

TOWN OF SILVERTHORNE, COLORADO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For Fiscal Year Ended December 31, 2018

TABLE OF CONTENTS

INTRODUCTION SECTION

Letter of Transmittal	1
Certificate of Achievement.....	7
Organizational Chart.....	8
List of Elected and Administrative Officials.....	9

FINANCIAL SECTION

Independent Auditors' Report	11
Management Discussion and Analysis	13
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	25
Statement of Activities	26-27
Fund Financial Statements:	
Balance Sheet –Governmental Funds.....	28
Statement of Revenues, Expenditures and Changes in Fund Balances –Governmental Funds.....	29
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities	30
Statement of Net Position – Proprietary Funds	31
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds.....	32
Statement of Cash Flows – Proprietary Funds.....	33
Statement of Assets and Liabilities – Agency Fund	34
Notes to the Financial Statements.....	35
Required Supplementary Information:	
Budgetary Comparison Schedule - General Fund	55

Table of Contents (Continued) **Year Ended December 31, 2018**

FINANCIAL SECTION (Continued)

Notes to Required Supplementary Information	56
Combining and Individual Fund Statements and Schedules (Supplementary Information):	
Combining Balance Sheet – Nonmajor Governmental Funds.....	61
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds.....	62
Budgetary Comparison Schedule - Conservation Trust Fund	63
Budgetary Comparison Schedule – Lodging Tax Fund	64
Budgetary Comparison Schedule - Development Excise Tax Fund	65
Budgetary Comparison Schedule – 5A Housing Fund	66
Budgetary Comparison Schedule – Sales Tax Capital Improvement Fund	67
Budgetary Comparison Schedule – Urban Renewal Authority Fund	68
Budgetary Comparison Schedule - Water Fund.....	71
Budgetary Comparison Schedule - Sewer Fund	72
Budgetary Comparison Schedule – Health & Short-term Disability Fund.....	75
Statement of Changes in Assets and Liabilities – Agency Fund	76

STATISTICAL SECTION

Government-wide Net Position by Category – Schedule 1	78
Changes in Net Position – Governmental Activities – Schedule 2	79
Changes in Net Position – Business-Type Activities – Schedule 3	80
Changes in Net Position – Proprietary Funds – Schedule 4	81
Changes in Net Position – Total – Schedule 5	82
Fund Balances – Governmental Funds – Schedule 6	83
Changes in Fund Balances – Governmental Funds – Schedule 7	84
General Governmental Expenditures by Function – Schedule 8	85
General Governmental Revenues by Source – Schedule 9	86
Changes in Fund Balances – Governmental Funds – Schedule 10	87
General Governmental Tax Revenues by Source – Schedule 11	88
Silverthorne Property Tax Mill Levies – Schedule 12	89
Water and Sewer Rates – Schedule 13	90

Table of Contents (Continued)
Year Ended December 31, 2018

STATISTICAL SECTION (Continued)

Taxable Sales by Category – Schedule 14	91
Computation of Legal Debt Margin – Schedule 15	92
Revenue Bond Coverage – Schedule 16	93
Ratios of Outstanding Debt by Type – Schedule 17	94
Computation of Overlapping Governmental Activities Debt – Schedule 18	95
Demographics Statistics – Schedule 19	96
Principal Employers – Schedule 20	97
Operating Indicators by Function – Schedule 21	98
Capital Asset Statistics by Function – Schedule 22	99
Summary of Approved Full-Time Positions by Department – Schedule 23	100

COMPLIANCE SECTION

Local Highway Finance Report	101
------------------------------------	-----

PAGE LEFT BLANK INTENTIONALLY



July 31, 2019

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, 2018. 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, 2018, 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 activities 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 Lake Dillon 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 for 2018, it is important to note the primary goal of the Town Council as described in its Mission Statement:

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

The Mission Statement and other tools such as the Home Rule Charter; the Municipal Code; the Comprehensive Plan; the Three Mile Plan; 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 2018 results reflect continuing national/state/local economic growth. Sales taxes, which continue to be the Town’s primary source of revenue, hit a new all-time high in 2018 for the 6th year in a row. The Town is experiencing growth in both residential and commercial construction with projects either being started or completed in 2018.

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 37 restaurants and 7 hotels. Major industries/employers in 2018 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, employment statistics have improved year over year and the current job market is very tight. As a comparison, Summit County and Colorado unemployment rates in 2012 were 7.1% and 8% respectively, and by the end of 2018, these rates were 2.0% and 3.6%.

The Town continues to be financially stable and did not use General Fund balance for 2018 annual operations. However, the General Fund balance decreased due to a transfer to the Capital Improvement Project Fund to help pay for the construction of a new Public Works Shop (the Cottonwood Shop). 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 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. 2018 sales tax revenues comprised 60% of the General Fund and 70% of the Sales Tax Capital Fund revenues (not including transfers). Fiscal year 2018 sales tax revenues reached an all-time high of \$11,648,767 (an increase of 4.1% over 2017). The Town has many projects to complete in order to provide amenities described in the Comprehensive and Parks, Open Space, Recreation, and Trails 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 20% of the Town's total sales tax revenues (down from 22% in 2017). Beyond 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. Of particular interest to the Town is the impact of the South Dakota vs. Wayfair case which has generated a large increase in the Town's online sales tax revenues. Although this sector is still relatively small in comparison (less than 3% of sales tax revenues), we will continue to monitor this sector closely for growth and compliance.

The extremely snowy winter and spring resulted in an increase of state-wide skier/snowboarder visits of 13% over the prior season according to Colorado Ski Country. Visits are defined by the purchase of a lift ticket for any portion of the day and the figures include season pass holders. These figures typically track in the same direction as the Town's sales tax revenue, but not necessarily to the same degree as 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 2018 were up hugely (13.3%) compared to 2017. In 2018, the Town issued 170 building permits versus 150 in 2017. 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 agreements which contribute to Town revenues when residential property changes ownership. The number of building permits issued is a leading indicator as to construction retail revenues, however, in 2018 sales tax revenues for the building retail sector increased by 9.59%.

Despite the large number of residential housing starts, the community continues to experience a shortage of affordable housing for the local workforce. However, 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 benefit from 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.

New Facilities and Programs: General fund revenues out-paced expenditures in 2018 by \$1,271,789 (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 2018 financials, the largest capital expense is related to the completion of the Public Works Shop (Cottonwood Shop). This facility will provide improved operations improved and expanded Fleet maintenance facilities, indoor storage of snow plows and other equipment which will improve response times during winter conditions, and office space for the Water and Sewer Utility staff. This project was funded thorough the General, Capital, Development Excise, Water, and Sewer funds as well as a \$1,000,000 grant from the Colorado Department of Local Affairs.

By focusing on economic development and coordinating with developers, we anticipate a full block of the Town Core area to be redeveloped beginning in 2019. A hotel, parking structure, residential/retail units, and a large Market Hall are approved and 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 (LDTC) 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.

The Town’s Smith Ranch workforce housing development is expected to take several years to complete. There will be three phases of the development: Phase I offers both single family homes, duplexes, and townhomes. Phase I closings are taking place in 2019. Phase II construction is planned for 2020 and will be primarily townhomes. Phase III will be primarily single family homes. Although additional 5A sales tax revenues dedicated to affordable housing mentioned above will 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 new location for the fire district and other community needs.

Long-Term Financial Planning: The spendable fund balance in the General Fund is 101% of 2018 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 in the 2019 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 but residential development requires public services and provides very limited revenues to offset the cost of those services.

Relevant Financial Policies: The Town recognizes that in order to maintain current service levels and the potential need to increase service levels when impacted by growth in future years, the Town will need to find other revenue sources and/or continue to encourage increases in sales tax- generating businesses. Per the Town's Financial Policies, the Town maintains financial reserves "to pay for needs caused by unforeseen emergencies which may include revenue shortages." This contingency can assist the Town in maintaining current service levels, but utilizing these funds is not interpreted as a long-term solution. 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. The Town will continue to utilize these tools as well as others 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 2019, URA property tax incremental revenues will continue to be less than \$200,000, 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.

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, 2017. 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.

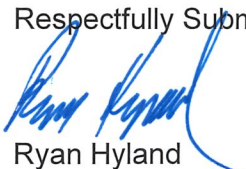
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report (CAFR), whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. Fiscal year 2017 was the twenty-third 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 2017-2018 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 2019-2020 biannual budget has been 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, 2017

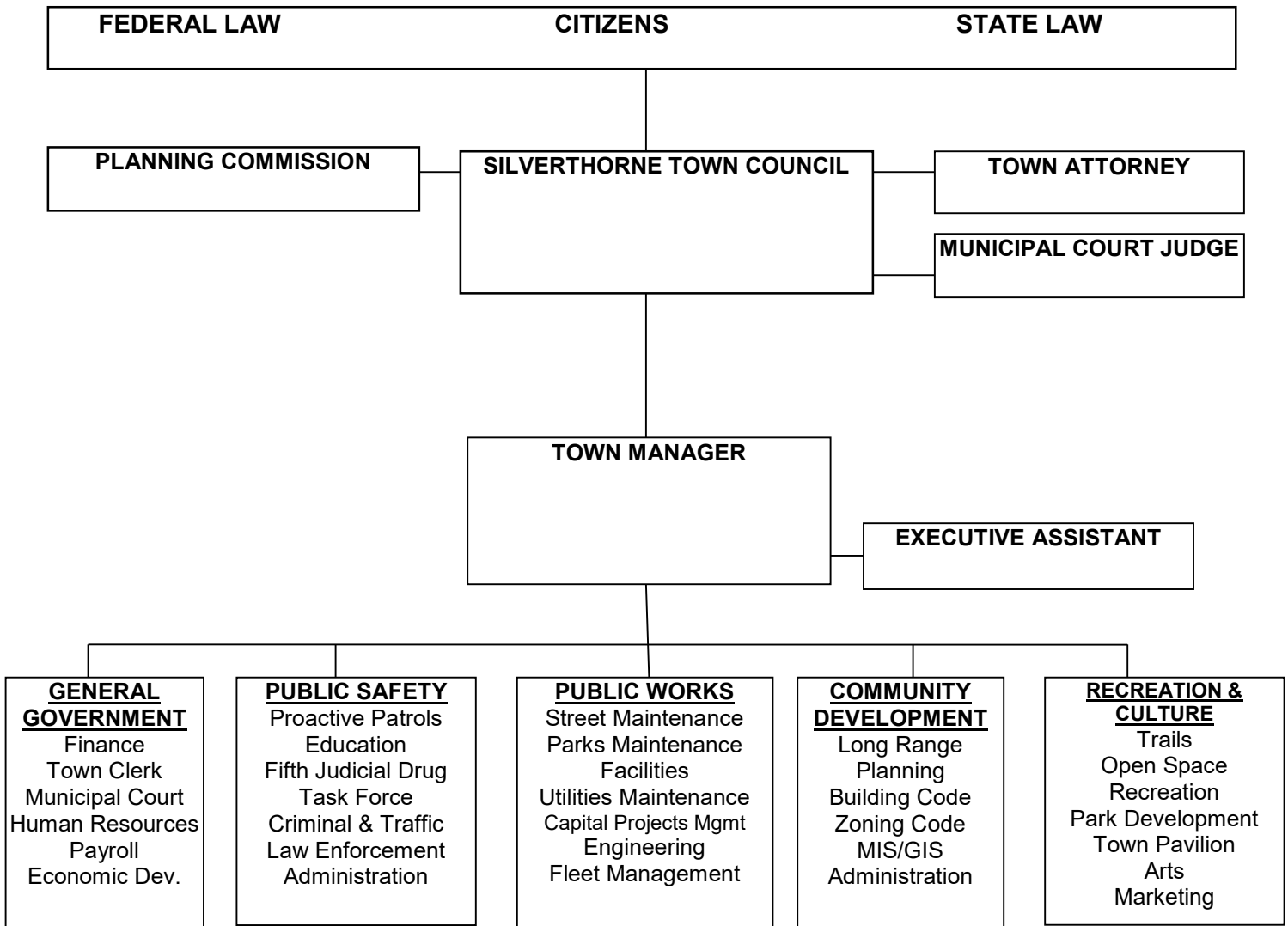
Christopher P. Morrill

Executive Director/CEO



SILVERTHORNE COLORADO

TOWN OF SILVERTHORNE, CO ORGANIZATIONAL CHART





SILVERTHORNE

COLORADO

TOWN OF SILVERTHORNE, COLORADO LIST OF ELECTED AND ADMINISTRATIVE OFFICIALS December 31, 2018

Elected Officials

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

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

PAGE LEFT BLANK INTENTIONALLY



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, 2018, 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, 2018, 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, 2019



TOWN OF SILVERTHORNE, COLORADO
MANAGEMENT DISCUSSION & ANALYSIS
December 31, 2018

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, 2018. 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 1-6 of this report.

FINANCIAL HIGHLIGHTS

- The assets of the Town of Silverthorne exceeded its liabilities at the close of fiscal year 2018 by \$127,259,711 (*net position*). Of this amount, \$27,684,853 (*unrestricted net position*) may be used to meet the Town's ongoing obligations or unforeseen expenses.
- As of the close of fiscal year 2018, the Town of Silverthorne's governmental funds reported a combined ending fund balance of \$21,047,368; a decrease of \$1,173,392 compared to fiscal year 2017. \$11,714,304 of the fund balance total is considered unassigned.
- The liabilities of the governmental funds decreased by 24% or \$1,944,326 primarily due to fewer accounts payable outstanding at year-end. Another contributing factor is the pay down of debt. Liabilities for the proprietary funds also decreased due to fewer accounts payable outstanding at year-end.
- Deferred inflows consist of property taxes to be collected in 2019 for the Urban Renewal Authority (URA) Fund. The increase in deferred inflows of \$50,874 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 2018, unassigned fund balance for the general fund was \$11,714,304 or 95% of the total general fund expenditures.
- The General Fund balance increased by \$371,789 in 2018. The primary contributor to the increase was sales tax revenue which was \$276,357 higher than in the prior year. Governmental funds general sales tax revenue, which is the Town's primary revenue source, increased by \$463,852 or 4.1% as compared to 2017 results.
- The Town governmental and proprietary funds added \$15,836,429 in capital assets in 2018. Contributed infrastructure from developers amounted to \$99,624 in the governmental funds and \$3,474,562 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 25-27 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 28-30 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 31-33 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 34.

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 35-56 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 57-76.

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 over \$78 million at the close of fiscal year 2018.

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

	TOWN OF SILVERTHORNE’S NET POSITION					
	Governmental Activities		Business-type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
Current and Other Assets	\$ 23,261,274	\$ 25,728,350	\$ 16,116,893	\$ 15,282,867	\$ 39,378,167	\$ 41,011,218
Capital Assets	61,702,764	56,697,130	32,527,905	26,395,123	94,230,669	83,092,253
Total Assets	84,964,038	82,425,480	48,644,798	41,677,990	133,608,836	124,103,471
Long-Term Liabilities	4,450,773	5,033,741	48,099	37,556	4,498,872	5,071,297
Other Liabilities	1,651,209	3,012,567	46,558	104,513	1,697,767	3,117,080
Total Liabilities	6,101,982	8,046,308	94,657	142,069	6,196,639	8,188,377
Deferred Inflows of Resources	152,486	101,612	-	-	152,486	101,612
Net Position:						
Net Investment in Capital Assets	57,761,700	52,216,856	32,527,905	26,395,123	90,289,605	78,611,979
Restricted	9,285,253	10,078,226	-	-	9,285,253	10,078,226
Unrestricted	11,662,617	11,982,479	16,022,236	15,140,798	27,684,853	27,123,277
Total Net Position	\$ 78,709,570	\$ 74,277,561	\$ 48,550,141	\$ 41,535,921	\$ 127,259,711	\$ 115,813,482

By far the largest portion of the Town of Silverthorne’s net position, 71%, 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 \$39,378,167 of Total Primary Government current and other assets includes \$21,576,415 in cash and investments. This reflects the strong cash balances that the Town of Silverthorne has maintained in 2018, even while completing over \$15.6 million in capital projects. Cash & investments decreased by \$2.2 million in 2018 due to the continued and completed construction of the Cottonwood Public Works Shop. Capital assets increased by \$11,138,416 due primarily to the completion of the Cottonwood Shop in April of 2018. The \$4,498,872 in long-term liabilities outstanding consists of lease/purchase agreements and accrued compensated absences.

At the end of 2018, 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 72.8% of total expenses for Governmental Activities in the Statement of Activities for 2018.

During 2018, the Town of Silverthorne's Governmental Activities net position increased by \$4,432,009. This increase can be attributed to numerous sources including: grants of over \$900K, a settlement from the Colorado River Cooperation Agreement (CRCA) of \$932K, and increased sales tax revenues over 2017. The net position from Business-Type Activities reflects an increase of \$7,014,220. Tap fees of \$1,684,827, transfers from the Capital Improvement Fund of \$2,250,000, and capital contributions from developers of \$3,474,562 contributed to this increase. The transfers were made to assist with funding the construction of the new Public Works Cottonwood Shop where the staff of the Water and Sewer Departments are now located.

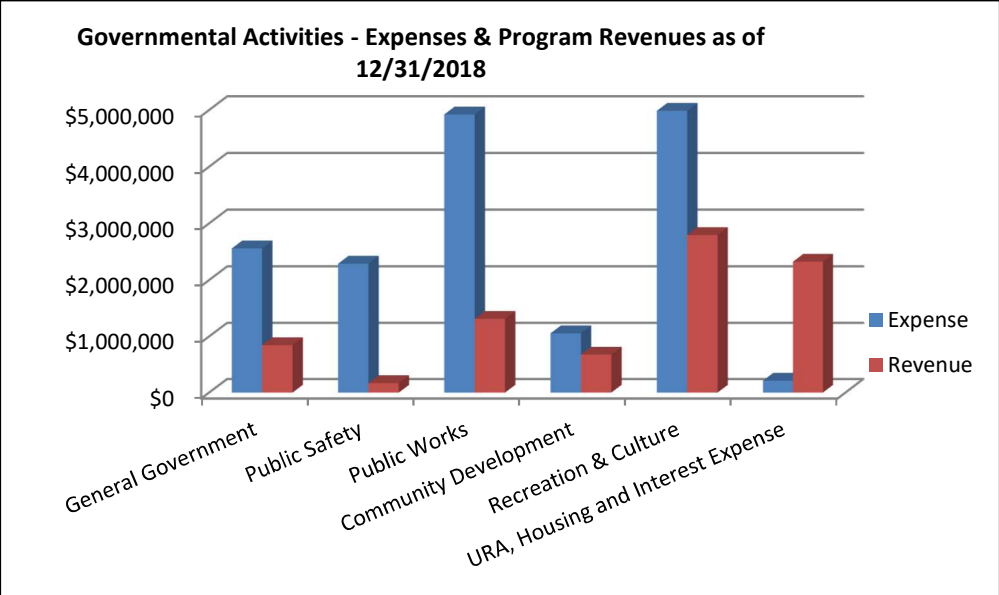
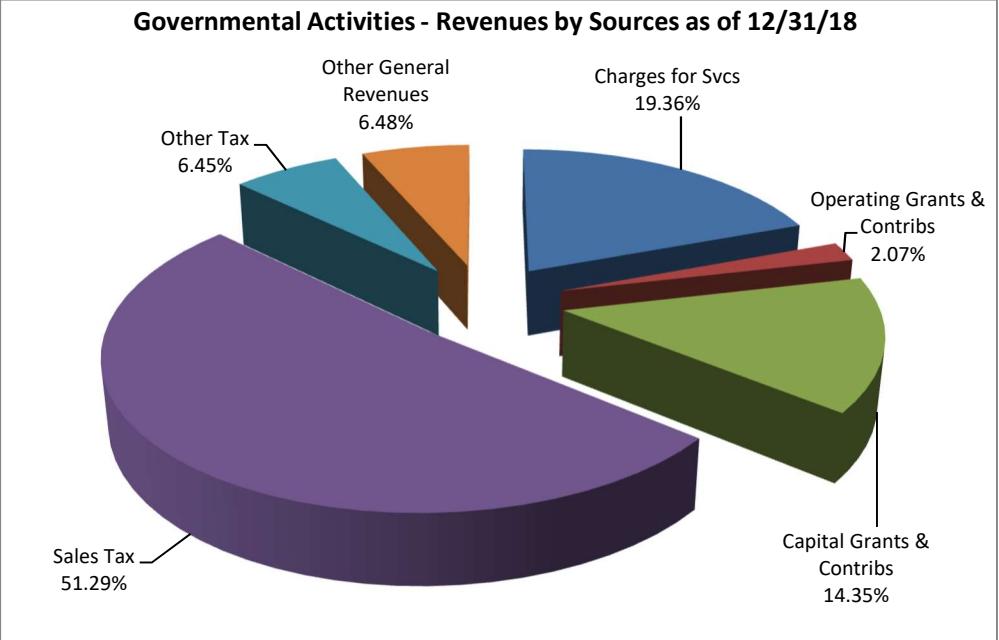
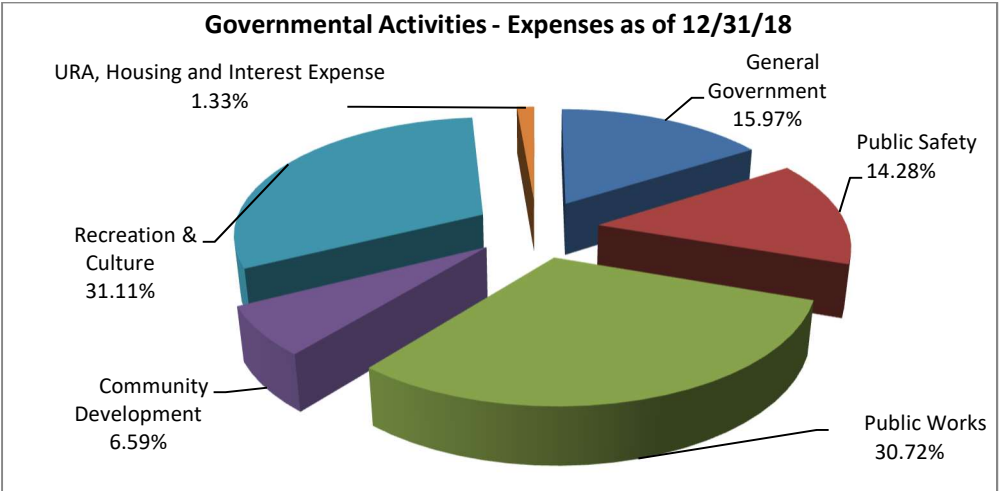
Changes in Net Position – Governmental activities increased the Town of Silverthorne's net position by \$4,432,009, reflecting a 6.0% growth to total net position. 2018 had a lower surplus as compared to 2017, by \$(7,104,587). The Town is experiencing an increase in revenues but seeing growth in expenses as well (\$801,958) in 2018 compared to 2017. The lower surplus in 2018 was primarily due to investment in capital assets. The Town does not have any large projects planned for the next few budget cycles, so we anticipate the Governmental Activities net position to increase in the coming year.

TOWN OF SILVERTHORNE'S CHANGES IN NET POSITION

	Governmental Activities		Business-type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
Program Revenues:						
Charges for Services	\$ 4,397,721	\$ 4,497,712	\$ 3,261,576	\$ 2,534,734	\$ 7,659,297	\$ 7,032,446
Operating Grants & Contributions	469,152	380,463	-	-	469,152	380,463
Capital Grants & Contributions	3,257,943	5,656,864	5,159,389	6,826,900	8,417,332	12,483,764
General Revenues:						
Sales Taxes	11,648,767	11,184,915	-	-	11,648,767	11,184,915
Other Taxes	1,464,387	1,287,793	-	-	1,464,387	1,287,793
Other General Revenues	<u>1,472,429</u>	<u>1,505,551</u>	<u>233,631</u>	<u>188,103</u>	<u>1,706,060</u>	<u>1,693,654</u>
Total Revenues	<u>22,710,399</u>	<u>24,513,298</u>	<u>8,654,596</u>	<u>9,549,737</u>	<u>31,364,995</u>	<u>34,063,035</u>
Program Expenses:						
General Government	2,559,056	2,642,943	-	-	2,559,056	2,642,943
Public Safety	2,289,344	2,211,154	-	-	2,289,344	2,211,154
Public Works	4,923,284	4,502,614	-	-	4,923,284	4,502,614
Community Development	1,057,047	1,015,199	-	-	1,057,047	1,015,199
Recreation & Culture	4,986,296	4,634,365	-	-	4,986,296	4,634,365
Housing	107,922	107,832	-	-	107,922	107,832
Urban Renewal Authority	33,916	6,491	-	-	33,916	6,491
Interest on Long Term Debt	71,526	105,834	-	-	71,526	105,834
Water	-	-	2,025,905	1,981,577	2,025,912	1,981,577
Sewer	-	-	1,864,471	1,646,160	1,864,471	1,646,160
Total Expenses	<u>16,028,390</u>	<u>15,226,432</u>	<u>3,890,376</u>	<u>3,627,737</u>	<u>19,918,766</u>	<u>18,854,169</u>
Excess Before Transfers	6,682,009	9,286,866	4,764,220	5,922,000	11,446,229	15,208,866
Transfers	<u>(2,250,000)</u>	<u>2,250,000</u>	<u>2,250,000</u>	<u>(2,250,000)</u>	<u>-</u>	<u>-</u>
Change in Net Position	4,432,009	11,536,866	7,014,220	3,672,000	11,446,229	15,208,866
Net Position – Beginning of Yr	<u>74,277,561</u>	<u>62,740,695</u>	<u>41,535,921</u>	<u>37,863,921</u>	<u>115,813,482</u>	<u>100,604,616</u>
Net Position – End of Year	<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>

Governmental Activities

Governmental activities increased the Town of Silverthorne’s net position by \$4,432,009. The following are illustrative summaries of Governmental Activities revenues and expenses:



Governmental Activities Analysis:

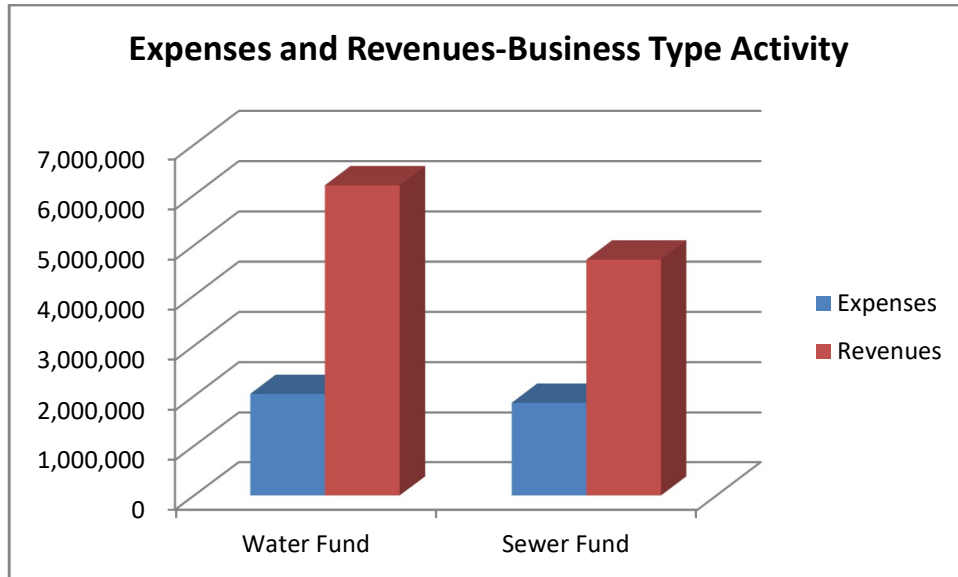
- Sales tax revenues increased by 4.1% (\$463,852) in 2018. All economic indicators are forecasting the national/state/local economies to continue at a slow rate of growth.
- The Town's building-related retail sector increased by 9.59% (\$241,409) over prior year. Lowe's continues to help retain building 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 will reduce Administrative expenses in 2019.
- The consumer retail sales tax category decreased by \$135,682 or 5.14% (does not include the Outlets). Revenues from The Outlets at Silverthorne decreased slightly, by 1.46% or \$35,163. 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 20% of the Town's total sales tax revenues so this trend is very concerning to the Town. We hope that with the Wayfair sales tax decision, the Town will begin to see increased sales revenues from online sales.
- Building related permits and taxes decreased by \$177,524 or 16.1% in comparison to 2017. 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 Market Hall and therefore we expect these revenues to remain strong for the next several years.
- In fiscal year 2018, interest rates continued to increase after many years of record lows. The year-over-year increase in interest income was \$197,899 or 157%.
- Governmental activities' expenses increased by \$801,959 or 5.3% from 2017. A large portion of this increase (\$656K) was due to a one-time premium payment from the General Fund to the Health Insurance Fund due to a record high volume of one-time claims. Health Insurance premiums charged to the Town's employees were increased by 10% in 2019.
- The Town added \$4.4 million in depreciable capital assets and saw depreciation expense increase by \$316K.
- During fiscal year 2018, the Town upgraded one part time position to full time to assist with licensing and enforcement of the new Short Term Rental program and one part time position was added to the Community Development Dept. to assist with the increased volume of building permits, etc. Merit increases were offered at up to 5% and wage and benefit expenses increased by 8.8% or \$706K over 2017. Most of this increase was related to Health Insurance claims expenses as mentioned above. In 2018, the Town experienced record turnover (18%) primarily in long-tenured employees due to many baby boomers reaching retirement age (the "Silver Tsunami"). In addition, the current employment market is very tight, so filling open positions takes longer.

Business-type Activities

Net position in Business-type Activities increased by \$7,014,220. Business type activities include water and sewer service.

In 2018, there was a small rate increase for water and sewer users. Additionally, there were 77 new accounts added, an increase of 4%. Revenues from user fees were up 12%. Charges for services made up approximately 38% of program revenues with system development fees and capital contributions making up the other 62%. The capital contributions included infrastructure contributions of approximately \$3.5 million. The remainder of capital contributions were due to tap fees of \$1,684,827 which reflects 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.

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

	General Fund	Capital Improvement Fund	Urban Renewal Authority Fund	5A Housing Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:						
Prepays	\$ 23,300	\$ -	\$ -	\$ -	\$ -	\$ 23,300
Inventories	24,511	-	-	-	-	24,511
Total Nonspendable	47,811	-	-	-	-	47,811
Restricted for:						
Emergencies	655,261	-	-	-	-	655,261
Blue River Improvements	-	-	-	-	1,208,970	1,208,970
Parks, Trails & Open Space	-	-	-	-	809,585	809,585
Marketing	-	-	-	-	85,966	85,966
Affordable Housing	-	-	-	1,715,468	-	1,715,468
Capital Improvements	-	2,865,260	150,693	-	1,794,050	4,810,003
Total Restricted	655,261	2,865,260	150,693	1,715,468	3,898,571	9,285,253
Unassigned	11,714,304	-	-	-	-	11,714,304
Total Fund Balances	\$12,417,376	\$ 2,865,260	\$150,693	\$1,715,468	\$ 3,898,571	\$ 21,047,368

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 \$21,047,368. Of that balance, \$11,714,304 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, 2018 was \$47,811.

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 \$11,714,304, while the total fund balance increased from 2017 to \$12,417,376. 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 95.4% of total 2018 General Fund expenditures, while total fund balance represents 101.1.0% of that same amount.

During fiscal year 2018, the fund balance of the Town’s general fund increased by \$371,789. Key factors for 2018 are as follows:

- Revenues were 2.4% (\$323,747) higher in 2018 compared to 2017. The largest contributor to the increase were tax revenues which were \$297,143 higher than in the prior year. Sales tax makes up the largest portion of tax revenues with the General Fund receiving approximately 63% of total sales tax revenues. In 2018, General Fund sales tax revenues totaled \$8.2 million which was an increase of \$276,357 (3.5%) from 2017.
- Expenditures for 2018 increased by \$635,580 (5.5%) as compared to 2017. Items that contributed to the increase includes: wages and benefit expense increases, including merit increases of up to 5% The General Fund also transferred \$900K to the Capital Fund to support the construction of the Public Works Cottonwood Shop Building. Without this transfer, the General Fund balance would have increased by \$1,271,789.

The Sales Tax Capital Improvement Fund (C.I.P) has a fund balance of \$2,865,260. The decrease in fund balance during 2018 was \$2,105,729 which is primarily due to the construction of the Cottonwood Public Works Shop. The Town made transfers of \$2,250,000 into the Water and Sewer Funds related to the construction of the Public Works Cottonwood Shop Building. The Town expended \$8,740,186 on new capital and asset management projects. One of the most significant expenditures was for the completion

of the Public Works Cottonwood Shop. Additionally, the Town is participating in the development of workforce housing development in the Smith Ranch neighborhood through the 5A Housing Fund. The Town is assisting with the construction of the infrastructure (roads, sewer, water) and over \$2 million was spent on this project which is in progress at the end of 2018. Other priorities included street maintenance (\$172K), fleet replacements (\$470K), and debt payments (\$624K). In 2018, capital contributions from the South Maryland Creek Ranch development (a.k.a. Summit Sky Ranch) of \$100K related to a retaining wall and drainage infrastructure. 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 our sales tax revenue 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 \$150,693 and is holding commercial property with a value of \$3,148,429 with an investment in a joint venture of \$729,362. 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 \$98K were received in 2018. In 2017, 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 the Town is evaluating plans for redevelopment that are anticipated to begin in mid-2019. Once completed, the redevelopment will add to the incremental 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 which is 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. This fund is now considered a major fund in the financial statements. The fund balance at the end of 2018 was \$1,715,468. 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 were available for sale beginning in the spring of 2019.

Capital project funds (other governmental funds) have a total fund balance of \$3,898,571. The fund balance is considered spendable, but is restricted for expenditures based on past election questions. The capital projects nonmajor fund balance increased by \$1,133,476 in 2018 primarily due to a distribution from Denver Water according to the Colorado River Cooperative Agreement. The Development Excise Tax Fund transferred \$750K to the Capital Improvement Fund to assist with the funding of the Public Works Cottonwood Shop.

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 \$15,998,139. The net position for the proprietary funds increased by \$6,999,749 in 2018. 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 three 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 2017.
- 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: a small marketing grant was awarded (\$50K) which was uncertain when the original budget was produced.
 - Expenditures: Position upgrades and additions, building inspections fees paid to the County were greater than originally anticipated due to the robust residential construction taking place, Olympic parade event added due to local athletes winning medals, health insurance claims, 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 55.

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, 2018 amounts to \$90,289,605 (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 \$11,138,416. The increase was primarily due to the completion of the Cottonwood Shop, capital contributions by developers, and the partially completed infrastructure for the Smith Ranch development.

Major capital assets events during the 2018 fiscal year included the following:

- The completion of the Cottonwood Shop: approximately \$8M allocated between the Capital, Water, and Sewer funds.
- Developer contributions, including streets, water, and sewer infrastructure: \$3.6M
- Maintenance of Town streets and bridges \$172K.
- Lightweight vehicles and heavy equipment including a grader and loader: \$841K.
- Annual Depreciation for the Governmental-Type: \$3,314,146 and Business-Type: \$1,359,972.

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
Land	\$ 9,524,924	\$ 9,524,924	\$ 3,871	\$ 3,871	\$ 9,528,795	\$ 9,528,795
Projects in Progress	3,432,970	2,824,162	-	219,680	3,432,970	3,043,842
Buildings	20,266,503	16,581,127	3,765,306	-	24,031,809	16,581,127
Vehicles & Heavy Equipment	3,032,944	2,562,124	-	-	3,032,944	2,562,124
Equipment & Furniture	1,187,525	962,340	379,959	384,068	1,567,484	1,346,408
Infrastructure	19,616,808	20,685,824	-	-	19,616,808	20,685,824
Other Improvements	4,116,334	3,130,182	2,880,851	2,993,812	6,997,185	6,123,994
Water/Sewer Infrastructure	-	-	16,993,465	14,324,730	16,993,465	14,324,730
Intangibles	524,756	426,448	80,203	44,710	604,959	471,158
Water Rights	-	-	8,424,250	8,424,250	8,424,250	8,424,250
Total	<u>\$61,702,764</u>	<u>\$56,697,130</u>	<u>\$35,527,905</u>	<u>\$26,395,121</u>	<u>\$ 97,230,669</u>	<u>\$ 83,092,251</u>

Note E of the financial statements on page 45 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 2018, the Town’s governmental activities total long-term debt decreased by \$582,968 leaving a balance of \$4,450,773. This consists of a lease purchase of Town Hall to fund construction of the SPAC (\$3,670,000), lease/purchase financing of two snow plow replacements (\$271,064), and compensated absences of \$509,709. For the business-type funds, the total long-term debt increased by \$10,543 and has a balance of \$48,099. The outstanding long term debt is for compensated absences.

Note H of the financial statements on pages 47-48 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 64% 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 are projected to continue to see growth in 2019. Silverthorne's sales tax revenue budget projections for 2019 are estimated to be up from 2018 by 2.0%. There are several development projects under review but the Town is typically conservative in revenue estimations and will not budget for increases until the businesses actually open.
- 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 will contribute approximately \$335K in 2019 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.
- Three new positions were budgeted for fiscal year 2019: two additional police officers and a marketing assistant. The 2019 budget also includes a provision for merit increases of up to 5%.
- The emphasis on economic development continues in 2019 with funding for business grants, ESTIP programs, Workforce Housing Business Assistance programs, art programming and operational support, marketing and advertising.
- The Smith Ranch Phase I infrastructure will be completed in mid-2019 and the Town will subsidize the cost of the completed homes at the time of closing.
- The Town has done its best to limit rate increases for 2019. The sewer services quarterly rates increased by 3% and there was a 2% increase to the flat portion of the water rates.
- The Town continues to emphasize asset management by including \$3.5M in the 2019 budget for these purposes. This includes a number of building maintenance items, recreation and fleet equipment replacements, park improvement projects, street maintenance, and drainage construction/improvement at several parks and trails. In addition, the 2019 budget includes updates to a number of strategic plans, the purchase of a building in the Urban Renewal District and additions to the Blue River Trail system (segments 6 and 7). These projects are possible because of the voter approved designation of a portion of sales taxes towards maintaining current capital assets and providing new assets.
- Although the Town is in a strong financial position to serve our current population and maintain existing assets, the funds for new projects is very limited. Opportunities for additional revenue sources will be explored in the coming year.

As we continue to add capital and services to our operations, the Town of Silverthorne continues to be in a strong financial position. While this is reassuring; the fact remains that annual operational expenditures must be paid for from revenues earned during this same period, not from reserves. In other words, we must live within our means. All these factors were considered in preparing the Town of Silverthorne's budget for the 2019 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.

PAGE LEFT BLANK INTENTIONALLY

TOWN OF SILVERTHORNE, COLORADO

STATEMENT OF NET POSITION

December 31, 2018

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash & Investments	\$ 16,161,647	\$ 5,414,768	\$ 21,576,415
Accounts Receivable	1,149,386	653,787	1,803,173
Property Taxes Receivable	152,486	-	152,486
Due from Other Governments	1,458,210	-	1,458,210
Internal Balances	(24,097)	24,097	-
Prepays	23,300	-	23,300
Inventory	24,511	44,239	68,750
Deposits	-	-	-
Land Held for Resale	3,148,429	-	3,148,429
Investment in Joint Venture	729,362	-	729,362
Restricted Cash & Investments	438,040	-	438,040
NonCurrent Assets:			
Investment in Joint Sewer Authority	-	9,980,002	9,980,002
Capital Assets:			
Nondepreciable Assets	12,957,894	8,428,121	21,386,015
Depreciable Assets, Net	48,744,870	24,099,784	72,844,654
TOTAL ASSETS	84,964,038	48,644,798	133,608,836
LIABILITIES			
Accounts Payable	553,564	27,679	581,243
Accrued Liabilities	886,180	18,879	905,059
Unearned Revenues	82,003	-	82,003
Accrued Interest Payable	9,070	-	9,070
Claims Payable	120,392	-	120,392
Noncurrent Liabilities:			
Due Within One Year	1,018,096	44,732	1,062,828
Due in More Than One Year	3,432,677	3,367	3,436,044
TOTAL LIABILITIES	6,101,982	94,657	6,196,639
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	152,486	-	152,486
TOTAL DEFERRED INFLOWS	152,486	-	152,486
NET POSITION			
Net Investment in Capital Assets	57,761,700	32,527,905	90,289,605
Restricted for:			
Emergency	655,261	-	655,261
Blue River Improvements	1,208,970	-	1,208,970
Parks, Trails & Open Space	809,585	-	809,585
Marketing	85,966	-	85,966
Affordable Housing	1,715,468	-	1,715,468
Capital Improvements	4,810,003	-	4,810,003
Unrestricted	11,662,617	16,022,236	27,684,853
TOTAL NET POSITION	\$ 78,709,570	\$ 48,550,141	\$ 127,259,711

TOWN OF SILVERTHORNE, COLORADO

STATEMENT OF ACTIVITIES

Year Ended December 31, 2018

Functions/Programs	Expenses	Charges for Services	Program Revenues Operating Grants and Contributions
PRIMARY GOVERNMENT			
Governmental Activities			
General Government	\$ 2,559,056	\$ 845,017	\$ -
Public Safety	2,289,344	116,819	52,992
Public Works	4,923,284	90,097	416,160
Community Development	1,057,047	677,882	-
Recreation & Culture	4,986,296	2,400,381	-
Urban Renewal	33,916	-	-
Housing	107,922	267,525	-
Interest on Long-Term Debt	71,526	-	-
	16,028,390	4,397,721	469,152
 Business-Type Activities			
Water	2,025,905	1,356,463	-
Sewer	1,864,471	1,905,113	-
	3,890,376	3,261,576	-
 TOTAL PRIMARY GOVERNMENT	\$ 19,918,766	\$ 7,659,297	\$ 469,152

GENERAL REVENUES

Taxes:

 Sales Taxes

 Lodging Tax

 Franchise Taxes

 Development Excise Tax

 Other Taxes

Grants & Contributions not Restricted to Specific Programs

Investment Income

Gain on Sale of Capital Assets

Miscellaneous

TRANSFERS

Total General Revenues and Transfers

Change in Net Position

NET POSITION, Beginning of Year

NET POSITION, End of Year

Net (Expenses) Revenues and Changes in Net Position			
<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
\$ -	\$ (1,714,039)	\$ -	\$ (1,714,039)
-	(2,119,533)	-	(2,119,533)
806,963	(3,610,064)	-	(3,610,064)
-	(379,165)	-	(379,165)
394,572	(2,191,343)	-	(2,191,343)
-	(33,916)	-	(33,916)
2,056,408	2,216,011	-	2,216,011
-	(71,526)	-	(71,526)
<u>3,257,943</u>	<u>(7,903,574)</u>	<u>-</u>	<u>(7,903,574)</u>
4,050,685	-	3,381,243	3,381,243
<u>1,108,704</u>	<u>-</u>	<u>1,149,346</u>	<u>1,149,346</u>
<u>5,159,389</u>	<u>-</u>	<u>4,530,589</u>	<u>4,530,589</u>
<u>\$ 8,417,332</u>	<u>(7,903,574)</u>	<u>4,530,589</u>	<u>(3,372,985)</u>
	11,648,767	-	11,648,767
	320,265	-	320,265
	282,765	-	282,765
	599,174	-	599,174
	262,183	-	262,183
	94,090	-	94,090
	324,205	89,483	413,688
	55,273	-	55,273
	998,861	144,148	1,143,009
	<u>(2,250,000)</u>	<u>2,250,000</u>	<u>-</u>
	<u>12,335,583</u>	<u>2,483,631</u>	<u>14,819,214</u>
	4,432,009	7,014,220	11,446,229
	<u>74,277,561</u>	<u>41,535,921</u>	<u>115,813,482</u>
	<u>\$ 78,709,570</u>	<u>\$ 48,550,141</u>	<u>\$ 127,259,711</u>

TOWN OF SILVERTHORNE, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2018

	General	Sales Tax Capital Improvement	Urban Renewal Authority	5A Housing	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash & Investments	\$ 7,756,948	\$ 2,562,424	\$ 246,272	\$ 1,336,962	\$ 3,869,899	\$ 15,772,505
Accounts Receivable	391,720	481,296	-	40,116	56,129	969,261
Property Taxes Receivable	-	-	152,486	-	-	152,486
Due from Other Governments	1,097,792	-	-	360,418	-	1,458,210
Interfund Receivable	3,952,773	-	-	-	-	3,952,773
Prepays	23,300	-	-	-	-	23,300
Inventory	24,511	-	-	-	-	24,511
Land Held for Resale	-	-	3,148,429	-	-	3,148,429
Investment in Joint Venture	-	-	729,362	-	-	729,362
Restricted Cash & Investments	420,367	-	17,673	-	-	438,040
Total Assets	\$ 13,667,411	\$ 3,043,720	\$ 4,294,222	\$ 1,737,496	\$ 3,926,028	\$ 26,668,877
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES						
Accounts Payable	331,088	146,898	20,596	22,028	27,457	548,067
Accrued Liabilities	836,944	31,562	17,674	-	-	886,180
Interfund Payable	-	-	3,952,773	-	-	3,952,773
Unearned Revenues	82,003	-	-	-	-	82,003
Total Liabilities	1,250,035	178,460	3,991,043	22,028	27,457	5,469,023
DEFERRED INFLOWS OF RESOURCES						
Property Taxes	-	-	152,486	-	-	152,486
Total Deferred Inflows of Resources	-	-	152,486	-	-	152,486
FUND BALANCES						
Nonspendable:						
Prepays	23,300	-	-	-	-	23,300
Inventory	24,511	-	-	-	-	24,511
Restricted for:						
Emergency	655,261	-	-	-	-	655,261
Blue River Improvements	-	-	-	-	1,208,970	1,208,970
Parks, Trails & Open Space	-	-	-	-	809,585	809,585
Marketing	-	-	-	-	85,966	85,966
Affordable Housing	-	-	-	1,715,468	-	1,715,468
Capital Improvements	-	2,865,260	150,693	-	1,794,050	4,810,003
Unassigned	11,714,304	-	-	-	-	11,714,304
Total Fund Balances	12,417,376	2,865,260	150,693	1,715,468	3,898,571	21,047,368
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 13,667,411	\$ 3,043,720	\$ 4,294,222	\$ 1,737,496	\$ 3,926,028	

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.

61,702,764

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.

419,281

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.

(4,459,843)

Total Net Position of Governmental Activities

\$ 78,709,570

TOWN OF SILVERTHORNE, COLORADO

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**
Year Ended December 31, 2018

	General	Sales Tax Capital Improvement	Urban Renewal Authority	5A Housing	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	\$ 8,647,257	\$ 3,448,369	\$ 98,089	\$ -	\$ 919,438	\$ 13,113,153
Intergovernmental	470,074	-	-	2,056,408	44,572	2,571,054
Licenses, Permits & Fees	777,123	-	-	267,525	-	1,044,648
Charges for Services	3,255,539	-	-	-	-	3,255,539
Fines & Forfeitures	61,074	-	-	-	-	61,074
Interest	159,367	74,731	4,245	36,789	47,952	323,084
Grants/Donations	93,168	1,290,617	-	-	-	1,383,785
Miscellaneous	88,714	969	-	-	-	89,683
Total Revenues	<u>13,552,316</u>	<u>4,814,686</u>	<u>102,334</u>	<u>2,360,722</u>	<u>1,011,962</u>	<u>21,842,020</u>
EXPENDITURES						
Current:						
General Government	2,383,237	-	-	-	49,320	2,432,557
Public Safety	2,265,578	-	-	-	-	2,265,578
Public Works	2,703,731	-	-	-	-	2,703,731
Community Development	969,397	-	-	-	-	969,397
Recreation & Culture	3,958,584	-	-	-	-	3,958,584
Urban Renewal	-	-	33,916	-	-	33,916
Housing	-	-	-	68,995	-	68,995
Capital Outlay	-	5,795,833	-	2,933,073	11,280	8,740,186
Debt Service:						
Principal	-	539,210	-	-	-	539,210
Interest & Fiscal Charges	-	84,892	-	-	-	84,892
Total Expenditures	<u>12,280,527</u>	<u>6,419,935</u>	<u>33,916</u>	<u>3,002,068</u>	<u>60,600</u>	<u>21,797,046</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>1,271,789</u>	<u>(1,605,249)</u>	<u>68,418</u>	<u>(641,346)</u>	<u>951,362</u>	<u>44,974</u>
OTHER FINANCING SOURCES (USES)						
Sale of Capital Assets	-	99,520	-	-	-	99,520
Colorado River Compact Agreement Distrib.	-	-	-	-	932,114	932,114
Transfer In	-	1,650,000	-	-	-	1,650,000
Transfers Out	(900,000)	(2,250,000)	-	-	(750,000)	(3,900,000)
Total Other Financing Sources (Uses)	<u>(900,000)</u>	<u>(500,480)</u>	<u>-</u>	<u>-</u>	<u>182,114</u>	<u>(1,218,366)</u>
Net Change in Fund Balances	371,789	(2,105,729)	68,418	(641,346)	1,133,476	(1,173,392)
Fund Balances, Beginning of Year	<u>12,045,587</u>	<u>4,970,989</u>	<u>82,275</u>	<u>2,356,814</u>	<u>2,765,095</u>	<u>22,220,760</u>
Fund Balances, End 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>

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, 2018

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

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ (1,173,392)
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 \$8,244,050 and contributions by developers \$99,624, exceeds the disposal/sale of capital assets (\$23,895) and depreciation expense (\$3,314,146) in the current period.	5,005,633
Revenues that do not provide current financial resources are deferred in the governmental fund financial statements but are recognized in the government-wide financial statements. This amount represents the change in deferred grant revenues.	(223,277)
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 effect the statement of activities. This reconciling item reflects principal payments on the capital lease.	539,210
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 change in accrued compensated absences \$43,759 and in accrued interest payable \$13,366	57,125
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>226,710</u>
Change in Net Position of Governmental Activities	<u>\$ 4,432,009</u>

TOWN OF SILVERTHORNE, COLORADO

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2018**

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Governmental Activities - Internal Service Fund</u>
	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Totals</u>	
ASSETS				
Current Assets:				
Cash & Investments	\$ 2,258,559	\$ 3,156,209	\$ 5,414,768	\$ 389,142
Accounts Receivable	276,822	376,965	653,787	180,125
Inventory	44,239	-	44,239	-
Total Current Assets	<u>2,579,620</u>	<u>3,533,174</u>	<u>6,112,794</u>	<u>569,267</u>
Noncurrent Assets:				
Investment in Joint Sewer Authority	-	9,980,002	9,980,002	-
Capital Assets:				
Nondepreciable Assets	8,428,121	-	8,428,121	-
Depreciable Assets, Net	14,128,517	9,971,267	24,099,784	-
Total Noncurrent Assets	<u>22,556,638</u>	<u>19,951,269</u>	<u>42,507,907</u>	<u>-</u>
TOTAL ASSETS	<u>25,136,258</u>	<u>23,484,443</u>	<u>48,620,701</u>	<u>569,267</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	23,910	3,769	27,679	5,497
Accrued Liabilities	18,879	-	18,879	-
Claims Payable	-	-	-	120,392
Compensated Absences	44,732	-	44,732	-
Total Current Liabilities	<u>87,521</u>	<u>3,769</u>	<u>91,290</u>	<u>125,889</u>
Noncurrent Liabilities:				
Compensated Absences	3,367	-	3,367	-
TOTAL LIABILITIES	<u>90,888</u>	<u>3,769</u>	<u>94,657</u>	<u>125,889</u>
NET POSITION				
Net Investment in Capital Assets	22,556,638	9,971,267	32,527,905	-
Unrestricted	2,488,732	13,509,407	15,998,139	443,378
TOTAL NET POSITION	<u>\$ 25,045,370</u>	<u>\$ 23,480,674</u>	48,526,044	<u>\$ 443,378</u>

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.

24,097

Total Net Position of Business-Type Activities \$ 48,550,141

TOWN OF SILVERTHORNE, COLORADO

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

Year Ended December 31, 2018

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Water Fund	Sewer Fund	Total	
OPERATING REVENUES				
User Fees	\$ 1,350,049	\$ 1,467,758	\$ 2,817,807	\$ -
Charges for Services	6,414	75	6,489	1,398,943
Miscellaneous	-	-	-	3,672
Total Operating Revenues	<u>1,356,463</u>	<u>1,467,833</u>	<u>2,824,296</u>	<u>1,402,615</u>
OPERATING EXPENSES				
Operations	997,704	381,872	1,379,576	-
Maintenance	154,153	107,640	261,793	-
Contractual Services	43,969	496,182	540,151	-
Claims & Wellness	-	-	-	1,162,017
Miscellaneous	-	-	-	540
Depreciation	844,550	515,422	1,359,972	-
Total Operating Expenses	<u>2,040,376</u>	<u>1,501,116</u>	<u>3,541,492</u>	<u>1,162,557</u>
Net Operating Income (Loss)	<u>(683,913)</u>	<u>(33,283)</u>	<u>(717,196)</u>	<u>240,058</u>
NONOPERATING REVENUES/(EXPENSES)				
Interest Revenue	35,104	54,379	89,483	1,123
Opportunity Fees	-	437,280	437,280	-
Equity Gain in Joint Sewer Authority	-	144,148	144,148	-
AMP Fees paid to Joint Sewer Authority (JSA)	-	(363,355)	(363,355)	-
Total Nonoperating Revenues (Expenses)	<u>35,104</u>	<u>272,452</u>	<u>307,556</u>	<u>1,123</u>
Income (Loss) Before Transfers and Contributions	<u>(648,809)</u>	<u>239,169</u>	<u>(409,640)</u>	<u>241,181</u>
Capital Contributions-Tap Fees	923,207	761,620	1,684,827	-
Transfers in from Capital Improvement Fund	750,000	1,500,000	2,250,000	-
Capital Contributions-Developers	3,127,478	347,084	3,474,562	-
Change in Net Position	<u>4,151,876</u>	<u>2,847,873</u>	<u>6,999,749</u>	<u>241,181</u>
NET POSITION, Beginning of Year	<u>20,893,494</u>	<u>20,632,801</u>	<u>41,526,295</u>	<u>202,197</u>
NET POSITION, End of Year	<u>\$ 25,045,370</u>	<u>\$ 23,480,674</u>	<u>\$ 48,526,044</u>	<u>\$ 443,378</u>

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

Change in Net Position of Proprietary Funds \$ 6,999,749

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.

14,471

Change in Net Position of Business-Type Activities

\$ 7,014,220

TOWN OF SILVERTHORNE, COLORADO

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS**

Year Ended December 31, 2018

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Water Fund	Sewer Fund	Totals	
Cash Flows From Operating Activities				
Cash Received from Customers/Users	\$ 1,310,426	\$ 1,450,999	\$ 2,761,425	\$ 622,583
Cash Received from Interfund Services Provided	-	-	-	624,902
Cash Paid to Suppliers	(748,900)	(901,927)	(1,650,827)	(1,112,284)
Cash Paid for Interfund Services Used	(56,450)	-	(56,450)	-
Cash Paid to Employees	(463,783)	(81,844)	(545,627)	-
Net Cash Provided (Used) by Operating Activities	41,293	467,228	508,521	135,201
Cash Flows from Capital & Related Financing Activities				
Acquisition of Capital Assets	(1,793,747)	(2,224,455)	(4,018,202)	-
Transfer in from Capital Improvement Fund	750,000	1,500,000	2,250,000	-
Sewer Opportunity Fees	-	437,280	437,280	-
Investment in Joint Sewer Authority	-	(215,967)	(215,967)	-
AMP Fees paid to Joint Sewer Authority (JSA)	-	(363,355)	(363,355)	-
Tap Fees	923,207	761,620	1,684,827	-
Net Cash Provided (Used) by Capital & Related Financing Activities	(120,540)	(104,877)	(225,417)	-
Cash Flows from Investing Activities				
Interest Received	35,111	54,379	89,490	1,123
NET CHANGE IN CASH AND CASH EQUIVALENTS	(44,136)	416,730	372,594	136,324
Cash & Cash Equivalents, Beginning of Year	2,302,692	2,739,479	5,042,171	252,818
Cash & Cash Equivalents, End of Year	\$ 2,258,556	\$ 3,156,209	\$ 5,414,765	\$ 389,142
RECONCILIATION OF NET OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Net Operating Income (Loss)	\$ (683,913)	\$ (33,283)	\$ (717,196)	\$ 240,058
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	844,550	515,422	1,359,972	-
Changes to Assets & Liabilities:				
Accounts Receivable	(46,037)	(16,834)	(62,871)	(155,130)
Inventory	(23,972)	-	(23,972)	-
Accounts Payable	(62,101)	1,923	(60,178)	3,391
Accrued Liabilities	2,223	-	2,223	-
Claims Payable	-	-	-	46,882
Compensated Absences	10,543	-	10,543	-
Total Adjustments	725,206	500,511	1,225,717	(104,857)
Net Cash Provided (Used) by Operating Activities	\$ 41,293	\$ 467,228	\$ 508,521	\$ 135,201
Non-cash Capital Activities				
Contributed Infrastructure from Developers	\$ 3,127,478	\$ 347,084	\$ 3,474,562	\$ -

TOWN OF SILVERTHORNE, COLORADO

STATEMENT OF ASSETS AND LIABILITIES - AGENCY FUND

December 31, 2018

	<u>Joint Sewer Authority</u>
ASSETS	
CURRENT ASSETS	
Cash & Investments	\$ <u>6,363,402</u>
Total Current Assets	\$ <u><u>6,363,402</u></u>
LIABILITIES	
LIABILITIES	
Funds Held for Authority	\$ <u>6,363,402</u>
Total Liabilities	\$ <u><u>6,363,402</u></u>

TOWN OF SILVERTHORNE, COLORADO

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

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, 2018

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, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In 2018, 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 2018, 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, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fiduciary Funds

In 2018, 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, 2018

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

6. Restricted Cash & Investments

Restricted cash and investments of \$438,040, are reported in the General and URA Funds. These funds represent escrowed monies held from developers 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, 2018

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, 2018**

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.

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, 2018, the Town had bank deposits of \$1,330,637 collateralized with securities held by the financial institution's agent but not in the Town's name.

At the end of 2018, the Town held deposits and investments with the following maturities:

	S&P Rating	Carrying Amounts	Maturities	
			Less than one year	Less than five years
Deposits:				
Cash on Hand	Not Rated	\$4,210	\$4,210	
Bank Deposits	Not Rated	1,490,652	1,490,652	
Investments				
United States Treasuries	NA	4,818,142	3,529,286	1,288,856
US Agencies	AA+	6,798,147	3,997,698	2,800,449
Money Market Fund	Aaa	589,285	589,285	
Investment Pools	AAAm	14,677,421	14,677,421	
		<u>\$28,377,857</u>	<u>24,288,552</u>	<u>4,089,305</u>

Reconciliation to the Financial Statements

Cash & Investments	\$21,576,415
Restricted Cash & Investments	438,040
Fiduciary Fund Cash & Investments	<u>6,363,402</u>
	<u>\$28,377,857</u>

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: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs

At December 31, 2018, 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	11,616,289		11,616,289	
Total	<u>\$11,616,289</u>		<u>\$11,616,289</u>	
Investments Measured at Net Asset Value:				
Colotrust	6,422,809			
CSAFE	8,254,612			
Money Market Funds	589,285			
Total	<u>\$15,266,706</u>			

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 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, 2018, the Town’s investments in the Federal National Mortgage Association, Federal Home Loan

TOWN OF SILVERTHORNE, COLORADO

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE C - DEPOSITS & INVESTMENTS (CONTINUED)

Mortgage Corporation, Federal Home Loan Bank, and Federal Farm Credit Banks Funding Corporation represented 3%, 6%, 11% and 6%, respectively, of total investments.

At December 31, 2018, the Town had invested \$14,677,421 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 – CSAFE 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 CSAFE's financial statements is available at the website www.csafe.org.

TOWN OF SILVERTHORNE, COLORADO

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE D – RECEIVABLES & DUE FROM OTHER GOVERNMENTS

Receivables and Due from Other Governments, as of December 31, 2018, 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	\$ 325,959	\$ 423,457	\$ -	\$ -	\$ 56,129	\$ -	\$ -
Accounts	65,761	57,839	-	40,116	-	276,822	376,965
Total Receivables	<u>\$ 391,720</u>	<u>\$ 481,296</u>	<u>\$ -</u>	<u>\$ 40,116</u>	<u>\$ 56,129</u>	<u>\$ 276,822</u>	<u>\$ 376,965</u>
Due from Other Governments							
County	\$ 8,160	\$ -	\$152,486	\$ -	\$ -	\$ -	\$ -
Local Authority	-	-	-	360,418	-	-	-
State	1,089,632	-	-	-	-	-	-
Total Other Governments	<u>\$1,097,792</u>	<u>\$ -</u>	<u>\$152,486</u>	<u>\$360,418</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF SILVERTHORNE, COLORADO

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE E – CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended December 31, 2018.

<u>Governmental Activities</u>	Balance December 31, 2017	Additions	Disposals	Balance December 31, 2018
Capital assets, not being depreciated:				
Land	\$ 9,524,924	\$ -	\$ -	\$ 9,524,924
Projects in Progress	<u>2,824,162</u>	<u>3,149,817</u>	<u>(2,541,009)</u>	<u>3,432,970</u>
Total capital assets not being depreciated	<u>12,349,086</u>	<u>3,149,817</u>	<u>(2,541,009)</u>	<u>12,957,894</u>
Capital assets, being depreciated:				
Buildings and Improvements	25,283,552	4,550,897	-	29,834,449
Vehicles & Heavy Equipment	4,273,126	840,597	(183,192)	4,930,531
Equipment & Furniture	2,152,921	458,869	(92,783)	2,519,007
Infrastructure	38,427,330	315,822	-	38,743,152
Intangibles	902,637	197,969	-	1,100,606
Other Improvements	<u>7,384,300</u>	<u>1,370,713</u>	<u>-</u>	<u>8,755,013</u>
Total capital assets being depreciated	<u>78,423,866</u>	<u>7,734,867</u>	<u>(275,975)</u>	<u>85,882,758</u>
Less accumulated depreciation:				
Buildings and Improvements	(8,702,425)	(865,520)	-	(9,567,945)
Vehicles & Heavy Equipment	(1,711,002)	(350,050)	163,465	(1,897,587)
Equipment & Furniture	(1,190,581)	(229,517)	88,615	(1,331,483)
Infrastructure	(17,741,506)	(1,384,838)	-	(19,126,344)
Intangibles	(476,189)	(99,661)	-	(575,850)
Other Improvements	<u>(4,254,119)</u>	<u>(384,560)</u>	<u>-</u>	<u>(4,638,679)</u>
Total accumulated depreciation	<u>(34,075,822)</u>	<u>(3,314,146)</u>	<u>252,080</u>	<u>(37,137,888)</u>
Total capital assets, being depreciated, net	<u>44,348,044</u>	<u>4,420,721</u>	<u>(23,895)</u>	<u>48,744,870</u>
Governmental activities capital assets, net	<u>\$ 56,697,130</u>	<u>\$ 7,570,538</u>	<u>\$ (2,564,904)</u>	<u>\$ 61,702,764</u>
<u>Business - Type Activities</u>	Balance December 31, 2017	Additions	Disposals	Balance December 31, 2018
Capital assets, not being depreciated:				
Land	\$ 3,871	\$ -	\$ -	\$ 3,871
Projects in Progress	219,680	-	(219,680)	-
Water Rights	<u>8,424,250</u>	<u>-</u>	<u>-</u>	<u>8,424,250</u>
Total capital assets, not being depreciated	<u>8,647,801</u>	<u>-</u>	<u>(219,680)</u>	<u>8,428,121</u>
Capital assets, being depreciated:				
Buildings and Improvements	-	3,812,968	-	3,812,968
Water Tanks	2,272,867	1,848,338	-	4,121,205
Lines	22,207,738	1,101,287	-	23,309,025
Wells	3,015,146	825,066	-	3,840,212
Machinery & Equipment	792,182	66,047	-	858,229
Intangibles	219,106	58,728	-	277,834
Other Improvements	<u>3,321,455</u>	<u>-</u>	<u>-</u>	<u>3,321,455</u>
Total capital assets, being depreciated	<u>31,828,494</u>	<u>7,712,434</u>	<u>-</u>	<u>39,540,928</u>
Less accumulated depreciation:				
Buildings and Improvements	-	(47,662)	-	(47,662)
Water Tanks	(1,142,250)	(79,885)	-	(1,222,135)
Lines	(9,958,463)	(872,971)	-	(10,831,434)
Wells	(2,070,308)	(153,100)	-	(2,223,408)
Machinery & Equipment	(408,112)	(70,158)	-	(478,270)
Intangibles	(174,395)	(23,236)	-	(197,631)
Other Improvements	<u>(327,644)</u>	<u>(112,960)</u>	<u>-</u>	<u>(440,604)</u>
Total accumulated depreciation	<u>(14,081,172)</u>	<u>(1,359,972)</u>	<u>-</u>	<u>(15,441,144)</u>
Total capital assets, being depreciated, net	<u>17,747,322</u>	<u>6,352,462</u>	<u>-</u>	<u>24,099,784</u>
Business-type activities capital assets, net	<u>\$ 26,395,123</u>	<u>\$ 6,352,462</u>	<u>\$ (219,680)</u>	<u>\$ 32,527,905</u>

TOWN OF SILVERTHORNE, COLORADO

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE E – CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions as follows:

Governmental Activities:

General Government	\$ 102,021
Public Safety	92,297
Public Works	2,118,959
Community Development	69,412
Recreation & Culture	<u>931,457</u>

Total Governmental Activities Depreciation Expenses \$3,314,146

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, 2018, the date of the most recent audited financial statements, of \$9,980,002. The Town represents a 67.17% share in the joint venture. At December 31, 2018, the Town was responsible for 44.3% of the JSA's operating expenses.

Based on the 2018 audited results, the Town's equity in the JSA increased by \$360,115.

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, 2018, of \$729,362. The URA represents a 50% share in the joint venture. At December 31, 2018, the URA was responsible for 50% of the partnerships operating expenses.

TOWN OF SILVERTHORNE, COLORADO

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

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, 2018, were as follows:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	-	900,000
Sales Tax Capital Improvement Fund	\$ 1,650,000	\$ 2,250,000
Water Fund	750,000	-
Sewer Fund	1,500,000	-
Development Excise Fund	-	750,000
Total Transfers	<u>\$ 3,900,000</u>	<u>\$ 3,900,000</u>

The transfers between the General, Sales Tax Capital Improvement, Water, Sewer, and Development Excise Funds were for the purpose of constructing of the Cottonwood Public Works Shop which is needed due to growth in the Town.

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, 2018:

	<u>Balance</u> <u>12/31/17</u>	<u>Additions</u>	<u>Retirement</u>	<u>Balance</u> <u>12/31/18</u>	<u>Due Within</u> <u>One Year</u>
Governmental Activities:					
Capital Leases	\$ 4,480,274	\$ -	\$ (539,210)	\$ 3,941,064	\$ 547,129
Compensated Absences – Gov.	<u>553,467</u>	<u>619,767</u>	<u>(663,525)</u>	<u>509,709</u>	<u>470,967</u>
Total Governmental	<u>\$ 5,033,741</u>	<u>\$ 619,767</u>	<u>\$(1,202,734)</u>	<u>\$ 4,450,773</u>	<u>\$ 1,018,096</u>
Business-Type Activities:					
Compensated Absences – Bus.	<u>\$ 37,556</u>	<u>\$ 60,311</u>	<u>\$ (49,767)</u>	<u>\$ 48,099</u>	<u>\$ 44,732</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, 2018**

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 2017, \$36,746 was included in depreciation expense and the prior year accumulated depreciation was \$18,373. 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 beginning 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 \$41,805. 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
2019	547,129	73,904	621,033
2020	540,348	62,699	603,047
2021	488,587	52,268	540,855
2022	455,000	43,248	498,248
2023	460,000	34,464	494,464
2024-2026	<u>1,450,000</u>	<u>49,248</u>	<u>1,499,248</u>
Total	<u>\$ 3,941,064</u>	<u>\$ 315,831</u>	<u>\$ 4,256,895</u>

NOTE I - PENSION PLANS

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

All full-time and ¾ 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 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, 2018, were \$626,401. Total contributions by the employees for the year ended December 31, 2018, were \$447,429.

TOWN OF SILVERTHORNE, COLORADO

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

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, 2018, 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 2018 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 \$443,377 as of December 31, 2018.

TOWN OF SILVERTHORNE, COLORADO

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

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:

	2017	2018
Claims Payable, Beginning of Year	\$ 120,714	\$ 73,510
Claims and Changes in Provisions	701,075	1,138,068
Claim Payments	(748,279)	(1,091,186)
Claims Payable, End of Year	<u>\$ 73,510</u>	<u>\$ 120,392</u>

NOTE L- CONTINGENCIES AND COMMITMENTS

Litigation

The Town had no active lawsuits as of the end of 2018.

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 three active agreements as of December 31, 2018: Murdoch's, Baker's Brewery, and Craig Realty (Starbucks). The gross dollar amount by which the Town's sales tax revenues were decreased during 2018 was \$347,188.

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 are received.

TOWN OF SILVERTHORNE, COLORADO

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

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 2018, The Town was required to reserve 3% of its fiscal year spending as "emergency reserves." The TABOR emergency reserve of \$655,261 has been recorded as restricted fund balance in the General Fund.

PAGE LEFT BLANK INTENTIONALLY

Required Supplementary Information

PAGE LEFT BLANK INTENTIONALLY

TOWN OF SILVERTHORNE, COLORADO

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE

Year Ended December 31, 2018

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Taxes	\$ 8,559,704	\$ 8,559,704	\$ 8,647,257	\$ 87,553
Intergovernmental	417,162	417,162	470,074	52,912
Licenses, Permits & Fees	611,031	611,031	777,123	166,092
Charges for Services	2,938,963	2,938,963	3,255,539	316,576
Fines & Forfeitures	100,000	100,000	61,074	(38,926)
Interest	31,000	31,000	159,367	128,367
Grants/Donations	56,321	56,321	93,168	36,847
Miscellaneous	26,000	76,000	88,714	12,714
Total Revenues	<u>12,740,181</u>	<u>12,790,181</u>	<u>13,552,316</u>	<u>762,135</u>
EXPENDITURES				
Current				
General Government	2,495,884	2,580,951	2,383,237	197,714
Public Safety	2,238,392	2,396,524	2,265,578	130,946
Public Works	2,983,438	3,093,300	2,703,731	389,569
Community Development	904,589	952,640	969,397	(16,757)
Recreation & Culture	3,888,726	4,148,199	3,958,584	189,615
Total Expenditures	<u>12,511,029</u>	<u>13,171,614</u>	<u>12,280,527</u>	<u>891,087</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	229,152	(381,433)	1,271,789	1,653,222
OTHER FINANCING SOURCES (USES)				
Transfer Out	<u>(900,000)</u>	<u>(900,000)</u>	<u>(900,000)</u>	<u>-</u>
Net Change in Fund Balance	<u>(670,848)</u>	<u>(1,281,433)</u>	<u>371,789</u>	<u>1,653,222</u>
Fund Balance, Beginning of Year	<u>7,498,743</u>	<u>12,045,587</u>	<u>12,045,587</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 6,827,895</u>	<u>\$ 10,764,154</u>	<u>\$ 12,417,376</u>	<u>\$ 1,653,222</u>

See the accompanying Independent Auditors' Report.

TOWN OF SILVERTHORNE, COLORADO

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2018**

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

PAGE LEFT BLANK INTENTIONALLY

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.

PAGE LEFT BLANK INTENTIONALLY

TOWN OF SILVERTHORNE, COLORADO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2018

	Capital Project Funds			Total Other Governmental Funds
	Conservation Trust	Lodging Tax	Development Excise Tax	
ASSETS				
Cash & Investments	\$ 74,241	\$ 2,001,608	\$ 1,794,050	\$ 3,869,899
Accounts Receivable	-	56,129	-	56,129
Total Assets	<u>\$ 74,241</u>	<u>\$ 2,057,737</u>	<u>\$ 1,794,050</u>	<u>\$ 3,926,028</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ -	\$ 27,457	\$ -	\$ 27,457
Total Liabilities	<u>-</u>	<u>27,457</u>	<u>-</u>	<u>27,457</u>
FUND BALANCES				
Restricted For:				
Blue River Improvements	\$ -	\$ 1,208,970	\$ -	\$ 1,208,970
Parks, Trails & Open Space	74,241	735,344	-	809,585
Marketing	-	85,966	-	85,966
Capital Improvements	-	-	1,794,050	1,794,050
Total Fund Balances	<u>74,241</u>	<u>2,030,280</u>	<u>1,794,050</u>	<u>3,898,571</u>
Total Liabilities & Fund Balances	<u>\$ 74,241</u>	<u>\$ 2,057,737</u>	<u>\$ 1,794,050</u>	<u>\$ 3,926,028</u>

TOWN OF SILVERTHORNE, COLORADO

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

Year Ended December 31, 2018

	Capital Project Funds			Total Other Governmental Funds
	Conservation Trust	Lodging Tax	Development Excise Tax	
REVENUES				
Taxes	\$ -	\$ 320,265	\$ 599,173	\$ 919,438
Intergovernmental	44,572	-	-	44,572
Interest	1,101	17,012	29,839	47,952
Total Revenues	45,673	337,277	629,012	1,011,962
EXPENDITURES				
Current:				
General Government - Marketing	-	49,320	-	49,320
Blue River Restoration	-	1,645	-	1,645
Capital Outlay	-	9,635	-	9,635
Total Expenditures	-	60,600	-	60,600
Excess (Deficiency) of Revenues Over/(Under) Expenditures	45,673	276,677	629,012	951,362
OTHER FINANCING SOURCES (USES)				
Miscellaneous-CRCA Distribution	-	932,114	-	932,114
Transfer Out	-	-	(750,000)	(750,000)
Total Other Financing Sources (Uses)	-	932,114	(750,000)	182,114
Net Change in Fund Balance	45,673	1,208,791	(120,988)	1,133,476
Fund Balances, Beginning of Year	28,568	821,489	1,915,038	2,765,095
Fund Balances, End of Year	\$ 74,241	\$ 2,030,280	\$ 1,794,050	\$ 3,898,571

See the accompanying Independent Auditors' Report.

TOWN OF SILVERTHORNE, COLORADO

CONSERVATION TRUST FUND
BUDGETARY COMPARISON SCHEDULE

Year Ended December 31, 2018

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES				
Intergovernmental	\$ 40,000	\$ 40,000	\$ 44,572	\$ 4,572
Interest	20	20	1,101	1,081
Total Revenues	<u>40,020</u>	<u>40,020</u>	<u>45,673</u>	<u>5,653</u>
EXPENDITURES				
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess/(Deficiency) of Revenues Over Expenditures	40,020	40,020	45,673	5,653
OTHER FINANCING SOURCES (USES)				
Transfer Out	-	-	-	-
Net Change in Fund Balance	40,020	40,020	45,673	5,653
Fund Balance, Beginning of Year	<u>7,384</u>	<u>28,568</u>	<u>28,568</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 47,404</u>	<u>\$ 68,588</u>	<u>\$ 74,241</u>	<u>\$ 5,653</u>

See the accompanying Independent Auditors' Report.

TOWN OF SILVERTHORNE, COLORADO

LODGING TAX FUND
BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2018

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES				
Taxes	\$ 316,163	\$ 316,163	\$ 320,265	\$ 4,102
Interest	<u>4,284</u>	<u>4,284</u>	<u>17,012</u>	<u>12,728</u>
Total Revenues	<u>320,447</u>	<u>320,447</u>	<u>337,277</u>	<u>16,830</u>
EXPENDITURES				
General Government - Marketing	50,000	50,000	49,320	680
Blue River Restoration	-	-	1,645	(1,645)
Capital Outlay	<u>40,000</u>	<u>40,000</u>	<u>9,635</u>	<u>30,365</u>
Total Expenditures	<u>90,000</u>	<u>90,000</u>	<u>60,600</u>	<u>29,400</u>
Excess of Revenues Over Expenditures	230,447	230,447	276,677	46,230
OTHER FINANCING SOURCES (USES)				
CRCA Distribution	-	-	932,114	932,114
Transfer Out	<u>(662,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(662,000)</u>	<u>-</u>	<u>932,114</u>	<u>932,114</u>
Net Change in Fund Balance	(431,553)	230,447	1,208,791	978,344
Fund Balance, Beginning of Year	<u>811,296</u>	<u>821,489</u>	<u>821,489</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 379,743</u>	<u>\$ 1,051,936</u>	<u>\$ 2,030,280</u>	<u>\$ 978,344</u>

See the accompanying Independent Auditors' Report.

TOWN OF SILVERTHORNE, COLORADO

DEVELOPMENT EXCISE TAX FUND
BUDGETARY COMPARISON SCHEDULE

Year Ended December 31, 2018

	<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	\$ 599,173	\$ 214,173
Interest	<u>15,400</u>	<u>15,400</u>	<u>29,839</u>	<u>14,439</u>
Total Revenues	<u>400,400</u>	<u>400,400</u>	<u>629,012</u>	<u>228,612</u>
EXPENDITURES				
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over Expenditures	400,400	400,400	629,012	228,612
OTHER FINANCING SOURCES (USES)				
Transfer Out	<u>(750,000)</u>	<u>(750,000)</u>	<u>(750,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(750,000)</u>	<u>(750,000)</u>	<u>(750,000)</u>	<u>-</u>
Net Change in Fund Balance	(349,600)	(349,600)	(120,988)	228,612
Fund Balance, Beginning of Year	<u>1,905,316</u>	<u>1,915,038</u>	<u>1,915,038</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 1,555,716</u>	<u>\$ 1,565,438</u>	<u>\$ 1,794,050</u>	<u>\$ 228,612</u>

See the accompanying Independent Auditors' Report.

TOWN OF SILVERTHORNE, COLORADO

5A HOUSING FUND
BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2018

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES				
Intergovernmental	\$ 1,925,286	\$ 1,925,286	\$ 2,056,408	\$ 131,122
Licenses, Permits & Fees	150,000	150,000	267,525	117,525
Charges for Services	25,000	25,000	-	(25,000)
Interest	<u>7,156</u>	<u>7,156</u>	<u>36,789</u>	<u>29,633</u>
 Total Revenues	 <u>2,107,442</u>	 <u>2,107,442</u>	 <u>2,360,722</u>	 <u>253,280</u>
EXPENDITURES				
Housing Administrative Fees	49,058	49,058	56,652	(7,594)
Capital Outlay	2,000,000	3,000,000	2,933,073	66,927
Housing Programs	<u>485,000</u>	<u>515,000</u>	<u>12,343</u>	<u>502,657</u>
 Total Expenditures	 <u>2,534,058</u>	 <u>3,564,058</u>	 <u>3,002,068</u>	 <u>561,990</u>
 Excess (Deficiency) of Revenues Over Expenditures	 (426,616)	 (1,456,616)	 (641,346)	 815,270
 Net Change in Fund Balance,	 (426,616)	 (1,456,616)	 (641,346)	 815,270
 Fund Balance, Beginning of Year	 <u>2,113,086</u>	 <u>2,356,814</u>	 <u>2,356,814</u>	 <u>-</u>
 Fund Balance, End of Year	 <u>\$ 1,686,470</u>	 <u>\$ 900,198</u>	 <u>\$ 1,715,468</u>	 <u>\$ 815,270</u>

See the accompanying Independent Auditors' Report.

TOWN OF SILVERTHORNE, COLORADO

SALES TAX CAPITAL IMPROVEMENT FUND
BUDGETARY COMPARISON SCHEDULE

Year Ended December 31, 2018

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES				
Taxes	\$ 3,356,106	\$ 3,356,106	\$ 3,448,369	\$ 92,263
Grants/Donations	2,860,000	1,350,000	1,291,586	(58,414)
Interest	7,200	7,200	74,731	67,531
Total Revenues	<u>6,223,306</u>	<u>4,713,306</u>	<u>4,814,686</u>	<u>101,380</u>
EXPENDITURES				
Capital Outlay	13,190,665	9,525,080	5,795,833	3,729,247
Debt Services:				
Principal	539,210	539,210	539,210	-
Interest & Fiscal Charges	84,887	84,887	84,892	(5)
Total Expenditures	<u>13,814,762</u>	<u>10,149,177</u>	<u>6,419,935</u>	<u>3,729,242</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(7,591,456)</u>	<u>(5,435,871)</u>	<u>(1,605,249)</u>	<u>3,830,622</u>
OTHER FINANCING SOURCES/USES				
Sale of Capital Assets	26,000	26,000	99,520	73,520
Transfers In	3,662,000	1,650,000	1,650,000	-
Transfers Out	-	(2,250,000)	(2,250,000)	-
Total Other Financing Sources	<u>3,688,000</u>	<u>(574,000)</u>	<u>(500,480)</u>	<u>73,520</u>
Net Change in Fund Balance	(3,903,456)	(6,009,871)	(2,105,729)	3,904,142
Fund Balance, Beginning of Year	<u>5,020,214</u>	<u>4,970,989</u>	<u>4,970,989</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 1,116,758</u>	<u>\$ (1,038,882)</u>	<u>\$ 2,865,260</u>	<u>\$ 3,904,142</u>

See the accompanying Independent Auditors' Report.

TOWN OF SILVERTHORNE, COLORADO

URBAN RENEWAL AUTHORITY FUND
BUDGETARY COMPARISON SCHEDULE

Year Ended December 31, 2018

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES				
Taxes	\$ 103,765	\$ 103,765	\$ 98,089	\$ (5,676)
Interest	-	-	4,245	4,245
Total Revenues	<u>103,765</u>	<u>103,765</u>	<u>102,334</u>	<u>(1,431)</u>
EXPENDITURES				
Urban Renewal	<u>40,000</u>	<u>40,000</u>	<u>33,916</u>	<u>6,084</u>
Total Expenditures	<u>40,000</u>	<u>40,000</u>	<u>33,916</u>	<u>6,084</u>
Net Change in Fund Balance	63,765	63,765	68,418	4,653
Fund Balance, Beginning of Year	<u>75,664</u>	<u>82,275</u>	<u>82,275</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 139,429</u>	<u>\$ 146,040</u>	<u>\$ 150,693</u>	<u>\$ 4,653</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.

PAGE LEFT BLANK INTENTIONALLY

TOWN OF SILVERTHORNE, COLORADO

WATER FUND
BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2018

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
User Fees	\$ 1,133,388	\$ 1,133,388	\$ 1,350,049	\$ 216,661
Charges for Services	4,200	4,200	6,414	2,214
Tap Fees	943,800	943,800	923,207	(20,593)
Interest	5,000	5,000	35,104	30,104
Total Revenues	2,086,388	2,086,388	2,314,774	228,386
EXPENSES				
Operations	863,318	1,026,507	997,704	28,803
Maintenance	331,500	331,500	154,153	177,347
Contractual Services	58,027	58,027	43,969	14,058
Capital Outlay	187,500	1,822,700	1,793,747	28,953
Total Expenses	1,440,345	3,238,734	2,989,573	249,161
Excess (Deficiency) of Revenues Over Expenditures	646,043	(1,152,346)	(674,799)	477,547
OTHER FINANCING SOURCES/(USES)				
Transfer from Capital Improvement Fund	-	750,000	750,000	-
Transfer to Capital Improvement Fund	(675,000)	-	-	-
Total Other Financing Sources/(Uses)	(675,000)	750,000	750,000	-
Change in Net Position, Budgetary Basis	\$ (28,957)	\$ (402,346)	75,201	\$ 477,547
ADJUSTMENTS TO GAAP BASIS				
Capital Outlay			1,793,747	
Depreciation Expense			(844,550)	
Contributed Capital from Developers			3,127,478	
Change in Net Position, GAAP Basis			\$ 4,151,876	

See the accompanying Independent Auditors' Report.

TOWN OF SILVERTHORNE, COLORADO

SEWER FUND
BUDGETARY COMPARISON SCHEDULE

Year Ended December 31, 2018

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES				
User Fees	\$ 1,438,274	\$ 1,438,274	\$ 1,467,758	\$ 29,484
Charges for Services	5,400	5,400	75	(5,325)
Opportunity Fees	356,255	356,255	437,280	81,025
Tap Fees	300,000	300,000	761,620	461,620
Interest	4,500	4,500	54,379	49,879
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	2,104,429	2,104,429	2,721,112	616,683
EXPENSES				
Operations	328,326	410,065	381,872	28,193
Maintenance	135,000	135,000	107,640	27,360
Contractual Services	1,091,783	1,091,783	859,537	232,246
Capital Outlay	75,000	2,250,000	2,224,455	25,545
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenses	1,630,109	3,886,848	3,573,504	313,344
Excess (Deficiency) of Revenues Over Expenditures	<hr/>	<hr/>	<hr/>	<hr/>
	474,320	(1,782,419)	(852,392)	930,027
OTHER FINANCING SOURCES/(USES)				
Transfer In from CIP Fund		1,500,000	1,500,000	-
Transfer to Capital Improvements Fund	(675,000)	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Sources/(Uses)	(675,000)	1,500,000	1,500,000	-
Change in Net Position, Budgetary Basis	\$ <u>(200,680)</u>	\$ <u>(282,419)</u>	647,608	\$ <u>930,027</u>
ADJUSTMENTS TO GAAP BASIS				
Capital Outlay			2,224,455	
Depreciation Expense			(515,422)	
Contributed Capital from Developers			347,084	
Equity Gain in Joint Sewer Authority Investment			144,148	
			<hr/>	
Change in Net Position, GAAP Basis			\$ <u>2,847,873</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.

PAGE LEFT BLANK INTENTIONALLY

TOWN OF SILVERTHORNE, COLORADO

HEALTH & SHORT-TERM DISABILITY CLAIMS FUND
BUDGETARY COMPARISON SCHEDULE

Year Ended December 31, 2018

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for Services	\$ 714,000	\$ 1,464,004	\$ 1,398,943	\$ (65,061)
Interest	200	200	1,123	923
Miscellaneous	1,000	1,000	3,672	2,672
Total Revenues	<u>715,200</u>	<u>1,465,204</u>	<u>1,403,738</u>	<u>(61,466)</u>
EXPENSES				
Claims	661,322	1,411,323	1,138,068	273,255
Wellness Program	22,134	22,134	23,949	(1,815)
Miscellaneous	9,416	9,416	540	8,876
Total Expenses	<u>692,872</u>	<u>1,442,873</u>	<u>1,162,557</u>	<u>280,316</u>
Change in Net Position	22,328	22,331	241,181	218,850
Net Position, Beginning of Year	<u>254,723</u>	<u>202,197</u>	<u>202,197</u>	<u>-</u>
Net Position, End of Year	<u>\$ 277,051</u>	<u>\$ 224,528</u>	<u>\$ 443,378</u>	<u>\$ 218,850</u>

See the accompanying Independent Auditors' Report.

TOWN OF SILVERTHORNE, COLORADO

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUND

Year Ended December 31, 2018

	<u>Balance</u> <u>January 1, 2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>December 31, 2018</u>
Joint Sewer Authority				
ASSETS				
Cash and Investments	\$ 7,343,809	\$ 2,702,560	\$ (3,682,967)	\$ 6,363,402
Total Assets	<u>\$ 7,343,809</u>	<u>\$ 2,702,560</u>	<u>\$ (3,682,967)</u>	<u>\$ 6,363,402</u>
LIABILITIES				
Funds Held for Authority	\$ 7,343,809	\$ 2,702,560	\$ (3,682,967)	\$ 6,363,402
Total Liabilities	<u>\$ 7,343,809</u>	<u>\$ 2,702,560</u>	<u>\$ (3,682,967)</u>	<u>\$ 6,363,402</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	78-85
Revenue Capacity These tables contain information that may assist the reader in assessing the viability of the Town’s most significant “own-source” revenues.	9-14	86-91
Debt Capacity These tables present information that may assist the reader in analyzing the affordability of the Town’s current levels of outstanding debt and the Town’s ability to issue additional debt in the future.	15-18	92-95
Demographic and Economic Information These tables offer economic and demographic indicators that are commonly used for financial analysis and depict the Town’s present and ongoing financial status.	19-20	96-97
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.	21-23	98-100

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

Source	2009 (3)	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental Activities										
Net Investment in Capital Assets	\$ 40,538,196	\$ 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
Restricted	252,224	253,108	-	-	-	-	-	-	-	-
Restricted for: (1)										
Emergency	-	-	258,084	266,008	421,023	434,517	467,218	510,785	632,415	655,261
Trail Easements	-	-	-	-	386,461	-	-	-	-	-
Blue River Improvements	-	-	-	68,314	68,323	268,379	268,853	270,361	272,850	1,208,970
Parks, Trails & Open Space	-	-	157,948	81,448	61,325	23,620	90,929	309,921	491,730	809,585
Marketing	-	-	40,625	44,331	42,994	48,997	84,934	91,193	85,477	85,966
Affordable Housing	-	-	-	-	-	34,441	529,059	1,087,223	2,356,814	1,715,468
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
Unrestricted	6,975,032	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
Subtotal Governmental Activities	47,765,452	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
Net Position										
Business-type Activities										
Net Investment in Capital Assets (2)	21,753,271	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
Unrestricted	11,530,909	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
Subtotal Business-type Activities	33,284,180	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
Primary Government										
Net Investment in Capital Assets	62,291,467	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
Restricted	252,224	253,108	-	-	-	-	-	-	-	-
Restricted for: (1)										
Emergency	-	-	258,084	266,008	421,023	434,517	467,218	510,785	632,415	655,261
Trail Easements	-	-	-	-	386,461	-	-	-	-	-
Blue River Improvements	-	-	-	68,314	68,323	268,379	268,853	270,361	272,850	1,208,970
Parks, Trails & Open Space	-	-	157,948	81,448	61,325	23,620	90,929	309,921	491,730	809,585
Marketing	-	-	40,625	44,331	42,994	48,997	84,934	91,193	85,477	85,966
Affordable Housing	-	-	-	-	-	34,441	529,059	1,087,223	2,356,814	1,715,468
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
Unrestricted	18,505,941	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
Total Primary Government	81,049,632	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
Net Position										

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

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

(3) Prior Year Adjustments due to GASB 51 adding intangibles capital assets from prior years .

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

Source	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses:										
General Government	\$ 1,605,745	\$ 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
Public Safety	1,857,556	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
Public Works	3,598,113	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
Community Development	745,431	719,689	780,753	746,989	844,004	917,763	925,638	1,057,165	1,015,199	1,057,047
Recreation & Culture	3,089,079	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
Urban Renewal	-	-	-	-	25,386	30,967	2,298	800	6,491	33,916
Housing	316,901	84,104	42,821	37,444	61,489	44,081	32,575	40,652	107,832	107,922
Interest on Long-Term Debt	126,502	7,576	2,417	-	-	-	3,167	46,876	105,834	71,526
Total Expenses	11,339,327	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
Program Revenues:										
Charges for Services										
General Government	257,581	205,876	243,697	334,442	354,339	431,398	587,756	632,652	1,108,707	845,017
Public Safety	158,075	143,689	139,631	133,987	175,426	156,672	167,225	129,639	139,285	116,819
Public Works	76,876	76,318	78,318	102,056	80,150	78,765	79,487	81,037	84,636	90,097
Community Development	169,820	200,217	219,989	151,940	408,477	345,634	438,838	681,801	597,868	677,882
Recreation & Culture	1,617,781	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
Housing	-	-	-	-	130,757	216,458	232,560	283,466	264,167	267,525
Operating Grants & Contributions	250,850	252,062	452,588	421,313	473,856	489,073	416,907	351,748	380,463	469,152
Capital Grants & Contributions	977,500	106,017	318,192	2,537,671	1,320,774	266,083	288,657	357,611	5,656,864	3,257,943
Total Program Revenues	3,508,483	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
Net (Expenses)/Revenues	(7,830,844)	(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)
General Revenues & Transfers:										
Taxes:										
Sales Taxes for General Purpose	5,206,198	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
Sales Taxes for Capital & Debt	2,245,857	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
Lodging Tax	113,629	120,602	128,803	126,856	141,420	160,594	187,720	266,832	287,181	320,265
Franchise Taxes	213,636	231,610	233,638	227,469	258,518	274,436	280,925	270,551	278,160	282,765
Development Excise Tax	92,276	96,986	105,958	129,080	409,336	231,332	350,438	663,574	501,663	599,174
Other Taxes	-	-	-	-	-	136,301	153,612	212,164	220,789	262,183
Grants & Contributions not Restricted	347,084	360,206	150,967	49,288	54,361	103,539	97,353	95,743	88,731	94,090
Investment Income	124,732	91,096	47,392	42,473	24,124	20,204	20,294	62,718	126,305	324,205
Gain on Sales of Capital Assets	-	-	-	22,339	18,281	199,799	42,625	62,287	1,134,409	55,273
Miscellaneous	154,128	182,165	177,218	204,454	37,353	261,489	49,562	34,739	156,106	998,861
Transfers	262,092	282,915	342,378	303,240	409,375	-	-	-	2,250,000	(2,250,000)
Total General Revenues & Transfers	8,759,632	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
Change in Net Position	\$ 928,788	\$ 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

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

Source	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses:										
Water	\$ 1,138,255	\$ 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
Sewer	1,116,886	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
Total Expenses	2,255,141	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
Program Revenues:										
Charges for Services										
Water	893,157	963,413	935,373	947,202	909,877	950,644	1,038,816	1,166,615	1,150,367	1,356,463
Sewer	1,030,277	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
Capital Grants & Contributions	788,267	275,185	741,708	517,458	3,356,775	951,489	1,019,012	1,811,304	6,826,900	5,159,389
Total Program Revenues	2,711,701	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
Net (Expenses)/Revenues	456,560	(35,336)	247,789	11,649	2,890,682	148,767	256,043	920,645	5,733,897	4,530,589
General Revenues & Transfers:										
Investment Income	52,044	36,005	25,363	23,217	14,310	12,289	10,145	27,820	44,685	89,483
Gain on Sale of Capital Assets	-	-	-	-	15,042	9,108	8,000	-	-	-
Miscellaneous	120,403	215,406	-	34,367	124,023	300,715	502,079	119,521	143,418	144,148
Transfers	(262,092)	(282,915)	(342,378)	(303,240)	(409,375)	-	-	-	(2,250,000)	2,250,000
Total General Revenues & Transfers	(89,645)	(31,504)	(317,015)	(245,656)	(256,000)	322,112	520,224	147,341	(2,061,897)	2,483,631
Change in Net Position	\$ 366,915	\$ (66,840)	\$ (69,226)	\$ (234,007)	\$ 2,634,682	\$ 470,879	\$ 776,267	\$ 1,067,986	\$ 3,672,000	\$ 7,014,220

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

Source	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Operating Revenues:										
Users Fees	\$1,907,084	\$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
Charges for Services	16,350	9,760	11,804	8,482	8,687	17,652	12,838	66,411	17,726	6,489
Total Operating Revenues	1,923,434	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
Operating Expenses:										
Operations	479,666	501,184	518,748	530,359	562,240	944,393	1,015,303	1,211,639	1,197,677	1,379,576
Maintenance	89,422	159,665	199,856	359,048	236,744	341,765	424,514	344,196	415,884	261,793
Contractual Services	864,837	872,484	857,304	882,193	866,492	754,592	676,369	511,766	556,334	540,151
Depreciation and Amortization	821,216	819,009	954,880	817,881	875,017	939,766	962,926	980,658	1,106,436	1,359,972
Total Operating Expenses	2,255,141	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
Operating Income (Loss)	(331,707)	(310,521)	(457,285)	(492,611)	(463,120)	(805,004)	(770,758)	(552,569)	(741,597)	(717,196)
Non-Operating Revenues/(Expenses):										
Interest Revenue	52,044	36,005	25,363	23,217	14,310	12,289	10,145	27,820	44,685	89,483
Gain/(Loss) on Disposal of Capital Assets	-	-	(11,371)	(7,917)	15,042	9,108	8,000	-	-	-
Opportunity Fees	-	-	-	-	-	-	-	-	-	437,280
Equity Income in Joint Sewer Authority Investment	120,403	215,406	(40,639)	34,367	124,023	300,715	502,079	119,521	143,418	144,148
AMP Fees to JSA (1)	-	-	-	-	-	-	-	(333,711)	(348,218)	(363,355)
Total Non-Operating Revenues/(Expenses)	172,447	251,411	(26,647)	49,667	153,375	322,112	520,224	(186,370)	(160,115)	307,556
Income (Loss) Before Transfers & Capital Contributions	(159,260)	(59,110)	(483,932)	(442,944)	(309,745)	(482,892)	(250,534)	(738,939)	(901,712)	(409,640)
Transfer out to General Fund	(262,092)	(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	788,267	275,185	741,708	517,458	3,356,775	951,489	1,019,012	-	6,826,900	5,159,389
Change in Net Position	\$366,915	(\$66,840)	(\$84,602)	(\$228,726)	\$2,637,655	\$468,597	\$768,478	(738,939)	3,675,188	6,999,749

(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	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses:										
Governmental Activities	\$11,339,327	\$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
Business-type Activities	2,255,141	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
Total Expenses	13,594,468	12,983,390	13,344,096	14,065,626	14,777,569	15,792,553	16,448,814	17,821,789	18,854,169	19,918,766
Program Revenues:										
Governmental Activities	3,274,144	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
Business-type Activities	2,711,701	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
Total Program Revenues	5,985,845	4,654,149	5,731,899	8,004,237	10,226,560	7,001,150	7,606,178	9,000,370	19,896,673	16,545,781
Net (Expense)/Revenue	(7,608,623)	(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)
General Revenues & Transfers:										
Governmental Activities	8,993,971	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
Business-type Activities	(89,645)	(31,504)	(317,015)	(245,656)	(256,000)	322,112	520,224	147,341	(2,061,897)	2,483,631
Total General Revenues & Transfers	8,904,326	9,059,643	8,848,375	9,020,539	10,080,374	11,138,821	11,876,499	12,540,027	14,166,362	14,819,214
Change in Net Position	\$ 1,295,703	\$ 730,402	\$ 1,236,178	\$ 2,959,150	\$ 5,529,365	\$ 2,347,418	\$ 3,033,863	\$ 3,718,608	\$15,208,866	\$11,446,229

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

Source	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Nonspendable:										
Inventory & Prepays	\$ -	\$ -	\$ 32,087	\$ 23,823	\$ 27,880	\$ 119,697	\$ 17,744	\$ 26,860	\$ 29,580	\$ 47,811
Restricted	319,430	375,817	-	-	-	-	-	-	-	-
Restricted For: (1)										
Emergency	-	-	258,084	266,008	421,023	434,517	467,218	510,785	632,415	655,261
Blue River Improvements	-	-	-	-	-	-	-	-	-	-
Parks, Trails & Open Space	-	-	-	-	-	-	-	-	-	-
Marketing	-	-	-	-	-	-	-	-	-	-
Capital Improvements	-	-	-	-	-	-	-	-	-	-
Unrestricted	6,056,714	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
Subtotal General Fund	6,376,144	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
General Fund Percentage Change	-6.5%	1.9%	-5.4%	4.9%	11.5%	36.2%	16.0%	-1.7%	7.9%	3.1%
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	650,120	480,806	635,566	1,579,978	853,207	1,251,744	668,040	2,130,289	4,970,989	2,865,260
Conservation Trust Fund	-	-	-	39,103	-	-	38,607	84,702	28,568	74,241
Lodging Tax Fund	313,059	349,562	198,573	154,990	559,103	340,996	406,109	586,773	821,489	2,030,280
Excise Tax Fund	1,286,926	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
5A Housing Fund	(1,665,335)	(1,469,126)	(1,002,422)	(737,424)	(410,255)	34,441	529,059	1,087,223	\$ 2,356,814	\$ 1,715,468
Urban Renewal Authority	-	-	-	-	(3,187,665)	(3,947,994)	(3,917,592)	(3,862,877)	82,275	150,693
Subtotal All Other Governmental Funds	584,771	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
Total Governmental Funds										
Nonspendable	-	-	32,087	28,441	3,176,309	3,997,488	3,908,978	3,918,398	29,580	47,811
Restricted (2)	319,430	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
Unassigned (2)	6,641,484	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
Total Governmental Funds	\$ 6,960,914	\$ 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
All Governmental Funds Percentage Change	-20.5%	6.0%	14.9%	15.6%	-0.1%	28.2%	15.6%	18.9%	29.0%	-5.3%

(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	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total Revenues	\$ 11,497,637	\$ 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
Total Expenditures	13,579,019	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
Excess (Deficiency of Revenues Over (Under) Expenditures	<u>(2,081,382)</u>	<u>(2,557)</u>	<u>41,699</u>	<u>1,080,800</u>	<u>(195,026)</u>	<u>1,503,591</u>	<u>1,865,888</u>	<u>(2,282,125)</u>	<u>819,715</u>	<u>44,974</u>
Other Financing Sources (Uses)										
Capital Lease	-	-	-	-	-	180,000	-	4,917,416	-	-
Sale of Capital Assets	29,003	136,875	185,116	200,282	99,705	1,220,301	86,416	97,418	1,923,317	99,520
Colorado River Compact Agreement Distrib.	-	-	-	-	-	-	-	-	-	932,114
Loan Repayment	-	-	-	-	-	267,613	-	-	-	-
Transfers In	762,092	282,915	942,378	303,240	1,934,375	450,000	360,000	1,500,000	4,669,710	1,650,000
Transfers Out	<u>(500,000)</u>	<u>-</u>	<u>(1,074,506)</u>	<u>-</u>	<u>(1,525,000)</u>	<u>(450,000)</u>	<u>(360,000)</u>	<u>(1,500,000)</u>	<u>(2,419,710)</u>	<u>(3,900,000)</u>
Total Other (Uses) Financing Sources	<u>291,095</u>	<u>419,790</u>	<u>52,988</u>	<u>503,522</u>	<u>509,080</u>	<u>1,667,914</u>	<u>86,416</u>	<u>5,014,834</u>	<u>4,173,317</u>	<u>(1,218,366)</u>
Net Change in Fund Balances	<u>\$ (1,790,287)</u>	<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>

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

Function	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Current:										
General Government	\$ 1,374,550	\$ 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
Public Safety	1,778,406	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
Public Works	1,989,880	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
Community Development	682,488	641,036	695,909	676,672	750,395	844,267	758,949	953,271	925,400	969,397
Recreation and Culture	2,593,163	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
Urban Renewal	-	-	-	-	39,236	30,967	2,298	800	6,491	33,916
5A Housing	103,791	84,104	42,821	37,444	61,489	44,081	32,575	40,652	107,832	68,995
Total Current Expenditures	8,522,278	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
% Change from Prior Year	-6.0%	0.1%	1.6%	2.9%	6.8%	-1.3%	1.6%	14.7%	7.8%	5.3%
Capital Outlay (1)	2,910,833	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
% Change from Prior Year	-47.1%	-16.5%	39.0%	-36.3%	118.4%	-23.9%	15.6%	98.7%	-5.0%	12.0%
Debt Service										
Principal	2,034,669	158,942	88,428	15,564	-	-	16,628	74,148	526,366	539,210
Interest and Fiscal Charges	111,239	8,331	2,619	315	-	-	3,167	58,920	120,854	84,892
Total Debt Service	2,145,908	167,273	91,047	15,879	-	-	19,795	133,068	647,220	624,102
% Change from Prior Year	-18.0%	-92.2%	-45.6%	-82.6%	-100.0%	0.0%	100.0%	572.2%	386.4%	-3.6%
Total Expenditures	\$ 13,579,019	\$ 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
% Change from Prior Year	-21.0%	-18.0%	9.1%	-8.7%	28.3%	-8.8%	5.6%	40.9%	4.9%	7.6%
Debt Service as a Percentage of Noncapital Expenditures (2)	20.1%	1.9%	1.0%	0.2%	0.0%	0.0%	0.2%	1.2%	5.2%	4.8%

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

Revenue Source	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Taxes	\$ 8,264,367	\$ 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
Intergovernmental	227,151	248,440	245,999	487,782	646,936	711,647	737,858	765,326	2,421,908	2,571,054
Licenses, Permits & Fees	289,014	324,285	570,985	291,456	618,974	658,735	769,227	1,047,002	944,186	1,044,648
Charges for Services	1,926,913	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
Fines and Forfeitures	137,646	124,666	118,523	83,922	124,730	102,943	110,966	71,374	81,354	61,074
Interest	124,733	91,096	47,390	42,473	24,124	20,204	20,294	60,536	123,468	323,084
Grants/Donations	416,511	34,419	16,025	158,315	519,648	147,047	65,059	37,557	1,402,344	1,383,785
Miscellaneous	111,302	72,415	124,813	208,355	52,721	254,868	33,119	41,530	161,578	89,683
Total Revenues	\$ 11,497,637	\$ 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
% change from prior year	<u>-13.3%</u>	<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>

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

Taxes	71.9%	74.8%	70.6%	72.2%	69.8%	70.6%	71.6%	71.3%	59.2%	60.0%
Intergovernmental	2.0%	2.2%	2.0%	4.0%	4.6%	4.9%	4.7%	4.5%	11.5%	11.8%
Licenses, Permits & Fees	2.5%	2.9%	4.7%	2.4%	4.4%	4.5%	4.9%	6.1%	4.5%	4.8%
Charges for Services	16.8%	17.2%	20.2%	17.4%	16.1%	16.3%	17.3%	16.8%	16.5%	14.9%
Fines	1.2%	1.1%	1.0%	0.7%	0.9%	0.7%	0.7%	0.4%	0.4%	0.3%
Interest	1.1%	0.8%	0.4%	0.3%	0.2%	0.1%	0.1%	0.4%	0.6%	1.5%
Grants	3.6%	0.3%	0.1%	1.3%	3.7%	1.0%	0.4%	0.2%	6.7%	6.3%
Miscellaneous	1.0%	0.7%	1.0%	1.7%	0.4%	1.8%	0.2%	0.2%	0.8%	0.4%
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	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues:										
Taxes	\$ 8,264,367	\$ 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
Intergovernmental	227,151	248,440	245,999	487,782	646,936	711,647	737,858	765,326	2,421,908	2,571,054
Licenses, Permits & Fees	289,014	324,285	570,985	291,456	618,974	658,735	769,227	1,047,002	944,186	1,044,648
Charges for Services	1,926,913	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
Fines & Forfeitures	137,646	124,666	118,523	83,922	124,730	102,943	110,966	71,374	81,354	61,074
Interest	124,733	91,096	47,390	42,473	24,124	20,204	20,294	60,536	123,468	323,084
Grants/Donations	416,511	34,419	16,025	158,315	519,648	147,047	65,059	37,557	1,402,344	1,383,785
Miscellaneous	111,302	72,415	124,813	208,355	52,721	254,868	33,119	41,530	161,578	89,683
Total Revenues	\$ 11,497,637	\$ 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
Expenditures:										
General Government	1,374,550	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
Public Safety	1,778,406	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
Public Works	1,989,880	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
Community Development	682,488	641,036	695,909	676,672	750,395	844,267	758,949	953,271	925,400	969,397
Recreation & Culture	2,593,163	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
Urban Renewal	-	-	-	-	39,236	30,967	2,298	800	6,491	33,916
Housing	103,791	84,104	42,821	37,444	61,489	44,081	32,575	40,652	107,832	68,995
Capital Outlay	2,910,833	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
Debt Service:										
Principal	2,034,669	158,942	88,428	15,564	-	-	16,628	74,148	526,366	539,210
Interest & Fiscal Charges	111,239	8,331	2,619	315	-	-	3,167	58,920	120,854	84,892
Total Expenditures	13,579,019	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
Excess (Deficiency of Revenues Over (Under) Expenditures	(2,081,382)	(2,557)	41,699	1,080,800	(195,026)	1,503,591	1,865,888	(2,282,125)	819,715	44,974
Other Financing Sources (Uses)										
Capital Leases	-	-	-	-	-	180,000	-	4,917,416	-	-
Sales of Capital Assets	29,003	136,875	185,116	200,282	99,705	1,220,301	86,416	97,418	1,923,317	99,520
Colorado River Compact Agreement Distrib.	-	-	-	-	-	-	-	-	-	932,114
Loan Repayment	-	-	-	-	-	267,613	-	-	-	-
Transfer In	762,092	282,915	942,378	303,240	1,934,375	450,000	360,000	1,500,000	4,669,710	1,650,000
Transfer Out	(500,000)	-	(1,074,506)	-	(1,525,000)	(450,000)	(360,000)	(1,500,000)	(2,419,710)	(3,900,000)
Total Other Financing Sources (Uses)	291,095	419,790	52,988	503,522	509,080	1,667,914	86,416	5,014,834	4,173,317	(1,218,366)
Net Change in Fund Balances	\$ (1,790,287)	\$ 417,233	\$ 94,687	\$ 1,584,322	\$ 314,054	\$ 3,171,505	\$ 1,952,304	\$ 2,732,709	\$ 4,993,032	\$ (1,173,392)

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

Revenue Source	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Sales Tax	\$ 7,452,055	\$ 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
5A Housing Tax	234,339	222,978	227,863	243,209	257,693	272,148	294,155	311,720	1,971,514	2,056,408
Lodging Tax	113,629	120,602	128,803	126,856	141,420	160,594	187,720	266,832	287,181	320,265
Dev. Excise Tax	92,276	96,986	105,958	129,080	409,336	231,332	350,438	663,574	501,663	599,174
Other Taxes	-	-	-	-	-	136,301	153,612	212,164	220,789	98,089
Franchise Tax	213,636	231,610	233,638	227,469	258,518	274,436	280,925	270,551	278,160	282,765
Cigarette Tax	44,674	40,805	37,544	35,963	35,661	77,259	81,379	84,647	78,515	83,043
Road & Bridge Tax	73,862	74,951	75,733	62,672	63,487	62,235	62,240	66,562	68,064	76,405
Miscellaneous Tax	39,896	32,693	37,690	39,015	46,420	54,313	44,582	40,338	39,494	38,130
Total Revenues	<u>\$ 8,264,367</u>	<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>
% change from prior year	<u>-13.9%</u>	<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>

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

Source: Town of Silverthorne Sales Tax Reports

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Summit County Government:										
General Fund	5.004	4.240	5.204	5.260	5.158	4.939	4.833	5.630	5.622	5.703
Road & Bridge Fund	0.813	0.814	0.814	0.814	0.814	0.814	0.814	0.814	0.814	0.814
Social Services Fund	0.103	0.103	0.234	0.203	0.130	0.256	0.231	0.229	0.257	0.254
Library Fund	0.563	0.548	0.662	0.665	0.768	0.865	0.895	0.889	0.830	0.767
Capital Expenditures	3.033	2.991	1.898	1.899	1.920	1.913	2.000	1.424	1.424	1.424
Legacy Fund	0.289	0.336	0.421	0.421	0.437	0.433	0.346	0.912	0.851	0.841
Open Space (2)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
2010 Fund	2.297	3.063	3.063	3.062	3.062	3.062	3.062	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	0.000	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	0.000	4.652
Total	12.602	12.595	12.796	12.824	12.789	15.173	15.072	15.086	14.986	19.643
Summit School District RE-1:										
General Fund	12.832	13.923	14.635	14.677	14.708	14.670	14.273	14.278	13.993	13.971
Bond Redemption Fund	3.886	3.582	4.492	4.331	4.421	4.350	4.350	4.921	4.611	4.550
Special Building & Technology Fund	3.396	0.000	0.000	0.000	0.000	0.000	0.000	1.000	1.000	1.000
Kindergarten Fund	0.451	0.403	0.524	0.472	0.573	0.548	0.485	0.445	0.473	0.429
Transportation Fund	0.371	0.456	0.551	0.551	0.573	0.567	0.510	0.507	0.448	0.467
Total	20.936	18.364	20.202	20.031	20.275	20.135	19.618	21.151	20.525	20.417
College:										
Colorado Mountain College	3.997	3.997	3.997	3.997	3.997	3.997	3.997	3.997	3.997	3.997
Special Districts:										
Colorado River Water Conservation District	0.166	0.188	0.228	0.242	0.254	0.253	0.243	0.253	0.254	0.256
Eagles Nest Metropolitan District (5)	15.076	15.028	15.022	15.157	15.007	15.023	15.000	15.020	15.052	3.757
Lake Dillon Fire Protection District	8.295	8.279	8.284	9.021	9.014	9.016	9.026	9.023	9.003	9.007
South Maryland Creek Metropolitan District (6)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	17.000	63.016	63.016
Middle Park Water Conservancy District	0.056	0.056	0.056	0.056	0.056	0.056	0.055	0.055	0.055	0.055
Total	23.593	23.551	23.590	24.476	24.331	24.348	24.324	41.351	87.380	76.091
Total Mill Levies	61.128	58.507	60.585	61.328	61.392	63.653	63.011	81.585	126.888	120.148

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

(2) Combined into "2010 Fund" in 2009, which also 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.

(6) Applies only to properties in the Summit Sky Ranch subdivision.

Source: Summit County Assessor's Office

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

	<u>2009 (1)</u>	<u>2010 (2)</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015 (3)</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Water Rates:										
Monthly	\$ 12.17	\$ 12.17	\$ 12.17	\$ 12.17	\$ 12.35	\$ 12.97	\$ 13.62	\$ 14.03	\$ 14.73	\$ 15.46
Per 1,000 Gallons	1.30	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35
Tap Fee	6,000	6,200	6,400	6,600	6,800	7,000	7,200	7,400	7,600	7,800
Sewer Rates:										
Monthly	\$ 27.83	\$ 28.67	\$ 30.10	\$ 30.10	\$ 30.10	\$ 30.70	\$ 32.32	\$ 31.94	\$ 32.58	\$ 33.23
Tap Fee	5,400	5,400	5,600	5,600	5,600	5,600	5,800	6,000	6,200	6,400

(1) The Town changed the tiered water rates for 2009. The rates are \$1.30 for 0-15,000 gallons used, \$2.60 for 15,001-30,000 gallons used, \$3.90 for 30,001-50,000 gallons used and \$5.50 for 50,001 and above.

(2) 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.

(3) 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	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Auto	\$ 10,556,975	\$ 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
Building	23,322,650	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
Consumer	43,738,925	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
Outlet Stores	64,776,725	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
Food/Liquor	28,710,100	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
Lodging	5,600,325	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
Services	9,595,675	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
Total	\$186,301,375	\$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

Auto	5.67%	6.66%	7.12%	7.52%	7.62%	8.03%	7.99%	8.15%	7.33%	6.93%
Building	12.52%	9.81%	9.62%	10.87%	17.46%	18.41%	20.90%	22.64%	22.51%	23.63%
Consumer	23.48%	24.61%	24.42%	23.43%	21.42%	23.70%	23.77%	23.25%	23.61%	21.45%
Outlet Stores	34.77%	35.17%	34.51%	35.33%	30.91%	27.72%	24.72%	22.25%	21.55%	20.34%
Food/Liquor	15.41%	15.27%	15.58%	14.88%	13.97%	13.98%	14.11%	14.61%	14.53%	15.41%
Lodging	3.01%	3.24%	3.37%	3.11%	3.09%	3.38%	3.63%	4.95%	5.63%	6.21%
Services	5.15%	5.23%	5.39%	4.86%	5.52%	4.78%	4.87%	4.14%	4.85%	6.02%
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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Actual valuations	<u>\$ 1,408,620,530</u>	<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>
Legal debt margin:										
Debt limitation - 3 percent of actual value (1)	42,258,616	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
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>\$ 42,258,616</u>	<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>

(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)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Gross Revenues (1)	\$ 2,043,837	\$ 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
Operating Expenses (2)	1,433,925	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
Net Revenue Available for Debt Service	609,912	508,488	497,595	394,627	411,897	134,762	192,168	428,089	364,839	642,776

(1) Total revenues (including interest) exclusive of tap fees.
 (2) Total operating expenses exclusive of depreciation and amortization, and bond interest.

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Gross Revenues (1)	\$ 12,288,732	\$ 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
Operating Expenses (2)	14,079,019	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
Net Revenue Available for Debt Service	(1,790,287)	417,233	94,687	1,584,322	673,093	3,171,505	1,952,304	2,732,709	819,715	(1,580,924)
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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Population (1) (2) (3)	3,863	3,887	3,896	3,916	4,010	4,116	4,239	4,392	4,639	4,718
Assessed Value	\$ 185,244,790	\$ 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
Governmental Activities										
General Obligation Bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue Bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Leases	\$ 262,933	\$ 103,991	\$ 15,879	\$ -	\$ -	\$ 180,000	\$ 163,372	\$ 5,006,640	\$ 4,480,274	\$ 3,941,064
Business-Type Activities										
General Obligation Bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue Bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Leases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Primary Government	\$ 262,933	\$ 103,991	\$ 15,879	\$ -	\$ -	\$ 180,000	\$ 163,372	\$ 5,006,640	\$ 4,480,274	\$ 3,941,064
Percentage of Personal Income (2) (4)	0.16%	0.06%	0.01%	0.00%	0.00%	0.08%	0.07%	2.00%	1.65%	1.41%
Per Capita (2) (5)	\$ 68	\$ 27	\$ 4	\$ -	\$ -	\$ 44	\$ 39	\$ 1,140	\$ 966	\$ 835

(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, 2018

Overlapping Entity	2018 Value	Debt Outstanding	Net Outstanding Debt Chargeable to Properties within the Town	
			Percent	Amount
Eagle's Nest Metropolitan District	\$ 66,990,700	\$ 320,000	100.0	\$ 320,000
Summit County School District RE-1	1,883,475,430	84,705,000	10.0	<u>8,470,500</u>
		Total Overlapping Debt		8,790,500
		Town of Silverthorne Direct Debt		3,941,064
		Total Direct & Overlapping Debt		<u><u>\$ 12,731,564</u></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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Silverthorne Population (1) (4) (5)	3,863	3,887	3,896	3,916	4,010	4,116	4,239	4,392	4,639	4,718
County Population (1) (3) (4) (5)	27,783	28,073	28,144	28,294	28,637	28,975	30,257	30,374	31,582	32,119
Personal Income (2) (3) (4) (5) (6)	1,138,281	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
Per Capita Income (2) (3) (4) (5)	41,789	43,090	44,431	46,220	49,287	52,393	54,615	56,909	58,386	59,379
Median Family Income (1) (2) (3) (4) (5)	85,100	87,200	89,351	93,729	92,979	90,800	96,883	100,758	104,789	108,980
Silverthorne School Enrollment (7)	330	338	342	307	307	320	364	340	290	306
Unemployment Rate (1) (2) (3) (4) (5)	6.9%	7.8%	7.5%	7.1%	4.4%	3.2%	1.6%	1.9%	1.9%	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 2018

Employer	Employee # Range (1)	Percentage (2) of Total County Employment
Outlets at Silverthorne	500-999	2.3 - 4.6%
Town of Silverthorne	100-249	0.5 - 1.1%
Target Stores	100-249	0.5 - 1.1%
Lowe's	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	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Administrative Services:										
Council Meetings	22	22	22	22	22	22	22	22	22	22
Newsletters	4	6	6	6	4	2	-	-	4	3
Business Licenses	1,179	1,134	1,130	1,156	1,204	1,241	1,301	1,339	1,461	1,559
Elections	1	1	-	2	1	-	-	1	1	-
Public Safety: (1)										
Physical Arrests	212	180	172	144	208	189	176	198	210	205
Parking Violations	443	314	237	342	260	160	161	269	358	513
Traffic Violations	2,366	2,341	2,082	1,839	2,760	1,727	1,781	1,537	2,445	1,584
Calls for Service	6,840	6,498	5,991	5,848	7,032	6,053	6,134	6,364	7,949	7,269
Public Works:										
Street Resurfacing (miles)	4.55	3.68	3.68	3.68	0.50	0.00	7.55	3.58	4.23	4.08
Miles of Streets to Plow	28	28	28	28	29	32	32	32	34	34
Miles of Sidewalks/Trails to Maintain	24	24	24	24	25	26	26	26	28	28
Community Development: (2)										
Building Permits Issued	65	72	59	52	47	81	107	157	150	169
CO's Issued	78	35	8	23	20	30	32	32	67	69
Computers	115	115	115	115	115	115	117	118	118	120
Users	107	109	110	110	110	115	120	121	121	129
Applications	27	33	33	33	35	34	34	34	36	36
Recreation & Culture:										
Recreation Center:										
Annual Visitors	250,369	248,433	242,593	265,137	265,399	258,469	279,074	287,023	278,590	296,346
Daily Admissions	33,384	33,071	39,013	31,247	32,602	31,632	33,435	33,284	35,404	34,233
Free Fitness Classes	1,593	1,623	1,619	1,542	1,683	1,520	1,533	1,540	1,460	1,494
Pavilion: (3)										
Wedding Rentals	34	53	48	50	80	91	104	107	-	-
Non-Wedding Rentals	80	119	114	64	69	66	70	56	-	-
Town Usage	-	-	-	-	-	-	-	-	38	47
Rentals Usage	-	-	-	-	-	-	-	-	142	122
Programs Usage	-	-	-	-	-	-	-	-	97	80
Granted Usage	-	-	-	-	-	-	-	-	20	28
Performing Arts Center: (4)										
Total Theatre & Music Performances	-	-	-	-	-	-	-	-	128	152
Total Tickets Sold	-	-	-	-	-	-	-	-	7,868	8,930
Youth Participating in Programs	-	-	-	-	-	-	-	-	152	157
First Time Ticket Buyers	-	-	-	-	-	-	-	-	506	812
Water & Sewer:										
Water EQR's	3,053	3,148	3,164	3,217	3,243	3,346	3,434	3,481	3,625	3,704
Service Connections	1,643	1,660	1,671	1,687	1,707	1,756	1,819	1,838	1,896	1,974
Average Daily Consumption										
in Gallons	750,000	643,000	628,000	607,000	727,000	619,745	577,800	594,300	590,581	707,469
Sewer EQR's	3,096	3,149	3,161	3,210	3,238	3,339	3,431	3,475	3,625	3,702
Service Connections	1,600	1,625	1,635	1,654	1,675	1,719	1,758	1,806	1,883	1,945

(1) Prior year numbers have been restated.

(2) Includes Management Information Systems

(3) 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.

(4) The Performing Arts Center opened in 2017.

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

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

Function	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
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	28.39	29.03	31.54	31.71	31.71	34.11	31.76
Miles of Sidewalks/Trails	23.95	23.95	24.35	24.35	24.66	26.18	26.18	26.18	26.28	26.28
Traffic Lights	8	8	10	10	10	11	11	11	11	11
Recreation & Culture:										
Park/Open Space Acreage	72.18	72.18	72.18	73.54	82.81	82.81	82.81	82.81	82.81	82.81
Parks	4	4	4	7	7	7	7	7	7	7
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
Water & Sewer:										
Miles of Water Mains	50.18	50.28	45.44	45.60	46.08	48.24	50.21	50.21	54.90	56.60
Fire Hydrants	405	407	390	399	416	442	435	435	476	492
Miles of Sewers	32.78	32.88	31.61	31.61	32.68	32.38	33.89	33.89	39.90	40.89
Manholes	870	873	894	933	960	1020	1023	1023	1146	1184

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	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Elected/Appointed	8	8	8	8	8	8	8	8	8	8
Total Elected/Appointed	8	8	8	8	8	8	8	8	8	8
Administrative Services (1)	10	10	10	10	10	10	11	11	12	13
Public Safety	18	18	18	18	19	19	18	18	19	20
Public Works (2)	20	20	20	20	20	21	21	23	23	24
Water and Sewer	4	4	4	4	4	4	5	5	5	5
Community Development	7	6	6	6	6	6	6	7	7	6
Recreation and Culture (3)	19	19	19	19	19	19	21	21	21	20
Pavilion	4	4	4	4	4	4	5	5	5	5
Total Full-Time Employees	82	81	81	81	82	83	87	90	92	93

(1) Includes one 3/4 time employee.

(2) 2009 and 2010 numbers were decreased.

(3) Includes three 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 : 12/31/2018

This Information From The Records Of (example - City of _ or County of _):
Town of Silverthorne
Prepared By: T McArthur
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)	449,012
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	907,611
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	22,084
2. General fund appropriations	2,113,120	b. Snow and ice removal	186,968
3. Other local imposts (from page 2)	76,405	c. Other	-
4. Miscellaneous local receipts (from page 2)	95,376	d. Total (a. through c.)	209,052
5. Transfers from toll facilities		4. General administration & miscellaneous	215,387
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	675,828
a. Bonds - Original Issues		6. Total (1 through 5)	2,456,890
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)	2,284,901	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	299,579	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	8,380
E. Total receipts (A.7 + B + C + D)	2,584,480	b. Redemption	119,210
		c. Total (a. + b.)	127,590
		3. Total (1.c + 2.c)	127,590
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	2,584,480

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
		2,584,480	2,584,480		-

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado
	YEAR ENDING (mm/yy): 12/31/2018

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	40,716
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	49,760
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	76,405	g. Other Misc. Receipts	4,900
6. Total (1. through 5.)	76,405	h. Other	
c. Total (a. + b.)	76,405	i. Total (a. through h.)	95,376
	(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	272,496	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	27,083	d. Federal Transit Admin	
d. Other (Specify)		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	27,083	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	299,579	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs		71,856	71,856
b. Engineering Costs		0	0
c. Construction:			
(1). New Facilities		0	0
(2). Capacity Improvements		0	0
(3). System Preservation		325,602	325,602
(4). System Enhancement & Operation		51,554	51,554
(5). Total Construction (1) + (2) + (3) + (4)	0	377,156	377,156
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	449,012	449,012
			(Carry forward to page 1)

Notes and Comments: