



Financial Statements
December 31, 2022 and 2021
Silverthorne Childcare Authority

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Independent Auditor's Report

Board of Directors
Silverthorne Childcare Authority
Breckenridge, CO

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and the major fund of Silverthorne Childcare Authority (the Authority), as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of Silverthorne Childcare Authority as of December 31, 2022 and 2021, and the respective changes in financial position for the years 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). 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 Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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

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.

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 Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 Authority'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 Authority'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 on page 4 through 8 and the budgetary comparison information on page 24, 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 GAAS, 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.

Eide Bailly LLP

Denver, Colorado
January 12, 2024

Introduction

The following discussion and analysis provides an overview of the financial position and activities of the Silverthorne Childcare Authority (the Authority), for the years ended December 31, 2022 and 2021. This discussion has been prepared by management and should be read in conjunction with the financial statements and notes thereto which follow this section.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in its Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, issued June 1999. Certain comparative information between the current and the prior year is required to be presented in the MD&A.

The Silverthorne Childcare Authority was established on June 11, 2021, through an intergovernmental agreement entered into by the Town of Silverthorne and Summit County, Colorado.

The primary purpose of the Authority is the joint development of a childcare facility in Silverthorne Colorado. The Authority will own, operate, manage, and control the building, which will house an early learning facility for young children from ages 6 weeks to 6 years.

FINANCIAL HIGHLIGHTS

This section provides an overview of the Authority's financial activities.

- 2022 Revenues for the General Fund were \$339,694 less than expenditures with overall revenues at \$2,861,043.
- 2021 Revenues for the General Fund were \$23,948 less than expenditures with overall revenues at \$167,121.

Statement of Net Position

The Statement of Net Position presents the assets and liabilities of the Authority as of the end of the fiscal year and is prepared using the accrual basis of accounting, which is similar to the accounting basis used by most private-sector organizations. The Statement of Net Position is a point of time financial statement whose purpose is to present to the readers a fiscal snapshot of the Authority. The Statement of Net Position presents end-of-year data concerning assets (current and noncurrent), liabilities (current and noncurrent), and net position (assets minus liabilities).

From the data presented, readers of the Statement of Net Position are able to determine the assets available to continue the operations of the Authority. Readers are also able to determine the amount owed by the Authority to vendors. Finally, the Statement of Net Position provides a picture of the net position and the availability of those assets for expenditure.

The difference between total assets and total liabilities (net position) is one indicator of the current financial condition of the Authority, and the change in net position is an indicator of whether the overall financial condition has improved or worsened during the year. Assets and liabilities are generally measured using current values. One notable exception is capital assets, which are stated at historical cost less an allocation for depreciation expense.

The Net Position is presented in three major categories. The first category provides the information in regards to equity amounts in property, plant, and equipment owned by the Authority. The second category provides information on amounts restricted for special purposes. The third category provides information on unrestricted net position that are available for obligations as may be approved by the Board.

The Statement of Net Position is summarized below:

	<u>2022</u>	<u>2021</u>	<u>\$ Change</u>	<u>% Change</u>
Assets				
Cash	\$ 14,975	\$ -	\$ 14,975	100.00 %
Receivables	50,000	76,744	(26,744)	(34.85)
Capital assets, net	<u>3,390,989</u>	<u>191,069</u>	<u>3,199,920</u>	<u>1,674.75</u>
Total assets	<u>3,455,964</u>	<u>267,813</u>	<u>3,188,151</u>	<u>1,190.44</u>
Liabilities				
Accounts payable	<u>428,617</u>	<u>100,692</u>	<u>327,925</u>	<u>325.67</u>
Total liabilities	<u>428,617</u>	<u>100,692</u>	<u>327,925</u>	<u>325.67</u>
Net Position				
Net investment in capital assets	3,390,989	191,069	3,199,920	1,674.75
Restricted for capital improvements	<u>(363,642)</u>	<u>(23,948)</u>	<u>(339,694)</u>	<u>1,418.47</u>
Total net position	<u>\$ 3,027,347</u>	<u>\$ 167,121</u>	<u>\$ 2,860,226</u>	<u>1,711.47 %</u>

Cash with the Authority is explained in the notes to the financial statements and is held at Alpine Bank.

- Accounts receivable are amounts due from Summit County and local granting agencies.
- Accounts payable consist mainly of expenditures for capital construction received prior to December 31, but not yet invoiced or paid.
- Net investment in capital assets reflects the difference between the assets of construction in progress and any associated debt.
- Unrestricted net position reflects the current undesignated amounts.

Statement of Activities

Changes in total net position are presented in the Statement of Activities. The purpose of this statement is to present the results of operations and includes revenues earned, whether received or not by the Authority, and the expenses incurred, whether paid or not by the Authority.

The Statement of Activities is summarized below:

	2022	2021	\$ Change	% Change
Revenues				
Program revenues				
Local grants	\$ 100,000	\$ -	\$ 100,000	100.00 %
Summit County Strong Future Funds	2,761,043	167,121	2,593,922	1,552.12
Total revenues	<u>2,861,043</u>	<u>167,121</u>	<u>2,693,922</u>	<u>1,611.96</u>
Expenses				
Advertising and promotion	817	-	817	100.00
Total expenses	<u>817</u>	<u>-</u>	<u>817</u>	<u>100.00</u>
Change in Net Position	2,860,226	167,121	2,693,105	1,611.47
Net Position, Beginning	<u>167,121</u>	<u>-</u>	<u>167,121</u>	<u>100.00</u>
Net Position, Ending	<u>\$ 3,027,347</u>	<u>\$ 167,121</u>	<u>\$ 2,860,226</u>	<u>1,711.47 %</u>

- The activities of the Authority are fully supported by Summit County Strong Future Funds and grants and contributions.

Fund Financial Statements

More detailed information about the Authority's General Fund, not the Authority as a whole, is provided in the fund financial statements. Funds are accounting formats the Authority uses to keep track of specific sources of funding and expenditures in particular programs. Some funds are required by State law and other funds are established by the Authority to control and manage a variety of activities for particular purposes. Other funds may also address specific accounting requirements for certain revenue and expenditure classifications (such as Federal grants).

The Authority maintains only one class of funds:

Governmental Funds

All of the Authority's basic services are included in governmental funds, which generally focus on how cash and other financial assets can readily be converted to cash flow (in and out) and the balances left at year-end that are available for expenditure in subsequent years. A detailed short-term view is provided by the governmental fund statements. This helps determine whether there are more or fewer financial resources that can be spent in the near future for financing the Authority's programs. Because this information does not encompass the additional long-term focus of the Authority-wide statements, additional information is provided in the reconciliation provided after the governmental fund statements that explains the differences (or relationships).

General Fund Budget

The Board adopted the budget for the Authority in May 2022. There was no budget for 2021, nor an original budget for 2022. A budgetary comparison schedule for the General Fund is presented below.

Variations between budget amounts and actual results were a direct result of construction of the building being extended into 2023.

	Revised Budget	Actual Revenues/ Expenditures December 31, 2022
Total Revenues	\$ 2,861,043	\$ 2,861,043
Design/consulting fees	\$ 152,825	152,825
Utility/development costs		21,752
Site survey/soils report		38,685
Testing/inspections		37,474
Finance/insurance		43,950
Building systems infrastructure		2,906,051
Furniture, fixtures and equipment		
Permits		
Construction costs		
Owner project contingency		
	\$ 152,825	\$ 3,200,737

CAPITAL ASSETS AND LONG-TERM LIABILITIES

Capital Assets

GASB Statement No. 34 requires that governmental agencies account for capital assets in the same way that private and public corporations do. This involves recognizing the value of the Authority's capital assets, such as land, buildings, and equipment, in the capital asset section of the Statement of Net Position. The Authority must now track annual and accumulated depreciation on major assets.

As of December 31, 2022 and 2021, the Authority had \$3,390,989 and \$191,069, respectively, invested in capital assets, all related to construction in progress.

Note 4 to the financial statements provide additional information on capital assets. A summary of capital assets, net of depreciation, is presented below:

	2022	2021
Construction in progress	\$ 3,390,989	\$ 191,069

General Fund Budget Information

The Authority's budget is prepared in accordance with Colorado law and is based on the modified accrual basis of accounting, including expenditures and the means of financing them.

Factors Bearing on the Authority's Future

At the time these financial statements were prepared and audited, there were no known circumstances that could significantly affect the Authority's financial health in the future.

Contacting the Authority's Financial Management

This financial report is designed to provide the community, investors, creditors, etc. with a general overview of the Authority's financial condition and to show the Authority's accountability for the funding it receives. If you have questions regarding this report or need additional financial information, contact:

David Reynolds
Silverthorne Childcare Authority Treasurer
P.O. Box 68
Breckenridge, CO 80424

Silverthorne Childcare Authority
Statement of Net Position
December 31, 2022 and 2021

	<u>Governmental Activities 2022</u>	<u>Governmental Activities 2021</u>
Assets		
Cash	\$ 14,975	\$ -
Receivables (net of allowance for uncollectibles):		
Summit County Strong Future Funds	-	76,744
Local grants	50,000	-
Capital assets not being depreciated	<u>3,390,989</u>	<u>191,069</u>
Total assets	<u>3,455,964</u>	<u>267,813</u>
Liabilities		
Accounts payable	<u>428,617</u>	<u>100,692</u>
Total liabilities	<u>428,617</u>	<u>100,692</u>
Net Position		
Net investment in capital assets	3,390,989	191,069
Unrestricted	<u>(363,642)</u>	<u>(23,948)</u>
Total net position	<u><u>\$ 3,027,347</u></u>	<u><u>\$ 167,121</u></u>

Silverthorne Childcare Authority
Statement of Activities
Years Ended December 31, 2022

Functions/Programs	Expenses	Program Revenues Operating Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position Governmental Activities
Governmental Activities			
General government	\$ 817	\$ 2,861,043	\$ 2,860,226
Total governmental activities	\$ 817	\$ 2,861,043	\$ 2,860,226
Change in Net Position			2,860,226
Net Position - January 1			167,121
Net Position - December 31			\$ 3,027,347

Silverthorne Childcare Authority
Statement of Activities
Years Ended December 31, 2021

Functions/Programs	Expenses	Program Revenues Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position Governmental Activities
Governmental Activities			
General government	\$ -	167,121	\$ 167,121
Total governmental activities	<u>\$ -</u>	<u>\$ 167,121</u>	<u>\$ 167,121</u>
Change in Net Position			167,121
Net Position - January 1			<u>-</u>
Net Position - December 31			<u><u>\$ 167,121</u></u>

Silverthorne Childcare Authority

Balance Sheet – Governmental Fund

December 31, 2022 and 2021

	General Fund 2022	General Fund 2021
	<u> </u>	<u> </u>
Assets		
Cash	\$ 14,975	\$ -
Receivables (net of allowance for uncollectibles):		
Summit County Strong Future Funds	-	76,744
Local grants	<u>50,000</u>	<u>-</u>
Total assets	<u>\$ 64,975</u>	<u>\$ 76,744</u>
Liabilities and Fund Balance		
Liabilities		
Accounts payable	<u>\$ 428,617</u>	<u>\$ 100,692</u>
Total liabilities	<u>428,617</u>	<u>100,692</u>
Fund Balance		
Unassigned	<u>(363,642)</u>	<u>(23,948)</u>
Total liabilities and fund balance	<u>\$ 64,975</u>	<u>\$ 76,744</u>

Silverthorne Childcare Authority
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position
December 31, 2022

Total Fund Balance - Governmental Fund \$ (363,642)

Amounts reported for governmental activities in the Statement of Net Position are different due to the following:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.

The cost of capital assets is

\$ 3,390,989

Net capital assets

3,390,989

Total net position - governmental activities

\$ 3,027,347

Silverthorne Childcare Authority
 Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position
 December 31, 2021

Total Fund Balance - Governmental Fund \$ (23,948)

Amounts reported for governmental activities in the Statement of Net Position are different due to the following:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.

The cost of capital assets is \$ 191,069

Net capital assets 191,069

Total net position - governmental activities \$ 167,121

Silverthorne Childcare Authority
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Fund
Years Ended December 31, 2022 and 2021

	<u>General Fund 2022</u>	<u>General Fund 2021</u>
Revenues		
Summit County Strong Future Funds	\$ 2,761,043	\$ 167,121
Local grants	<u>100,000</u>	<u>-</u>
Total revenues	<u>2,861,043</u>	<u>167,121</u>
Expenditures		
Advertising and promotion	817	-
Capital outlay	<u>3,199,920</u>	<u>191,069</u>
Total expenditures	<u>3,200,737</u>	<u>191,069</u>
Net Change in Fund Balance	(339,694)	(23,948)
Fund Balance - Beginning	<u>(23,948)</u>	<u>-</u>
Fund Balance - Ending	<u><u>\$ (363,642)</u></u>	<u><u>\$ (23,948)</u></u>

Silverthorne Childcare Authority

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Fund
to the Statement of Activities
Year Ended December 31, 2022

Total Net Change in Fund Balances - Governmental Fund \$ (339,694)

Amounts reported for governmental activities in the Statement of Activities are different due to the following:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures; however, for governmental activities, those costs are shown in the Statement Net Position and allocated over their estimated useful lives as annual depreciation and amortization expenses in the Statement of Activities.

This is the amount by which capital outlays exceeds depreciation in the period.

Capital outlays	<u>\$ 3,199,920</u>	
Net expense adjustment		<u>3,199,920</u>
Change in net position of governmental activities		<u><u>\$ 2,860,226</u></u>

Silverthorne Childcare Authority

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Fund
to the Statement of Activities
Year Ended December 31, 2021

Total Net Change in Fund Balances - Governmental Fund \$ (23,948)

Amounts reported for governmental activities in the Statement of Activities are different due to the following:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures; however, for governmental activities, those costs are shown in the Statement Net Position and allocated over their estimated useful lives as annual depreciation and amortization expenses in the Statement of Activities.

This is the amount by which capital outlays exceeds depreciation in the period.

Capital outlays	<u>\$ 191,069</u>	
Net expense adjustment		<u>191,069</u>
Change in net position of governmental activities		<u><u>\$ 167,121</u></u>

Note 1 - Summary of Significant Accounting Policies**Financial Reporting Entity**

The Silverthorne Childcare Authority (the Authority) was established on June 11, 2021, through an intergovernmental agreement (the Agreement) entered into by the Town of Silverthorne (the Town) and Summit County, Colorado (the County).

The primary purpose of the Authority is to own, operate, manage and control the childcare facility, which will house an early learning facility for young children from ages 6 weeks to 6 years. Subject to the terms of the Agreement, the Town will provide the land on which the facility is located as well as ongoing financial support for the facility's childcare operations. Also subject to the terms of the Agreement, the County will provide substantial funding for the facility.

The Governing Board (the Board) of the Authority administers the Agreement and the Authority. The Authority is a public entity separate from the respective parties of the Agreement. The Board carries out the managerial and financial functions of the Authority and is responsible for all of its debts and obligations.

Basis of Presentation

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB), including Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, issued by the American Institutes of Certified Public Accountants.

The Authority's basic financial statements consist of government-wide financial statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements.

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the Authority as a whole. The Statement of Net Position presents the financial condition of the governmental activities of the Authority at year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the Authority's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function.

Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Authority. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the Authority.

Fund Financial Statements

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

The fund financial statement expenditures are presented in a function-oriented format. The following is a brief description of the functions:

- Capital construction - This includes facilities acquisition and construction expenditures.

Fund Accounting

The accounting records of the Authority are organized on the basis of a major fund as follows:

- General Fund - The General Fund is the general operating fund to the Authority and accounts for all revenues and expenditures of the Authority. It is used to account for all resources over which the Board has discretionary control and in carrying on the operations of the Authority in accordance with the limitation of its bylaws and joint powers authority agreement.

Basis of Accounting – Measurement Focus

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing or measurement made, regardless of the measurement focus applied.

Government-wide financial statements are prepared using the economic resources measurement focus and accrual basis of accounting. Governmental funds are accounted for using the flow of current financial resources measurement focus and the modified accrual basis of accounting. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year, or are expected to be collected soon enough thereafter, to be used to pay liabilities of the current fiscal year. Generally, available is defined as collectible within 60 days. Differences between the accrual and the modified basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and the presentation of expenses versus expenditures.

Capital Assets

Generally, capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Position, but are not reported in the fund financial statements.

Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirement during the year. The Authority does not own any infrastructure as defined in GASB Statement No. 34. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. The Authority currently follows the County's \$5,000 capitalization policy.

All reported capital assets except for land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings	30 - 50 years

The Authority records impairments of capital assets when it becomes probable that the carrying value of the assets will not be fully recovered over their estimated useful life. Impairments are recorded to reduce the carrying value of the assets to their net realizable value based on facts and circumstances in existence at the time of the determination. No impairments were recorded during the years ended December 31, 2022 and 2021.

Long-Term Liabilities

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

Notes and other long-term liabilities are recognized as liabilities in the governmental fund financial statements when due. The Authority does not currently have any long-term liabilities.

Fund Balance – Governmental Fund

As of December 31, 2022 and 2021, the fund balance of the governmental fund is classified as follows:

Nonspendable - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact. The Authority currently does not have any nonspendable funds.

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments. The Authority currently does not have any restricted funds.

Committed - amounts that can be used only for specific purposes determined by a formal action of the Board of Directors. The Board of Directors is the highest level of decision-making authority for the Authority.

Commitments may be established, modified, or rescinded only through resolutions or other action as approved by the Board of Directors. The Authority currently does not have any committed funds.

Assigned - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Authority's adopted policy, only the Board of Directors or designee may assign amounts for specific purposes. The Authority currently does not have any assigned funds.

Unassigned - all other spendable amounts.

Spending Order Policy

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Authority considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Authority considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Directors has provided otherwise in its commitment or assignment actions.

Net Position

The net position represents the difference between assets and liabilities. Net position invested in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvements of those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by donors, grantors, or laws or regulations of other governments. The Authority first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Estimates

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

Budgets and Budgetary Accounting

An annual budget of the general operations of the Authority is adopted by the Board. The adopted budget is prepared on the modified accrual basis which is consistent with the basis of accounting used for financial reporting purposes. The budget may be revised by the Board during the year to give consideration to unanticipated revenues and expenditures. It is this final revised budget that is presented in the financial statements. Expenditures are budgeted based upon available fund resources.

Note 2 - Deposits

Colorado State Statutes govern the Authority's deposit of cash. The Colorado Public Deposit Protection Act (PDPA) requires the Authority to make deposits only in eligible public depositories as defined by the regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The PDPA requires the eligible depository with public deposits in excess of the federal insurance levels to create single institution collateral pools for all public funds. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the pool must be at least equal to 102% of the uninsured deposits as a group.

The Authority's deposits are considered to be entirely insured or collateralized with securities held by the Authority or its agent in the Authority's name as follows: At December 31, 2022 and 2021, the Authority's cash deposits had carrying amounts of \$14,975 and \$0, respectively, and corresponding bank balances of \$467,875 and \$56,738, respectively.

Of the bank balances, \$250,000 and \$56,738, respectively, was covered by federal deposit insurance and \$217,875 and \$0, respectively, was uninsured but collateralized in accordance with provisions of the PDPA.

Note 3 - Accounts Receivable

Accounts receivable at December 31, 2022 and 2021, consisted of the following:

	<u>2022</u>	<u>2021</u>
Summit County Government	\$ -	\$ 76,744
Summit Foundation	50,000	-
Total	<u>\$ 50,000</u>	<u>\$ 76,744</u>

Note 4 - Capital Assets

Capital assets by type for the year ended December 31, 2022 and 2021, are as follows:

	<u>Balance January 1, 2022</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 2022</u>
Governmental Activities				
Capital assets not being depreciated				
Construction in progress	\$ 191,069	\$ 3,199,920	\$ -	\$ 3,390,989
Total Capital Assets	<u>191,069</u>	<u>3,199,920</u>	<u>-</u>	<u>3,390,989</u>
Governmental Activities Capital Assets, Net	<u>\$ 191,069</u>	<u>\$ 3,199,920</u>	<u>\$ -</u>	<u>\$ 3,390,989</u>
	<u>Balance January 1, 2021</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 2021</u>
Governmental Activities				
Capital assets not being depreciated				
Construction in progress	\$ -	\$ 191,069	\$ -	\$ 191,069
Total Capital Assets	<u>-</u>	<u>191,069</u>	<u>-</u>	<u>191,069</u>
Governmental Activities Capital Assets, Net	<u>\$ -</u>	<u>\$ 191,069</u>	<u>\$ -</u>	<u>\$ 191,069</u>

There were no disposals of fixed assets during 2022 and 2021.

Note 5 - Related Party Transactions

The Authority receives most of its funding from Summit County Government, a party in the Intergovernmental Agreement. During the years ended December 31, 2022 and 2021, the Authority received \$2,761,043 and \$167,121, respectively, from the County for capital construction. At December 31, 2022 and 2021, amounts owed to the Authority from Summit County Government were \$0 and \$76,744, respectively.

Note 6 - Accounts Payable

Accounts payable at December 31, 2022 and 2021, consisted of the following:

	<u>2022</u>	<u>2021</u>
Construction	<u>\$ 428,617</u>	<u>\$ 100,692</u>
Total	<u><u>\$ 428,617</u></u>	<u><u>\$ 100,692</u></u>

Note 7 - Subsequent Events

In July 2023, construction of the building was completed. Upon attainment of the certificate of occupancy, the Authority entered a lease with Wildflower Nature School to operate a childcare facility in the building.

In 2023, the Authority received a commitment for \$750,000 in federal funding through the U.S. Department of Housing and Urban Development (HUD). The funds will be used to complete exterior items such as a playground, lighting, signage, and other fixtures.



Required Supplementary Information
December 31, 2022 and 2021

Silverthorne Childcare Authority

Silverthorne Childcare Authority
 Budgetary Comparison Schedule – General Fund
 Year Ended December 31, 2022 and 2021

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Summit County Strong Future Funds	\$ 7,500,000	\$ 7,500,000	\$ 2,761,043	\$ (4,738,957)
Local grants	1,000,000	1,000,000	100,000	(900,000)
Total revenues	<u>8,500,000</u>	<u>8,500,000</u>	<u>2,861,043</u>	<u>(5,638,957)</u>
Expenditures				
Design/consulting fees	444,794	444,794	152,825	291,969
Utility/development costs	312,658	312,658		312,658
Site survey/soils report	17,959	17,959	21,752	(3,793)
Testing/inspections	18,126	18,126		18,126
Finance/insurance	20,000	20,000	38,685	(18,685)
Building systems infrastructure	100,000	100,000	37,474	62,526
Furniture, fixtures and equipment	95,000	95,000		95,000
Permits	20,000	20,000	43,950	(23,950)
Construction costs	7,020,000	7,020,000	2,906,051	4,113,949
Owner project contingency	451,463	451,463		451,463
Total expenditures	<u>8,500,000</u>	<u>8,500,000</u>	<u>3,200,737</u>	<u>5,299,263</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	(339,694)	<u>\$ (339,694)</u>
Fund Balance - Beginning			<u>(23,948)</u>	
Fund Balance - Ending			<u>\$ (363,642)</u>	

*There was no budget for the year ended December 31, 2021.

Note 1 - Purpose of Schedules

Budgetary Comparison Schedule

Budgets for major governmental funds are adopted on the modified accrual basis where capital outlays are treated as expenditures and depreciation is not budgeted. The operating budget includes proposed expenditures and the means of financing them. The Board must approve increases to a fund's budget.

The amounts reported as the original budgeted amounts in the budgetary statements reflect amounts when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts after all budget amendments have been accounted for.

This schedule presents information for the original and final budgets and the actual results of operations, as well as the variances from the budget to actual results of operations.