

TOWN OF SILVER PLUME, COLORADO

FINANCIAL STATEMENTS

December 31, 2019

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Green & Associates LLC

Certified Public Accountants & Business Consultants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Town of Silver Plume, Colorado

We have audited the accompanying financial statements of the governmental activities, business activities and each major fund of the Town of Silver Plume, Colorado as of and for the year ended December 31, 2019, which collectively comprise the Town's basic financial statements as listed in the table of contents, and the related notes to the financial statements.

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.

Auditor's 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 of 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 auditor's 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 entity's 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 entity's 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, business activities, and each major fund of the Town of Silver Plume, Colorado, as of December 31, 2019, and the respective changes in financial position and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other-Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule General Fund, Schedule of Pension Contributions – Multiyear, the Schedule of the Town's Proportionate Share of the Net Pension Liability – PERA, Schedule of OPEB Contributions – Multiyear, and the Schedule of the Town's Proportionate Share of the Net OPEB Liability – PERA as 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 required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Silver Plume, Colorado's basic financial statements as a whole. The Other Supplemental Information and the Local Highway Finance Report as 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 Other Supplemental Information 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

A handwritten signature in black ink that reads "Gurn + Associates LLC". The signature is written in a cursive, flowing style.

Longmont, Colorado
August 10, 2020

Management's Discussion and Analysis

Management's Discussion and Analysis

As management of the Town of Silver Plume (the "Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended December 31, 2019. We encourage readers to consider the information presented here in conjunction with the Town's financial statements.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the Town exceeded its liabilities and deferred inflows of resources at the close of 2019 by \$4,462,935 (*net position*). Of this amount, \$504,945 (*unrestricted net position*) may be used to meet the Town's ongoing obligations to citizens and creditors.
- The Town's total net position decreased by \$42,295.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$407,006.

OVERVIEW OF THE FINANCIAL STATEMENTS

This management discussion and analysis ("MD&A") is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required 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's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Town's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between these 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'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 are reported in this statement for some items that will only result in cash flow in future fiscal period (e.g., uncollected taxes and earned but unused vacation and sick leave).

Both of the government-wide financial statements distinguish functions of the Town 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 include general government, public safety, public works, community development, culture, parks, recreation, cemetery, and library. The business-type activities of the Town include sewer and water operations.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. During the year the Town segregates transactions related to certain Town functions or activities in separate

funds in order to aid financial management and to demonstrate legal compliance. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. All governmental funds are accounted for using a flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet and only revenues that are available within 60 days are recorded in the Statement of Revenues, Expenditures and Changes in Fund Balance.

The governmental funds statements provide a detailed short-term view of governmental fund operations and the basic services it provides. These statements help you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. The differences between governmental activities reported in the statement of net position and the statement of activities and governmental funds are described in the accompanying reconciliations.

Proprietary funds. The Town maintains one type of proprietary fund, enterprise fund. The Town uses enterprise funds to account for its water and sewer operations.

The proprietary funds are prepared using the economic resources measurement focus and the accrual basis of accounting. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operating of the Town are included in the statement of net position.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required and other supplementary information concerning the Town's combining financial statements for non-major funds, the budget comparison statements for non-major and enterprise funds.

This foregoing information is a summary of the financial information contained in the Town's financial statements. For more about the information contained in this condensed, comparative financial information, we recommend a close review of the accompanying audited financial statements beginning on page 5.

Discussion of Financial Position and Operating Activities Net position at the end of December 2019 was \$678,929 for the governmental activities, \$3,784,006 for the business-type activities and \$4,462,935 for the primary government. This decrease is from expenses that exceeded revenues by \$42,295 for the primary government. The primary driver of the change was increased operating costs.

The restricted portion of net position represents resources that are subject to external restrictions on how they may be used. The unrestricted net position may be used to meet the Town's ongoing obligations to citizens and creditors.

Condensed Statement of Net Position

	Governmental Activities		Business-type Activities		Primary Government	
	2019	2018	2019	2018	2019	2018
Current and Other Assets	\$ 464,499	\$ 579,888	\$ 404,132	\$ 457,104	\$ 868,631	\$ 1,036,992
Capital Assets	307,487	329,459	4,029,542	4,164,171	4,337,029	4,493,630
Total Assets	<u>771,986</u>	<u>909,347</u>	<u>4,433,674</u>	<u>4,621,275</u>	<u>5,205,660</u>	<u>5,530,622</u>
Deferred Outflows of Resources	34,431	7,867	11,074	4,281	45,505	12,148
Current Liabilities	6,662	183,071	212,429	292,182	219,091	475,253
Long Term Liabilities	83,666	46,322	434,534	445,865	518,200	492,187
Total Liabilities	<u>90,328</u>	<u>229,393</u>	<u>646,963</u>	<u>738,047</u>	<u>737,291</u>	<u>967,440</u>
Deferred Inflows of Resources	37,160	53,721	13,779	16,379	50,939	70,100
Net Position						
Net investment in capital assets	307,487	329,459	3,608,886	3,730,708	3,916,373	4,060,167
Restricted	12,358	10,502	30,783	26,912	43,141	37,414
Unrestricted	359,084	294,139	144,337	113,510	503,421	407,649
Total Net Position	<u>\$ 678,929</u>	<u>\$ 634,100</u>	<u>\$ 3,784,006</u>	<u>\$ 3,871,130</u>	<u>\$ 4,462,935</u>	<u>\$ 4,505,230</u>

Condensed Statement of Activities

Statement of Activities	Governmental Activities		Business-type Activities		Primary Government	
	2019	2018	2019	2018	2019	2018
Program Expenses	\$ 160,939	\$ 119,971	\$ 365,143	\$ 347,754	\$ 526,082	\$ 467,725
Program Revenues	8,052	5,133	266,100	316,399	274,152	321,532
Net Program Expense	<u>152,887</u>	<u>114,838</u>	<u>99,043</u>	<u>31,355</u>	<u>251,930</u>	<u>146,193</u>
General Revenues	197,716	172,780	11,919	13,046	209,635	185,826
Change in Net Position	44,829	57,942	(87,124)	(18,309)	(42,295)	39,633
Net Position, Beginning of Year	634,100	576,158	3,871,130	3,889,439	4,505,230	4,465,597
Net Position, End of Year	<u>\$ 678,929</u>	<u>\$ 634,100</u>	<u>\$ 3,784,006</u>	<u>\$ 3,871,130</u>	<u>\$ 4,462,935</u>	<u>\$ 4,505,230</u>

The Town restricted three percent (3%) of its general revenues for emergencies in accordance with TABOR requirements. The Town had a TABOR reserve of \$6,157 at December 31, 2019. The Town's total assets are comprised primarily cash and equivalents, receivables for utility services and tax revenues, investments and long-term capital assets. The Town's total liabilities are comprised primarily of accounts payable relating to ongoing operations, long-term debt and pension related liabilities.

In 2019, program expenses exceeded program revenues by \$251,930 for the primary government. This was offset by net general revenues of \$209,635, which resulted in an overall decrease in net position. See page 6 of the accompanying Financial Statements for details of these revenues and expenses.

Fund Discussion

Governmental Funds

The General Fund balance decreased from \$449,512 in 2018 to \$413,163 in 2019. The primary reason for these changes were decreased expenditures offset by a transfer of funds to the road and bridge fund in order to close out that fund. The fund balance includes \$6,157 of restricted amounts. The assets and liabilities are comprised primarily of cash and receivables to be collected in 2019. As of December 31, 2019, the Town's combined fund balance for all governmental funds was \$420,764.

General Fund Budgetary Discussion

Actual revenues for 2019 were \$143,892 more than budgeted. Actual expenditures for 2019 were \$180,915 more than budgeted. The general fund budget was not amended in 2019.

Proprietary Fund

The Water Fund balance decreased by \$51,864. Deferred inflows of resources, and deferred outflows of resources fluctuated due to changes in pension related amounts. The assets and liabilities are comprised primarily of cash; water accounts receivable and capital assets. Actual revenues for 2019 were \$22,987 less than the budgeted amount. Actual expenditures for 2019 were \$47,914 less than the budgeted amount.

The Sewer Fund balance decreased by \$35,260 in 2019. The assets and liabilities are comprised primarily of cash, sewer accounts receivable and capital assets. Actual revenues for 2019 were \$20,270 less than the budgeted amount. Actual expenditures for 2019 were \$29,277 more than the budgeted amount due to lower than expected grant revenue and related spending.

Capital Assets and Long-term Obligations

Capital Assets. At the end of 2019 the Town had \$4,337,029 invested in a broad range of capital assets including major infrastructure such as buildings, roads, bridges, storm water drainage, parks and recreation facilities and water lines and distribution systems. More detailed information on the Town's capital assets is presented in detail in the notes to the financial statements.

Long-term Debt. The only changes to long-term debt was the scheduled payment of principal.

ECONOMIC FACTORS AND BUDGET OVERVIEW

The Town is expecting a slight increase in sales taxes due to the addition of new businesses. This will be offset by an expected decrease in royalties in the transfer station. The mill levy for the year is unchanged and property taxes are expected to remain flat.

Contacting the Town

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the Town'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 Silver Plume, Drawer F, Silver Plume, CO 80476.

Basic Financial Statements

Town of Silver Plume, Colorado
Statement of Net Position
December 31, 2019

	Governmental Activities	Business- Type Activities	Total
Assets			
Current Assets			
Cash and cash equivalents	\$ 228,582	\$ 260,778	\$ 489,360
Cash with county treasurer	8,591	-	8,591
Investments	-	47,471	47,471
Accounts receivable - service charges (net of allowance)	-	51,437	51,437
Property taxes receivable	37,073	13,663	50,736
Due from other funds	184,052	-	184,052
Cash and cash equivalents - Restricted	6,201	30,783	36,984
Total Current Assets	<u>464,499</u>	<u>404,132</u>	<u>868,631</u>
Noncurrent Assets			
Capital assets			
Nondepreciable	67,277	-	67,277
Depreciable	582,885	6,194,614	6,777,499
Total Capital Assets	<u>650,162</u>	<u>6,194,614</u>	<u>6,844,776</u>
Less accumulated depreciation	<u>(342,675)</u>	<u>(2,165,072)</u>	<u>(2,507,747)</u>
Net Capital Assets	<u>307,487</u>	<u>4,029,542</u>	<u>4,337,029</u>
Total Assets	<u>771,986</u>	<u>4,433,674</u>	<u>5,205,660</u>
Deferred Outflows of Resources			
OPEB	2,594	804	3,398
Pension	31,837	10,270	42,107
Total Deferred Outflows of Resources	<u>34,431</u>	<u>11,074</u>	<u>45,505</u>
Liabilities			
Current Liabilities			
Accounts payable	1,445	9,663	11,108
Other accrued liabilities	5,217	1,627	6,844
Accrued interest	-	3,973	3,973
Due to other funds	-	184,052	184,052
Long-term debt - current portion	-	13,114	13,114
Total Current Liabilities	<u>6,662</u>	<u>212,429</u>	<u>219,091</u>
Noncurrent Liabilities			
Long-term debt	-	407,542	407,542
Net OPEB liability	6,478	2,090	8,568
Net pension liability	77,188	24,902	102,090
Total Long Term Liabilities	<u>83,666</u>	<u>434,534</u>	<u>518,200</u>
Total Liabilities	<u>90,328</u>	<u>646,963</u>	<u>737,291</u>
Deferred Inflows of Resources			
Deferred property taxes	37,073	13,663	50,736
OPEB	87	116	203
Total Deferred Inflows of Resources	<u>37,160</u>	<u>13,779</u>	<u>50,939</u>
Net Position			
Investment in capital assets	307,487	3,608,886	3,916,373
Restricted for emergencies (TABOR)	6,157	-	6,157
Restricted - other	6,201	30,783	36,984
Unrestricted	359,084	144,337	503,421
Total Net Position	<u>\$ 678,929</u>	<u>\$ 3,784,006</u>	<u>\$ 4,462,935</u>

The accompanying notes are an integral part of these financial statements

Fund Financial Statements

Town of Silver Plume, Colorado
Balance Sheet
Governmental Funds
December 31, 2019

	Non-Major Funds				Total
	General	Road and Bridge	Cemetery	Conservation Trust	
Assets					
Cash and cash equivalents - unrestricted	\$ 227,182	\$ -	\$ 1,400	\$ -	\$ 228,582
Cash with county treasurer	8,591	-	-	-	8,591
Property taxes receivable	37,073	-	-	-	37,073
Due from other funds	184,052	-	-	-	184,052
Cash and cash equivalents - restricted	-	-	-	6,201	6,201
Total Assets	\$ 456,898	\$ -	\$ 1,400	\$ 6,201	\$ 464,499
Liabilities					
Accounts payable	\$ 1,445	\$ -	\$ -	\$ -	\$ 1,445
Other accrued liabilities	5,217	-	-	-	5,217
Total Liabilities	6,662	-	-	-	6,662
Deferred Inflows of Resources					
Deferred property taxes	37,073	-	-	-	37,073
Total Deferred Inflows of Resources	37,073	-	-	-	37,073
Fund Balance					
Restricted	6,157	-	-	6,201	12,358
Unassigned	407,006	-	1,400	-	408,406
Total Fund Balance	413,163	-	1,400	6,201	420,764
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 456,898	\$ -	\$ 1,400	\$ 6,201	\$ 464,499

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

Total fund balances - governmental funds	\$ 420,764
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	
Capital assets	650,162
Accumulated depreciation	(342,675)
Long-term liabilities, deferred inflows of resources and deferred outflows of resources are not due and payable in the current year and, therefore, are not reported in the funds.	
Net OPEB liabilities	(6,478)
Deferred outflows - OPEB	2,594
Deferred inflows - OPEB	(87)
Net pension liabilities	(77,188)
Deferred outflows - pension	31,837
Net position of governmental activities	\$ 678,929

Town of Silver Plume, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2019

	General	Non-Major Funds			Total
		Road and Bridge	Cemetery	Conservation Trust	
Revenues					
Property taxes	\$ 32,271	\$ -	\$ -	\$ -	\$ 32,271
Specific ownership taxes	3,698	-	-	-	3,698
Other taxes and franchise fees	144,772	-	-	-	144,772
Licenses and permits	8,052	-	-	-	8,052
Intergovernmental	-	-	-	332	332
Investment income	46	-	-	-	46
Other	16,597	-	-	-	16,597
Total Revenues	<u>205,436</u>	<u>-</u>	<u>-</u>	<u>332</u>	<u>205,768</u>
Expenditures					
Current					
General government	68,878	-	-	-	68,878
Public works	68,634	-	-	-	68,634
Public safety	6,545	-	-	-	6,545
Culture, parks and recreation	136	-	840	-	976
Total Expenditures	<u>144,193</u>	<u>-</u>	<u>840</u>	<u>-</u>	<u>145,033</u>
Other Financing Sources and (Uses)					
Transfers	(97,592)	97,592	-	-	-
Total Other Financing Sources and (Uses)	<u>(97,592)</u>	<u>97,592</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>(36,349)</u>	<u>97,592</u>	<u>(840)</u>	<u>332</u>	<u>60,735</u>
Fund Balance, Beginning	449,512	(97,592)	2,240	5,869	360,029
Fund Balance, Ending	<u>\$ 413,163</u>	<u>\$ -</u>	<u>\$ 1,400</u>	<u>\$ 6,201</u>	<u>\$ 420,764</u>

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

Net change in Fund Balances - total governmental funds	\$ 60,735
Assets are depreciated over time and charged to expense on the government-wide statements but are recognized as an expenditure in full in the fund statements.	(21,972)
Changes in pension related assets, liabilities, deferred inflows and deferred outflows of resources and other accrued liabilities which do not utilize current resources and are not reported in the governmental funds.	6,066
Change in net position - governmental activities	<u>\$ 44,829</u>

Town of Silver Plume, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2019

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Assets			
Current Assets			
Cash and cash equivalents	\$ 260,778	\$ -	\$ 260,778
Cash and cash equivalents - Restricted	-	30,783	30,783
Investments	47,471	-	47,471
Receivables - service charges	22,118	29,319	51,437
Property taxes receivable	-	13,663	13,663
Total Current Assets	<u>330,367</u>	<u>73,765</u>	<u>404,132</u>
Capital Assets			
Depreciable	3,928,059	2,266,555	6,194,614
Total Capital Assets	<u>3,928,059</u>	<u>2,266,555</u>	<u>6,194,614</u>
Less accumulated depreciation	(1,420,435)	(744,637)	(2,165,072)
Net Capital Assets	<u>2,507,624</u>	<u>1,521,918</u>	<u>4,029,542</u>
Total Noncurrent Assets	<u>2,507,624</u>	<u>1,521,918</u>	<u>4,029,542</u>
Total Assets	<u>2,837,991</u>	<u>1,595,683</u>	<u>4,433,674</u>
Deferred Outflows of Resources			
OPEB	411	393	804
Pension	5,446	4,824	10,270
Total Deferred Outflows of Resources	<u>5,857</u>	<u>5,217</u>	<u>11,074</u>
Liabilities			
Current Liabilities			
Accounts payable	-	9,663	9,663
Other accrued liabilities	777	850	1,627
Accrued interest	3,973	-	3,973
Due to other funds	-	184,052	184,052
Long term debt - current portion	6,742	6,372	13,114
Total Current Liabilities	<u>11,492</u>	<u>200,937</u>	<u>212,429</u>
Long Term Liabilities			
Long term debt	333,091	74,451	407,542
Net OPEB liability	1,108	982	2,090
Net pension liability	13,205	11,697	24,902
Total Long Term Liabilities	<u>347,404</u>	<u>87,130</u>	<u>434,534</u>
Total Liabilities	<u>358,896</u>	<u>288,067</u>	<u>646,963</u>
Deferred Inflows of Resources			
OPEB	50	66	116
Pension	-	-	-
Deferred property taxes	-	13,663	13,663
Total Deferred Inflows of Resources	<u>50</u>	<u>13,729</u>	<u>13,779</u>
Net Position			
Investment in capital assets	2,167,791	1,441,095	3,608,886
Restricted	-	30,783	30,783
Unrestricted	317,111	(172,774)	144,337
Total Net Position	<u>\$ 2,484,902</u>	<u>\$ 1,299,104</u>	<u>\$ 3,784,006</u>

The accompanying notes are an integral part of these financial statements

Town of Silver Plume, Colorado
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2019

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Operating Revenues			
Charges for services	\$ 114,659	\$ 151,441	\$ 266,100
Total Operating Revenues	<u>114,659</u>	<u>151,441</u>	<u>266,100</u>
Operating Expenses			
General and Administration	11,698	15,348	27,046
Operations	56,123	131,405	187,528
Depreciation expense	83,623	51,006	134,629
Total Operating Expenses	<u>151,444</u>	<u>197,759</u>	<u>349,203</u>
Operating Income	<u>(36,785)</u>	<u>(46,318)</u>	<u>(83,103)</u>
Nonoperating Revenues			
Property taxes	-	11,913	11,913
Interest income	2	4	6
Interest expense	(15,081)	(859)	(15,940)
Total Nonoperating Revenues	<u>(15,079)</u>	<u>11,058</u>	<u>(4,021)</u>
CHANGE IN NET POSITION	<u>(51,864)</u>	<u>(35,260)</u>	<u>(87,124)</u>
Net Position, Beginning (RESTATED)	<u>2,536,766</u>	<u>1,334,364</u>	<u>3,871,130</u>
Net Position, Ending	<u><u>2,484,902</u></u>	<u><u>1,299,104</u></u>	<u><u>3,784,006</u></u>

The accompanying notes are an integral part of these financial statements

Town of Silver Plume, Colorado
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2019

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Cash Flows From Operating Activities			
Cash received from customers	\$ 121,347	\$ 166,452	\$ 287,799
Cash paid to suppliers	(68,023)	(222,915)	(290,938)
Cash paid to employees	(8,376)	(9,414)	(17,790)
Net Cash Provided by Operating Activities	<u>44,948</u>	<u>(65,877)</u>	<u>(20,929)</u>
Cash Flows From Non-Capital Financing Activities			
Property and ownership taxes	-	11,913	11,913
Change in due to / due from other funds	199,267	(20,015)	179,252
Net cash provided by non-capital financing activities	<u>199,267</u>	<u>(8,102)</u>	<u>191,165</u>
Cash Flows From Capital And Related Financing Activities			
Grant proceeds	-	66,848	66,848
Principal paid on long-term debt	(6,499)	(6,308)	(12,807)
Interest paid on long-term debt	(15,081)	(859)	(15,940)
Net cash used by capital and related financing activities	<u>(21,580)</u>	<u>59,681</u>	<u>38,101</u>
Cash Flows From Investing Activities			
Purchases of investments	(4)	-	(4)
Investment income	2	4	6
Net Cash Provided by Noncapital Financing Activities	<u>(2)</u>	<u>4</u>	<u>2</u>
Net Change in Cash	222,633	(14,294)	208,339
Cash and cash equivalents, Beginning	38,145	45,077	83,222
Cash and cash equivalents, ending	<u>\$ 260,778</u>	<u>\$ 30,783</u>	<u>\$ 291,561</u>
Unrestricted Cash and Cash Equivalents	260,778	-	260,778
Restricted Cash and Cash Equivalents	-	30,783	30,783
Total Cash and Cash Equivalents	<u>\$ 260,778</u>	<u>\$ 30,783</u>	<u>\$ 291,561</u>
Reconciliation of Net Operating Income to Net Cash Provided by Operating Activities			
Net Operating Income	\$ (36,785)	\$ (46,318)	\$ (83,103)
Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities			
Depreciation expense	83,623	51,006	134,629
Increase (decrease) in pension liability	1,830	(39)	1,791
Increase (decrease) in OPEB liability	76	(83)	(7)
Increase (decrease) in deferred inflows - pension	(4,518)	(4,662)	(9,180)
Increase (decrease) in deferred inflows - OPEB	33	48	81
Decrease (increase) in deferred outflows - pension	(3,548)	(2,866)	(6,414)
Decrease (increase) in deferred outflows - OPEB	(202)	(177)	(379)
Changes in current assets and liabilities			-
Accounts receivable	6,688	15,011	21,699
Accounts payable	(2,305)	(77,902)	(80,207)
Other accrued liabilities	56	105	161
Net Cash Provided by Operating Activities	<u>\$ 44,948</u>	<u>\$ (65,877)</u>	<u>\$ (20,929)</u>

The accompanying notes are an integral part of these financial statements

Town of Silver Plume, Colorado
Notes to Financial Statements
December 31, 2019

Note 1 Summary of Significant Accounting Policies

Financial Reporting Entity

The Town of Silver Plume, Colorado (the "Town") was incorporated in 1880 as a statutory town. On April 22, 2003 the Town adopted its home rule charter as authorized by article 20 of the Colorado constitution. The Town's major operations include general government; water and sewer operations, public works, and parks and recreation.

The Governmental Accounting Standards Board (GASB) is the authoritative body and the Town follows all GASB accounting pronouncements, which provides guidance for determining which governmental activities, organization and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens, and fiscal dependency. The Town is not financially accountable for any other organization, nor is the Town a component unit of any other primary governmental entity.

Basis of Presentation

The Town's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of information.

Government-wide Financial Statements

The statement of net position and the statement of activities display information about the Town as a whole. These statements include the financial activities of the primary government.

The statement of net position presents the financial position of the governmental and proprietary fund activities at the end of the year. The statement of activities presents a comparison between program expenses and the program revenue for each program or function of the primary government activities. Program expenses are those that are specifically associated with a service, program or department; and therefore, clearly identifiable to a particular function. Program revenue includes charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenue are presented as general revenue of the Town, with certain limited exceptions. The comparison of program expenses with program revenue identifies the extent to which each function is self-financing or draws from the general revenue of the Town.

Fund Accounting

During the year the Town segregates transactions related to certain Town functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Town at this more detailed level. The focus of governmental fund financial statements is on major funds.

Town of Silver Plume, Colorado
Notes to Financial Statements (Continued)
December 31, 2019

Note 1 Summary of Significant Accounting Policies (Continued)

The accounts of the Town are organized on the basis of funds each of which is considered a separate accounting entity. In the fund financial statements, the Town reports the following major governmental funds:

General Fund – The General Fund is the general operating fund of the Town. It is used to account for all financial activities except those required to be accounted for in another fund.

The Town's remaining governmental funds are; conservation trust fund and cemetery fund which are presented as non-major funds.

Enterprise Funds are used to account for operations that are financed in a manner similar to private business enterprises where the intent of the governing body is that the costs of providing goods or services to the general public be recovered primarily through user charges. The Town reports the following major enterprise funds:

Sewer Fund – The Sewer Fund accounts for the costs related to providing sewer services to the Town.

Water Fund – The Water Fund accounts for the costs related to providing water services to the Town.

Measurement Focus and Basis of Accounting

Government-wide Financial Statement

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. All assets and liabilities associated with the operation of the Town are included in the statement of net position.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet and only revenues that are available within 60 days are recorded in the Statement of Revenues, Expenditures and Changes in Fund Balance.

The Statement of Revenues, Expenditures, and Changes in Fund Balance reports on the sources (revenue and other financing sources) and uses (expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Proprietary funds, which include enterprise funds, are accounted for using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recorded when incurred. Depreciation is computed and recorded as an operating expense. Expenditures for capital outlay are recognized as increases in capital assets.

Town of Silver Plume, Colorado
Notes to Financial Statements (Continued)
December 31, 2019

Note 1 Summary of Significant Accounting Policies (Continued)

Revenue

Revenue resulting from exchange transactions, in which each party gives and receives essentially the same value, is recorded on the accrual basis, when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are both measurable and available to finance expenditures of the fiscal period, which is typically within sixty days of realization.

Non-exchange transactions, in which the Town receives value without directly giving value in return, include sales taxes, grants, entitlements and donations. Revenue from sales tax is recognized in the fiscal year for which the taxes are collected by the vendor. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. Program revenues consist of revenues that are associated with the governmental services such as licenses, permits and water sales.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the fund liability is incurred, if measurable. Allocations of costs, such as depreciation and amortization, are not recognized in governmental funds.

Property Taxes

Property taxes attach an enforceable lien on property as of January 1st. Taxes are levied on January 1st and are payable either in one installment on or before April 30th, or in two installments due on or before February 28th and June 15th of each year. The collections and assessments are done by Clear Creek County and are remitted to the Town monthly. Property taxes, which are due to be paid in the next period and representing an enforceable lien at January 1st of the next year, have been recorded as a receivable and a deferred inflow of resources in the year in which they are levied. Property tax revenues are recognized when they are collected by Clear Creek County.

Assets and Liabilities

Cash and cash equivalents- The Town follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based on each fund's average equity balance in total cash. The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with maturities of 90 days or less at the date of their acquisition for the financial statements including the statement of cash flows.

Investments – investments are recorded at fair value, which approximates cost.

Receivables – all receivables are reported at their book value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Substantially all revenues of the enterprise funds originate from charges to the users, and the District has the ability to place liens on the property.

Town of Silver Plume, Colorado
Notes to Financial Statements (Continued)
December 31, 2019

Note 1 Summary of Significant Accounting Policies (Continued)

Management has reviewed the collectability of accounts receivable and has determined the collectability of accounts. Accordingly, the Town has determined that no allowance for doubtful accounts is required as the town has the right to put a lien on the property.

Capital assets - are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capitalized assets are defined by the Town as assets that have a useful life of more than one year and exceed \$5,000:

	Governmental Activities Estimated Lives	Business-type Activities Estimated Lives
Land and water rights	N/A	N/A
Buildings	20-50 years	N/A
Improvements other than buildings	10-50 years	N/A
Equipment	5-10 years	5-10 years
Utility systems	N/A	25-50 years
Infrastructure	35 years	N/A

Capital assets are recorded at cost except for those assets which have been contributed, which are stated at estimated fair market value at the date of contribution or at developer's cost. Depreciation is computed using the straight-line method over the asset's estimated economic useful life. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

Public domain assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are examples of infrastructure assets. Infrastructure assets are distinguished from other capitalized assets since their useful life often extends beyond most other capital assets and are stationary in nature. General infrastructure assets are those associated with or arising from governmental activities.

Impairment of Capital Assets

GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, ("GASB No 42"), establishes accounting and financial reporting standards for impairment of capital assets. A capital asset is considered impaired when its service utility has declined significantly and unexpectedly. The Town is required to evaluate prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. Management of the Town has determined that there are no indications of impairment of capital assets as of December 31, 2019.

Long-Term Obligations

In the government-wide financial statements and enterprise fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities or enterprise fund type statement of net position. Bond issuance costs are expensed during the current period. Bond premiums and discounts are amortized over the term of the related debt.

Town of Silver Plume, Colorado
Notes to Financial Statements (Continued)
December 31, 2019

Note 1 Summary of Significant Accounting Policies (Continued)

In the fund financial statements, governmental fund types recognize bond premiums and discounts as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances and discounts are reported as other financing sources. The issuance costs related to the debt is reported as an expenditure in the current period.

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the governmental funds.

Compensated absences – The Town reports compensated absences in accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*. Personal leave benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services rendered and it is probable that the Town will compensate the employees for the benefits earned. Upon termination of employment from the Town, an employee will be compensated for all accrued vacation, holiday and compensatory time at their current rate of pay, there is no payment for sick leave upon termination. Amounts of vested or accumulated vacation and holiday pay that are not expected to be liquidated with expendable available financial resources are reported on the government-wide financial statements.

Deferred outflows of resources- In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. A deferred outflow of resources is a consumption of net position by the Town that is applicable to a future reporting period. The Town has two items that qualify as a deferred outflow of resources. A deferred outflow of resources related to GASB Statement No. 68 and 75 has been recorded as of December 31, 2019 which consists of four components: 1) contributions subsequent to the measurement date 2) change in proportionate share; 3) change in experience; and 4) change in assumptions.

Deferred inflow of resources- In addition to liabilities, the statement of net position will sometimes report separate sections for deferred inflows of resources. A deferred inflow of resources is an acquisition of net position by the Town that is applicable to a future reporting period. The Town has three items that qualify for reporting as deferred inflows of resources. Property tax revenue is considered a deferred inflow of resources in the year the taxes are levied and measurable, and are recognized as an inflow of resources in the period they are collected. A deferred inflow related to GASB Statement No. 68 and 75 has been recorded as of December 31, 2019 which consists of four components: 1) change in experience, 2) change in proportionate share, and 3) change in assumptions 4) change in investment earnings.

Net Position

Equity is classified as net position and displayed in three components:

Net investment in capital assets – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Town of Silver Plume, Colorado
Notes to Financial Statements (Continued)
December 31, 2019

Note 1 Summary of Significant Accounting Policies (Continued)

Restricted net position – consists of net position with constraints placed on the use either by (1) external groups, such as creditors, grantors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The Town utilizes restricted net position before utilizing unrestricted net position when an expense is incurred for both purposes

Unrestricted net position – all other net position that do not meet the definition of “restricted” or “net investment in capital assets.” The net position is available for future operations or distributions.

Fund Balance

Nonspendable- consists of amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The nonspendable fund balance was \$0 as of December 31, 2019.

Restricted - General Fund - Article X, Section 20 of the Constitution of the State of Colorado (TABOR) requires the Town to establish Emergency reserves (see Note 4). A reservation of \$6,157 of the General Fund balance has been made in compliance with this requirement. Additionally the Town has \$6,201 restricted for parks and other items related to the conservation trust fund to be used for parks and open space.

Committed- Committed fund balance includes those items which can be used for specific purposes pursuant to constraints imposed by formal action of the Board of Trustees. Those committed amounts cannot be used for any other purpose unless the Board of Trustees formally removes or changes the specified uses. The Town had a committed fund balance of \$0 as of December 31, 2019.

Assigned– Includes all amounts that are constrained by the Town’s intent to be used for a specific purpose but are neither committed nor restricted. The assignment of these balances must occur through a formal action of the Board of Trustees. As of December 31, 2019, the assigned fund balance was \$0.

Unassigned- consists of the residual classification for each fund. This represents amounts that have not been assigned to other funds and that has not been restricted, committed, or assigned for specific purposes.

The Town has not adopted fund balance policies; therefore, the Town follows the guidance in accordance with GASB 54 and apply resources in the following order: restricted, committed, assigned and unassigned. The Road and Bridge fund had a deficit fund balance at year end.

Interfund Transactions

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. At year-end outstanding balances are reported as due to / due from other funds. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as transfers. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as internal balances. The effect of interfund activity has been eliminated from the government-wide financial statements except for charges between the enterprise funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. The interfund lending is for the purposes of funding operations. The balances at December 31, 2019 are as follows:

Town of Silver Plume, Colorado
Notes to Financial Statements (Continued)
December 31, 2019

Note 1 Summary of Significant Accounting Policies (Continued)

	General	Road and Bridge	Cemetery	Cons. Trust	Water	Sewer	Total
General	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (184,052)	\$ (184,052)
Road and Bridge	-	-	-	-	-	-	-
Cemetery	-	-	-	-	-	-	-
Conservation Trust	-	-	-	-	-	-	-
Water	-	-	-	-	-	-	-
Sewer	184,052	-	-	-	-	-	184,052
							-
Total	\$ 184,052	\$ -	\$ -	\$ -	\$ -	\$ (184,052)	\$ -

Budgets and Budgetary Accounting

Budgets are adopted on a cash basis except for accrual of current vendor invoices and utility billings. Annual appropriated budgets are adopted for the fund. All annual appropriations lapse at fiscal year-end.

The Town adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

- Budgets are required by state law for all funds. The budget includes proposed expenditures and the means of financing them. All budgets lapse at year-end.
- Prior to December 31, the budget is adopted by formal resolution.
- Budgets are required to be filed with the State of Colorado within thirty days after the beginning of the fiscal year.
- Expenditures may not legally exceed appropriations at the fund level.
- The Town Board must approve revisions that alter the total expenditures of any fund.
- Budgeted amounts reported in the accompanying financial statements are as originally adopted by the Town Board or revised by the Town Board.

The General Fund, and Cemetery fund had expenditures in excess of budgeted amounts which may be a violation of state budget law.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 2 Cash and Investments

Cash Deposits

The Town maintains a cash pool that is available for use by all funds. Each fund's portion of the pool is displayed on the combined balance sheet as "Cash and Cash equivalents". As of December 31, 2019, the Town's cash deposits had a carrying balance of \$526,344 with corresponding bank balance of \$511,066 of which \$250,000 is federally insured.

Town of Silver Plume, Colorado
Notes to Financial Statements (Continued)
December 31, 2019

Note 2 Cash and Investments (Continued)

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is specified under the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The Town had \$261,066 collateralized under PDPA.

The Colorado Divisions of Banking and Financial Services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

A summary of cash and cash equivalents at December 31, 2019 is as follows:

	2019
Cash deposits	\$ 526,344
Total cash and cash equivalents	\$ 526,344
Unrestricted cash and cash equivalents	\$ 489,360
Restricted cash and cash equivalents	36,984
Total cash and cash equivalents	\$ 526,344

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Town’s deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. As of December 31, 2019, none of the Town’s bank deposits were exposed to custodial credit risk.

Investments

Colorado statutes specify in which investment instruments the units of local government may invest:

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

The Town’s investment policy is to hold investments until maturity and mirrors State statute.

At December 31, 2019 the Town had \$47,471 invested in a certificate of deposit with Evergreen Bank. The Certificate of Deposit has an initial maturity of six months and renews semi-annually. The interest rate on the certificate at December 31, 2019 was .0100%. The certificate of deposit was not rated. The certificate is presented using amortized cost.

Town of Silver Plume, Colorado
Notes to Financial Statements (Continued)
December 31, 2019

Note 3 Receivables

Receivables	Governmental Activities	Business - type Activities	Total
Trade accounts receivable	-	51,437	51,437
Less: Allowance for doubtful accounts	-	-	-
Grants receivable	-	-	-
Total	<u>\$ -</u>	<u>\$ 51,437</u>	<u>\$ 51,437</u>

Note 4 Capital Assets

A summary of changes to capital assets for 2019 is as follows:

Governmental Activities	Balance at 12/31/2018	Additions	Disposals	Balance at 12/31/2019
Nondepreciable Capital Assets				
Land	62,277	-	-	62,277
Easement	5,000	-	-	5,000
Total Non-Depreciable Capital Assets	<u>67,277</u>	<u>-</u>	<u>-</u>	<u>67,277</u>
Depreciable Capital Assets				
Buildings and improvements	310,280	-	-	310,280
Park and park improvements	117,422	-	-	117,422
Machinery and equipment	155,183	-	-	155,183
Total Depreciable Capital Assets	<u>548,885</u>	<u>-</u>	<u>-</u>	<u>548,885</u>
Less Accumulated Depreciation				
Buildings and improvements	(134,118)	(10,342)	-	(144,460)
Park and park improvements	(55,202)	(4,830)	-	(60,032)
Machinery and equipment	(131,383)	(6,800)	-	(138,183)
Total Accumulated Depreciation	<u>(320,703)</u>	<u>(21,972)</u>	<u>-</u>	<u>(342,675)</u>
Net Capital Assets	<u>\$ 228,182</u>	<u>\$ (21,972)</u>	<u>\$ -</u>	<u>\$ 307,487</u>

Depreciation Expense By Function

General Government	\$ 10,342
Public Safety	-
Public Works	6,800
Culture, Parks, and Recreation	4,830
Total Depreciation Expense	<u>\$ 21,972</u>

Business-type Activities	Balance at 12/31/2018	Additions	Disposals	Balance at 12/31/2019
Nondepreciable Capital Assets				
Construction in progress	\$ -	\$ -	\$ -	\$ -
Total Non-Depreciable Capital Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Depreciable Capital Assets				
Water Plant	3,476,200	-	-	3,476,200
Water Distribution System	422,955	-	-	422,955
Sewer Distribution System	2,266,556	-	-	2,266,556
Machinery & Equipment	28,903	-	-	28,903
Total Depreciable Capital Assets	<u>6,194,614</u>	<u>-</u>	<u>-</u>	<u>6,194,614</u>
Less Accumulated Depreciation				
Water Plant	(926,986)	(69,524)	-	(996,510)
Water Distribution System	(387,600)	(14,099)	-	(401,699)
Sewer Distribution System	(693,632)	(50,116)	-	(743,748)
Machinery & Equipment	(22,225)	(890)	-	(23,115)
Total Accumulated Depreciation	<u>(2,030,443)</u>	<u>(134,629)</u>	<u>-</u>	<u>(2,165,072)</u>
Net Capital Assets	<u>\$ 4,164,171</u>	<u>\$ (134,629)</u>	<u>\$ -</u>	<u>\$ 4,029,542</u>

Town of Silver Plume, Colorado
Notes to Financial Statements (Continued)
December 31, 2019

Note 5 Long-Term Debt

The following is an analysis of changes in long-term debt for the year ended December 31, 2019 for the business-type activities:

	Balance 12/31/2018	Additions	Reductions	Balance 12/31/2019	Amounts Due Within One Year
Sewer Fund					
WPCRF direct loan, 2011	\$ 87,131	\$ -	\$ 6,308	\$ 80,823	\$ 6,372
Water Fund					
Water Revenue Bond U.S. Rural Utility Services, 2006	346,332	-	6,499	339,833	6,742
Total Long-term Debt	<u>\$ 433,463</u>	<u>\$ -</u>	<u>\$ 12,807</u>	<u>\$ 420,656</u>	<u>\$ 13,114</u>

Water Pollution Control Revolving Fund – Sewer Fund

In 2011 the Town obtained financing from the Colorado Water Resources and Power Authority (CWRPDA) in the amount of \$200,000. At closing the CWRPDA forgave \$70,427 and subsequently forgave an additional \$70,761 in 2014. The funds were used to replace manholes, sanitary sewer mains and lines, and installing a net metering vault. Interest accrues at 1.00% per annum and is due in semiannual payments in the amount of \$3,582 through November 1, 2031. The Town has pledged the revenue from the operation and use of the sewer system and other legally available revenue, after the payment of operation and maintenance expenses for the system, for the repayment of the note. The note is subject to a rate covenant and a reserve covenant. The town was out of compliance on both covenants for the year ended December 31, 2019. Interest expense charged to operations for the sewer fund in the statement of activities was \$859 for the year ended December 31, 2019.

Year ending December 31,	Principal	Interest	Total
2020	6,372	792	7,164
2021	6,436	728	7,164
2022	6,500	664	7,164
2023	6,565	599	7,164
2024	6,631	533	7,164
2025-2029	34,167	1,653	35,820
2030-2031	14,152	177	14,329
Total	<u>\$ 80,823</u>	<u>\$ 5,146</u>	<u>\$ 85,969</u>

Revenue Bond – Water Fund

On September 26, 2006, the Town issued a \$402,000 water revenue bond through the U.S. Rural Utility Services for improving water facilities. The Town has pledged the revenue from the operation and use of the water system and other legally available revenue, after the payment of operation and maintenance expenses of the system, for the repayment of the bond. The bond is payable in semiannual installments of \$10,790 and carries an interest rate of 4.375% per annum through October 1, 2046. The future minimum payments of the bond are as follows:

Interest expense charged to operations for the water fund in the statement of activities was \$15,081 for the year ended December 31, 2019.

Town of Silver Plume, Colorado
Notes to Financial Statements (Continued)
December 31, 2019

Note 5 Long-Term Debt (Continued)

Year ending December 31,	Principal	Interest	Total
2020	6,742	14,838	21,580
2021	7,082	14,498	21,580
2022	7,396	14,184	21,580
2023	7,723	13,857	21,580
2024	8,026	13,554	21,580
2025-2029	45,952	61,948	107,900
2030-2034	57,059	50,841	107,900
2035-2039	70,848	37,052	107,900
2040-2044	87,965	19,935	107,900
2045-2046	41,040	2,274	43,314
Total	<u>\$ 339,833</u>	<u>\$ 242,981</u>	<u>\$ 582,814</u>

Note 6 Pension Plans and Other Post-Employment Benefits (OPEB)

Summary of Significant Accounting Policies

Pensions. The Town of Silver Plume participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the LGDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: *Concerning Modifications To the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years*. The bill was signed into law by Governor Hickenlooper on June 4, 2018. A brief description of some of the major changes to plan provisions required by SB 18-200 for the LGDTF that were in effect on the LGDTF's December 31, 2018 measurement date are listed below. A full copy of the bill can be found online at www.leg.colorado.gov.

- Increases employee contribution rates for the LGDTF by a total of 2 percent (to be phased in over a period of 3 years starting on July 1, 2019).
- Modifies the retirement benefits, including temporarily suspending and reducing the annual increase for all current and future retirees, increases the highest average salary for employees with less than five years of service credit on December 31, 2019 and raises the retirement age for new employees.

Town of Silver Plume, Colorado
Notes to Financial Statements (Continued)
December 31, 2019

Note 6 Pension Plans and Other Post-Employment Benefits (OPEB) (Continued)

- Member contributions, employer contributions, the direct distribution from the State, and the annual increases will be adjusted based on certain statutory parameters beginning July 1, 2020, and then each year thereafter, to help keep PERA on path to full funding in 30 years.
- Expands eligibility to participate in the PERA DC Plan to members of the Local Government Division hired on or after January 1, 2019. Beginning January 1, 2021, and every year thereafter, employer contribution rates for the LGDTF will be adjusted to include a defined contribution supplement based on the employer contribution amount paid to defined contribution plan participant accounts that would have otherwise gone to the defined benefit trusts to pay down the unfunded liability plus any defined benefit investment earnings thereon.

General Information about the Pension Plan

Plan description. Eligible employees of the Town of Silver Plume are provided with pensions through the Local Government Division Trust Fund (LGDTF)—a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided - PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

The lifetime retirement benefit for all eligible retiring employees under the PERA benefit structure is the greater of the:

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit
- The value of the retiring employee's member contribution account plus a 100 percent match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

In all cases the service retirement benefit is limited to 100 percent of highest average salary and also cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50 percent or 100 percent on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated,

Town of Silver Plume, Colorado
Notes to Financial Statements (Continued)
December 31, 2019

Note 6 Pension Plans and Other Post-Employment Benefits (OPEB) (Continued)

whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

As of December 31, 2018, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments in certain years, referred to as annual increases in the C.R.S. Pursuant to SB 18-200, there are no annual increases (AI) for 2018 and 2019. Thereafter, benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure will receive an annual increase, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 1.5 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 will receive the lesser of an annual increase of 1.5 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the LGDTF. The automatic adjustment provision may raise or lower the aforementioned AI for a given year by up to one-quarter of 1 percent based on the parameters specified C.R.S. § 24-51-413.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the lifetime retirement benefit formula(s) shown above considering a minimum 20 years of service credit, if deemed disabled.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

Contributions provisions as of December 31, 2019: Eligible employees The Town of Silver Plume are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413.

Eligible employees are required to contribute 8 percent of their PERA-includable salary. The employer contribution requirements during the period of are summarized in the table below :

	January 1, 2018 Through December 31, 2019
Employer contribution rate	10.00%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02)%
Amount apportioned to the LGDTF	8.98%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	1.50%
Total employer contribution rate to the LGDTF	12.68%

Town of Silver Plume, Colorado
Notes to Financial Statements (Continued)
December 31, 2019

Note 6 Pension Plans and Other Post-Employment Benefits (OPEB) (Continued)

Contribution Rates for the LGDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the Town of Silver Plume is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from The Town of Silver Plume were \$9,331 for the year ended December 31, 2019.

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

At December 31, 2019 the Town of Silver Plume reported a liability of \$102,090 for its proportionate share of the net pension liability. The net pension liability for the LGDTF was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. Standard update procedures were used to roll-forward the total pension liability to December 31, 2018. The Town of Silver Plume proportion of the net pension liability was based the Town of Silver Plume contributions to the LGDTF for the calendar year 2018 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2018, the Town of Silver Plume proportion was .0081202675 percent, which was an increase of .0022300789 from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019 the Town of Silver Plume recognized pension expense of \$20,705. At December 31, 2019 the Town of Silver Plume reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 4,269	\$0
Changes of assumptions or other inputs	0	0
Net difference between projected and actual earnings on pension plan investments	13,295	0
Changes in proportion and differences between contributions recognized and proportionate share of contributions	15,213	0
Contributions subsequent to the measurement date	9,330	N/A
Total	\$42,107	\$0

\$9,330 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2020. Other amounts reported as deferred

Town of Silver Plume, Colorado
Notes to Financial Statements (Continued)
December 31, 2019

Note 6 Pension Plans and Other Post-Employment Benefits (OPEB) (Continued) outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For the Year Ended December 31,	
2020	\$18,832
2021	5,947
2022	741
2023	7,257
2024	0
Thereafter	0

Actuarial assumptions. The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 – 10.45 percent
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07; and DPS benefit structure (automatic)	2.00 percent compounded annually
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

The revised assumptions shown below were reflected in the roll-forward calculation of the total pension liability from December 31, 2017 to December 31, 2018:

Discount rate	7.25 percent
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (automatic)	0% through 2019 and 1.5% compounded annually,
thereafter	
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

Healthy mortality assumptions for active members reflect the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

Town of Silver Plume, Colorado
Notes to Financial Statements (Continued)
December 31, 2019

Note 6 Pension Plans and Other Post-Employment Benefits (OPEB) (Continued)

Healthy, post-retirement mortality assumptions reflect the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 108 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78 percent factor applied to rates for ages less than 80, a 109 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

For disabled retirees, the mortality assumption was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table. The actuarial assumptions used in the December 31, 2016, valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016.

Several factors were considered in evaluating the long-term rate of return assumption for the LGDTF, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

As of the most recent adoption of the long-term expected rate of return by the PERA Board, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
U.S. Equity – Large Cap	21.20%	4.30%
U.S. Equity – Small Cap	7.42%	4.80%
Non U.S. Equity – Developed	18.55%	5.20%
Non U.S. Equity – Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non U.S. Fixed Income – Developed	1.84%	0.60%
Emerging Market Debt	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
Total	100.00%	

Town of Silver Plume, Colorado
Notes to Financial Statements (Continued)
December 31, 2019

Note 6 Pension Plans and Other Post-Employment Benefits (OPEB) (Continued)

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25%.

Discount rate. The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including scheduled increases in SB 18-200. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, LGDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent. There was no change in the discount rate from the prior measurement date.

Town of Silver Plume, Colorado
Notes to Financial Statements (Continued)
December 31, 2019

Note 6 Pension Plans and Other Post-Employment Benefits (OPEB) (Continued)

Sensitivity of the Town of Silver Plume share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	\$156,175	\$102,090	\$56,841

Pension plan fiduciary net position. Detailed information about the LGDTF's fiduciary net position is available in PERA's CAFR which can be obtained at www.copera.org/investments/pera-financial-reports.

Changes subsequent to the measurement date

During the 2019 legislative session, the Colorado General Assembly passed HB 19-1217: *PERA Public Employees' Retirement Association Local Government Division Member Contribution Rate*. The bill was signed into law by Governor Polis on May 20, 2019, and eliminates the 2 percent increase in the contribution rate for members in the Local Government Division mandated by SB 18-200.

Defined Contribution Pension Plans

Voluntary Investment Program

Plan Description - Employees of the Town of Silver Plume that are also members of the LGDTF may voluntarily contribute to the Voluntary Investment Program, an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available CAFR which includes additional information on the Voluntary Investment Program. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Contribution requirements are established under Title 24, Article 51, Section 1505 of the C.R.S., as amended. Participating employees of the PERA DC Plan are immediately vested in their own contributions and investment earnings and are immediately 50 percent vested in the amount of employer contributions made on their behalf. For each full year of participation, vesting of employer contributions increases by 10 percent. Forfeitures are used to pay expenses of the PERA DC Plan in accordance with PERA Rule 16.80 as adopted by the PERA Board of Trustees in accordance with Title 24, Article 51, Section 204 of the C.R.S. As a result, forfeitures do not reduce pension expense. Participating employees in the PERA DC Plan contributed \$0 and the Town of Silver Plume recognized pension expense and a liability of \$0 and \$0, respectively, for the PERA DC Plan.

Town of Silver Plume, Colorado
Notes to Financial Statements (Continued)
December 31, 2019

Note 6 Pension Plans and Other Post-Employment Benefits (OPEB) (Continued)

Summary of Significant Accounting Policies (OPEB)

OPEB. The Town of Silver Plume participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the OPEB Plan

Plan description. Eligible employees of the Town of Silver Plume are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. Title 24, Article 51, Part 12 of the C.R.S., as amended, sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided. The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit. For members who retire having service credit with employers in the Denver Public Schools (DPS) Division and one or more of the other four Divisions (State, School, Local Government and Judicial), the premium subsidy is allocated between the HCTF and the Denver Public Schools Health Care Trust Fund (DPS HCTF). The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

C.R.S. § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure and all retirees under the DPS benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare. Upon the death of a DPS benefit structure retiree, no further subsidy is paid. Enrollment in the PERACare is voluntary and is available to benefit recipients and their eligible dependents, certain surviving spouses, and divorced spouses and guardians, among others. Eligible benefit recipients may enroll into the program upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period.

Town of Silver Plume, Colorado
Notes to Financial Statements (Continued)
December 31, 2019

Note 6 Pension Plans and Other Post-Employment Benefits (OPEB) (Continued)

PERA Benefit Structure

The maximum service-based premium subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The basis for the maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5 percent reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, C.R.S. § 24-51-1206(4) provides an additional subsidy. According to the statute, PERA cannot charge premiums to benefit recipients without Medicare Part A that are greater than premiums charged to benefit recipients with Part A for the same plan option, coverage level, and service credit. Currently, for each individual PERACare enrollee, the total premium for Medicare coverage is determined assuming plan participants have both Medicare Part A and Part B and the difference in premium cost is paid by the HCTF or the DPS HCTF on behalf of benefit recipients not covered by Medicare Part A.

DPS Benefit Structure

The maximum service-based premium subsidy is \$230 per month for retirees who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for retirees who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The basis for the maximum subsidy, in each case, is for retirees with retirement benefits based on 20 or more years of service credit. There is a 5 percent reduction in the subsidy for each year less than 20. The retiree pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For retirees who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, the HCTF or the DPS HCTF pays an alternate service-based premium subsidy. Each individual retiree meeting these conditions receives the maximum \$230 per month subsidy reduced appropriately for service less than 20 years, as described above. Retirees who do not have Medicare Part A pay the difference between the total premium and the monthly subsidy.

Contributions. Pursuant to Title 24, Article 51, Section 208(1) (f) of the C.R.S., as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, School, Local Government, and Judicial Divisions are required to contribute at a rate of 1.02 percent of PERA-includable salary into the HCTF.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the Town of Silver Plume is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF for the year ended were \$10,495.

Town of Silver Plume, Colorado
Notes to Financial Statements (Continued)
December 31, 2019

Note 6 Pension Plans and Other Post-Employment Benefits (OPEB) (Continued)

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

At December 31, 2019 the Town of Silver Plume reported a liability of \$8,568 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2017. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2018. The Town of Silver Plume proportion of the net OPEB liability was based Town of Silver Plume contributions to the HCTF for the calendar year 2018 relative to the total contributions of participating employers to the HCTF.

At December 31, 2018, the Town of Silver Plume proportion was .0006297213 percent, which was an increase of .000172026 from its proportion measured as of December 31, 2017. For the year ended December 31, 2019 the Town of Silver Plume recognized OPEB income of \$531. At December 31, 2019, the Town of Silver Plume reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred</u> <u>Outflows</u> of <u>Resources</u>	<u>Deferred Inflows</u> <u>of Resources</u>
Difference between expected and actual experience	\$31	\$203
Changes of assumptions or other inputs	60	0
Net difference between projected and actual earnings on OPEB plan investments	152	0
Changes in proportion and differences between contributions recognized and proportionate share of contributions	2,404	0
Contributions subsequent to the measurement date	751	N/A
Total	\$3,398	\$203

\$751 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31	
2020	\$ 263
2021	(488)
2022	(488)
2023	55
2024	10
Thereafter	\$ 3,092

Town of Silver Plume, Colorado
Notes to Financial Statements (Continued)
December 31, 2019

Note 6 Pension Plans and Other Post-Employment Benefits (OPEB) (Continued)

Actuarial assumptions. The total OPEB liability in the December 31, 2017 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 percent in aggregate
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	5.00 percent
Medicare Part A premiums	3.25 percent for 2018, gradually rising to 5.00 percent in 2025

Calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each actuarial valuation and on the pattern of sharing of costs between employers of each fund to that point.

The actuarial assumptions used in the December 31, 2017, valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 27, 2016, Board meeting. In addition, certain actuarial assumptions pertaining to per capita health care costs and their related trends are analyzed and reviewed by PERA's actuary, as discussed below.

In determining the additional liability for PERACare enrollees who are age sixty-five or older and who are not eligible for premium-free Medicare Part A, the following monthly costs/premiums are assumed for 2018 for the PERA Benefit Structure:

Medicare Plan	Cost for Members Without Medicare Part A	Premiums for Members Without Medicare Part A
Self-Funded Medicare Supplement Plans	\$736	\$367
Kaiser Permanente Medicare Advantage HMO	602	236
Rocky Mountain Health Plans Medicare HMO	611	251
UnitedHealthcare Medicare HMO	686	213

The 2018 Medicare Part A premium is \$422 per month. In determining the additional liability for PERACare enrollees in the PERA Benefit Structure who are age sixty-five or older and who are

Town of Silver Plume, Colorado
Notes to Financial Statements (Continued)
December 31, 2019

Note 6 Pension Plans and Other Post-Employment Benefits (OPEB) (Continued)

not eligible for premium-free Medicare Part A, the following chart details the initial expected value of Medicare Part A benefits, age adjusted to age 65 for the year following the valuation date:

Medicare Plan	Cost for Members Without Medicare Part A
Self-Funded Medicare Supplement Plans	\$289
Kaiser Permanente Medicare Advantage HMO	300
Rocky Mountain Health Plans Medicare HMO	270
UnitedHealthcare Medicare HMO	400

All costs are subject to the health care cost trend rates, as discussed below.

Health care cost trend rates reflect the change in per capita health costs over time due to factors such as medical inflation, utilization, plan design, and technology improvements. For the PERA benefit structure, health care cost trend rates are needed to project the future costs associated with providing benefits to those PERACare enrollees not eligible for premium-free Medicare Part A.

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and heuristics developed by health plan actuaries and administrators, and projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services. Effective December 31, 2017, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

The PERA benefit structure health care cost trend rates that were used to measure the total OPEB liability are summarized in the table below:

Year	PERACare Medicare Plans	Medicare Part A Premiums
2018	5.00%	3.25%
2019	5.00%	3.50%
2020	5.00%	3.75%
2021	5.00%	4.00%
2022	5.00%	4.25%
2023	5.00%	4.50%
2024	5.00%	4.75%
2025+	5.00%	5.00%

Mortality assumptions for the determination of the total pension liability for each of the Division Trust Funds as shown below are applied, as applicable, in the determination of the total OPEB liability for the HCTF. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

Town of Silver Plume, Colorado
Notes to Financial Statements (Continued)
December 31, 2019

Note 6 Pension Plans and Other Post-Employment Benefits (OPEB) (Continued)

Healthy mortality assumptions for active members were based on the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

Healthy, post-retirement mortality assumptions for the State and Local Government Divisions were based on the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 108 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78 percent factor applied to rates for ages less than 80, a 109 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

Healthy, post-retirement mortality assumptions for the School and Judicial Divisions were based on the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93 percent factor applied to rates for ages less than 80, a 113 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 68 percent factor applied to rates for ages less than 80, a 106 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

For disabled retirees, the mortality assumption was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The following health care costs assumptions were updated and used in the measurement of the obligations for the HCTF:

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2018 plan year.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016.

Town of Silver Plume, Colorado
Notes to Financial Statements (Continued)
December 31, 2019

Note 6 Pension Plans and Other Post-Employment Benefits (OPEB) (Continued)

Several factors were considered in evaluating the long-term rate of return assumption for the HCTF, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

As of the most recent adoption of the long-term expected rate of return by the PERA Board, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
U.S. Equity – Large Cap	21.20%	4.30%
U.S. Equity – Small Cap	7.42%	4.80%
Non U.S. Equity – Developed	18.55%	5.20%
Non U.S. Equity – Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non U.S. Fixed Income – Developed	1.84%	0.60%
Emerging Market Debt	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
Total	100.00%	

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25%.

Sensitivity of the Town of Silver Plume proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates. The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
PERACare Medicare trend rate	4.00%	5.00%	6.00%
Initial Medicare Part A trend rate	2.25%	3.25%	4.25%
Ultimate Medicare Part A trend rate	4.00%	5.00%	6.00%
Net OPEB Liability	\$150,294	\$154,562	\$159,471

Town of Silver Plume, Colorado
Notes to Financial Statements (Continued)
December 31, 2019

Note 6 Pension Plans and Other Post-Employment Benefits (OPEB) (Continued)

Discount rate. The discount rate used to measure the total OPEB liability was 7.25 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2018, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Transfers of a portion of purchase service agreements intended to cover the costs associated with OPEB benefits were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the projection test indicates the HCTF's fiduciary net position was projected to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent.

Sensitivity of the Town of Silver Plume proportionate share of the net OPEB liability to changes in the discount rate. The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$9,586	\$8,568	\$7,697

OPEB plan fiduciary net position. Detailed information about the HCTF's fiduciary net position is available in PERA's CAFR which can be obtained at www.copera.org/investments/pera-financial-reports.

Town of Silver Plume, Colorado
Notes to Financial Statements (Continued)
December 31, 2019

Note 7 Risk Management

Risk Management Insurance Pool

The Town is self-insured for property and liability insurance. In order to mitigate risk, the Town is a member of the Colorado Intergovernmental Risk Sharing Agency ("CIRSA") and Colorado Intergovernmental Risk Sharing Agency Worker's Compensation ("CIRSA/WC"). CIRSA and CIRSA/WC have a legal obligation for claims against their members to the extent that funds are available in their annually established loss fund and amounts are available from insurance providers under excess specific and aggregate insurance contracts. Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members. CIRSA and CIRSA/WC have indicated that the amount of any excess losses would be billed to members in proportion to their contributions in the years such excess occurs, although they are not legally required to do so. Additionally, the Town may receive credit on future contributions in the event of a surplus.

CIRSA has entered into various excess insurance contracts to limit large losses and minimize exposure on large risks. Excess of loss contracts in effect during 2018 limit CIRSA's per occurrence exposure to 100% of \$5,000,000 in excess of \$1,000,000 per claim for property coverage, and 100% of \$500,000 in excess of \$500,000 per claim for excess property coverage and provide coverage to specified upper limits. The excess of loss contract for workers' compensation coverage limits CIRSA's per occurrence exposure to \$500,000 for 2018 and provides coverage to statutory limits for the State of Colorado. The ultimate liability to the Town resulting from claims not covered by CIRSA and CIRSA/WC is not presently determinable. Management is of the opinion that the final outcome of such claims, if any, will not have a material adverse effect on the Town's financial statements.

Required Supplemental Information

Town of Silver Plume, Colorado
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2019

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Property taxes	\$ 9,577	\$ 32,271	\$ 22,694
Specific ownership taxes	700	3,698	2,998
Other taxes and franchise fees	46,994	144,772	97,778
Licenses and permits	1,222	8,052	6,830
Investment income	42	46	4
Other	3,009	16,597	13,588
Total Revenues	<u>61,544</u>	<u>205,436</u>	<u>143,892</u>
Expenditures			
Current			
General government	47,050	68,878	(21,828)
Public works	13,820	68,634	(54,814)
Public safety	-	6,545	(6,545)
Culture, parks and recreation	-	136	(136)
Transfers Out	-	97,592	(97,592)
Total Expenditures	<u>60,870</u>	<u>241,785</u>	<u>(180,915)</u>
Net Change in Fund Balance	<u>\$ 674</u>	<u>(36,349)</u>	<u>\$ (37,023)</u>
Fund Balance, Beginning		449,512	
Fund Balance, End		<u>\$ 413,163</u>	

See the accompanying Independent Auditor's report

Town of Silver Plume, Colorado
Required Supplementary Information
Schedule of the Town's Proportionate Share of the Net Pension Liability - PERA
Last 10 Fiscal Years *

	2018	2017	2016	2015	2014	2013
Town's proportion of the net pension liability / asset	0.8120267500%	0.0058901886%	0.0073709287%	0.0074421194%	0.0127277929%	0.0222175531%
Town's proportional share of the net pension liability (asset)	\$ 102,090	\$ 65,581	\$ 99,533	\$ 81,981	\$ 114,080	\$ 182,833
Town's percentage of net pension liability as a percent of covered payroll	210.63%	176.49%	222.78%	152.35%	392.58%	154.26%
Town's covered payroll	48,470	37,158	44,677	53,812	29,059	118,525
Total pension liability	5,228,602,000	5,396,516,000	5,123,847,000	4,762,090,000	4,647,777,000	4,517,239,000
Plan fiduciary net position	3,971,389,000	4,283,086,000	3,773,506,000	3,660,509,000	3,751,468,000	3,508,312,000
Net pension liability (asset)	<u>\$ 1,257,213,000</u>	<u>\$ 1,113,430,000</u>	<u>\$ 1,350,341,000</u>	<u>\$ 1,101,581,000</u>	<u>\$ 896,309,000</u>	<u>\$ 1,008,927,000</u>
Plan fiduciary net position as a percentage of the total pension liability	76%	79%	74%	77%	81%	78%

* This report is intended to show 10 years of data. Additional years will be presented as they become available.

Town of Silver Plume, Colorado
Schedule of Pension Contributions Multiyear - PERA
Last 10 Fiscal Years

FY Ending December 31, (a)	Actuarially Determined Contribution (b)	Actual Contribution * ©	Contribution Deficiency (Excess) (d) = (b) - (c)	Covered Payroll (e)	Actual Contribution as a % of Covered Payroll (f)
2014	\$ 3,685	\$ 3,685	\$ -	29,059	12.68%
2015	6,823	6,823	-	53,812	12.68%
2016	5,665	5,665	-	44,677	12.68%
2017	4,713	4,713	-	37,158	12.68%
2018	6,146	6,146	-	48,470	12.68%
2019	9,331	9,331	-	73,595	12.68%

The schedule is intended to show ten years of data. The remaining years will be shown as the data becomes available.

Town of Silver Plume, Colorado
Required Supplementary Information
Schedule of the Town's Proportionate Share of the Net OPEB Liability - PERA
Last 10 Fiscal Years *

	2018	2017	2016
Town's proportion of the net pension liability / asset	0.0006297213%	0.0004576953%	0.0005658241%
Town's proportional share of the net pension liability (asset)	\$ 8,568	\$ 5,949	\$ 7,336
Town's percentage of net pension liability as a percent of covered payroll	17.68%	16.01%	16.42%
Town's covered payroll	48,470	37,158	44,677
Total pension liability	1,639,734,000	1,575,822,000	1,556,762,000
Plan fiduciary net position	279,192,000	276,222,000	260,228,000
Net pension liability (asset)	<u>\$ 1,360,542,000</u>	<u>\$ 1,299,600,000</u>	<u>\$ 1,296,534,000</u>
Plan fiduciary net position as a percentage of the total pension liability	17%	18%	17%

* This report is intended to show 10 years of data. Additional years will be presented as they become available.

See the accompanying Independent Auditor's report

Town of Silver Plume, Colorado
Schedule of OPEB Contributions Multiyear - PERA
Last 10 Fiscal Years

FY Ending December 31,	Actuarially Determined Contribution	Actual Contribution *	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
(a)	(b)	©	(d) = (b) - (c)	(e)	(f)
2016	\$ 456	\$ 456	\$ -	44,677	1.02%
2017	379	379	-	37,158	1.02%
2018	495	495	-	48,470	1.02%
2019	751	751	-	73,595	1.02%

The schedule is intended to show ten years of data. The remaining years will be shown as the data becomes available.

Other Supplemental Information

Town of Silver Plume, Colorado
Budgetary Comparison Schedule
Road and Bridge
For the Year Ended December 31, 2019

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Transfers in	\$ -	\$ 97,592	\$ 97,592
Taxes	24,560	-	(24,560)
Other	1,816	-	(1,816)
Total Revenues	<u>26,376</u>	<u>97,592</u>	<u>71,216</u>
Expenditures			
Public works	25,546	-	25,546
Total Expenditures	<u>25,546</u>	<u>-</u>	<u>25,546</u>
Net Change in Fund Balance	<u>\$ 830</u>	<u>97,592</u>	<u>\$ 96,762</u>
Fund Balance, Beginning		(97,592)	
Fund Balance, End		<u>\$ -</u>	

See the accompanying Independent Auditor's report

Town of Silver Plume, Colorado
Budgetary Comparison Schedule
Cemetery Fund
For the Year Ended December 31, 2019

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Charges for services	\$ 100	\$ -	\$ (100)
Total Revenues	<u>100</u>	<u>-</u>	<u>(100)</u>
Expenditures			
Current			
Culture, parks and recreation	-	840	(840)
Total Expenditures	<u>-</u>	<u>840</u>	<u>(840)</u>
Net Change in Fund Balance	<u>\$ 100</u>	<u>(840)</u>	<u>\$ (940)</u>
Fund Balance, Beginning		2,240	
Fund Balance, Ending		<u>\$ 1,400</u>	

See the accompanying Independent Auditor's report

Town of Silver Plume, Colorado
Budgetary Comparison Schedule
Conservation Trust Fund
For the Year Ended December 31, 2019

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$ 650	\$ 332	\$ (318)
Other income	500	-	500
Total Revenues	<u>1,150</u>	<u>332</u>	<u>182</u>
Expenditures			
Culture, parks and recreation	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 1,150</u>	332	<u>\$ 182</u>
Fund Balance, Beginning		<u>5,869</u>	
Fund Balance, Ending		<u>\$ 6,201</u>	

See the accompanying Independent Auditor's report

Town of Silver Plume, Colorado
Budgetary Comparison Schedule
Water Fund
For the Year Ended December 31, 2019

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Property taxes	\$ 3,453	\$ -	\$ (3,453)
Specific ownership taxes	400	-	(400)
Other taxes and franchise fees	16,377	-	(16,377)
Licenses and permits	698	-	(698)
Charges for services	115,000	114,659	(341)
Investment income	20	2	(18)
Other	1,700	-	(1,700)
Total Revenues	<u>137,648</u>	<u>114,661</u>	<u>(22,987)</u>
Expenditures			
Current			
General and Administrative	27,551	11,698	15,853
Operations	85,184	56,123	29,061
Debt service	21,580	21,580	-
Capital outlay	3,000	-	3,000
Total Expenditures	<u>137,315</u>	<u>89,401</u>	<u>47,914</u>
Net Change in Fund Balance	<u>\$ 333</u>	<u>25,260</u>	<u>\$ 24,927</u>

Reconciliation to Change in Net Position

Less Depreciation expense	(83,623)
Add: Capital outlay	-
Principal paid on long-term debt	6,499
Change in Net Position	<u>\$ (51,864)</u>

See the accompanying Independent Auditor's report

Town of Silver Plume, Colorado
Budgetary Comparison Schedule
Sewer Fund
For the Year Ended December 31, 2019

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Property taxes	\$ 10,229	\$ 11,913	\$ 1,684
Specific ownership taxes	600	-	(600)
Other taxes and franchise fees	50,720	-	(50,720)
Licenses and permits	1,047	-	(1,047)
Charges for services	118,356	151,441	33,085
Other income	2,646	-	(2,646)
Investment income	30	4	(26)
Total Revenues	<u>183,628</u>	<u>163,358</u>	<u>(20,270)</u>
Expenditures			
Current			
General and Administrative	22,355	15,348	7,007
Operations	148,943	131,405	17,538
Debt service	2,149	7,167	(5,018)
Capital outlay	9,750	-	9,750
Total Expenditures	<u>183,197</u>	<u>153,920</u>	<u>29,277</u>
Net Change in Fund Balance	<u>\$ 431</u>	9,438	<u>\$ 9,007</u>
Reconciliation to Change in Net Position			
Less Depreciation expense		(51,006)	
Add: Capital outlay		-	
Principal on long-term debt		6,308	
Change in Net Position		<u>\$ (35,260)</u>	

See the accompanying Independent Auditor's report

Special Reports

LOCAL HIGHWAY FINANCE REPORT

City or County: Clear Creek County

YEAR ENDING :
December 2019

Town of Silver Plume, Colorado

Prepared By:
Phone:

Tammy Sanford, Town Clerk
303-569-2363

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

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	
3. Other local imposts (from page 2)	7,699
4. Miscellaneous local receipts (from page 2)	3,224
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	10,923
B. Private Contributions	
C. Receipts from State government (from page 2)	12,428
D. Receipts from Federal Government (from page 2)	0
E. Total receipts (A.7 + B + C + D)	23,351

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	0
2. Maintenance:	
3. Road and street services:	
a. Traffic control operations	1,340
b. Snow and ice removal	10,000
c. Other	7,110
d. Total (a. through c.)	18,450
4. General administration & miscellaneous	1,300
5. Highway law enforcement and safety	
6. Total (1 through 5)	19,750
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
3. Total (1.c + 2.c)	0
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total disbursements (A.6 + B.3 + C + D)	19,750

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

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	0	0	0	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
	(9,963)	23,351	19,750		(6,362)

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2019

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	4,001	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	3,698	g. Other Misc. Receipts	
6. Total (1. through 5.)	3,698	h. Other	3,224
c. Total (a. + b.)	7,699	i. Total (a. through h.)	3,224
	(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	11,212	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	0
a. State bond proceeds		b. FEMA	0
b. Project Match		c. HUD	0
c. Motor Vehicle Registrations	1,215	d. Federal Transit Admin	0
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	0
e. Other (Specify)		f. Other Federal	0
f. Total (a. through e.)	1,215	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	12,427	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

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

Notes and Comments: