

Town of Dillon, Colorado



Photo by Jenise Jensen

Financial Statements December 31, 2021



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**HINKLE &
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Business Advisors

Independent Auditor's Report

Honorable Mayor and Town Council
Town of Dillon, Colorado
Dillon, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of Town of Dillon, Colorado (the Town), as of and for the year ended December 31 2021, and the related notes to the financial statements, which collectively comprise Town of Dillon, Colorado's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Town, as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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



Required Supplementary Information

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

Other Information

Management is responsible for the other information included in the Supplementary Information and the local highway finance report, as listed in the table of contents. The other information comprises the Supplementary Information and the local highway finance report but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Hick & Company, PC

Englewood, Colorado
July 15, 2022



Management's Discussion and Analysis

As management of the Town of Dillon, we offer readers of the Town of Dillon's financial statements this narrative overview and analysis of the financial activities of the Town of Dillon for the fiscal year ended December 31, 2021.

Financial Highlights

- The assets of the Town of Dillon exceeded its liabilities at the close of fiscal year 2021 by \$44,942,968 (*net position*). Of this amount, \$17,220,403 (*unrestricted net position*) may be used to meet the Town of Dillon's ongoing obligations to citizens and creditors.
- The Town of Dillon's total net position increased by \$5,411,197. Due to the Town's continued practice of conservative budgeting and increases in revenues from taxes and business type fees.
- As of the close of the fiscal year 2021, the Town of Dillon's governmental activities reported ending net position of \$25,632,043 an increase of \$3,436,132 compared with the prior year. Approximately 35% of this total amount, \$8,925,939, is available for spending at the Town's discretion (*unrestricted net position*).
- At the end of the fiscal year ended December 31, 2021, unrestricted fund balance for the General Fund was \$4,920,350, or 61.5% of the total general fund expenditures.
- The Town of Dillon's total debt decreased by \$1,009,274 during the fiscal year ended December 31, 2021.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Town of Dillon's basic financial statements, which 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 other supplementary information in addition to the basic financial statements themselves.

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

The *statement of net position* presents information on all of the Town of Dillon's assets and liabilities and deferred inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town of Dillon 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 flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Town of Dillon that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Town of Dillon include general government, public safety, public works, community development, culture and recreation, housing and the Dillon Urban Renewal Authority. The business-type activities of the Town of Dillon include a water utility that treats and distributes water (the Water Fund), a sewer utility that maintains the sewer collection system (the Sewer Fund) and a marina program (the Marina Fund) that operates and maintains the Dillon Marina.

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. The Town of Dillon, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town of Dillon can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

The Town of Dillon maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Capital Improvement Fund and Street Improvement Fund, which are considered to be major funds. Data from the other four governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The Town of Dillon adopts an annual appropriated budget for its General Fund, Capital Improvement Fund, Street Improvement Fund, Housing Initiative 5A Fund, Conservation Trust Fund, Cemetery Perpetual Care Fund and Dillon Urban Renewal Authority Fund.

A budgetary comparison schedule has been provided for those funds to demonstrate compliance with those budgets.

Proprietary funds. The Town of Dillon maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town of Dillon uses enterprise funds to account for its water and sewer utilities and marina operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water, Sewer and Marina Funds, all of which are considered to be major funds of the Town of Dillon.

Fiduciary funds. The Town of Dillon has one fiduciary fund, the Summit County Telecommunications Consortium (SCTC). The activities of the SCTC are reported in a separate Statement of Assets and Liabilities and Changes in Assets and Liabilities. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are *not* available to support the Town of Dillon's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The fiduciary fund financial statements are found on pages 23 and 60 of this report.

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. The notes to the financial statements can be found immediately following the basic financial statements.

Other information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented following the notes to the financial statements and the required supplementary information. The combining fund statements can be found on pages 49-50.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Dillon, assets exceeded liabilities by \$44,942,968 at the close of the fiscal year 2021.

The net position of the Town at December 31, 2021 was:

Town of Dillon's Net Position

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and Other Assets	\$ 19,256,871	\$ 16,401,253	\$ 8,827,824	\$ 6,702,783	\$ 28,084,695	\$ 23,104,036
Capital Assets	<u>22,164,685</u>	<u>21,249,420</u>	<u>14,269,963</u>	<u>14,646,230</u>	<u>36,434,648</u>	<u>35,895,650</u>
Total Assets	<u>41,421,556</u>	<u>37,650,673</u>	<u>23,097,787</u>	<u>21,349,013</u>	<u>64,519,343</u>	<u>58,999,686</u>
Total Deferred Outflows of Resources	<u>510,242</u>	<u>524,917</u>	<u>-</u>	<u>-</u>	<u>510,242</u>	<u>524,917</u>
Other Liabilities	519,685	319,423	108,048	94,682	627,733	414,105
Noncurrent Liabilities	<u>13,935,857</u>	<u>14,705,474</u>	<u>3,678,814</u>	<u>3,918,471</u>	<u>17,614,671</u>	<u>18,623,945</u>
Total Liabilities	<u>14,455,542</u>	<u>15,024,897</u>	<u>3,786,862</u>	<u>4,013,153</u>	<u>18,242,404</u>	<u>19,038,050</u>
Total Deferred Inflows of Resources	<u>1,844,213</u>	<u>954,782</u>	<u>-</u>	<u>-</u>	<u>1,844,213</u>	<u>954,782</u>
Net Position:						
Invested in Capital Assets, Net of Related Debt	8,500,614	6,822,225	11,016,461	13,216,949	19,517,075	20,039,174
Restricted	8,205,490	8,701,287	-	-	8,205,490	8,701,287
Unrestricted	<u>8,925,939</u>	<u>6,672,399</u>	<u>8,294,464</u>	<u>4,118,911</u>	<u>17,220,403</u>	<u>10,791,310</u>
Total Net Position	<u>\$ 25,632,043</u>	<u>\$ 22,195,911</u>	<u>\$ 19,310,925</u>	<u>\$ 17,335,860</u>	<u>\$ 44,942,968</u>	<u>\$ 39,531,771</u>

A large portion of the Town of Dillon's net position (43.4%) reflects its investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related debt used to acquire those assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Town of Dillon's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the Town of Dillon's net position (18.3%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$17,220,403) may be used to meet the Town's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Town of Dillon is able to report positive balances in all three categories of net position, both for the Town as a whole, as well as for its separate governmental and business-type activities.

The Town of Dillon's net position increased by \$5,411,197 during the fiscal year 2021. The net position of Governmental Activities increased by \$3,436,132 which can be attributed to an increase in revenues including sales tax and excise tax. Net position of Business-Type Activities increased by \$1,975,065 which is the result of an increase in water usage, water and sewer tap fee collections, marina usage and in the investment in the Joint Sewer Authority offset by increases in personnel costs.

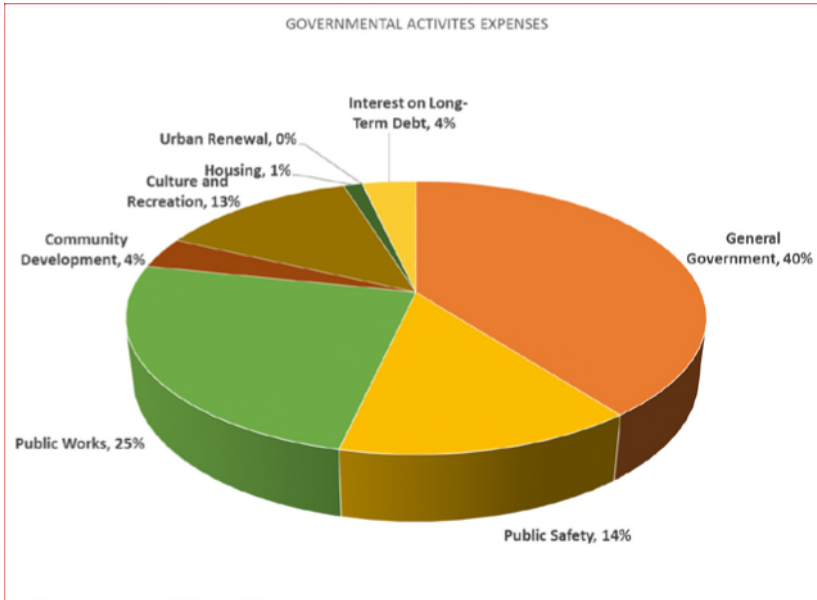
Town of Dillon's Changes in Net Position

	Governmental		Business Type		Total	
	Activities		Activities			
	2021	2020	2021	2020	2021	2020
Program Revenues						
Charges for Services	\$ 1,910,295	\$ 229,938	\$ 4,305,627	\$ 4,144,466	\$ 6,215,922	\$ 4,374,404
Operating Grants and Contributions	304,761	197,138	-	-	304,761	197,138
Capital Grants and Contributions	1,134,335	1,141,037	1,478,983	51,786	2,613,318	1,192,823
General Revenues						
Sales Tax	9,224,180	7,975,714	-	-	9,224,180	7,975,714
Property Tax	237,491	237,789	-	-	237,491	237,789
Lodging Tax	398,469	255,071	-	-	398,469	255,071
Other Tax	1,183,949	995,231	-	-	1,183,949	995,231
Grants & Contributions not Restricted to Specific Programs	14,695	15,310	-	-	14,695	15,310
Other General Revenues	199,084	114,747	94,752	165,665	293,836	280,412
Total Revenues	<u>14,607,259</u>	<u>11,161,975</u>	<u>5,879,362</u>	<u>4,361,917</u>	<u>20,486,621</u>	<u>15,523,892</u>
Program Expenses						
General Government	4,370,829	2,701,070	-	-	4,370,829	2,701,070
Public Safety	1,542,352	1,285,358	-	-	1,542,352	1,285,358
Public Works	2,732,741	1,790,522	-	-	2,732,741	1,790,522
Community Development	410,642	374,783	-	-	410,642	374,783
Culture and Recreation	1,454,577	1,293,000	-	-	1,454,577	1,293,000
Housing	137,569	190,751	-	-	137,569	190,751
Urban Renewal	3,670	536	-	-	3,670	536
Interest on Long-Term Debt	392,747	406,842	-	-	392,747	406,842
Water	-	-	1,180,808	1,231,833	1,180,808	1,231,833
Sewer	-	-	837,068	752,226	837,068	752,226
Marina	-	-	2,012,421	1,649,470	2,012,421	1,649,470
Total Expenses	<u>11,045,127</u>	<u>8,042,862</u>	<u>4,030,297</u>	<u>3,633,529</u>	<u>15,075,424</u>	<u>11,676,391</u>
Transfers	<u>(126,000)</u>	<u>122,000</u>	<u>126,000</u>	<u>(122,000)</u>	<u>-</u>	<u>-</u>
Changes in Net Position	3,436,132	3,241,113	1,975,065	606,388	5,411,197	3,847,501
Net Position-Beginning of Year	<u>22,195,911</u>	<u>18,954,798</u>	<u>17,335,860</u>	<u>16,729,472</u>	<u>39,531,771</u>	<u>35,684,270</u>
Net Position-End of Year	<u>\$ 25,632,043</u>	<u>\$ 22,195,911</u>	<u>\$ 19,310,925</u>	<u>\$ 17,335,860</u>	<u>\$ 44,942,968</u>	<u>\$ 39,531,771</u>

Governmental activities. Governmental activities increased the Town of Dillon's net position by \$3,436,132. The following are illustrative summaries of Governmental Activities breaking out revenues and expenses:

- Sales tax, the primary source of revenues to the General Fund (63.1% of governmental revenues), increased \$1,248,466 from 2020. The majority of the increases in 2021 come from new businesses and online sales.
- Charges for services increased 730.8% over 2020 due to the increase in events revenues from concerts and park reservations. Town events and park reservations were significantly reduced in 2020 due to COVID 19.
- Operating grants and contributions were up 54.6% due to an increase in grant proceeds from the Coronavirus State and Local Fiscal Recovery Funds (SLFRF).

- Capital grants and contributions were down just 0.5%.
- Expenses for governmental activities are up 37.3%. The chart to the on the next page (see *Governmental Activities Expenses*) represents department expenses as a percentage of the total expenses for governmental activities.
- General government expenses are up 61.8% due to increases in pay and benefits for staff,



events spending for concerts. Events expenditures increase as events revenues also increase.

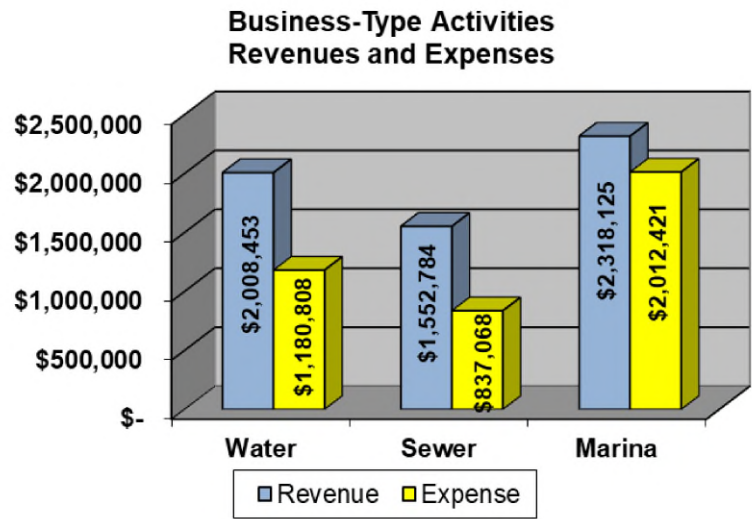
- Public safety expenses increased 20% due to full staffing and increases in pay and benefits for staff.
- Public works expenses increased 52.6% due to the addition of holiday lighting for streets, parking lots and parks.
- Community Development expenses increased 9.6% due to a the increase in pay and benefits for staff and increase in spending on consultants for

development review.

- Culture and Recreation increased 12.5% due to the addition of staffing for park and recreation projects and the pay and benefit increases.
- Core Services (public safety, public works and culture and recreation) make up 39% of the expenses. General Government consists of Town Council, general administration, economic development, marketing, communications and events.

Business-type activities. Business-type activities increased the Town of Dillon’s net position by \$1,975,065, accounting for 36.5% of growth in the Town’s net position. Key elements of this increase are as follows:

- Charges for services increased 3.9% due to increases in water volume fees and marina revenues.
- Water, Sewer and Marina Funds reflect net operating income as shown in the chart to the right. While marina revenues were up, expenditures were up as



well to provide the services required and purchase the necessary products for resale.

Financial Analysis of the Town of Dillon's Funds

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

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

As of the end of the fiscal year 2021, the Town of Dillon's governmental funds reported combined ending fund balances of \$16,723,981, an increase of \$1,564,364 (10.35%) over 2020. Approximately 26.9% of this total amount constitutes unassigned fund balance (\$4,490,588), which is available for spending at the Town's discretion. The remainder of fund balance is restricted or assigned to indicate that it is not available for new spending because it has already been either restricted for 1) emergencies (\$382,389), 2) parks and open space projects (\$57,608), 3) affordable housing projects (\$5,002,849), 4) streets (\$2,654,442), or assigned for 1) cemetery purposes (\$57,669), 2) capital projects (\$2,944,176) 3) urban renewal (\$978,685) or nonspendable for prepaid expenditures (\$47,373) and cemetery perpetual care balances (\$108,202).

The General Fund is the chief operating fund of the Town of Dillon. At the end of the fiscal year 2021, unassigned fund balance of the General Fund was \$4,490,588, while the total fund balance was \$4,920,350. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned and total fund balance represents 56.1% and 61.5% of the total general fund expenditures, respectively.

The Capital Improvement Fund ended the year with a fund balance of \$2,944,176. The net increase in fund balance during the fiscal year 2021 was \$635,662 as a result of the delay in spending on the Town Park improvements.

The Street Improvement Fund was created in 2008 to account for the issuance of debt for funding street reconstruction projects that were approved by the voters in 2008. The funding source for the debt repayment is the voter approved .5% sales tax. The fund balance at December 31, 2021 is \$2,654,442. The net decrease in the fund balance for 2021 was \$1,569,572 due to an increase in capital spending from the 2020 bonds for the Tenderfoot Street Reconstruction project.

The Housing Initiative 5A Fund was created in 2007 to collect the voter approved sales tax of .725% and the impact fee. All expenditures must be used for affordable housing and the current fund balance is \$5,002,849. The Town is working in partnership with Summit County Government to plan and construct a workforce housing neighborhood on County Road 51.

The nonmajor special revenue funds include the Conservation Trust Fund, Cemetery Perpetual Care Fund and the Dillon Urban Renewal Authority. The fund balance in the Conservation Trust Fund (\$57,608) is restricted by the State of Colorado for parks and open space projects as

approved by Great Outdoors Colorado (GOCO). The Cemetery Perpetual Care Fund has a current fund balance of \$165,871 and only the donations, capital fee and interest earnings can be expended for cemetery purposes. The Parks, Recreation, Arts and Cemetery Advisory Committee is charged with obtaining donations and make recommendations for future projects. The Dillon Urban Renewal Authority (DURA) was established by the Town for the purposes of revitalizing blighted areas. The Town Council serves as the governing body for DURA. The fund balance at December 31, 2021 is \$978,685, an increase of \$447,255 due to new development increasing the tax increment financing.

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

Unrestricted net position of the Water, Sewer and Marina Funds at the end of the year amounted to \$8,294,464. The changes in net position were increases for Water \$937,645, Sewer \$753,716 and Marina \$283,704. Other factors concerning the finances of these three funds have already been addressed in the discussion of the Town of Dillon’s business-type activities.

General Fund Budgetary Highlights

The fund balance of the Town of Dillon’s General Fund increased by \$1,022,056 (26.2%) during the current fiscal year. Revenues were over budget by \$824,908 (9.9%) due to the increase in sales tax and events revenue for concerts. Expenditures were under budget by \$98,800 (1.2%) due to reduction in spending.

Capital Asset and Debt Administration

Town of Dillon's Capital Assets, Net of Accumulated Depreciation

	Governmental Activities		Business Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 2,075,369	\$ 2,075,369	\$ 219,652	\$ 219,652	\$ 2,295,021	\$ 2,295,021
Water Rights	-	-	2,738,830	2,738,830	\$ 2,738,830	\$ 2,738,830
Construction in Progress	1,059,568	411,539	-	-	\$ 1,059,568	\$ 411,539
Infrastructure	22,176,728	20,616,335	9,533,250	9,533,250	\$ 31,709,978	\$ 30,149,585
Buildings	1,476,288	1,476,288	480,243	480,243	\$ 1,956,531	\$ 1,956,531
Equipment & Vehicles	3,411,711	3,391,176	1,315,900	1,145,400	\$ 4,727,611	\$ 4,536,576
Parks & Amphitheatre	14,655,291	14,603,177	-	-	\$ 14,655,291	\$ 14,603,177
Furniture & Fixtures	293,238	293,238	-	-	\$ 293,238	\$ 293,238
Water Plant	-	-	5,800,065	5,800,065	\$ 5,800,065	\$ 5,800,065
Improvements	-	-	5,229,331	5,089,835	\$ 5,229,331	\$ 5,089,835
Accumulated Depreciation	(22,983,508)	(21,617,702)	(11,047,308)	(10,361,045)	\$ (34,030,816)	\$ (31,978,747)
Total	<u>\$22,164,685</u>	<u>\$21,249,420</u>	<u>\$14,269,963</u>	<u>\$14,646,230</u>	<u>\$ 36,434,648</u>	<u>\$ 35,895,650</u>

Capital assets. The Town of Dillon’s investment in capital assets for its governmental and business-type activities as of December 31, 2021, amounts to \$36,434,648 (net of accumulated depreciation). This investment in capital assets includes land, streets, sidewalks, buildings, equipment and vehicles, parks and amphitheater, furniture and fixtures, water plant, water and sewer lines, marina facilities and other improvements.

Major capital asset events during the current fiscal year included the following:

- Construction in progress for the Town Park (\$648k)
- Tenderfoot Street Reconstruction (\$1.5 m)
- Purchase of Equipment/Vehicles (\$20k)
- Amphitheater Fencing (\$52k)
- Marina Finger Extensions A Dock (\$140k)
- Marina rental boats (\$170k)

Town of Dillon's Outstanding Debt

	Governmental Activities		Business Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Water Utility Loans	\$ -	\$ -	\$ 2,470,610	\$ 2,594,375	\$ 2,470,610	\$ 2,594,375
Marina Facility Loans	-	-	1,187,892	1,305,102	\$ 1,187,892	\$ 1,305,102
Revenue Bonds	9,464,000	10,091,000	-	-	\$ 9,464,000	\$10,091,000
Capital Lease Obligations	4,339,593	4,495,500	-	-	\$ 4,339,593	\$ 4,495,500
Compensated Absences	140,096	127,785	20,312	18,994	\$ 160,408	\$ 146,779
Bond Discount	(7,832)	(8,811)	-	-	\$ (7,832)	\$ (8,811)
Total	<u>\$13,935,857</u>	<u>\$14,705,474</u>	<u>\$ 3,678,814</u>	<u>\$ 3,918,471</u>	<u>\$17,614,671</u>	<u>\$18,623,945</u>

Long-term debt. At the end of the current fiscal year, the Town of Dillon had total long-term debt outstanding of \$17,614,671. Of this amount, \$2,470,610 in water utility loans and \$1,187,892 for the marina shoreline replacement project, and \$9,464,000 in bonds are secured solely by specified revenue sources (i.e. revenue bonds). Additionally, the Town of Dillon has \$4,339,593 in lease financing for the amphitheater improvements, \$160,408 in compensated absences and a bond discount (\$7,832). The Town of Dillon’s total debt decreased by \$1,009,274 during the current fiscal year.

Economic Factors and Next Year's Budget and Rates

- The Town continues to budget conservatively in 2022 with the anticipation that if revenues increased, additional spending would be presented to Town Council for approval of supplemental appropriations.
- Sales tax revenues account for 66.4% of total governmental fund revenues and is the primary source for providing funds for general operations, maintenance, debt payments and capital projects of the Town of Dillon.
- Sales tax collections in 2022 were projected to be flat to the 2021 estimated collections.
- Revenues from events now represent 17.3% of the budgeted revenues as the number of paid concerts has grown.
- Assessed valuations have increased by 9.4% from 2021 to 2022, however the Town charter only allows for a 5% increase in property tax revenue each year. Revenues from property taxes only account for 2% of all governmental revenues.
- General Fund expenditures were budgeted to increase 4% over the 2021 budget due to increases in salary and benefits.
- Capital spending represents 44% of the 2022 budget of all expenditures appropriated for capital projects in the Capital Improvement Fund, Street Improvement Fund, Water Fund, Sewer Fund and Marina Fund.
- The major capital projects include the Town Park improvements project, Tenderfoot hill sidewalks and resurfacing of Town streets. Capital projects in the Enterprise Funds include miscellaneous water projects and equipment replacements, sewer manhole replacements, rental boat replacements, marina fuel station relocation and rental dock replacement.

All of these factors were considered in the preparation for the Town of Dillon's budget for the 2022 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the Town of Dillon's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Carri McDonnell, Finance Director, Town of Dillon, P.O. Box 8, Dillon, CO 80435, or to carrim@townofdillon.com, or (970) 262-3404.

TOWN OF DILLON, COLORADO
STATEMENT OF NET POSITION
December 31, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	\$ 15,195,477	\$ 6,424,882	\$ 21,620,359
Accounts Receivable	125,369	102,329	227,698
Current Taxes Receivable	99,032	-	99,032
Intergovernmental Receivable	1,958,166	-	1,958,166
Property Taxes Receivable	1,399,147	-	1,399,147
Interfund Receivable	(205,000)	205,000	-
Prepaid Expenses	47,373	-	47,373
Pension Asset	637,307	-	637,307
Investment in Joint Sewer Authority	-	2,095,613	2,095,613
Capital Assets			
Non-Depreciable Assets	3,134,937	2,958,482	6,093,419
Depreciable Assets, Net	19,029,748	11,311,481	30,341,229
Total Assets	<u>41,421,556</u>	<u>23,097,787</u>	<u>64,519,343</u>
DEFERRED OUTFLOWS OF RESOURCES			
Loss on Debt Refunding, Net of Accumulated Amortization	131,690	-	131,690
Pensions, Net of Accumulated Amortization	378,552	-	378,552
Total Deferred Outflows of Resources	<u>510,242</u>	<u>-</u>	<u>510,242</u>
LIABILITIES			
Accounts Payable	408,463	52,775	461,238
Interest Payable	23,249	45,274	68,523
Accrued Liabilities	57,753	9,999	67,752
Deposits	14,600	-	14,600
Unearned Revenues	15,620	-	15,620
Noncurrent Liabilities			
Due Within One Year	799,612	248,542	1,048,154
Due in More Than One Year	13,136,245	3,430,272	16,566,517
Total Liabilities	<u>14,455,542</u>	<u>3,786,862</u>	<u>18,242,404</u>
DEFERRED INFLOWS OF RESOURCES			
Pensions, Net of Accumulated Amortization	445,066	-	445,066
Property Taxes	1,399,147	-	1,399,147
Total Deferred Inflows of Resources	<u>1,844,213</u>	<u>-</u>	<u>1,844,213</u>
NET POSITION			
Net Investment in Capital Assets	8,500,614	11,016,461	19,517,075
Restricted for:			
Cemetery, Nonexpendable	108,202	-	108,202
Emergencies	382,389	-	382,389
Parks and Open Space	57,608	-	57,608
Housing	5,002,849	-	5,002,849
Streets	2,654,442	-	2,654,442
Unrestricted	8,925,939	8,294,464	17,220,403
Total Net Position	<u>\$ 25,632,043</u>	<u>\$ 19,310,925</u>	<u>\$ 44,942,968</u>

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

TOWN OF DILLON, COLORADO
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2020

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	\$ 4,370,829	\$ 104,000	\$ -	\$ -
Public Safety	1,542,352	91,657	216,541	-
Public Works	2,732,741	-	88,220	-
Community Development	410,642	20,181	-	-
Culture and Recreation	1,454,577	1,694,457	-	11,963
Housing	137,569	-	-	1,122,372
Urban Renewal	3,670	-	-	-
Interest on Long-Term Debt	392,747	-	-	-
Total Governmental Activities	11,045,127	1,910,295	304,761	1,134,335
Business-Type Activities				
Water	1,180,808	1,118,947	-	868,419
Sewer	837,068	918,902	-	610,564
Marina	2,012,421	2,267,778	-	-
Total Business-Type Activities	4,030,297	4,305,627	-	1,478,983
TOTAL PRIMARY GOVERNMENT	\$ 15,075,424	\$ 6,215,922	\$ 304,761	\$ 2,613,318

GENERAL REVENUES
Sales Taxes
Property Taxes
Lodging Tax
Other Tax
Grants & Contributions Not Restricted to Specific Programs
Interest
Miscellaneous

TOTAL GENERAL REVENUES

TRANSFERS

CHANGE IN NET POSITION

NET POSITION, Beginning

NET POSITION, Ending

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

NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION

PRIMARY GOVERNMENT

<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>TOTAL</u>
\$ (4,266,829)	\$ -	\$ (4,266,829)
(1,234,154)	-	(1,234,154)
(2,644,521)	-	(2,644,521)
(390,461)	-	(390,461)
251,843	-	251,843
984,803	-	984,803
(3,670)	-	(3,670)
<u>(392,747)</u>	<u>-</u>	<u>(392,747)</u>
<u>(7,695,736)</u>	<u>-</u>	<u>(7,695,736)</u>
-	806,558	806,558
-	692,398	692,398
-	255,357	255,357
<u>-</u>	<u>1,754,313</u>	<u>1,754,313</u>
<u>(7,695,736)</u>	<u>1,754,313</u>	<u>(5,941,423)</u>
9,224,180	-	9,224,180
237,491	-	237,491
398,469	-	398,469
1,183,949	-	1,183,949
14,695	-	14,695
53,928	24,183	78,111
<u>145,156</u>	<u>70,569</u>	<u>215,725</u>
11,257,868	94,752	11,352,620
<u>(126,000)</u>	<u>126,000</u>	<u>-</u>
3,436,132	1,975,065	5,411,197
<u>22,195,911</u>	<u>17,335,860</u>	<u>39,531,771</u>
<u>\$ 25,632,043</u>	<u>\$ 19,310,925</u>	<u>\$ 44,942,968</u>

TOWN OF DILLON, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2021

	General	Capital Improvement	Street Improvement	Housing Initiative 5A	Other Governmental Funds	Total Governmental Funds
ASSETS						
Assets						
Cash and Investments	\$ 4,008,000	\$ 2,774,033	\$ 2,395,905	\$ 4,815,375	\$ 1,202,164	\$ 15,195,477
Accounts Receivable	125,369	-	-	-	-	125,369
Current Taxes Receivable	99,032	-	-	-	-	99,032
Intergovernmental Receivable	1,091,754	391,833	264,846	209,733	-	1,958,166
Property Taxes Receivable	208,417	41,099	-	-	1,149,631	1,399,147
Due from Other Funds	-	200,000	-	-	-	200,000
Prepaid Expenditures	47,373	-	-	-	-	47,373
Total Assets	\$ 5,579,945	\$ 3,406,965	\$ 2,660,751	\$ 5,025,108	\$ 2,351,795	\$ 19,024,564
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities						
Accounts Payable	\$ 363,205	\$ 16,690	\$ 6,309	\$ 22,259	\$ -	\$ 408,463
Accrued Liabilities	57,753	-	-	-	-	57,753
Deposits	14,600	-	-	-	-	14,600
Unearned Revenues	15,620	-	-	-	-	15,620
Due to Other Funds	-	405,000	-	-	-	405,000
Total Liabilities	451,178	421,690	6,309	22,259	-	901,436
Deferred Inflows of Resources						
Property Taxes	208,417	41,099	-	-	1,149,631	1,399,147
Fund Balances						
Nonspendable:						
Prepaid Expenditures	47,373	-	-	-	-	47,373
Cemetery	-	-	-	-	108,202	108,202
Restricted for:						
Emergencies	382,389	-	-	-	-	382,389
Parks and Open Space	-	-	-	-	57,608	57,608
Housing	-	-	-	5,002,849	-	5,002,849
Streets	-	-	2,654,442	-	-	2,654,442
Assigned to:						
Cemetery	-	-	-	-	57,669	57,669
Capital Projects	-	2,944,176	-	-	-	2,944,176
Urban Renewal	-	-	-	-	978,685	978,685
Unassigned	4,490,588	-	-	-	-	4,490,588
Total Fund Balances	4,920,350	2,944,176	2,654,442	5,002,849	1,202,164	16,723,981
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 5,579,945	\$ 3,406,965	\$ 2,660,751	\$ 5,025,108	\$ 2,351,795	\$ 19,024,564

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

TOWN OF DILLON, COLORADO
**RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET POSITION**
For the Year Ended December 31, 2021

Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:

Total Fund Balances of Governmental Funds	16,723,981
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	22,164,685
Long-term liabilities, including bonds payable (\$9,464,000), leases payable (\$4,339,593), interest payable (\$23,249), accrued compensated absences (\$140,096) offset by bond discount \$8,811, FPPA pensions net of amortization \$570,793 and loss on refunding \$131,690 are not due and payable in the current period and, therefore, not reported in the funds.	<u>(13,256,623)</u>
Total Net Position of Governmental Activities	<u>\$ 25,632,043</u>

TOWN OF DILLON, COLORADO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the Year Ended December 31, 2021

	General	Capital Improvement	Street Improvement	Housing Initiative 5A	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	\$ 6,871,201	\$ 2,176,545	\$ 1,545,434	\$ -	\$ 450,909	\$ 11,044,089
Charges for Services	1,724,304	-	-	-	8,650	1,732,954
Licenses and Permits	86,450	-	-	-	-	86,450
Intergovernmental	319,456	-	-	1,117,660	11,963	1,449,079
Fines and Forfeitures	90,891	-	-	-	-	90,891
Interest	44,223	1,518	324	7,833	30	53,928
Miscellaneous	33,174	36,715	-	4,712	15,700	90,301
Total Revenues	<u>9,169,699</u>	<u>2,214,778</u>	<u>1,545,758</u>	<u>1,130,205</u>	<u>487,252</u>	<u>14,547,692</u>
EXPENDITURES						
Current						
General Government	4,317,518	-	-	-	-	4,317,518
Public Safety	1,648,683	-	-	-	-	1,648,683
Public Works	1,035,764	-	-	-	-	1,035,764
Community Development	406,382	-	-	-	-	406,382
Culture and Recreation	591,296	-	-	-	-	591,296
Housing	-	-	-	137,569	-	137,569
Urban Renewal	-	-	-	-	3,670	3,670
Capital Outlay	-	1,382,254	2,273,536	-	-	3,655,790
Debt Service						
Principal	-	155,907	627,000	-	-	782,907
Interest	-	159,245	211,444	-	-	370,689
Debt Issuance Costs	-	-	3,350	-	-	3,350
Total Expenditures	<u>7,999,643</u>	<u>1,697,406</u>	<u>3,115,330</u>	<u>137,569</u>	<u>3,670</u>	<u>12,953,618</u>
Excess of Revenues Over (Under) Expenditures	<u>1,170,056</u>	<u>517,372</u>	<u>(1,569,572)</u>	<u>992,636</u>	<u>483,582</u>	<u>1,594,074</u>
OTHER FINANCING SOURCES (USES)						
Sale of Assets	-	96,290	-	-	-	96,290
Transfer In	-	22,000	-	-	-	22,000
Transfer Out	(148,000)	-	-	-	-	(148,000)
Total Other Financing Sources (Uses)	<u>(148,000)</u>	<u>118,290</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(29,710)</u>
Net Change in Fund Balances	1,022,056	635,662	(1,569,572)	992,636	483,582	1,564,364
Fund Balances, Beginning of Year	<u>3,898,294</u>	<u>2,308,514</u>	<u>4,224,014</u>	<u>4,010,213</u>	<u>718,582</u>	<u>15,159,617</u>
Fund Balances, End of Year	<u>\$ 4,920,350</u>	<u>\$ 2,944,176</u>	<u>\$ 2,654,442</u>	<u>\$ 5,002,849</u>	<u>\$ 1,202,164</u>	<u>\$ 16,723,981</u>

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

TOWN OF DILLON, COLORADO
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**
For the Year Ended December 31, 2021

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:

Net Change in Fund Balances of Governmental Funds	\$ 1,564,364
Capital outlays to purchase or build capital assets \$1,927,420 are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized in the statement of net position and allocated over their estimated useful lives as annual depreciation expense (\$1,623,461).	951,988
The net effect of various miscellaneous transactions involving capital assets (i.e. disposal of assets) are not reported in the governmental funds.	(36,723)
Repayments of bond principal \$627,000 and lease payments of \$155,907 are expenditures in the governmental funds, but they decrease long-term liabilities in the statement of net position and do not affect the statement of activities.	782,907
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This includes the changes in accrued compensated absences (\$12,311) accrued interest payable \$1,075 and FPPA pensions \$204,615.	193,379
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position and does not affect the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items: amortization on loss on refunding (\$18,804) and amortization of bond discount (\$979)	<u>(19,783)</u>
Change in Net Position of Governmental Activities	<u><u>\$ 3,436,132</u></u>

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

TOWN OF DILLON, COLORADO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2021

	Water Fund	Sewer Fund	Marina Fund	Total Business-Type Activities
ASSETS				
Current Assets				
Cash and Investments	\$ 2,053,789	\$ 2,062,057	\$ 2,309,036	\$ 6,424,882
Due from Other Funds	405,000	-	-	405,000
Accounts Receivable	65,693	23,685	12,951	102,329
Total Current Assets	2,524,482	2,085,742	2,321,987	6,932,211
Noncurrent Assets				
Investment in Joint Sewer Authority	-	2,095,613	-	2,095,613
Capital Assets				
Non-Depreciable Assets	2,958,482	-	-	2,958,482
Depreciable Assets, Net	6,130,484	1,772,069	3,408,928	11,311,481
Total Noncurrent Assets	9,088,966	3,867,682	3,408,928	16,365,576
Total Assets	11,613,448	5,953,424	5,730,915	23,297,787
LIABILITIES				
Current Liabilities				
Accounts Payable	7,520	457	44,798	52,775
Interest Payable	43,458	-	1,816	45,274
Accrued Liabilities	3,408	959	5,632	9,999
Due to Other Funds	-	-	200,000	200,000
Leases and Loans Payable	127,043	-	121,499	248,542
Total Current Liabilities	181,429	1,416	373,745	556,590
Noncurrent Liabilities				
Compensated Absences	4,989	677	14,646	20,312
Leases and Loans Payable	2,343,567	-	1,066,393	3,409,960
Total Noncurrent Liabilities	2,348,556	677	1,081,039	3,430,272
Total Liabilities	2,529,985	2,093	1,454,784	3,986,862
NET POSITION				
Net Investment in Capital Assets	7,023,356	1,772,069	2,221,036	11,016,461
Unrestricted	2,060,107	4,179,262	2,055,095	8,294,464
TOTAL NET POSITION	\$ 9,083,463	\$ 5,951,331	\$ 4,276,131	\$ 19,310,925

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

TOWN OF DILLON, COLORADO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS

For the Year Ended December 31, 2021

	Water Fund	Sewer Fund	Marina Fund	Total Business-Type Activities
OPERATING REVENUES				
Charges for Services	\$ 1,118,947	\$ 918,902	\$ 2,267,778	\$ 4,305,627
Total Operating Revenues	1,118,947	918,902	2,267,778	4,305,627
OPERATING EXPENSES				
Operations	407,040	116,980	1,599,032	2,123,052
Maintenance	203,623	69,943	108,077	381,643
Distribution	8,629	-	-	8,629
Treatment	142,592	569,604	-	712,196
Depreciation	345,281	80,541	260,441	686,263
Total Operating Expenses	1,107,165	837,068	1,967,550	3,911,783
Operating Income (Loss)	11,782	81,834	300,228	393,844
NONOPERATING REVENUES (EXPENSES)				
Interest Revenue	12,154	1,351	10,678	24,183
Miscellaneous Revenue	8,933	-	39,669	48,602
Interest Expense	(73,643)	-	(44,871)	(118,514)
Joint Sewer Authority	-	21,967	-	21,967
Total Nonoperating Revenues (Expenses)	(52,556)	23,318	5,476	(23,762)
Net Income (Loss) Before Transfers and Capital Contributions	(40,774)	105,152	305,704	370,082
Transfer In (Out)	110,000	38,000	(22,000)	126,000
Capital Contributions-Tap Fees	868,419	610,564	-	1,478,983
CHANGE IN NET POSITION	937,645	753,716	283,704	1,975,065
NET POSITION, Beginning	8,145,818	5,197,615	3,992,427	17,335,860
NET POSITION, Ending	\$ 9,083,463	\$ 5,951,331	\$ 4,276,131	\$ 19,310,925

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

TOWN OF DILLON, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Increase (Decrease) in Cash and Cash Equivalents
For the Year Ended December 31, 2021

	Water Fund	Sewer Fund	Marina Fund	Total Business-Type Activities
CASH FLOW FROM OPERATING ACTIVITIES				
Cash Received from Customers	\$ 1,309,713	\$ 937,943	\$ 2,387,490	\$ 4,635,146
Cash Paid to Suppliers	(468,805)	(700,594)	(764,733)	(1,934,132)
Cash Paid to Employees	(297,193)	(58,700)	(917,278)	(1,273,171)
Net Cash Provided (Used) by Operating Activities	<u>543,715</u>	<u>178,649</u>	<u>705,479</u>	<u>1,427,843</u>
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of Capital Assets	-	-	(309,996)	(309,996)
Debt Principal Payments	(123,765)	-	(117,210)	(240,975)
Interest Payments	(75,396)	-	(45,050)	(120,446)
Tap Fees Received	868,419	610,564	-	1,478,983
Transfer In (Out)	-	38,000	(22,000)	16,000
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>669,258</u>	<u>648,564</u>	<u>(494,256)</u>	<u>823,566</u>
CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES				
Miscellaneous	8,933	-	39,669	48,602
Net Cash Provided by Noncapital Financing Activities	<u>8,933</u>	<u>-</u>	<u>39,669</u>	<u>48,602</u>
CASH FLOW FROM INVESTING ACTIVITIES				
Interest Received	12,154	1,351	10,678	24,183
Net Cash Provided by Investing Activities	<u>12,154</u>	<u>1,351</u>	<u>10,678</u>	<u>24,183</u>
Net Increase (Decrease) in Cash & Cash Equivalents	1,234,060	828,564	261,570	2,324,194
CASH AND CASH EQUIVALENTS, Beginning of Year	<u>819,729</u>	<u>1,233,493</u>	<u>2,047,466</u>	<u>4,100,688</u>
CASH AND CASH EQUIVALENTS, End of Year	<u>\$ 2,053,789</u>	<u>\$ 2,062,057</u>	<u>\$ 2,309,036</u>	<u>\$ 6,424,882</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income	\$ 11,782	\$ 81,834	\$ 300,228	\$ 393,844
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Depreciation	345,281	80,541	260,441	686,263
Net Gain from Joint Venture	-	(8,450)	-	(8,450)
Changes in Assets and Liabilities				
Accounts Receivable	190,766	27,491	119,712	337,969
Accounts Payable	(4,234)	(3,042)	22,857	15,581
Accrued Liabilities	474	313	531	1,318
Compensated Absences	(354)	(38)	1,710	1,318
Net Cash Provided (Used) by Operating Activities	<u>\$ 543,715</u>	<u>\$ 178,649</u>	<u>\$ 705,479</u>	<u>\$ 1,427,843</u>

The accompanying notes are an integral part of the financial statements

TOWN OF DILLON, COLORADO
STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUND
December 31, 2021

	Summit County Telecommunications Consortium
ASSETS	
Current Assets	
Cash and Investments	\$ 48,856
Accounts Receivable	9,010
Total Current Assets	\$ 57,866
LIABILITIES	
Liabilities	
Accrued Liabilities	\$ 5,679
Funds Held for Others	52,187
Total Liabilities	\$ 57,866

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

TOWN OF DILLON, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Dillon, Colorado (the Town) is a home-rule municipality governed by a mayor-manager form of government through a Mayor and six-member Town Council elected by the citizens.

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

Reporting Entity

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

The Dillon Urban Renewal Authority (Authority) was established in 2009 along with the Dillon Urban Renewal Plan to assist with revitalization of blighted areas in the Town. The Town amended the Dillon Urban Renewal Plan in 2012 to allow for tax increment financing. The Town Council serves as the governing board for the Authority and management of the Town has operational responsibility for the Authority. Although the Authority is legally separate from the Town, the Authority's primary revenue source, tax increment financing, can only be established by the Town. The Authority does not issue separate financial statements and is reported as a special revenue fund in the Town's financial statements.

For financial reporting purposes, the Town includes all funds, agencies, boards and commissions, which are controlled by, or are dependent on, the Town. No additional entities are included in the Town's reporting entity.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges for interfund services that are reasonably equivalent to the services provided. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues are reported separately from *business-type activities*, which rely on fees and charges for services.

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

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

TOWN OF DILLON, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. The fiduciary fund uses the accrual basis of accounting. Revenues are recorded in the period in which they are earned and expenses are recognized when the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within sixty days of the end of the current fiscal period.

Taxes, intergovernmental revenues and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Town.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

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

The *General Fund* is the Town's primary operating fund. It accounts for all financial resources of the Town, except those accounted for in another fund.

The *Capital Improvement Fund* accounts for financial resources to be used for the acquisition or construction of major capital facilities and/or assets (other than those financed by proprietary funds and fiduciary funds). Major capital projects are funded with a portion of sales and property taxes as approved by the Town Council in the annual budget.

The *Street Improvement Fund* accounts for the reconstruction of streets funded by the dedicated sales tax of .5% and through the issuance of bonds.

The *Housing Initiative 5A Fund* accounts for development and funding of workforce housing funded by the dedicated sales tax of .725%.

TOWN OF DILLON, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The Town reports the following major proprietary funds:

The *Water Fund* accounts for the financial activities associated with the provision of water services.
The *Sewer Fund* accounts for the financial activities associated with the provision of sewer services.
The *Marina Fund* accounts for the financial activities associated with the operations of the Dillon Marina.

Additionally, the Town reports the following Fiduciary Fund:

The Summit County Telecommunications Consortium Fiduciary Fund (SCTC) accounts for assets that are held on behalf of the participating public entities. The SCTC was established through an intergovernmental agreement with the Towns of Dillon, Breckenridge, Frisco and Silverthorne and Summit County Government. The responsibilities of the SCTC include the oversight of the public access channel. The Town of Dillon holds the resources in a fiduciary capacity.

Cash Equivalents

Cash equivalents include investments with original maturities of three months or less. Investments in pooled cash are considered cash equivalents.

Receivables

Receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectable. The Town has a down payment assistance program for employees. The Town records a note and deed of trust on the property purchased by the employee. Outstanding balances are recorded as notes receivable.

Prepaid Expenses

Payments to vendors for services that will benefit subsequent years are reported as prepaid expenses.

Interfund Receivables and Payables

During the course of operations, certain transactions occur between individual funds. The resulting receivables and payables are classified in the fund financial statements as *due from other funds* and *due to other funds*.

Capital Assets

Capital assets, which include property, equipment and all infrastructure owned by the Town, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the proprietary fund financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the acquisition value on the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

Property and equipment of the Town is depreciated using the straight-line method over the following estimated useful lives.

Buildings and improvements	10-50 years
Equipment and Vehicles	3-15 years
Parks and Amphitheater	3-50 years
Furniture and Fixtures	3-20 years
Infrastructure	10-40 years
Plant, Lines and Reservoirs	15-40 years

TOWN OF DILLON, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unearned Revenues

Unearned revenues arise when business license fees are received in advance for the next fiscal year. In subsequent periods, the liability for the unearned revenue is removed from the balance sheet and the revenue is recognized.

Compensated Absences

Employees of the Town are allowed to accumulate unused vacation time. Upon termination of employment from the Town, an employee will be compensated for all accrued vacation time.

These compensated absences are recognized as current salary costs when earned in the proprietary fund types and when due in the governmental fund types. A long-term liability has been recorded in the government-wide financial statements for the accrued compensated absences.

Long-Term Obligations

In the government-wide financial statements, and the proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums, discounts and accounting losses from debt refundings are deferred and amortized over the life of the bonds using the straight-line method. In the fund financial statements, governmental fund types recognize the face amount of debt issued as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenses or expenditures when paid.

Deferred Inflows of Resources

Deferred inflows of resources include property taxes earned but levied for a subsequent year.

Property Taxes

Property taxes attach as an enforceable lien on the property as of January 1. Taxes are levied the subsequent January 1 and are payable in full on April 30 of the subsequent year, or in two installments on February 28 and June 15. The County Treasurer collects and remits the taxes to the Town monthly.

Net Position/Fund Balance

In the government-wide financial statements and fund financial statements, net position and fund balances are restricted when constraints placed on the use of resources are externally imposed. The Town Council establishes a fund balance commitment through passage of an ordinance. The Town Council has assigned the fund balance of the Capital Improvement Fund for capital projects and related capital equipment in its fund balance policies, and has authorized by resolution the authority to the Town Manager to assign amounts to a specific purpose. In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the Town's policy is to use restricted amounts first, followed by committed, assigned and unassigned amounts.

Pensions

The Town participates in the Statewide Defined Benefit Plan, a cost-sharing multiple-employer defined benefit pension plan. The plan is administered by the Fire & Police Pension Association of Colorado (FPPA). 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 and deductions from the plan's fiduciary net position have been determined using the accrual basis of accounting, the same basis of accounting as the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Employer contributions are recognized in the year the contributions are due.

TOWN OF DILLON, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Postemployment Benefits Other Than Pensions (OPEB)

The Town contributes to the Statewide Death & Disability Plan, a cost-sharing multiple-employer defined benefit death and disability plan administered by the Fire & Police Pension Association of Colorado (FPPA). The plan is funded by member contributions or contributions made on behalf of members. The Town has no requirement to contribute to the plan and does not receive contributions from a nonemployer entity. Therefore, the Town does not report a net OPEB liability, or deferred outflows of resources and deferred inflows of resources related to OPEB.

Subsequent Events

The Town has evaluated subsequent events through June 15, 2022, the date the financial statements were available to be issued.

NOTE 2: CASH AND INVESTMENTS

A summary of cash and investments as of December 31, 2021 follows:

Deposits	\$16,486,684
Petty Cash	925
Investments	5,109,271
Cash Held by Third Party	<u>72,335</u>
Total Cash on Hand and Investments	<u>\$21,669,215</u>

Cash and investments are reported in the financial statements as follows:

Cash and Investments	\$21,620,359
Fiduciary Fund Cash and Investments	<u>48,856</u>
Total Cash and Investments	<u>\$21,669,215</u>

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires all local government entities to deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to the 102% of the uninsured deposits. At December 31, 2021, the Town had bank deposits of \$16,206,465 collateralized with securities held by the financial institutions' agents but not in the Town's name.

Investments

At December 31, 2021, the Town had the following investments:

<u>Investment Type</u>	<u>S&P Rating</u>	<u>Investment in Maturities (in Years)</u>		
		<u>Less than 1</u>	<u>1-5</u>	<u>Amortized Cost</u>
Local Government Investment Pools	AAAm	1,773,131	--	1,773,131
Fidelity Money Market	AAAm	41,140	--	41,140
Agency Bonds	AAA	--	500,000	500,000
Certificates of Deposit	N/A	--	100,000	100,000
Brokered Certificates of Deposit	N/A	<u>735,000</u>	<u>1,960,000</u>	<u>2,695,000</u>
Total		<u>\$2,549,271</u>	<u>\$2,560,000</u>	<u>\$5,109,271</u>

TOWN OF DILLON, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

NOTE 2: CASH AND INVESTMENTS (Continued)

The Town has a formal investment policy that limits its investment choices and the length of maturity to five years. Custodial risk is not addressed by State Statutes or the Town's investment policy. The investment choices are within the limitations of state laws and include:

- Obligations of the United States and certain U.S. agency securities
- Money market funds that consist entirely of U.S. government securities
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities

Credit Risk – State statutes limit investments in money market funds to those that maintain a constant share price, with a maximum remaining maturity in accordance with Securities and Exchange Commission's Rule 2a-7, and either have assets of one billion dollars or the highest rating issued by one or more Nationally Recognized Statistical Rating Organizations (NRSRO).

Custodial Risk – The Town has purchased brokered certificates of deposits that are not held in the Town's name.

Concentration of Credit Risk – State statutes do not limit the amount the Town may invest in a single issuer, except for corporate securities.

Interest Rate Risk – The Town has an investment policy adopted by the Town Council that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Town's policy is to buy and hold investments to maturity and limits the maturities to five years. The Town's investment portfolio will be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the Town's investment risk constraints and the cash flow characteristics of the portfolio.

Fair Value Measurements – At December 31, 2021, the Town's investments in a money market fund and local government investment pools were measured at the net asset value per share.

Local Government Investment Pools – At December 31, 2021, the Town had \$874,746 invested in the Colorado Surplus Asset Fund Trust (CSAFE) and \$898,385 in the Colorado Local Government Liquid Asset Trust (Colotrust). The pools are investment vehicles established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating the Trusts. The pools operate in conformity with the Securities and Exchange Commission's Rule 2a-7. The pools are measured at the net asset value per share, with each share valued at \$1. The pools are rated AAAM by Standard and Poor's. Investments of the pools are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments. Investment balances in the pools are not subject to limitations or restrictions on withdrawals. There are no unfunded commitments, the redemption dates frequencies are daily and there is no redemption notice period.

TOWN OF DILLON, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

NOTE 3: CAPITAL ASSETS

Governmental Activities

Capital assets activity for governmental activities for the year ended December 31, 2021 is summarized below:

	<u>Balance</u> <u>12/31/2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2021</u>
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land	\$ 2,075,369	\$ -	\$ -	\$ 2,075,369
Construction in Progress	<u>411,539</u>	<u>648,029</u>	<u>-</u>	<u>1,059,568</u>
Total Capital Assets, Not Being Depreciated	<u>2,486,908</u>	<u>648,029</u>	<u>-</u>	<u>3,134,937</u>
Capital Assets, Being Depreciated				
Infrastructure	20,616,335	1,608,638	(48,245)	22,176,728
Buildings	1,476,288	-	-	1,476,288
Equipment & Vehicles	3,391,176	216,654	(196,119)	3,411,711
Parks & Amphitheater	14,603,177	102,128	(50,014)	14,655,291
Furniture & Fixtures	<u>293,238</u>	<u>-</u>	<u>-</u>	<u>293,238</u>
Total Capital Assets, Being Depreciated	<u>40,380,214</u>	<u>1,927,420</u>	<u>(294,378)</u>	<u>42,013,256</u>
Less: Accumulated Depreciation for				
Infrastructure	14,354,176	674,407	(48,245)	14,980,338
Buildings	1,244,167	14,789	-	1,258,956
Equipment & Vehicles	2,230,032	193,724	(159,396)	2,264,360
Parks & Amphitheater	3,522,219	716,720	(50,014)	4,188,925
Furniture & Fixtures	<u>267,108</u>	<u>23,821</u>	<u>-</u>	<u>290,929</u>
Total Accumulated Depreciation	<u>21,617,702</u>	<u>1,623,461</u>	<u>(257,655)</u>	<u>22,983,508</u>
Total Capital assets, Being Depreciated, Net	<u>18,762,512</u>	<u>303,959</u>	<u>(36,723)</u>	<u>19,029,748</u>
Governmental Activities Capital Assets, Net	<u>21,249,420</u>	<u>951,988</u>	<u>(36,723)</u>	<u>22,164,685</u>

TOWN OF DILLON, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

NOTE 3: CAPITAL ASSETS (Continued)

Business-Type Activities

Capital assets activity for business-type activities for the year ended December 31, 2021 is summarized below:

	<u>Balance</u> <u>12/31/2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2021</u>
Business-Type Activities				
Capital Assets, Not Being Depreciated				
Land	\$ 219,652	\$ -	\$ -	\$ 219,652
Water Rights	<u>2,738,830</u>	<u>-</u>	<u>-</u>	<u>2,738,830</u>
Total Capital Assets, Not Being Depreciated	<u>2,958,482</u>	<u>-</u>	<u>-</u>	<u>2,958,482</u>
Capital Assets, Being Depreciated				
Water Plant	5,800,065	-	-	5,800,065
Lines	6,993,634	-	-	6,993,634
Buildings	480,243	-	-	480,243
Equipment & Vehicles	1,145,400	170,500	-	1,315,900
Lift Station	981,736	-	-	981,736
Reservoirs	1,557,880	-	-	1,557,880
Improvements	<u>5,089,835</u>	<u>139,496</u>	<u>-</u>	<u>5,229,331</u>
Total Capital Assets, Being Depreciated	<u>22,048,793</u>	<u>309,996</u>	<u>-</u>	<u>22,358,789</u>
Less: Accumulated Depreciation for				
Water Plant	2,729,793	195,497	-	2,925,290
Lines	3,694,079	133,969	-	3,828,048
Buildings	478,222	3,630	-	481,852
Equipment & Vehicles	674,567	167,515	-	842,082
Lift Station	342,496	28,636	-	371,132
Reservoirs	391,103	38,947	-	430,050
Improvements	<u>2,050,785</u>	<u>118,069</u>	<u>-</u>	<u>2,168,854</u>
Total Accumulated Depreciation	<u>10,361,045</u>	<u>686,263</u>	<u>-</u>	<u>11,047,308</u>
Total Capital assets, Being Depreciated, Net	<u>11,687,748</u>	<u>(376,267)</u>	<u>-</u>	<u>11,311,481</u>
Business-Type Activities Capital Assets, Net	<u>14,646,230</u>	<u>(376,267)</u>	<u>-</u>	<u>14,269,963</u>

TOWN OF DILLON, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2021

NOTE 3: CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions as follows:

Governmental Activities:	
General Government	\$ 30,799
Public Safety	34,347
Public Works	835,068
Culture and Recreation	<u>723,247</u>
Total Governmental Activities Depreciation Expense	<u>\$1,623,461</u>
Business-Type Activities	
Water Fund	\$ 345,281
Sewer Fund	80,541
Marina Fund	<u>260,441</u>
Total Business-Type Activities Depreciation Expense	<u>\$ 686,263</u>

NOTE 4: INVESTMENT IN SILVERTHORNE/DILLON JOINT SEWER AUTHORITY

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

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

The Town records its investments in the Authority and its share of operating costs in the Sewer Fund. The investment is accounted for under the equity method in accordance with generally accepted accounting principles.

The Town had an investment in the Authority at December 31, 2021 of \$2,095,613 which represents a 13.10% share in the joint venture. At December 31, 2021, the Town was responsible for 19.2% of the Authority's operating expenses.

Financial information about the Joint Sewer Authority can be obtained in a separate audit report at the Silverthorne Town Hall, 601 Center Circle, Silverthorne, Colorado 80498.

TOWN OF DILLON, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

NOTE 5: LONG-TERM DEBT

Governmental Activities

Following is a summary of long-term debt transactions for the governmental activities for the year ended December 31, 2021:

	Beginning			Ending	Due Within
	12/31/2020	Additions	Retirement	12/31/2021	One Year
Excise Tax Revenue Bonds-15	\$ 1,455,000	\$ -	\$ (130,000)	\$ 1,325,000	\$ 130,000
Excise Tax Revenue Bonds-17	3,250,000	-	(375,000)	2,875,000	385,000
Excise Tax Revenue Bonds-20	5,386,000	-	(122,000)	5,264,000	123,000
Amphitheater Lease-16	4,495,500	-	(155,907)	4,339,593	161,612
10 Bond Discount	(8,811)	-	979	(7,832)	-
Compensated Absences	127,785	12,311	-	140,096	-
 Total	 <u>\$ 14,705,474</u>	 <u>\$ 12,311</u>	 <u>\$ (781,928)</u>	 <u>\$ 13,935,857</u>	 <u>\$ 799,612</u>

Compensated absences are expected to be paid with revenues of the General Fund.

On December 8, 2020, the Town advance refunded the Excise Tax Revenue Bonds, Series 2010 and issued an additional \$3,100,000 for the reconstruction of Tenderfoot and Lodgepole streets. The interest rate on the bonds is 1.91% and is payable on June 1 and December 1 of each year. Principal payments are due on December 1 of each year through 2035.

On April 15, 2015, the Town issued the Excise Tax Revenue Bonds, Series 2015 for the reconstruction of Town streets. The interest rate on the bonds is 2.73% and is payable on June 1 and December 1 of each year. Principal payments are due on December 1 of each year through 2030.

On June 1, 2017, the Town issued the Excise Tax Revenue Refunding Bonds, Series 2017 to refund the Excise Tax Revenue Bonds, Series 2008. The interest rate on the bonds is 2.18% and is payable on June 1 and December 1 of each year. Principal payments are due on December 1, through 2028.

The Excise Tax Revenue Bonds, Series 2010, Series 2015, Series 2017 and Series 2020 are payable solely from the Town's sales and lodging taxes. During the year ended December 31, 2021, revenues of \$9,622,649 were available to pay annual debt service of \$838,444 for all bonds. The outstanding debt service at December 31, 2021 for all bonds is \$10,890,047.

On December 15, 2016, the Town entered into a site improvement lease with UMB Bank, N.A. for the amphitheater project and the refinance of the 2010 Marina site and improvement lease with UMB Bank, N.A. for the slope stabilization project. The Town provided Dillon Town Hall as collateral. The Capital Improvement Fund will repay the portion of the lease associated with the amphitheater project and the Marina Enterprise Fund will repay the portion associated with the slope stabilization project. The interest rate is 3.55% and matures on December 15, 2036 with monthly payments, beginning in 2017. Assets of \$5,000,000 have been capitalized under this portion of the lease.

TOWN OF DILLON, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2021

NOTE 5: LONG-TERM DEBT (Continued)

Business-Type Activities

Following is a summary of long-term debt transactions for the business-type activities for the year ended December 31, 2021:

	Beginning			Ending	Due Within
	<u>12/31/2020</u>	<u>Additions</u>	<u>Retirement</u>	<u>12/31/2020</u>	<u>One Year</u>
Marina Lease-16	\$ 1,305,102	\$ -	\$ (117,210)	\$ 1,187,892	\$ 121,499
CWCB Loan-09	1,196,354	-	(39,759)	\$ 1,156,595	41,349
CWRPDA Loan-15	1,398,021	-	(84,006)	\$ 1,314,015	85,694
Compensated Absences	<u>18,994</u>	<u>1,318</u>	<u>-</u>	<u>\$ 20,312</u>	<u>-</u>
 Total	 <u>\$ 3,918,471</u>	 <u>\$ 1,318</u>	 <u>\$ (240,975)</u>	 <u>\$ 3,678,814</u>	 <u>\$ 248,542</u>

On December 15, 2016, the Town refinanced the 2010 site and improvement lease with UMB Bank, N.A. for the slope stabilization project at the Dillon Marina and increased the lease to include the amphitheater project. The Town provided Dillon Town Hall as collateral. The Marina Enterprise Fund will repay the portion of the lease associated with the slope stabilization project and the Capital Improvement Fund will repay the portion associated with the amphitheater project. The interest rate is 3.55% and matures on December 1, 2030 with monthly payments, beginning in 2017. Assets of \$2,233,922 have been capitalized under this portion of the lease.

On July 15, 2009, The Town entered into a loan contract with Department of Natural Resources, Colorado Water Conservation Board for the Old Dillon Reservoir enlargement. The interest rate is 4% and matures on April 1, 2041. Principal and interest payments are due on April 1 of each year.

On September 1, 2015, the Town entered into loan contract with the Colorado Water Resources and Power Development Authority for the construction of a water storage tank. The interest rate is 2% and matures on March 1, 2035. Principal and interest payments are due on March 1 and September 1 of each year.

The CWCB Loan and CWRPDA Loan are payable solely from revenues from the Town's water utility system after the deduction of operating maintenance costs. During the year ended December 31, 2021, net revenues of \$2,008,453 were available to pay annual debt service of \$199,160. The outstanding debt service at December 31, 2021 for both loans is \$3,183,459.

Future Debt Service Requirements

Governmental Activities

Annual debt service requirements for the outstanding revenue bonds at December 31, 2021 are as follows:

Year Ended December 31,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 638,000	\$ 199,389	\$838,443
2023	661,000	185,098	837,389
2024	673,000	170,300	846,098
2025	689,000	155,218	843,300
2026	700,000	139,762	904,552
2027-2031	3,633,000	457,229	4,222,230
2032-2035	<u>2,470,000</u>	<u>119,051</u>	<u>3,236,478</u>
 Total	 <u>\$9,464,000</u>	 <u>\$1,426,047</u>	 <u>\$10,890,047</u>

TOWN OF DILLON, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2021

NOTE 5: LONG-TERM DEBT (Continued)

Future Debt Service Requirements (continued)

Governmental Activities (continued)

Following is a schedule of the future minimum lease payments required under the outstanding lease obligation at December 31, 2021:

Year Ended December 31,	
2022	315,152
2023	315,152
2024	315,152
2025	315,152
2026	315,152
2027-2031	1,817,527
2032-2036	<u>2,387,059</u>
Total Minimum Lease Payments	5,780,346
Less: Interest	<u>(1,440,753)</u>
Present Value of Future Minimum Lease Payments	<u>\$4,339,593</u>

Business-Type Activities

Annual debt service requirements for the outstanding loans at December 31, 2021 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ended December 31,			
2022	\$ 127,043	\$ 72,118	\$ 199,161
2023	130,420	68,742	199,162
2024	133,897	65,264	199,161
2025	137,478	61,683	199,161
2026	141,167	57,994	199,161
2027-2031	765,189	230,612	995,801
2032-2036	706,773	121,709	828,482
2037-2041	<u>328,643</u>	<u>34,727</u>	<u>363,370</u>
Total	<u>\$2,470,610</u>	<u>\$712,849</u>	<u>\$3,183,459</u>

Following is a schedule of the future minimum lease payments required under the outstanding capital lease obligation for the Marina Fund at December 31, 2021:

Year Ended December 31,	
2022	162,260
2023	162,260
2024	162,260
2025	162,260
2026	162,260
2027-2030	<u>569,531</u>
Total Minimum Lease Payments	1,380,831
Less: Interest	<u>(192,939)</u>
Present Value of Future Minimum Lease Payments	<u>\$1,187,892</u>

TOWN OF DILLON, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

NOTE 5: LONG-TERM DEBT (Continued)

Operating Lease

The Town entered into a lease agreement with the Denver Water Department effective January 1, 1994 and renewed the lease until December 31, 2044 for the use of Dillon Reservoir and land at the Dillon Marina. The Town pays 4% of annual gross revenues to the Denver Water Department, which totaled \$91,224 for the year ended December 31, 2021.

NOTE 6: INTERFUND BALANCES AND TRANSFERS

The Marina Fund transferred \$22,000 to the Capital Improvement Fund for paving of the marina yard.

The General Fund transferred \$110,000 to the Water Fund to repay the loan in 2019 for the amphitheater sound system.

The General Fund transferred \$38,000 to the Sewer Fund to repay the loan in 2020 to provide small business grants.

NOTE 7: RETIREMENT COMMITMENTS

Employee Retirement Plans

Town employees participate in the Colorado County Officials and Employees Retirement Association (CCOERA) defined contribution plan. Full-time employees are required to contribute 5% of their gross salary and the Town matches the contribution, as required by plan documents. The Town has a defined contribution plan through International City/County Management Association (ICMA) for department heads and full-time police officers that did not elect to participate in the Fire and Police Pension Association in 2017. The sworn officers contribute 10% of gross salaries with the Town matching their contribution and the department heads contribute 5% with the Town matching their contribution. Town contributions vest at a rate of 20% each year and employees become fully vested after five years for either pension plan. Plan provisions and contribution requirements of the Town and the employees are established and may be amended by the Town Council. Total contributions of the CCOERA and ICMA retirement plans made by the Town for the year ended December 31, 2021 were \$100,447 and \$6,692 respectively, which equals the required contributions.

Police Pension Plan

General Information

Plan Description - The Town contributes to the Statewide Defined Benefit Plan (the SWDB Plan), a cost-sharing multiple-employer defined benefit pension plan, and the Statewide Hybrid Plan (the SWH Plan), a cost-sharing multiple-employer combination defined benefit and money purchase pension plan. The plans are administered by the Fire & Police Pension Association of Colorado (FPPA).

Police officers employed on November 20, 2017, could elect to participate in either plan. Thereafter, all police officers must participate in the SWH Plan on the first day of employment.

Title 31, Article 31 of the Colorado Revised Statutes (CRS) grants the authority to establish and amend benefit terms to the FPPA Board of Directors. FPPA issues a publicly available financial report that includes information on the plans. That report may be obtained at www.fppaco.org.

TOWN OF DILLON, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

NOTE 7: RETIREMENT COMMITMENTS (continued)

Police Pension Plan (continued)

General Information (continued)

Benefits Provided - A SWDB Plan member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55. The annual normal retirement benefit is 2% of the average of the member's highest three years' base salary for each year of credited service up to 10 years, plus 2.5% for each year of service thereafter. Benefits paid to retirees are evaluated and may be re-determined every October 1. The amount of any increase is based on the FPPA Board of Director's discretion and can range from zero to the higher of 3% or the Consumer Price Index.

A member is eligible for an early retirement at age 50 or after 30 years of service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5% interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the SWDB Plan and remain eligible for a retirement pension at age 55 equal to 2% of the member's average highest three years' base salary for each year of credited service up to ten years, plus 2.5% for each year of service thereafter.

A SWH Plan member is eligible for a normal retirement pension at any time after age 55, if the member has at least twenty-five years of service. The annual normal retirement benefit of the defined benefit component is 1.5% of the average of the member's highest three years' base salary for each year of credited service. Benefits paid to retirees of the defined benefit component are evaluated and may be re-determined annually on October 1. The amount of any increase is based on the FPPA Board of Director's discretion and can range from zero to 3%.

A member is eligible for an early retirement at age 50 or after 30 years of service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5% interest, returned as a lump sum distribution from the defined benefit component. Alternatively, a member with at least five years of accredited service may leave contributions with the defined benefit component and remain eligible for a retirement pension at age 55 equal to 1.5% of the member's average highest three years' base salary for each year of credited service. In addition, upon termination the vested account balance in the money purchase component becomes available to the member.

Plan members may elect to participate in the deferred retirement option plan (DROP) after reaching eligibility for normal retirement, early retirement, or vested retirement, and age 55. A member can continue to work while participating in the DROP, but must terminate employment within five years of entry into the DROP. The member's percentage of retirement benefits is determined at the time of entry into the DROP. The monthly payments that begin at entry into the DROP are accumulated in a DROP account until the member terminates service, at which time the DROP accumulated benefits can be paid as periodic installments, a lump sum, or if desired, a member may elect to convert the DROP to a lifetime monthly benefit with survivor benefits. While participating in the DROP, the member continues to make pension contributions that are credited to the DROP. Each member shall self-direct the investments in their DROP account, which are held by a custodian and not included in the plans' net position.

Contributions - The Town and eligible employees are required to contribute to the SWDB Plan at rates established by State statutes. Employer contribution rates can only be amended by the State Legislature. Employee contribution rates can be amended by the State Legislature or by election of the membership. SWDB Plan members elected to increase the employee contribution rate 0.5% annually from 2015 through 2022, to a total of 12% of base salary. Employer contributions will remain at 10% of base salary.

TOWN OF DILLON, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

NOTE 7: RETIREMENT COMMITMENTS (continued)

Police Pension Plan (continued)

Contributions from employees and employers reentering the SWDB Plan are established by resolution of the FPPA Board of Directors. The reentry group had a combined contribution rate of 20% of base salary through December 31, 2014. Employee contributions may not be less than 8% with the split of contributions between employees and the Town determined by the Town Council. The Town and eligible employees contributed 10% and 12.5% of base salary, respectively, for the year ended December 31, 2019. In accordance with the aforementioned election, the reentry group contributions will increase 0.5% percent annually from 2015 through 2022, to a total of 24% of base salary.

The Town's contributions to the SWDB Plan for the year ended December 31, 2020, were \$40,074, equal to the required contributions.

The Town and eligible employees are required to contribute to the SWH Plan at rates established by Town Council. However, the amount allocated to the defined benefit component is set annually by the FPPA Board of Directors, which currently must be at least 8% of base salary for the employee and the employer. Excess contributions are deposited to the money purchase component of the SWH Plan. The defined benefit component allocation from July 1, 2017, through June 30, 2018, was 14.8%, and thereafter was 13.4%. For the year ended December 31, 2020, the Town Council established the contribution rate split at 10% of base salary for both the Town and employees.

Within the money purchase component, members are always fully vested in their contributions, as well as the earnings on those contributions. Vesting in the Town's contributions within the money purchase component and earnings on those contributions is 20% per year after the first year of service, with 100% vesting after five years of service. Unvested Town contributions and earnings thereon are forfeited upon termination of employment. Such forfeitures are used to cover a portion of the SWH Plan's administrative expenses. Any administrative expenses not covered by forfeitures are charged directly to member accounts.

An employee may elect to make voluntary after-tax contributions to the money purchase component of the SWH Plan. All contributions to the money purchase component are invested at the discretion of the member.

The Town's contributions to the SWH Plan for the year ended December 31, 2021, were \$42,991, equal to the required contributions.

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

At December 31, 2021, the Town reported a net pension asset of \$141,119 and \$496,188, representing its proportionate share of the net pension liability of the SWDB and SWH Plans, respectively. The net pension asset was measured at December 31, 2020, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2021. The Town's proportion of the net pension asset was based on a projection of the Town's contributions to the plans for the calendar year ended December 31, 2019, relative to the projected contributions of all participating employers.

At December 31, 2020, the Town's proportion of the SWDB Plan was 0.06500178%, which was a decrease of 0.14241862% from its proportion measured at December 31, 2019. The Town's proportion of the SWH Plan was estimated at 1.803987141%, which was an increase of 0.731816451% from its proportion measured at December 31, 2019.

TOWN OF DILLON, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

NOTE 7: RETIREMENT COMMITMENTS (continued)

Police Pension Plan (continued)

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

For the year ended December 31, 2021, the Town recognized pension expense for the SWDB and SWH Plans of (\$9,243) and (\$195,372), respectively. At December 31, 2021, the Town 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>
Statewide Defined Benefit Plan		
Differences between expected and actual experience	\$ 99,340	\$ 406
Changes of assumptions and other inputs	50,232	-
Net difference between projected and actual earnings on plan investments	-	125,246
Changes in proportion	80,810	5,081
Contributions subsequent to the measurement date	<u>34,946</u>	<u>-</u>
Total	<u>\$ 265,328</u>	<u>\$ 130,733</u>
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Statewide Hybrid Plan		
Differences between expected and actual experience	\$ 64,552	-
Changes of assumptions and other inputs	5,681	-
Net difference between projected and actual earnings on plan investments	-	11,475
Changes in proportion	-	302,858
Contributions subsequent to the measurement date	<u>42,991</u>	<u>-</u>
Total	<u>\$ 113,224</u>	<u>\$ 314,333</u>

Town contributions to the SWDB and SWH Plans subsequent to the measurement date of \$97,335 and \$287,393, respectively, will be recognized as an increase or decrease to the net pension asset (liability) in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows.

Year Ended December 31,

	<u>SWDB Plan</u>	<u>SWH Plan</u>
2022	7,553	(56,776)
2023	(16,832)	(68,389)
2024	(16,767)	(62,502)
2025	30,553	(56,433)
2026	27,166	-
Thereafter	<u>67,976</u>	<u>-</u>
Total	<u>99,649</u>	<u>(244,100)</u>

TOWN OF DILLON, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2021

NOTE 7: RETIREMENT COMMITMENTS (continued)

Police Pension Plan (continued)

Actuarial Assumptions - The actuarial valuations as of January 1, 2021, determined the total pension liability using the following actuarial assumptions and other inputs:

<u>Actuarial Method</u>	<u>Entry Age Normal</u>
Investment rate of return, net of plan investment expenses, including inflation	7.0%
Inflation	2.5%
Projected salary increases, including inflation	4.25% - 11.25%
Cost of living adjustments (COLA)	0%
Productivity Component	1.75%

Mortality rates for active members were based on the RP-2014 Mortality Tables for Blue Collar Employees projected with Scale BB, using a 55% multiplier for off-duty mortality. The RP-2014 Mortality Tables for Blue Collar Employees were used in the projection of post-retirement benefits for members under age 55. For post-retirement members ages 65 and older, the RP-2014 Mortality Tables for Blue Collar Healthy Annuitants were used. For post-retirement members ages 55 through 64, a blend of the previous tables was used. All tables were projected with Scale BB.

The current actuarial methods and assumptions were adopted by the FPPA Board of Directors for first use in the actuarial valuation as of January 1, 2017, based upon the actuary's analysis and recommendations from the 2016 Experience Study.

Based on an actuarial experience study, the FPPA Board of Directors approved a reduction in the assumed investment rate of return from 7.5% to 7.0% effective January 1, 2019.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of December 31, 2020, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Gobal Equity	39.0%	8.23%
Equity Long/Short	8.0%	6.87%
Private Markets	26.0%	10.63%
Fixed Income Rates	15.0%	4.01%
Fixed Income Credit	0.0%	5.25%
Absolute Return	10.0%	5.60%
Cash	2.0%	2.32%
Total	<u>100%</u>	

TOWN OF DILLON, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2021

NOTE 7: RETIREMENT COMMITMENTS (continued)

Discount Rate - The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates in the FPPA Board of Director's funding policy, which establishes the contractually required rates under State statutes. Based on this assumption, the plans' fiduciary net position was projected to be available to make all projected future benefit payments to current members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate at the prior measurement date was 7.0%.

Sensitivity of the Net Pension Asset (Liability) to Changes in the Discount Rate - The following presents the Town's proportionate share of the net pension asset calculated using the discount rate of 7.0%, as well as the Town's proportionate share of the net pension asset (liability) if it were calculated using a discount rate that is one percentage point lower (6.0%) or one percentage point higher (8.0%) than the current rate, as follows:

	1% Decrease 6.00%	Current Discount Rate (7.00%)	1% Increase 8.00%
Proportionate share of the SWDB net pension (asset) liability	\$ 142,014	\$ (141,119)	\$ (375,589)
Proportionate share of the SWH net pension (asset) liability	\$ (341,972)	\$ (496,188)	\$ (624,109)

Pension Plan Fiduciary Net Position - Detailed information about the plans' fiduciary net position is available in FPPA's separately issued financial report, which may be obtained at www.fppaco.org.

NOTE 8: OTHER POSTEMPLOYMENT BENEFITS

Statewide Death & Disability Plan

General Information

Plan Description - The Town contributes to the Statewide Death & Disability Plan, a cost-sharing multiple-employer defined benefit death and disability plan administered by the Fire & Police Pension Association of Colorado (FPPA). All full-time sworn police officers are members of the plan. Contributions to the plan are used solely for the payment of death and disability benefits. Benefits are established by State statutes and generally allow for benefits upon the death or disability of a plan member prior to retirement. FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for the plan. That report may be obtained at www.fppaco.org.

Benefits Provided - The plan provides pre-retirement death benefits, as follows:

- Off-duty: 40% of the base salary paid to the member prior to death, with an additional 10% of base salary if a surviving spouse has two or more dependent children.
- On-duty: 70% of the base salary paid to the member prior to death.

Disability benefits are as follows:

- Total disability: 70% of the base salary preceding disability.
- Permanent occupational disability: 50% of the base salary preceding disability.
- Temporary occupational disability: 40% of the base salary preceding disability for up to 5 years.

TOWN OF DILLON, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

NOTE 8: OTHER POSTEMPLOYMENT BENEFITS (continued)

Statewide Death & Disability Plan (continued)

General Information (continued)

Benefit adjustments are granted periodically at the discretion of the FPPA Board of Directors. Total disability beneficiaries receive an automatic increase of 3%. For other annuitants, the increase may reflect CPI, but in no case may be higher than 3%.

Once a member is eligible to retire, all plan benefit obligations cease.

Contributions - The contribution requirements are established by State statutes. However, in accordance with Colorado Revised Statutes (CRS) 31-31-811(4), FPPA Board of Directors, based on an annual actuarial valuation, may adjust the contribution rate every two years, but in no event may the adjustment for any two-year period exceed one-tenth of one percent of the member's salary.

Any decision regarding whether the employer or member contribute to the plan, or whether the contribution is paid jointly by the employer and the member, is determined by the Town Council.

No contributions are required for members hired prior to January 1, 1997. For members hired on or after January 1, 1997, the Town contributed 3.0% of base salaries on behalf of the members during the year ended December 31, 2021. Contributions to the plan for the year ended December 31, 2021, were \$24,186, equal to the required contributions.

Based on the 2020 actuarial results, the FPPA Board of Directors agreed to increase the contribution rate from 2.8% to 3.0% effective January 1, 2021, through December 31, 2021 with the potential for a 0.2% increase annually.

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

The Town has no requirement to contribute to the plan and does not receive contributions from a nonemployer entity. Therefore, the Town does not report a net OPEB liability, or deferred outflows of resources and deferred inflows of resources related to OPEB.

OPEB Plan Fiduciary Net Position - Detailed information about the plan's fiduciary net position is available in FPPA's separately issued financial report, which may be obtained at www.fppaco.org.

NOTE 9: RISK MANAGEMENT

Public Entity Risk Pool

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For these risks of loss, the Town is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to the provisions of 24-10-115.5, Colorado Revised Statutes (1982 Replacement Volume) and Colorado Constitution, Article XIV, section 18(2).

The purposes of CIRSA are to provide members defined liability and property and workers' compensation coverages and to assist members to prevent and reduce losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees or officers.

TOWN OF DILLON, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

NOTE 9: RISK MANAGEMENT (continued)

Public Entity Risk Pool (continued)

It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability of loss, to the limit of the financial resources of CIRSA. It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverages at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members. CIRSA is a separate legal entity and the Town does not approve budgets nor does it have ability to significantly affect the operations of CIRSA.

NOTE 10: COMMITMENTS AND CONTINGENCIES

Tabor Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. The Amendment is complex and subject to judicial interpretation.

In November 1996, Town voters authorized the Town to collect and retain all revenues from all sources in 1996 and each subsequent year and to spend the same, notwithstanding the limitations of the amendment. The Town believes it is in compliance with the requirements of the amendment. However, the Town has made certain interpretations of the amendment's language in order to determine its compliance. The amendment requires a reserve for emergencies equal to 3% of qualifying expenditures of the Town. At December 31, 2021 the Town reported restricted fund balance of \$382,389 comply with this requirement.

Litigation

From time to time, the Town is involved in various litigation. Management believes the outcome of any litigation will not have a significant impact on the Town's financial position.

Economic Development Agreements

The Town has entered into four economic development agreements that require the Town to reimburse certain businesses for sales tax generated by the businesses. Economic developments are approved by the Town Council on a case by case basis. During the year ended December 31, 2021, the Town paid \$169,469 under those agreements and accrued \$56,532 for payment in the subsequent fiscal year.

TOWN OF DILLON, COLORADO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AND CONTRIBUTIONS
FIRE & POLICE PENSION ASSOCIATION OF COLORADO STATEWIDE DEFINED BENEFIT PLAN
December 31, 2021

	<u>12/31/20</u>	<u>12/31/19</u>	<u>12/31/18</u>	<u>12/31/17</u>
Proportionate Share of the Net Pension Asset (Liability)				
Town's Proportion of the Net Pension Asset (Liability)	0.06500178%	0.07741684%	0.09486349%	0.09961455%
Town's Proportionate Share of the Net Pension Asset (Liability)	\$ 141,119	\$ 43,784	\$ (349,333)	\$ 143,311
Town's Covered Payroll	\$ 400,747	\$ 451,922	\$ 508,361	\$ 58,610
Town's Proportionate Share of the Net Pension Asset (Liability) as a Percentage of Covered Payroll	35%	10%	69%	245%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	107%	102%	95%	106%
	<u>12/31/21</u>	<u>12/31/20</u>	<u>12/31/19</u>	<u>12/31/18</u>
Town Contributions				
Statutorily Required Contribution	\$ 41,768	\$ 40,074	\$ 45,192	\$ 50,836
Contributions in Relation to the Statutorily Required Contribution	<u>(41,768)</u>	<u>(40,074)</u>	<u>(45,192)</u>	<u>(50,836)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's Covered Payroll	\$ 349,452	\$ 400,747	\$ 451,922	\$ 508,361
Contributions as a Percentage of Covered Payroll	10.00%	10.00%	10.00%	10.00%

This schedule is presented to show information for 4 years since inception. Until information for the full 10-year period is available, information will be presented for the years available.

TOWN OF DILLON, COLORADO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AND CONTRIBUTIONS
FIRE & POLICE PENSION ASSOCIATION OF COLORADO STATEWIDE HYBRID PLAN
December 31, 2021

	<u>12/31/20</u>	<u>12/31/19</u>	<u>12/31/18</u>	<u>12/31/17</u>
Proportionate Share of the Net Pension Asset				
Town's Proportion of the Net Pension Asset (Liability)	1.80398714%	1.07217069%	0.00394095%	0.36336810%
Town's Proportionate Share of the Net Pension Asset (Liability)	\$ 496,188	\$ 208,795	\$ 69,439	\$ 71,048
Town's Covered Payroll	\$ 293,598	\$ 180,075	\$ 55,564	\$ -
Town's Proportionate Share of the Net Pension Asset as a Percentage of Covered Payroll	169%	116%	125%	NA
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	138%	130%	123%	139%
	<u>12/31/21</u>	<u>12/31/20</u>	<u>12/31/19</u>	<u>12/31/18</u>
Town Contributions				
Statutorily Required Contribution	\$ 42,991	\$ 29,360	\$ 18,008	\$ 5,556
Contributions in Relation to the Statutorily Required Contribution	<u>(42,991)</u>	<u>(29,360)</u>	<u>(18,008)</u>	<u>(5,556)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's Covered Payroll	\$ 429,911	\$ 293,598	\$ 180,075	\$ 55,564
Contributions as a Percentage of Covered Payroll	10.00%	10.00%	10.00%	10.00%

This schedule is presented to show information for 4 years since inception. Until information for the full 10-year period is available, information will be presented for the years it is available.

TOWN OF DILLON, COLORADO
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes	\$ 5,206,415	\$ 6,159,022	\$ 6,871,201	\$ 712,179
Charges for Services	343,300	1,718,750	1,724,304	5,554
Licenses and Permits	85,882	85,882	86,450	568
Intergovernmental	98,619	269,619	319,456	49,837
Fines and Forfeitures	40,000	40,000	90,891	50,891
Interest	37,000	37,000	44,223	7,223
Miscellaneous	34,518	34,518	33,174	(1,344)
Total Revenues	5,845,734	8,344,791	9,169,699	824,908
EXPENDITURES				
General Government	2,161,451	4,267,507	4,317,518	(50,011)
Public Safety	1,642,862	1,732,462	1,648,683	83,779
Public Works	1,005,046	1,069,046	1,035,764	33,282
Community Development	446,675	446,675	406,382	40,293
Culture and Recreation	582,753	582,753	591,296	(8,543)
Total Expenditures	5,838,787	8,098,443	7,999,643	98,800
Excess of Revenue Over (Under) Expenditures	6,947	246,348	1,170,056	923,708
OTHER FINANCING SOURCES (USES)				
Transfer In	-	-	-	-
Transfer Out	(148,000)	(148,000)	(148,000)	-
Total Other Financing Sources (Uses)	(148,000)	(148,000)	(148,000)	-
Net Change in Fund Balance	(141,053)	98,348	1,022,056	923,708
Fund Balance, Beginning of Year	2,651,245	2,651,245	3,898,294	1,247,049
Fund Balance, End of Year	\$ 2,510,192	\$ 2,749,593	\$ 4,920,350	\$ 2,170,757

See the accompanying Independent Auditors' Report.

TOWN OF DILLON, COLORADO
HOUSING INITIATIVE 5A FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2021

	Original Budget	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Intergovernmental	\$ 678,486	\$ 728,486	\$ 1,117,660	\$ 389,174
Interest	7,500	7,500	7,833	333
Miscellaneous	2,546	2,546	4,712	2,166
Total Revenues	<u>688,532</u>	<u>738,532</u>	<u>1,130,205</u>	<u>391,673</u>
EXPENDITURES				
Housing	<u>122,961</u>	<u>172,961</u>	<u>137,569</u>	<u>35,392</u>
Net Change in Fund Balance	565,571	565,571	992,636	427,065
Fund Balance, Beginning of Year	<u>3,437,498</u>	<u>3,437,498</u>	<u>4,010,213</u>	<u>572,715</u>
Fund Balance, End of Year	<u><u>\$ 4,003,069</u></u>	<u><u>\$ 4,003,069</u></u>	<u><u>\$ 5,002,849</u></u>	<u><u>\$ 999,780</u></u>

See the accompanying Independent Auditors' Report.

TOWN OF DILLON, COLORADO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2021

NOTE 1: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to the October Council meeting, the Town Manager submits to the Town Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to December 31, the budget is legally enacted through passage of a resolution.
4. Formal budgetary integration is employed as a management control device during the year for all of the Town's funds.
5. The budgets of the governmental funds are adopted on a basis consistent with generally accepted accounting principles. The proprietary fund budgets are prepared on a non-GAAP basis. Capital outlay and debt service payments are budgeted as expenditures. Depreciation is not budgeted. The fiduciary fund budget is adopted by the member board established through the Intergovernmental Agreement for the Summit County Telecommunications Consortium (SCTC) and is not presented in the Town's financial statements.
6. Budgeted amounts are as originally adopted or as amended by the Town Council. All appropriations lapse at year end. Colorado governments may not exceed budgeted appropriations at the fund level.

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

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

Cemetery Perpetual Care Fund – This fund is used to account for the sale of cemetery spaces at the Dillon Cemetery and donations received specifically for the Dillon Cemetery. Funds are to be used for Dillon Cemetery maintenance and capital projects.

Dillon Urban Renewal Authority – The Dillon Urban Renewal Authority was established and the Dillon Urban Renewal Plan was approved in 2009 in order to revitalize blighted areas in the Town. The Town Council amended the Dillon Urban Renewal Plan in 2012 to allow for tax increment financing.

TOWN OF DILLON, COLORADO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2021

	Special Revenue			Total
	Conservation Trust	Cemetery Perpetual Care	Dillon Urban Renewal Authority	Nonmajor Governmental Funds
ASSETS				
Cash and Investments	\$ 57,608	\$ 165,871	\$ 978,685	\$ 1,202,164
Property Taxes Receivable	-	-	1,149,631	1,149,631
Total Assets	\$ 57,608	\$ 165,871	\$ 2,128,316	\$ 2,351,795
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-
Total Liabilities	-	-	-	-
Deferred Inflows of Resources				
Property Taxes	-	-	1,149,631	1,149,631
Fund Balances				
Nonspendable:				
Cemetery	-	108,202	-	108,202
Restricted for:				
Parks and Open Space	57,608	-	-	57,608
Assigned to:				
Cemetery	-	57,669	-	57,669
Urban Renewal	-	-	978,685	978,685
Total Fund Balances	57,608	165,871	978,685	1,202,164
Total Liabilities, Deferred Inflows of Resources and Fund Balances				
	\$ 57,608	\$ 165,871	\$ 2,128,316	\$ 2,351,795

TOWN OF DILLON, COLORADO
**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS**
For the Year Ended December 31, 2021

	Special Revenue			Total Nonmajor Governmental Funds
	Conservation Trust	Cemetery Perpetual Care	Dillon Urban Renewal Authority	
REVENUES				
Taxes	\$ -	\$ -	\$ 450,909	\$ 450,909
Charges for Services	-	8,650	-	8,650
Intergovernmental	11,963	-	-	11,963
Interest	3	11	16	30
Miscellaneous	-	15,700	-	15,700
Total Revenues	<u>11,966</u>	<u>24,361</u>	<u>450,925</u>	<u>487,252</u>
EXPENDITURES				
Current				
Culture and Recreation	-	-	-	-
Urban Renewal	-	-	3,670	3,670
Total Expenditures	<u>-</u>	<u>-</u>	<u>3,670</u>	<u>3,670</u>
Net Change in Fund Balances	11,966	24,361	447,255	483,582
Fund Balances, Beginning of Year	<u>45,642</u>	<u>141,510</u>	<u>531,430</u>	<u>718,582</u>
Fund Balances, End of Year	<u>\$ 57,608</u>	<u>\$ 165,871</u>	<u>\$ 978,685</u>	<u>\$ 1,202,164</u>

See the accompanying Independent Auditors' Report.

TOWN OF DILLON, COLORADO
CAPITAL IMPROVEMENT FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2021

	<u>Original Budget</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES				
Taxes	\$ 1,603,077	\$ 1,721,343	\$ 2,176,545	\$ 455,202
Interest	1,000	1,000	1,518	518
Miscellaneous	1,000	1,000	36,715	35,715
Total Revenues	<u>1,605,077</u>	<u>1,723,343</u>	<u>2,214,778</u>	<u>491,435</u>
EXPENDITURES				
Public Works	-	-	-	-
Capital Outlay	3,067,500	3,451,933	1,382,254	2,069,679
Debt Service				
Principal	155,907	155,907	155,907	-
Interest	159,245	159,245	159,245	-
Total Expenditures	<u>3,382,652</u>	<u>3,767,085</u>	<u>1,697,406</u>	<u>2,069,679</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,777,575)</u>	<u>(2,043,742)</u>	<u>517,372</u>	<u>2,561,114</u>
OTHER FINANCING SOURCES				
Sale of Assets	40,000	40,000	96,290	56,290
Grant Proceeds	350,000	350,000	-	
Transfer In (Out)	22,000	22,000	22,000	-
Total Other Financing Sources	<u>412,000</u>	<u>412,000</u>	<u>118,290</u>	<u>(293,710)</u>
Net Change in Fund Balance	(1,365,575)	(1,631,742)	635,662	2,267,404
Fund Balance, Beginning	<u>1,491,830</u>	<u>1,757,997</u>	<u>2,308,514</u>	<u>550,517</u>
Fund Balance, Ending	<u>\$ 126,255</u>	<u>\$ 126,255</u>	<u>\$ 2,944,176</u>	<u>\$ 2,817,921</u>

See the accompanying Independent Auditors' Report.

TOWN OF DILLON, COLORADO
STREET IMPROVEMENT FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes	\$ 1,032,796	\$ 1,094,856	\$ 1,545,434	\$ 450,578
Interest	10,000	10,000	324	(9,676)
Total Revenues	<u>1,042,796</u>	<u>1,104,856</u>	<u>1,545,758</u>	<u>440,902</u>
EXPENDITURES				
Public Works	55,000	55,000	-	55,000
Capital Outlay	2,625,000	3,063,666	2,273,536	790,130
Debt Service				
Principal	733,470	733,470	627,000	106,470
Interest	104,710	104,710	211,444	(106,734)
Debt Issuance Costs	800	800	3,350	(2,550)
Total Expenditures	<u>3,518,980</u>	<u>3,957,646</u>	<u>3,115,330</u>	<u>842,316</u>
Net Change in Fund Balance	(2,476,184)	(2,852,790)	(1,569,572)	1,283,218
Fund Balance, Beginning	<u>3,884,414</u>	<u>3,884,414</u>	<u>4,224,014</u>	<u>339,600</u>
Fund Balance, Ending	<u>\$ 1,408,230</u>	<u>\$ 1,031,624</u>	<u>\$ 2,654,442</u>	<u>\$ 1,622,818</u>

See the accompanying Independent Auditors' Report.

TOWN OF DILLON, COLORADO
CONSERVATION TRUST FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2021

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Intergovernmental	\$ 9,510	\$ 11,963	\$ 2,453
Interest	<u>200</u>	<u>3</u>	<u>(197)</u>
Total Revenues	<u>9,710</u>	<u>11,966</u>	<u>2,256</u>
 EXPENDITURES			
Culture and Recreation	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	9,710	11,966	2,256
Fund Balance, Beginning of Year	<u>16,267</u>	<u>45,642</u>	<u>29,375</u>
Fund Balance, End of Year	<u>\$ 25,977</u>	<u>\$ 57,608</u>	<u>\$ 31,631</u>

See the accompanying Independent Auditors' Report.

TOWN OF DILLON, COLORADO
CEMETERY PERPETUAL CARE FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2021

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Charges for Services	\$ 1,500	\$ 8,650	\$ 7,150
Interest	1,300	11	(1,289)
Miscellaneous	<u>4,000</u>	<u>15,700</u>	<u>11,700</u>
Total Revenues	<u>6,800</u>	<u>24,361</u>	<u>17,561</u>
EXPENDITURES			
Culture and Recreation	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	6,800	24,361	17,561
Fund Balance, Beginning of Year	<u>126,482</u>	<u>141,510</u>	<u>15,028</u>
Fund Balance, End of Year	<u><u>\$ 133,282</u></u>	<u><u>\$ 165,871</u></u>	<u><u>\$ 32,589</u></u>

See the accompanying Independent Auditors' Report.

TOWN OF DILLON, COLORADO
DILLON URBAN RENEWAL AUTHORITY
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2021

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Taxes	\$ 308,553	\$ 450,909	\$ 142,356
Interest	100	16	(84)
Total Revenues	<u>308,653</u>	<u>450,925</u>	<u>142,272</u>
EXPENDITURES			
Urban Renewal	<u>15,674</u>	<u>3,670</u>	<u>12,004</u>
Net Change in Fund Balance	292,979	447,255	154,276
Fund Balance, Beginning of Year	<u>534,238</u>	<u>531,430</u>	<u>(2,808)</u>
Fund Balance, End of Year	<u><u>\$ 827,217</u></u>	<u><u>\$ 978,685</u></u>	<u><u>\$ 151,468</u></u>

See the accompanying Independent Auditors' Report.

TOWN OF DILLON, COLORADO
WATER FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES				
Utility Sales	\$ 1,148,603	\$ 1,148,603	\$ 1,118,947	\$ (29,656)
Tap Fees	16,856	16,856	868,419	851,563
Interest	7,000	7,000	12,154	5,154
Miscellaneous	<u>-</u>	<u>35,810</u>	<u>8,933</u>	<u>(26,877)</u>
Total Revenues	<u>1,172,459</u>	<u>1,208,269</u>	<u>2,008,453</u>	<u>800,184</u>
EXPENDITURES				
Current				
Operations	438,469	438,469	407,040	31,429
Maintenance	92,930	232,930	203,623	29,307
Distribution	16,531	16,531	8,629	7,902
Treatment	39,893	130,703	142,592	(11,889)
Capital Outlay	410,875	410,875	-	410,875
Debt Service				
Principal	123,765	123,765	123,765	-
Interest	<u>75,396</u>	<u>75,396</u>	<u>73,643</u>	<u>1,753</u>
Total Expenditures	<u>1,197,859</u>	<u>1,428,669</u>	<u>959,292</u>	<u>469,377</u>
OTHER FINANCING SOURCES (USES)				
1 Transfer In (Out)	<u>110,000</u>	<u>110,000</u>	<u>110,000</u>	<u>-</u>
CHANGE IN NET POSITION, Budget Basis	<u><u>\$ (25,400)</u></u>	<u><u>\$ (110,400)</u></u>	1,159,161	<u><u>\$ 1,269,561</u></u>
ADJUSTMENTS TO GAAP BASIS				
Principal Payments on Debt			123,765	
Capital Outlay			-	
Depreciation			<u>(345,281)</u>	
CHANGE IN NET POSITION, GAAP Basis			937,645	
NET POSITION, Beginning			<u>8,145,818</u>	
NET POSITION, Ending			<u><u>\$ 9,083,463</u></u>	

See the accompanying Independent Auditors' Report.

TOWN OF DILLON, COLORADO
SEWER FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2021

	Original and Final Budget	<u>Actual</u>	Variance Positive (Negative)
REVENUES			
Utility Sales	\$ 913,353	\$ 918,902	\$ 5,549
Tap Fees	15,000	610,564	595,564
Interest	<u>11,350</u>	<u>1,351</u>	<u>(9,999)</u>
Total Revenues	<u>939,703</u>	<u>1,530,817</u>	<u>591,114</u>
EXPENDITURES			
Current			
Operations	138,806	116,980	21,826
Maintenance	27,500	69,943	(42,443)
Treatment	561,658	569,604	(7,946)
Capital Outlay	<u>214,775</u>	<u>-</u>	<u>214,775</u>
Total Expenditures	<u>942,739</u>	<u>756,527</u>	<u>186,212</u>
OTHER FINANCING SOURCES (USES)			
Transfer In	<u>38,000</u>	<u>38,000</u>	<u>-</u>
CHANGE IN NET POSITION, Budget Basis	<u><u>\$ 34,964</u></u>	812,290	
ADJUSTMENTS TO GAAP BASIS			
Depreciation		(80,541)	
Investment in Joint Sewer Authority		<u>21,967</u>	
CHANGE IN NET POSITION, GAAP Basis		753,716	
NET POSITION, Beginning		<u>5,197,615</u>	
NET POSITION, Ending		<u><u>\$ 5,951,331</u></u>	

See the accompanying Independent Auditors' Report.

TOWN OF DILLON, COLORADO
MARINA FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES				
Charges for Services	\$ 1,745,000	\$ 1,745,000	\$ 2,267,778	\$ 522,778
Interest	9,000	9,000	10,678	1,678
Miscellaneous	<u>30,040</u>	<u>30,040</u>	<u>39,669</u>	<u>9,629</u>
Total Revenues	<u>1,784,040</u>	<u>1,784,040</u>	<u>2,318,125</u>	<u>534,085</u>
EXPENDITURES				
Current				
Operations	1,274,558	1,389,083	1,599,032	(209,949)
Maintenance	101,500	101,500	108,077	(6,577)
Capital Outlay	1,568,500	1,608,500	309,996	1,298,504
Debt Service				
Principal	117,210	117,210	117,210	-
Interest	45,050	45,050	44,871	179
Transfer Out	<u>22,000</u>	<u>22,000</u>	<u>22,000</u>	<u>-</u>
Total Expenditures	<u>3,128,818</u>	<u>3,283,343</u>	<u>2,201,186</u>	<u>1,082,157</u>
OTHER FINANCING SOURCES (USES)				
CRCA Settlement	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN NET POSITION, Budget Basis	<u><u>\$ (1,344,778)</u></u>	<u><u>\$ (1,499,303)</u></u>	116,939	<u><u>\$ 1,616,242</u></u>
ADJUSTMENTS TO GAAP BASIS				
Principal Payments on Debt			117,210	
Capital Outlay			309,996	
Depreciation			<u>(260,441)</u>	
CHANGE IN NET POSITION, GAAP Basis			283,704	
NET POSITION, Beginning			<u>3,992,427</u>	
NET POSITION, Ending			<u><u>\$ 4,276,131</u></u>	

See the accompanying Independent Auditors' Report.

TOWN OF DILLON, COLORADO
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FIDUCIARY FUND
For the Year Ended December 31, 2021

	Balance January 1, 2021	Increases	Decreases	Balance December 31, 2021
Summit County Telecommunications Consortium				
ASSETS				
Cash and Investments	\$ 57,123	\$ 187,821	\$ 196,088	\$ 48,856
Accounts Receivable	<u>9,463</u>	<u>9,010</u>	<u>9,463</u>	<u>9,010</u>
Total Assets	<u>\$ 66,586</u>	<u>\$ 196,831</u>	<u>\$ 205,551</u>	<u>\$ 57,866</u>
LIABILITIES				
Accrued Liabilities	\$ 2,881	\$ 5,679	\$ 2,881	\$ 5,679
Funds Held for Others	<u>63,705</u>	<u>52,187</u>	<u>63,705</u>	<u>52,187</u>
Total Liabilities	<u>\$ 66,586</u>	<u>\$ 57,866</u>	<u>\$ 66,586</u>	<u>\$ 57,866</u>

See the accompanying Independent Auditors' Report.

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

LOCAL HIGHWAY FINANCE REPORT	City or County: Town of Dillon
	YEAR ENDING : December 2021

This Information From The Records Of (example - City of _ or County of) Town of Dillon	Prepared By: Phone: 970-262-3404
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I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES	
ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	2,301,229
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	50,239
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	41,872
2. General fund appropriations		b. Snow and ice removal	15,811
3. Other local imposts (from page 2)	5,850,231	c. Other	
4. Miscellaneous local receipts (from page 2)	90,891	d. Total (a. through c.)	57,683
5. Transfers from toll facilities		4. General administration & miscellaneous	74,438
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	395,419
a. Bonds - Original Issues		6. Total (1 through 5)	2,879,008
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	211,443
7. Total (1 through 6)	5,941,122	b. Redemption	2,907,000
B. Private Contributions		c. Total (a. + b.)	3,118,443
C. Receipts from State government (from page 2)	56,329	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	5,997,451	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	3,118,443
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	5,997,451

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

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		5,997,451	5,997,451		0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2021

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	237,491	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	90,891
1. Sales Taxes	5,556,307	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	56,433	g. Other Misc. Receipts	
6. Total (1. through 5.)	5,612,740	h. Other	
c. Total (a. + b.)	5,850,231	i. Total (a. through h.)	90,891
	(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	50,039	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	6,290	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	6,290	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	56,329	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		2,301,229	2,301,229
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	2,301,229	2,301,229
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	2,301,229	2,301,229
			(Carry forward to page 1)

Notes and Comments: