112	1,777,197	1,827,667	1,718,693	1,945,172	2,095,430	2,265,578	2,684,785
Public Works	2,067,316	2,062,359	2,126,862	2,120,051	2,086,824	2,061,593	2,339,892	2,486,495	2,703,731	2,954,123
Community Development	641,036	695,909	676,672	750,395	844,267	758,949	953,271	925,400	969,397	1,196,819
Recreation & Culture	2,552,086	2,566,259	2,577,156	2,666,719	2,781,363	2,973,466	3,116,542	3,658,772	3,958,584	4,271,088
Urban Renewal	-	-	-	39,236	30,967	2,298	800	6,491	33,916	73,609
Housing	84,104	42,821	37,444	61,489	44,081	32,575	40,652	107,832	68,995	2,716,179
Capital Outlay	2,430,624	3,379,228	2,152,216	4,700,678	3,578,235	4,134,661	8,217,572	7,804,662	8,740,186	4,468,036
Debt Service:										
Principal	158,942	88,428	15,564	-	-	16,628	74,148	526,366	539,210	547,129
Interest & Fiscal Charges	8,331	2,619	315	-	-	3,167	58,920	120,854	84,892	73,908
Total Expenditures	11,131,960	12,140,869	11,087,961	14,229,117	12,980,312	13,708,038	19,308,290	20,260,786	21,797,046	21,346,307
Excess (Deficiency of Revenues Over (Under) Expenditures	(2,557)	41,699	1,080,800	(195,026)	1,503,591	1,865,888	(2,282,125)	819,715	44,974	2,490,592
Other Financing Sources (Uses)										
Capital Leases	-	-	-	-	180,000	-	4,917,416	-	-	-
Sales of Capital Assets	136,875	185,116	200,282	99,705	1,220,301	86,416	97,418	1,923,317	99,520	127,989
Colorado River Compact Agreement Distrib.	-	-	-	-	-	-	-	-	932,114	73,798
Loan Repayment	-	-	-	-	267,613	-	-	-	-	-
Transfer In	282,915	942,378	303,240	1,934,375	450,000	360,000	1,500,000	4,669,710	1,650,000	-
Transfer Out	-	(1,074,506)	-	(1,525,000)	(450,000)	(360,000)	(1,500,000)	(2,419,710)	(3,900,000)	-
Total Other Financing Sources (Uses)	419,790	52,988	503,522	509,080	1,667,914	86,416	5,014,834	4,173,317	(1,218,366)	201,787
Net Change in Fund Balances	\$ 417,233	\$ 94,687	\$ 1,584,322	\$ 314,054	\$ 3,171,505	\$ 1,952,304	\$ 2,732,709	\$ 4,993,032	\$ (1,173,392)	\$ 2,692,379

Town of Silverthorne, Colorado
General Governmental Tax Revenues by Source
Last Ten Fiscal Years

Revenue Source	2010	2011	2012	2013	2014	2015	2016	2017 (2)	2018	2019
Sales Tax	\$ 7,502,589	\$ 7,751,173	\$ 8,160,996	\$ 8,983,606	\$ 9,429,015	\$ 10,173,746	\$ 10,724,078	\$ 11,184,915	\$ 11,812,861	\$ 12,686,145
5A Housing Tax	222,978	227,863	243,209	257,693	272,148	294,155	311,720	1,971,514	2,056,408	2,216,366
Lodging Tax	120,602	128,803	126,856	141,420	160,594	187,720	266,832	287,181	320,265	363,981
Dev. Excise Tax	96,986	105,958	129,080	409,336	231,332	350,438	663,574	501,663	599,174	824,054
Other Taxes	-	-	-	-	136,301	153,612	212,164	220,789	98,089	166,520
Franchise Tax	231,610	233,638	227,469	258,518	274,436	280,925	270,551	278,160	282,765	293,173
Cigarette Tax	40,805	37,544	35,963	35,661	77,259	81,379	84,647	78,515	83,043	89,307
Road & Bridge Tax	74,951	75,733	62,672	63,487	62,235	62,240	66,562	68,064	76,405	79,201
Miscellaneous Tax	32,693	37,690	39,015	46,420	54,313	44,582	40,338	39,494	38,130	45,245
Total Revenues	<u>\$ 8,323,214</u>	<u>\$ 8,598,402</u>	<u>\$ 9,025,260</u>	<u>\$ 10,196,141</u>	<u>\$ 10,697,633</u>	<u>\$ 11,628,797</u>	<u>\$ 12,640,466</u>	<u>\$ 14,630,295</u>	<u>\$ 15,367,140</u>	<u>\$ 16,763,992</u>
% change from prior year	<u>0.7%</u>	<u>3.3%</u>	<u>5.0%</u>	<u>13.0%</u>	<u>4.9%</u>	<u>8.7%</u>	<u>8.7%</u>	<u>15.7%</u>	<u>5.0%</u>	<u>9.1%</u>

(1) The Town of Silverthorne does not assess a municipal property tax.

(2) 5A Housing tax increased as a result of a ballot measure to increase sales tax by 0.6% for the purpose of constructing Workforce housing.

Source: Town of Silverthorne Sales Tax Reports

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Summit County Government:										
General Fund	4.240	5.204	5.260	5.158	4.939	4.833	5.630	5.622	5.703	5.310
Road & Bridge Fund	0.814	0.814	0.814	0.814	0.814	0.814	0.814	0.814	0.814	0.814
Social Services Fund	0.103	0.234	0.203	0.130	0.256	0.231	0.229	0.257	0.254	0.156
Library Fund	0.548	0.662	0.665	0.768	0.865	0.895	0.889	0.830	0.767	0.645
Capital Expenditures	2.991	1.898	1.899	1.920	1.913	2.000	1.424	1.424	1.424	1.808
Legacy Fund	0.336	0.421	0.421	0.437	0.433	0.346	0.912	0.851	0.841	0.707
2010 Fund (2)	3.063	3.063	3.062	3.062	3.062	3.062	2.297	2.297	2.297	2.297
Early Childhood Care & Learning	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500
Safety First Fund (3)	0.000	0.000	0.000	0.000	2.391	2.391	2.391	2.391	2.391	2.391
Strong Future - 2018 1A (4)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4.652	4.652
Total	12.595	12.796	12.824	12.789	15.173	15.072	15.086	14.986	19.643	19.280
Summit School District RE-1:										
General Fund	13.923	14.635	14.677	14.708	14.670	14.273	14.278	13.993	13.971	13.867
Bond Redemption Fund	3.582	4.492	4.331	4.421	4.350	4.350	4.921	4.611	4.550	3.832
Special Building & Technology Fund	0.000	0.000	0.000	0.000	0.000	0.000	1.000	1.000	1.000	1.000
Kindergarten Fund	0.403	0.524	0.472	0.573	0.548	0.485	0.445	0.473	0.429	
Transportation Fund	0.456	0.551	0.551	0.573	0.567	0.510	0.507	0.448	0.467	0.393
Total	18.364	20.202	20.031	20.275	20.135	19.618	21.151	20.525	20.417	19.092
College:										
Colorado Mountain College	3.997	3.997	3.997	3.997	3.997	3.997	3.997	3.997	3.997	4.013
Special Districts:										
Colorado River Water Conservation District	0.188	0.228	0.242	0.254	0.253	0.243	0.253	0.254	0.256	0.235
Eagles Nest Metropolitan District (5)	15.028	15.022	15.157	15.007	15.023	15.000	15.020	15.052	3.757	0.000
Lake Dillon Fire Protection District	8.279	8.284	9.021	9.014	9.016	9.026	9.023	9.003	9.007	9.055
South Maryland Creek Metropolitan District (6)	0.000	0.000	0.000	0.000	0.000	0.000	17.000	63.016	63.016	63.456
Fourth Street Crossing Metro District	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Fourth Street Crossing Business District	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Middle Park Water Conservancy District	0.056	0.056	0.056	0.056	0.056	0.055	0.055	0.055	0.055	0.048
Total	23.551	23.590	24.476	24.331	24.348	24.324	41.351	87.380	76.091	72.794
Total Mill Levies	58.507	60.585	61.328	61.392	63.653	63.011	81.585	126.888	120.148	115.179

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

(2) Combined into "2010 Fund" in 2009, includes Workforce Housing, Wildfire Mitigation and Energy Efficiency in Public Buildings.

(3) Ambulance, Communications Center, Water Protection

(4) Mental Health, Early Childhood, Recycling, Wildfire, Public Facilities

(5) Applies only to properties in the Eagles Nest subdivision. Metro District dissolved in 2019.

(6) Applies only to properties in the Summit Sky Ranch subdivision./South Maryland Creek Ranch District

(7) Applies only to properties in the Fourth Street Crossing Metro District

(7) Applies only to properties in the Fourth Street Crossing Business District

Source: Summit County Assessor's Office

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

	<u>2010 (1)</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015 (2)</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Water Rates:										
Monthly	\$ 12.17	\$ 12.17	\$ 12.17	\$ 12.35	\$ 12.97	\$ 13.62	\$ 14.03	\$ 14.73	\$ 15.46	\$ 16.24
Per 1,000 Gallons	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35
Tap Fee	6,200	6,400	6,600	6,800	7,000	7,200	7,400	7,600	7,800	8,000
Sewer Rates:										
Monthly	\$ 28.67	\$ 30.10	\$ 30.10	\$ 30.10	\$ 30.70	\$ 32.32	\$ 31.94	\$ 32.58	\$ 33.23	\$ 34.89
Tap Fee	5,400	5,600	5,600	5,600	5,600	5,800	6,000	6,200	6,400	6,600

(1) The Town changed the tiered water rates for 2010. The rates are \$1.35 for 0-15,000 gallons used, \$2.70 for 15,001-30,000 gallons used, \$4.00 for 30,001-50,000 gallons used and \$5.65 for 50,001 and above.

(2) The Town changed the tiered water rates for 2015. The rates are \$1.35 for 0-5,000 gallons used, \$2.70 for 5,001-10,000 gallons used, \$4.00 for 10,001-16,666 gallons used and \$5.70 for 16,667 and above.

Source: Town of Silverthorne Water Department

Town of Silverthorne, Colorado
 Taxable Sales by Category
 Last Ten Fiscal Years

Retail Category	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Auto	\$ 12,486,575	\$ 13,789,575	\$ 15,346,050	\$ 17,123,900	\$ 18,917,050	\$ 20,326,400	\$ 21,861,150	\$ 20,490,150	\$ 20,237,075	\$ 19,823,960
Building	18,402,700	18,648,475	22,187,050	39,211,700	43,404,225	53,153,800	60,703,850	62,939,600	68,974,825	84,976,056
Consumer	46,166,550	47,315,975	47,794,275	48,112,700	55,871,150	60,464,050	62,327,775	66,006,075	62,614,550	61,984,037
Outlet Stores	65,973,200	66,877,150	72,092,075	69,416,475	65,353,625	62,875,750	59,651,900	60,245,125	59,368,200	54,634,418
Food/Liquor	28,642,425	30,182,775	30,362,725	31,384,500	32,953,750	35,895,675	39,181,275	40,620,425	44,982,425	49,876,980
Lodging	6,075,775	6,521,850	6,335,825	6,944,400	7,960,825	9,235,800	13,263,950	15,749,250	18,139,500	20,000,132
Services	9,817,525	10,443,525	9,906,900	12,396,475	11,264,750	12,392,175	11,112,025	13,572,400	17,587,075	15,592,443
Total	\$187,564,750	\$193,779,325	\$204,024,900	\$224,590,150	\$235,725,375	\$254,343,650	\$268,101,925	\$279,623,025	\$291,903,650	\$306,888,024

Auto	6.66%	7.12%	7.52%	7.62%	8.03%	7.99%	8.15%	7.33%	6.93%	6.46%
Building	9.81%	9.62%	10.87%	17.46%	18.41%	20.90%	22.64%	22.51%	23.63%	27.69%
Consumer	24.61%	24.42%	23.43%	21.42%	23.70%	23.77%	23.25%	23.61%	21.45%	20.20%
Outlet Stores	35.17%	34.51%	35.33%	30.91%	27.72%	24.72%	22.25%	21.55%	20.34%	17.80%
Food/Liquor	15.27%	15.58%	14.88%	13.97%	13.98%	14.11%	14.61%	14.53%	15.41%	16.25%
Lodging	3.24%	3.37%	3.11%	3.09%	3.38%	3.63%	4.95%	5.63%	6.21%	6.52%
Services	5.23%	5.39%	4.86%	5.52%	4.78%	4.87%	4.14%	4.85%	6.02%	5.08%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Prior year numbers have been restated to reflect sales by category, rather than revenue by category.
 Source: Town of Silverthorne Sales Tax Reports

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Actual valuations	<u>\$ 1,433,569,430</u>	<u>\$ 1,183,778,620</u>	<u>\$ 1,192,029,740</u>	<u>\$ 1,162,235,780</u>	<u>\$ 1,178,975,000</u>	<u>\$ 1,294,410,010</u>	<u>\$ 1,335,504,580</u>	<u>\$ 1,611,458,220</u>	<u>\$ 1,700,843,560</u>	<u>\$ 2,066,481,870</u>
Legal debt margin:										
Debt limitation - 3 percent of actual value (1)	43,007,083	35,513,359	35,760,892	34,867,073	35,369,250	38,832,300	40,065,137	48,343,747	51,025,307	61,994,456
Debt applicable to limitation:										
Total bonded debt	-	-	-	-	-	-	-	-	-	-
Less: Special assessment bonds	-	-	-	-	-	-	-	-	-	-
Revenue bonds	-	-	-	-	-	-	-	-	-	-
Debt exempt by law from legal debt margin (Water Bonds)	-	-	-	-	-	-	-	-	-	-
Total exempt debt	-	-	-	-	-	-	-	-	-	-
Total debt applicable to limitation	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 43,007,083</u>	<u>\$ 35,513,359</u>	<u>\$ 35,760,892</u>	<u>\$ 34,867,073</u>	<u>\$ 35,369,250</u>	<u>\$ 38,832,300</u>	<u>\$ 40,065,137</u>	<u>\$ 48,343,747</u>	<u>\$ 51,025,307</u>	<u>\$ 61,994,456</u>

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

(2) Prior year valuations revised to reflect actual value rather than assessed value.

Town of Silverthorne, Colorado
 Revenue Bond Coverage
 Water and Sewer Fund
 Last Ten Fiscal Years
(accrual basis of accounting)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Gross Revenues (1)	\$ 2,041,821	\$ 2,073,503	\$ 2,096,870	\$ 2,077,373	\$ 2,175,512	\$ 2,308,354	\$ 2,495,690	\$ 2,534,734	\$ 2,824,296	\$ 2,873,676
Operating Expenses (2)	1,533,333	1,575,908	1,702,243	1,665,476	2,040,750	2,116,186	2,067,601	2,169,895	2,181,520	2,470,761
Net Revenue Available for Debt Service	508,488	497,595	394,627	411,897	134,762	192,168	428,089	364,839	642,776	402,915

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

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

Schedule 16

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Gross Revenues (1)	\$ 11,549,193	\$ 12,235,556	\$ 12,672,283	\$ 14,543,171	\$ 16,151,817	\$ 15,660,342	\$ 22,040,999	\$ 21,080,501	\$ 21,842,020	\$ 23,836,899
Operating Expenses (2)	11,131,960	12,140,869	11,087,961	13,870,078	12,980,312	13,708,038	19,308,290	20,260,786	23,422,944	20,725,270
Net Revenue Available for Debt Service	417,233	94,687	1,584,322	673,093	3,171,505	1,952,304	2,732,709	819,715	(1,580,924)	3,111,629
Debt Service Requirement										
Principal	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Coverage	-	-	-	-	-	-	-	-	-	-

(1) Includes General, Special Revenue and Capital Improvement funds.

(2) Includes transfers in/out from/to all .

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Population (1) (2) (3)	3,887	3,896	3,916	4,010	4,116	4,239	4,392	4,639	4,718	4,798
Assessed Value	\$ 186,258,380	\$ 154,970,690	\$ 155,852,340	\$ 152,981,040	\$ 152,959,220	\$ 165,029,720	\$ 168,688,520	\$ 189,697,090	\$ 193,976,610	\$ 232,079,780
Governmental Activities										
General Obligation Bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue Bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Leases	\$ 103,991	\$ 15,879	\$ -	\$ -	\$ 180,000	\$ 163,372	\$ 5,006,640	\$ 4,480,274	\$ 3,941,064	\$ 3,393,936
Business-Type Activities										
General Obligation Bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue Bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Leases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Primary Government	\$ 103,991	\$ 15,879	\$ -	\$ -	\$ 180,000	\$ 163,372	\$ 5,006,640	\$ 4,480,274	\$ 3,941,064	\$ 3,393,936
Percentage of Personal Income (2) (4)	0.06%	0.01%	0.00%	0.00%	0.08%	0.07%	2.00%	1.65%	1.41%	1.17%
Per Capita (2) (5)	\$ 27	\$ 4	\$ -	\$ -	\$ 44	\$ 39	\$ 1,140	\$ 966	\$ 835	\$ 707

- (1) Annual government censuses and Summit County/Community Development department.
(2) Prior year numbers that were based on estimates may have changed due to actual numbers becoming available.
(3) Current year is an estimate based on historical data.
(4) Percentage of per capita income from schedule 19.
(5) Represents per capita of Silverthorne population.

Town of Silverthorne, Colorado
Direct and Overlapping Governmental Activities Debt
December 31, 2019

Overlapping Entity	2019 Value	Debt Outstanding	Net Outstanding Debt Chargeable to Properties within the Town	
			Percent	Amount
Fourth St. Crossing Metro. Dist.	\$ 231,280	\$ 21,195,711	100.0	\$ 21,195,711
South Maryland Creek Ranch District	10,058,270	11,837,018	100.0	11,837,018
Summit County School District RE-1	2,247,566,630	84,705,000	10.0	8,470,500
Total Overlapping Debt				41,503,229
Town of Silverthorne Direct Debt				-
Total Direct & Overlapping Debt				<u>\$ 41,503,229</u>

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

Note: Overlapping governments are those that coincide, at least in part, with geographic boundaries of the Town. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of the Town of Silverthorne. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Town of Silverthorne, Colorado
Demographics Statistics
Last Ten Fiscal Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Silverthorne Population (1) (4) (5)	3,887	3,896	3,916	4,010	4,116	4,239	4,392	4,639	4,718	4,798
County Population (1) (3) (4) (5)	28,073	28,144	28,294	28,637	28,975	30,257	30,374	31,582	32,119	32,665
Personal Income (2) (3) (4) (5) (6)	1,210,044	1,286,331	1,296,192	1,414,380	1,490,350	1,590,203	1,773,425	1,844,362	1,918,136	1,994,862
Per Capita Income (2) (3) (4) (5)	43,090	44,431	46,220	49,287	52,393	54,615	56,909	58,386	59,379	60,388
Median Family Income (1) (2) (3) (4) (5)	87,200	89,351	93,729	92,979	90,800	96,883	100,758	104,789	108,980	113,339
Silverthorne School Enrollment (7)	338	342	307	307	320	364	340	290	306	312
Unemployment Rate (1) (2) (3) (4) (5)	7.8%	7.5%	7.1%	4.4%	3.2%	1.6%	1.9%	1.9%	2.0%	2.0%

(1) Annual government census (2000), DOLA (Department of Local Affairs) and Community Development.

(2) Statistics available for Summit County only.

(3) Colorado Department of Local Affairs or Bureau of Economic Analysis (BEA).

(4) Current year is an estimate based on historical data.

(5) Prior year numbers that were based on estimates may have changed due to actual numbers becoming available.

(6) In thousands

(7) RE-1 School District

Town of Silverthorne, Colorado
Principal Employers
Fiscal Year 2019

Employer	Employee # Range (1)	Percentage (2) of Total County Employment
Outlets at Silverthorne	500-999	2.3 - 4.6%
Lowe's	100-249	0.5 - 1.1%
Target Stores	100-249	0.5 - 1.1%
Town of Silverthorne	100-249	0.5 - 1.1%
Neils Lunceford	50-99	0.2 - 0.5%
Colorado Mountain Express	50-99	0.2 - 0.5%
McDonald's	50-99	0.2 - 0.5%
UPS	50-99	0.2 - 0.5%
Xcel Energy	1-49	.005 - 0.2%
Wendy's	1-49	.005 - 0.2%
Murdoch's	1-49	.005 - 0.2%

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

(2) Based on County employment number of 21,936.

(3) Comparisons are unavailable because statistics compilation didn't start until 2007.

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	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Administrative Services:										
Council Meetings	22	22	22	22	22	22	22	22	22	22
Newsletters	6	6	6	4	2	-	-	4	3	7
Business Licenses	1,134	1,130	1,156	1,204	1,241	1,301	1,339	1,461	1,559	1,633
Elections	1	-	2	1	-	-	1	1	-	-
Public Safety:										
Physical Arrests	180	172	144	208	189	176	198	210	205	231
Parking Violations	314	237	342	260	160	161	269	358	513	429
Traffic Violations	2,341	2,082	1,839	2,760	1,727	1,781	1,537	2,445	1,584	2,033
Calls for Service	6,498	5,991	5,848	7,032	6,053	6,134	6,364	7,949	7,269	9,504
Public Works:										
Street Resurfacing (miles)	3.68	3.68	3.68	0.50	0.00	7.55	3.58	4.23	4.08	0.00
Miles of Streets to Plow	28	28	28	29	32	32	32	34	34	34
Miles of Sidewalks/Trails to Maintain	24	24	24	25	26	26	26	28	28	28
Community Development: (1)										
Building Permits Issued	72	59	52	47	81	107	157	150	169	219
CO's Issued	35	8	23	20	30	32	32	67	69	139
Computers	115	115	115	115	115	117	118	118	120	131
Users	109	110	110	110	115	120	121	121	129	121
Applications	33	33	33	35	34	34	34	36	36	32
Recreation & Culture:										
Recreation Center:										
Annual Visitors	248,433	242,593	265,137	265,399	258,469	279,074	287,023	278,590	296,346	275,100
Daily Admissions	33,071	39,013	31,247	32,602	31,632	33,435	33,284	35,404	34,233	34,569
Free Fitness Classes	1,623	1,619	1,542	1,683	1,520	1,533	1,540	1,460	1,494	1,523
Pavilion: (2)										
Wedding Rentals	53	48	50	80	91	104	107	100	90	102
Non-Wedding Rentals	119	114	64	69	66	70	56	44	63	59
Town Usage	-	-	-	-	-	-	-	37	47	45
Rentals Usage	-	-	-	-	-	-	-	144	122	161
Programs Usage	-	-	-	-	-	-	-	94	80	66
Granted Usage	-	-	-	-	-	-	-	26	28	25
Performing Arts Center: (3)										
Total Theatre & Music Performances	-	-	-	-	-	-	-	128	152	151
Total Tickets Sold	-	-	-	-	-	-	-	7,868	8,930	11,095
Youth Participating in Programs	-	-	-	-	-	-	-	152	157	255
First Time Ticket Buyers	-	-	-	-	-	-	-	506	812	1,890
Water & Sewer:										
Water EQR's	3,148	3,164	3,217	3,243	3,346	3,434	3,481	3,625	3,704	3,864
Service Connections	1,660	1,671	1,687	1,707	1,756	1,819	1,838	1,896	1,974	2,084
Average Daily Consumption										
in Gallons	643,000	628,000	607,000	727,000	619,745	577,800	594,300	590,581	707,469	528,709
Sewer EQR's	3,149	3,161	3,210	3,238	3,339	3,431	3,475	3,625	3,702	3,865
Service Connections	1,625	1,635	1,654	1,675	1,719	1,758	1,806	1,883	1,945	2,062

(1) Includes Management Information Systems

(2) The Pavilion purchased new software that allows for more detailed information on types of events. However, the information is not available for years prior to 2017.

(3) The Performing Arts Center opened in 2017.

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

Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Public Safety:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	9	9	9	9	9	9	9	9	9	9
Public Works:										
Miles of Streets	28.39	28.39	28.39	29.03	31.54	31.71	31.71	34.11	31.76	32.38
Miles of Sidewalks/Trails	23.95	24.35	24.35	24.66	26.18	26.18	26.18	26.28	26.28	28
Traffic Lights	8	10	10	10	11	11	11	11	11	11
Recreation & Culture:										
Park/Open Space Acreage	72.18	72.18	73.54	82.81	82.81	82.81	82.81	82.81	82.81	102.81
Parks	4	4	7	7	7	7	7	7	7	8
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	4	4	4	4	4	4	4	4	4	4
Pavilion (Community Center)	1	1	1	1	1	1	1	1	1	1
Performing Arts Center	-	-	-	-	-	-	-	1	1	1
Water & Sewer:										
Miles of Water Mains	50.28	45.44	45.60	46.08	48.24	50.21	50.21	54.90	56.60	57.27
Fire Hydrants	407	390	399	416	442	435	435	476	492	497
Miles of Sewers	32.88	31.61	31.61	32.68	32.38	33.89	33.89	39.90	40.89	42.00
Manholes	873	894	933	960	1020	1023	1023	1146	1184	1220

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

Note: No capital asset indicators are available for the Administrative Services and Community Development functions.

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

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Elected/Appointed	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>
Total Elected/Appointed	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>
Administrative Services (1)	10	10	10	10	10	11	11	12	13	13
Public Safety	18	18	18	19	19	18	18	19	20	22
Public Works (2)	20	20	20	20	21	21	23	23	24	26
Water and Sewer	4	4	4	4	4	5	5	5	5	5
Community Development	6	6	6	6	6	6	7	7	6	6
Recreation and Culture (3)	19	19	19	19	19	21	21	21	20	21
Pavilion	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>
Total Full-Time Employees	<u>81</u>	<u>81</u>	<u>81</u>	<u>82</u>	<u>83</u>	<u>87</u>	<u>90</u>	<u>92</u>	<u>93</u>	<u>98</u>

(1) Includes __1__ 3/4 time employee.

(2) 2009 and 2010 numbers were decreased.

(3) Includes __5__ 3/4 time employees.

Source: Town of Silverthorne Biennial Financial Plan

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

LOCAL HIGHWAY FINANCE REPORT	City or County:	Town of Silverthorne
	YEAR ENDING :	12/31/2019

This Information From The Records Of (example - City of _ or County of _):
Town of Silverthorne

Prepared By: L Hunter
Phone: 970-262-7300

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)	2,977,536
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	908,941
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	47,945
2. General fund appropriations	2,132,885	b. Snow and ice removal	181,399
3. Other local imposts (from page 2)	79,201	c. Other	-
4. Miscellaneous local receipts (from page 2)	113,385	d. Total (a. through c.)	229,344
5. Transfers from toll facilities		4. General administration & miscellaneous	216,027
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	802,719
a. Bonds - Original Issues		6. Total (1 through 5)	5,134,567
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	2,325,471	b. Redemption	
B. Private Contributions	2,651,303	c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	285,382	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	5,460
E. Total receipts (A.7 + B + C + D)	5,262,156	b. Redemption	122,129
		c. Total (a. + b.)	127,589
		3. Total (1.c + 2.c)	127,589
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	5,262,156

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				0
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		5,262,156	5,262,156		-

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado
	YEAR ENDING (mm/yy): 12/31/2019

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	45,213
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	63,995
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	79,201	g. Other Misc. Receipts	4,178
6. Total (1. through 5.)	79,201	h. Other	
c. Total (a. + b.)	79,201	i. Total (a. through h.)	113,385
	(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	258,157	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	27,225	d. Federal Transit Admin	
d. Other (Specify)		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	27,225	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	285,382	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.I. Capital outlay:			
a. Right-Of-Way Costs		36,405	36,405
b. Engineering Costs		0	0
c. Construction:			
(1). New Facilities		2,651,303	2,651,303
(2). Capacity Improvements		0	0
(3). System Preservation		263,976	263,976
(4). System Enhancement & Operation		25,852	25,852
(5). Total Construction (1) + (2) + (3) + (4)	0	2,941,131	2,941,131
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	2,977,536	2,977,536
			(Carry forward to page 1)

Notes and Comments: