

Town of Silverton, Colorado

Financial Statements
with Independent Auditor's Report

December 31, 2022



Town of Silverton, Colorado

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

Independent Auditor's Report

Honorable Mayor and Members of the Board of Trustees
Town of Silverton
Silverton, 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 the Town of Silverton (The Town), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Town'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, 2022, 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 City 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 has elected to omit the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing 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 31, 2023



Basic Financial Statements

Town of Silverton, Colorado
Statement of Net Position
December 31, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and Cash Equivalents	\$ 2,243,258	\$ 258,024	\$ 2,501,282
Property Taxes Receivable	304,871	-	304,871
Accounts Receivable	127,089	211,663	338,752
Inventory	-	112,487	112,487
Capital Assets, <i>Not being depreciated</i>	1,078,253	670	1,078,923
<i>Being depreciated, net</i>	<u>2,432,030</u>	<u>1,581,267</u>	<u>4,013,297</u>
 Total Assets	 <u>6,185,501</u>	 <u>2,164,111</u>	 <u>8,349,612</u>
Liabilities			
Accounts Payable	47,068	19,376	66,444
Accrued Salaries and Benefits	(9,551)	-	(9,551)
Noncurrent Liabilities			
Due Within One Year	159,230	11,211	170,441
Due in More Than One Year	<u>1,107,578</u>	<u>212,190</u>	<u>1,319,768</u>
 Total Liabilities	 <u>1,304,325</u>	 <u>242,777</u>	 <u>1,547,102</u>
Deferred Inflows of Resources			
Deferred Property Taxes	<u>304,871</u>	<u>-</u>	<u>304,871</u>
Net Position			
Net Investment in Capital Assets	2,268,235	1,579,214	3,847,449
Restricted for:			
Emergencies	136,400	-	136,400
Other Purposes	367,770	-	367,770
Committed for Future Outlays	56,500	-	56,500
 Unrestricted, unreserved	 <u>1,747,400</u>	 <u>342,120</u>	 <u>2,089,520</u>
 Total Net Position	 <u>\$ 4,576,305</u>	 <u>\$ 1,921,334</u>	 <u>\$ 6,497,639</u>

Town of Silverton, Colorado
Statement of Activities
For the Year Ended December 31, 2022

Functions/Programs	Program Revenues			Net (Expense) Revenue and Change in Net Position		
	Expenses	Operating		Governmental Activities	Primary Government	
		Charges for Services	Grants and Contributions		Capital Grants and Contributions	Business-Type Activities
Primary Government						
Governmental Activities						
General Government	\$ 1,579,391	\$ -	\$ -	\$ (1,507,584)	\$ -	\$ (1,507,584)
Public Safety	503,983	-	-	(503,983)	-	(503,983)
Public Works	710,948	-	450	(710,498)	-	(710,498)
Culture and Recreation	710,505	274,879	7,981	223,824	-	223,824
Special Events	153,944	-	-	(153,944)	-	(153,944)
Interest on Long-Term Debt	31,677	-	-	(31,677)	-	(31,677)
Total Governmental Activities	3,690,448	346,686	8,431	(2,683,862)	-	(2,683,862)
Business-Type Activities						
Water	478,821	465,782	-	-	70,283	70,283
Sewer	419,422	325,996	-	-	(93,426)	(93,426)
Refuse	294,545	210,980	-	6,440	(77,125)	(77,125)
Total Business-Type Activities	1,192,788	1,002,758	-	-	(100,268)	(100,268)
Total Primary Government	\$ 4,883,236	\$ 1,349,444	\$ 8,431	(2,683,862)	(100,268)	(2,784,130)
General Revenues						
Sales and Use Taxes				1,581,385	-	1,581,385
Property Taxes				309,863	-	309,863
Franchise Taxes				35,330	-	35,330
License and Permits				196,225	-	196,225
Other Taxes				41,307	-	41,307
Fines and Forfeitures				7,963	-	7,963
Investment Income				3,199	-	3,199
Miscellaneous				762,663	-	762,663
Transfers				(141,322)	141,322	-
Total General Revenues and Transfers				2,796,613	141,322	2,937,935
Change in Net Position				112,751	41,054	153,805
Net Position, Beginning of year				4,463,554	1,880,280	6,343,834
Net Position, End of year				\$ 4,576,305	\$ 1,921,334	\$ 6,497,639

See Notes to the Financial Statements.

Town of Silverton, Colorado
 Balance Sheet
 Governmental Funds
 December 31, 2022

	General	Other Governmental Funds	Total
Assets			
Cash and Investments	\$ 1,845,131	\$ 398,127	\$ 2,243,258
Property Taxes Receivable	304,871	-	304,871
Accounts Receivable	127,089	-	127,089
 Total Assets	 \$ 2,277,091	 \$ 398,127	 \$ 2,675,218
Liabilities			
Accounts Payable	\$ 46,711	\$ 357	\$ 47,068
Accrued Salaries and Benefits	(9,551)	-	(9,551)
 Total Liabilities	 37,160	 357	 37,517
Deferred Inflows of Resources			
Property Taxes	304,871	-	304,871
Fund Balance			
Restricted for			
Emergencies	136,400	-	136,400
Other Purposes	-	367,770	367,770
Committed for Future Capital Outlays	26,500	30,000	56,500
 Unrestricted, Unassigned	 1,772,160	 -	 1,772,160
 Total Fund Balance	 1,935,060	 397,770	 2,332,830
 Total Liabilities, Deferred Inflows of Resources, and Fund Balance	 \$ 2,277,091	 \$ 398,127	 \$ 2,675,218

Town of Silverton, Colorado
Reconciliation of Balance Sheet of the Governmental Funds
to the Statement of Net Position
December 31, 2022

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

Total Fund Balance of Governmental Funds	\$ 2,332,830
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in governmental funds.	3,510,283
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in governmental funds.	
Capital leases payable	(1,242,048)
Accrued compensated absences	<u>(24,760)</u>
Total Net Position of Governmental Activities	<u>\$ 4,576,305</u>

Town of Silverton, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2022

	General	Other Governmental Funds	Total
Revenues			
Taxes	\$ 1,967,885	\$ -	\$ 1,967,885
Licenses and Permits	196,225	-	196,225
Intergovernmental	695,747	7,981	703,728
Administrative Fees	634,052	-	634,052
Fines and Forfeitures	7,963	-	7,963
Charges for Services	71,497	212,132	283,629
Investment Income	3,160	39	3,199
Donations	200	-	200
Rents and Leases	63,307	-	63,307
Miscellaneous	84,333	-	84,333
Total Revenues	<u>3,724,369</u>	<u>220,152</u>	<u>3,944,521</u>
Expenditures			
Current			
General Government	1,917,767	2,280	1,920,047
Public Safety	500,915	-	500,915
Public Works	659,492	-	659,492
Culture and Recreation	943,338	143,829	1,087,167
Special Events	153,944	-	153,944
Debt Service			
Principal	192,936	-	192,936
Interest and Fiscal Charges	31,622	-	31,622
Total Expenditures	<u>4,400,014</u>	<u>146,109</u>	<u>4,546,123</u>
Excess Revenues Over (Under) Expenditures	<u>(675,645)</u>	<u>74,043</u>	<u>(601,602)</u>
Other Financing Sources (Uses)			
Debt Proceeds	799,325	-	799,325
Transfers (Out)	(141,322)	-	(141,322)
Other Financing Sources (Uses)	<u>658,003</u>	<u>-</u>	<u>658,003</u>
Net Change in Fund Balance	(17,642)	74,043	56,401
Fund Balance, Beginning of year	<u>1,952,702</u>	<u>323,727</u>	<u>2,276,429</u>
Fund Balance, End of year	<u>\$ 1,935,060</u>	<u>\$ 397,770</u>	<u>\$ 2,332,830</u>

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

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

Net Change in Fund Balance of Governmental Funds	\$	56,401
<p>Capital outlays to purchase or construct capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized in the statement of net position and are allocated over their estimated useful lives as annual depreciation expense in the statement of activities.</p>		
Capital Outlays		960,023
Depreciation Expense		(290,240)
Disposals		(3,678)
<p>Repayments of long-term liabilities are expenditures in governmental funds, but they reduce long-term liabilities in the statement of net position and do not affect the statement of activities.</p>		
Principal payments on capital leases		194,616
Issuance of capital leases		(799,325)
Change in accrued compensated absences		<u>(5,046)</u>
Change in Net Position of Governmental Activities	\$	<u><u>112,751</u></u>

Town of Silverton, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2022

	Water Fund	Sewer Fund	Refuse Fund	Total
Assets				
<i>Current Assets</i>				
Cash and Cash Equivalents	\$ 243,142	\$ 22,175	\$ (7,293)	\$ 258,024
Accounts Receivable	82,535	69,614	59,514	211,663
Inventory	105,136	7,351	-	112,487
Total Current Assets	430,813	99,140	52,221	582,174
<i>Noncurrent Assets</i>				
Capital Assets, Not being depreciated	-	670	-	670
Capital Assets, Net of accumulated depreciation	1,156,203	425,064	-	1,581,267
Total Noncurrent Assets	1,156,203	425,734	-	1,581,937
Total Assets	1,587,016	524,874	52,221	2,164,111
Liabilities				
<i>Current Liabilities</i>				
Accounts Payable	1,250	4,146	13,980	19,376
Leases Payable, Current Portion	2,723	-	-	2,723
Note Payable, Current Portion	8,488	-	-	8,488
Total Current Liabilities	12,461	4,146	13,980	30,587
<i>Noncurrent Liabilities</i>				
Note Payable	212,190	-	-	212,190
Total Noncurrent Liabilities	212,190	-	-	212,190
Total Liabilities	224,651	4,146	13,980	242,777
Net Position				
Net Investment in Capital Assets	1,156,203	425,734	-	1,581,937
Unrestricted	206,162	94,994	38,241	339,397
Total Net Position	\$ 1,362,365	\$ 520,728	\$ 38,241	\$ 1,921,334

Town of Silverton, Colorado
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2022

	Water Fund	Sewer Fund	Refuse Fund	Total
Operating Revenues				
Charges for Services	\$ 309,156	\$ 279,570	\$ 210,980	\$ 799,706
Miscellaneous	88	2	-	90
Total Operating Revenues	<u>309,244</u>	<u>279,572</u>	<u>210,980</u>	<u>799,796</u>
Operating Expenses				
Administrative and General	346,526	238,888	-	585,414
Utilities	8,299	36,205	-	44,504
Operations and Maintenance	64,379	99,067	25,755	189,201
Contracted Services	-	-	267,690	267,690
Depreciation	59,351	45,262	1,100	105,713
Total Operating Expenses	<u>478,555</u>	<u>419,422</u>	<u>294,545</u>	<u>1,192,522</u>
Net Operating Income	<u>(169,311)</u>	<u>(139,850)</u>	<u>(83,565)</u>	<u>(392,726)</u>
Non-Operating Revenues (Expenses)				
Interest Expense	(266)	-	-	(266)
Net Income (Loss) Before Contributed Capital	<u>(169,577)</u>	<u>(139,850)</u>	<u>(83,565)</u>	<u>(392,992)</u>
Contributed Capital and Transfers				
Capital Grants	83,322	-	6,440	89,762
Capital Contributions	156,538	46,424	-	202,962
Transfers	-	-	141,322	141,322
Total Capital Contributions and Transfers	<u>239,860</u>	<u>46,424</u>	<u>147,762</u>	<u>434,046</u>
Change in Net Position	<u>70,283</u>	<u>(93,426)</u>	<u>64,197</u>	<u>41,054</u>
Net Position, Beginning of year	<u>1,292,082</u>	<u>614,154</u>	<u>(25,956)</u>	<u>1,880,280</u>
Net Position, End of year	<u>\$ 1,362,365</u>	<u>\$ 520,728</u>	<u>\$ 38,241</u>	<u>\$ 1,921,334</u>

Town of Silverton, Colorado
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2022

	Water Fund	Sewer Fund	Refuse Fund	Total
Cash Flows From Operating Activities				
Cash Received from Customers	\$ 285,470	\$ 271,079	\$ 210,218	\$ 766,767
Cash Received from Others	88	-	-	88
Cash Paid to Suppliers	(111,341)	(150,619)	(271,985)	(533,945)
Cash Paid to Employees	<u>(334,518)</u>	<u>(230,976)</u>	<u>(22,730)</u>	<u>(588,224)</u>
Net Cash Provided by Operating Activities	<u>(160,301)</u>	<u>(110,516)</u>	<u>(84,497)</u>	<u>(355,314)</u>
Cash Flows From Capital and Related Financing Activities				
Acquisition and Construction of Capital Assets	(62,220)	(7,812)	-	(70,032)
Grants Received	83,322	-	6,440	89,762
Tap Fees	156,538	46,424	-	202,962
Debt Principal Payments	(11,080)	-	-	(11,080)
Debt Interest Payments	<u>(266)</u>	<u>-</u>	<u>141,322</u>	<u>141,056</u>
Net Cash Used by Capital and Related Financing Activities	<u>166,294</u>	<u>38,612</u>	<u>147,762</u>	<u>352,668</u>
Net Change in Cash and Cash Equivalents	<u>5,993</u>	<u>(71,904)</u>	<u>63,265</u>	<u>(2,646)</u>
Cash and Cash Equivalents, Beginning of year	<u>237,149</u>	<u>94,079</u>	<u>(70,558)</u>	<u>260,670</u>
Cash and Cash Equivalents, End of year	<u>\$ 243,142</u>	<u>\$ 22,175</u>	<u>\$ (7,293)</u>	<u>\$ 258,024</u>
Reconciliation of Net Operating Income to Net Cash Provided by Operating Activities:				
Net Operating Income	\$ (169,311)	\$ (139,850)	\$ (83,565)	\$ (392,726)
Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities				
Depreciation Expense	59,351	45,262	1,100	105,713
Changes in Assets and Liabilities Related to Operations				
Accounts Receivable	(23,686)	(8,493)	(762)	(32,941)
Inventories	(21,139)	148	-	(20,991)
Accounts Payable	<u>(5,516)</u>	<u>(7,583)</u>	<u>(1,270)</u>	<u>(14,369)</u>
Net Cash Provided by Operating Activities	<u>\$ (160,301)</u>	<u>\$ (110,516)</u>	<u>\$ (84,497)</u>	<u>\$ (355,314)</u>

Town of Silverton, Colorado

Notes to Financial Statements

December 31, 2022

Note 1: Summary of Significant Accounting Policies

The Town of Silverton, Colorado (the Town) was organized under Colorado State Statutes in 1876. The Town operates under the direction of an elected Board of Trustees and Mayor, and provides for public safety (law enforcement and fire), highways and streets, water and sanitation, culture and recreation, public improvements, planning and zoning, and general administrative services. In addition, the Town has negotiated agreements with San Juan County for providing law enforcement in the Town and for providing refuse removal and other services to the county.

The financial statements of the Town of Silverton, Colorado have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Town's accounting policies are described below.

Reporting Entity

In accordance with governmental accounting standards, the Town has considered the possibility of inclusion of additional entities in its basic financial statements.

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 governmental organizations that are fiscally dependent upon it.

Based on the application of these criteria, the Town does not include additional organizations in its reporting entity.

On January 1, 2012, the Silverton - San Juan Fire Authority (The Authority) was created in accordance with Colorado State Statutes. Through December 31, 2011, San Juan County paid for fire expenditures, with the Town reimbursing the County for 50% of those costs. Beginning in 2012, both the County and the Town make quarterly payments to the Authority based upon the annual budget approved by the Authority. The Town exercises no control over the Authority, and thus the Authority is not a component unit of the Town.

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 nonfiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

Town of Silverton, Colorado

Notes to Financial Statements

December 31, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

Government-wide and Fund Financial Statements (Continued)

The statement of net position reports all financial, capital and debt resources of the Town. The difference between assets, liabilities and deferred inflows of the Town is net position.

The statement of activities demonstrates the degree to which the direct expenses of the given function or segments 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 and proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

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. Revenues are recorded when earned and expenses are recorded 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 60 days of the end of the current fiscal period.

Property taxes, specific ownership taxes, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and 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.

Town of Silverton, Colorado

Notes to Financial Statements

December 31, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

(Continued)

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 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 required to be accounted for in another fund.

The Town also reports the following major proprietary fund:

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 sanitation services.

The *Refuse Fund* accounts for the financial activities associated with providing trash and refuse services.

The Town reports the following non-major governmental funds:

The *Conservation Trust Fund* accounts for the revenues from the State's Conservation Trust Fund to be spent for maintenance and services of Town parks and recreation areas.

The *Molas Lake Park Fund* accounts for operations, maintenance and construction of Molas Lake campgrounds and dam.

The *Cemetery Fund* accounts for maintenance costs of the community cemetery.

Cash and Investments

Cash equivalents include investments with original maturities of three months or less. Investments are recorded at fair value.

Town of Silverton, Colorado

Notes to Financial Statements

December 31, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

Capital Assets

Capital assets, which include property and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 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 estimated fair market value at the date of donation.

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

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

Building and Improvements	10 – 50 years
Infrastructure	15 – 25 years
Water and Sewer Systems	40 – 50 years
Furniture and Equipment	5 – 15 years
Vehicles	7 – 10 years

Compensated Absences

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 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 proprietary fund type 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 type statement of net assets. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

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

Town of Silverton, Colorado

Notes to Financial Statements

December 31, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent.

The classifications used in the governmental fund financial statements are as follows:

Nonspendable - This classification includes amounts that are not in spendable form (such as inventory or prepaid expenses) or are required to be maintained intact.

Restricted - This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The Town has classified Emergency Reserves as being restricted because their use is restricted by State Statute for declared emergencies. In addition, the Town has classified the fund balance in the Conservation Trust Fund as restricted because their use is restricted by State Statute.

Committed - This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Trustees. These amounts cannot be used for any other purpose unless the Board of Trustees removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Town's committed resources are presented in the governmental fund balance sheet as of December 31, 2022.

Unassigned - This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The Town would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned.

Town of Silverton, Colorado

Notes to Financial Statements

December 31, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

Net Position

The government-wide and business-type fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted, and unrestricted. Net investment in capital assets is intended to reflect the portion of net position, which is associated with non-liquid, capital assets less outstanding capital asset related debt. The net related debt is the debt less the outstanding liquid assets and any associated unamortized cost. Restricted net position is liquid assets, which have third party limitations on their use. Unrestricted net position represents assets that do not have any third-party limitations on their use.

Property Taxes

Property taxes are levied on November 1 and attach as an enforceable lien on property on January 1. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer's office collects property taxes and remits to the Town on a monthly basis.

Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred revenue are recorded at December 31. As the tax is collected in the succeeding year, the deferred revenue is recognized as revenue and the receivable is reduced.

Subsequent Events

The Town has evaluated subsequent events through July 31, 2023, the date the financial statements were available to be issued.

Note 2: Stewardship, Compliance and Accountability

Budgets and Budgetary Accounting

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

- In October, the Town staff 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.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 15, the budget is legally enacted through passage of an ordinance.
- The Town Administration is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the Town Council.

Town of Silverton, Colorado

Notes to Financial Statements

December 31, 2022

Note 2: Stewardship, Compliance and Accountability (Continued)

Budgets and Budgetary Accounting (Continued)

- Budgets are legally adopted for all funds of the Town. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). The Budgetary comparison presented for the Enterprise Fund is presented on a non-GAAP budgetary basis. Capital outlay and debt payments are budgeted as expenditures and depreciation is not budgeted.
- Budgeted amounts in the financial statements 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.

Note 3: Cash and Investments

A summary of deposits and investments as of December 31, 2022 follows:

Petty Cash	\$	500
Cash Deposits		1,998,110
Investments		502,672
Total	\$	<u>2,501,282</u>

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of Federal Deposit Insurance Corporation (FDIC) levels must be collateralized by eligible collateral as determined by the PDPA. The FDIC insures depositors' accounts up to \$250,000 for each financial institution. The 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 102% of the uninsured deposits. At December 31, 2022, the Town had deposits with financial institutions with a carrying amount of \$2,003,724. The bank balances with the financial institutions totaling \$2,003,724 of which \$500,000 were covered by the FDIC and \$1,482,041 were collateralized with securities held by the financial institution's agent but not in the Town's name.

Town of Silverton, Colorado

Notes to Financial Statements

December 31, 2022

Note 3: Cash and Investments (Continued)

Investments

The Town does not have a formal investment policy; however, the Town follows state statutes regarding investments. The Town generally limits its concentration risk of investments to Local Government Investment Pools, obligations of the United States and certain U.S. government agency securities, which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk. Additionally, the Town is not subject to concentration of risk for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Trustees. Such actions are generally associated with a debt service reserve or sinking fund requirements.

State statutes specify investment instruments meeting defined rating, maturity, and concentration risk criteria in which local governments may invest, which include the following.

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

During the year ended December 31, 2022, the Town closed its account with ColoTrust and invested the funds in a series of Certificates of Deposits (CD) ranging from \$50,000 to \$100,000. All CDs have an original maturity of 3 years maturing on March 25, 2025.

Interest Rate Risk - State statutes generally limit investments to an original maturity of five years unless the governing board authorizes the investment for a period in excess of five years. The Town does not have a policy for managing credit risk or interest rate risk.

Town of Silverton, Colorado
Notes to Financial Statements
December 31, 2022

Note 4: Interfund Transfers

Interfund transfers for the year ended December 31, 2022, consisted of the following:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Library Fund	\$ 120,000
General Fund	Refuse	141,322
Total		<u>\$ 261,322</u>

During the year ended December 31, 2022, the Water Fund, Sewer Fund, Refuse Fund and Molas Lake Fund transferred amounts to the General Fund for administrative costs and fees.

Note 5: Capital Assets

Capital assets activity for the year ended December 31, 2022 is summarized below:

	<u>Balance 12/31/21</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/22</u>
Governmental Activities				
<i>Capital Assets, Not Being Depreciated</i>				
Land	\$ 246,218	\$ 430,000	\$ -	\$ 676,218
Construction in Progress	<u>3,678</u>	<u>402,035</u>	<u>(3,678)</u>	<u>402,035</u>
Total Capital Assets, Not Being Depreciated	<u>249,896</u>	<u>832,035</u>	<u>(3,678)</u>	<u>1,078,253</u>
<i>Capital Assets, Being Depreciated</i>				
Buildings and Improvements	7,425,218	76,263	-	7,501,481
Furniture and Equipment	112,330	-	-	112,330
Vehicles	102,760	-	-	102,760
Machinery and Equipment	<u>1,054,345</u>	<u>51,725</u>	<u>-</u>	<u>1,106,070</u>
Total Capital Assets, Being Depreciated	<u>\$ 8,694,653</u>	<u>\$ 127,988</u>	<u>\$ -</u>	<u>\$ 8,822,641</u>
<i>Less Accumulated Depreciation</i>				
Buildings and Improvements	\$ (5,628,792)	\$ (212,037)	\$ -	\$ (5,840,829)
Furniture and Equipment	(112,330)	-	-	(112,330)
Vehicles	(69,720)	(9,351)	-	(79,071)
Machinery and Equipment	<u>(289,529)</u>	<u>(68,852)</u>	<u>-</u>	<u>(358,381)</u>
Total Accumulated Depreciation	<u>(6,100,371)</u>	<u>(290,240)</u>	<u>-</u>	<u>(6,390,611)</u>
Total Capital Assets, Being Depreciated, net	<u>2,594,282</u>	<u>(162,252)</u>	<u>-</u>	<u>2,432,030</u>
Governmental Activities Capital Assets, net	<u>\$ 2,844,178</u>	<u>\$ 669,783</u>	<u>\$ (3,678)</u>	<u>\$ 3,510,283</u>

Town of Silverton, Colorado
Notes to Financial Statements
December 31, 2022

Note 5: Capital Assets (Continued)

Depreciation expense was charged to functions/programs of the Town as follows:

Governmental Activities	
General Government	\$ 96,680
Public Safety	3,068
Public Works	88,856
Culture and Recreation	101,514
Cemetery	122
	<u> </u>
Total	<u>\$ 290,240</u>

Capital assets Business-Type activity for the year ended December 31, 2022 is summarized below:

	<u>Balance 12/31/21</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/22</u>
Business-Type Activities				
<i>Capital Assets, Not Being Depreciated</i>				
Land	\$ 670	\$ -	\$ -	\$ 670
Total Capital Assets, <i>Not Being Depreciated</i>	<u>670</u>	<u>-</u>	<u>-</u>	<u>670</u>
<i>Capital Assets, Being Depreciated</i>				
Distribution and Collection	3,201,060	70,032	-	3,271,092
Machinery and Equipment	494,993	-	-	494,993
Buildings	222,775	-	-	222,775
Total Capital Assets, <i>Being Depreciated</i>	<u>3,918,828</u>	<u>70,032</u>	<u>-</u>	<u>3,988,860</u>
Total Capital Assets	<u>3,919,498</u>	<u>70,032</u>	<u>-</u>	<u>3,989,530</u>
Less: Accumulated depreciation				
Distribution and Collection	(2,060,408)	(57,134)	-	(2,117,542)
Machinery and Equipment	(223,628)	(45,262)	-	(268,890)
Buildings	(17,844)	(3,317)	-	(21,161)
Business-Type Activities Capital Assets, <i>net</i>	<u>\$ 1,617,618</u>	<u>\$ (35,681)</u>	<u>\$ -</u>	<u>\$ 1,581,937</u>

Depreciation expense was charged to functions/programs of the Town as follows:

Business-type Activities	
Water	\$ 57,134
Sewer	45,262
Refuse	3,317
	<u> </u>
Total	<u>\$ 105,713</u>

Town of Silverton, Colorado
Notes to Financial Statements
December 31, 2022

Note 6: Long-Term Debt

Governmental Activities

Following is a summary of long-term debt transactions for the governmental activities for the year ended December 31, 2022.

Governmental Activities	Balance 12/31/21	Additions	Deletions	Balance 12/31/22	Due Within One Year
Capital leases					
Snow Groomer	\$ 7,421	\$ -	\$ (7,421)	\$ -	\$ -
Chevy Tahoe	2,267	-	(2,267)	-	-
Chevy Silverado	12,978	-	(6,339)	6,639	6,640
PB Snow Groomer	42,159	-	(10,314)	31,845	10,617
Kubota Tractor	9,605	-	(9,605)	-	-
Cat Motor Grader	264,120	-	(27,550)	236,570	28,446
Cat Wheel Loader #1	151,280	-	(21,204)	130,076	21,893
Cat Wheel Loader #2	147,509	-	(23,181)	124,328	23,935
Columbine Park Facility	-	785,000	(85,000)	700,000	65,000
Canon Copier	-	14,325	(1,735)	12,590	2,699
	637,339	799,325	(194,616)	1,242,048	159,230
Compensated Absences	19,714	71,760	(66,714)	24,760	-
Total	\$ 657,053	\$ 871,085	\$ (261,330)	\$ 1,266,808	\$ 159,230

Accrued Compensated Absences are being paid from resources generated by the General Fund.

Capital Leases

The Town has entered into several capital lease agreements to purchase vehicles and equipment which will be paid from revenues of the General Fund. These leases require interest to be paid ranging from 3.0% to 4.35%. These leases mature in varying years through 2031. Total governmental assets capitalized under leases at December 31, 2022 is \$1,516,143 with accumulated amortization of \$341,122.

Following is a schedule of the future minimum lease payments required under the outstanding capital lease obligations at December 31, 2022:

Year Ended December 31,	Principal	Interest	Total
2023	\$ 159,228	\$ 47,879	\$ 207,107
2024	158,435	374	158,809
2025	213,587	249	213,836
2026	287,745	119	287,864
2027	78,053	11	78,064
2028-2031	345,000	38,324	383,324
Total	\$ 1,242,048	\$ 86,956	\$ 1,329,004

Town of Silverton, Colorado

Notes to Financial Statements

December 31, 2022

Note 6: Long-Term Debt (Continued)

Business-Type Activities (Continued)

Following is a summary of long-term debt transactions for the business-type activities for the year ended December 31, 2022.

Business-Type Activities	Balance 12/31/21	Additions	Deletions	Balance 12/31/22	Due Within One Year
Capital leases					
Water Dispenser	\$ 5,316	\$ -	\$ (2,592)	\$ 2,724	\$ 2,723
CWRPDA Loan	229,165	-	(8,488)	220,677	8,488
Total	\$ 234,481	\$ -	\$ (11,080)	\$ 223,401	\$ 11,211

Capital Lease

The Town entered into a capital lease for a Water Dispenser which will be paid out of the Water Fund. The lease requires interest at 5.0% and matures in 2023. Total business-type assets capitalized under leases at December 31, 2022 is \$171,550 with accumulated amortization of \$104,556.

Following is a schedule of the future minimum lease payments required under the outstanding capital lease agreement:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 2,724	\$ 136	\$ 2,860
Total	\$ 2,724	\$ 136	\$ 2,860

Note Payable

The Town obtained a loan from the Colorado Water and Power Development Authority (CWRPDA) Drinking Water Revolving Fund - Disadvantaged Communities on May 21, 2018. The loan agreement requires 60 semi-annual installments of \$5,305 paid by the Water Fund. On January 22, 2019, CWRPDA forgave \$62,770 of the principal outstanding, leaving an outstanding loan principal of \$251,082 as of January 22, 2019.

Town of Silverton, Colorado

Notes to Financial Statements

December 31, 2022

Note 6: Long-Term Debt (Continued)

Business-Type Activities (Continued)

The annual requirements to service this loan as of December 31, 2022 are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 8,488	\$ -	\$ 8,488
2024	8,488	-	8,488
2025	8,488	-	8,488
2026	8,488	-	8,488
2027	8,488	-	8,488
2028-2032	42,438	-	42,438
2033-2037	42,438	-	42,438
2038-2042	42,438	-	42,438
2043-2047	42,438	-	42,438
2048	8,485	-	8,485
Total	\$ <u>220,677</u>	\$ <u>-</u>	\$ <u>220,677</u>

Note 7: Retirement Commitments

Deferred Compensation Plan

The Town offers its employees a deferred compensation plan through an agent multiemployer public retirement system, the Colorado County Officials and Employees Retirement Association, which is a defined contribution plan. The plan is available to all Town employees and requires that employees contribute 3% of their annual compensation. The Town matches employee contributions up to 3% of eligible salary and this contribution is fully vested after 10 years of service. During the year ended December 31, 2022, the Town contributions were \$11,855 equal to the required contribution.

Note 8: 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 involved with 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 provision 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, property, and workers compensation coverages and to assist members in preventing and reducing losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees and officers.

Town of Silverton, Colorado

Notes to Financial Statements

December 31, 2022

Note 8: 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 the ability to significantly affect the operations of entity.

Note 9: Commitments and Contingencies

Litigation

The Town is not involved in any pending and threatened litigation as of December 31, 2022.

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 government. In November 1996, voters within the Town approved the collection, retention, and expenditure of all the revenues generated by the Town in 1996 and subsequent years through 2019, notwithstanding the provisions of the Amendment. No such election took place during 2020 to continue this provision, but revenues for 2020 remained in compliance with TABOR limitations.

The Town has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2022, the emergency reserve of \$136,400 was recorded in the General Fund.

Note 10: Intergovernmental Agreements

San Juan County

The Town shares various municipal services with San Juan County. The Town and County approve annual agreements to reimburse costs (less any funding received from grants or contracts) paid by the opposite entity. The actual agreements are included in the Town's annual budget document. The Town makes monthly payments to the County for 1/12 of the budgeted costs; actual final audited costs are calculated in the ensuing year, with an additional amount either paid to or received from the County.

Town of Silverton, Colorado

Notes to Financial Statements

December 31, 2022

Note 10: Intergovernmental Agreements (Continued)

San Juan County (Continued)

The following table summarizes these transactions:

Service	Direct Cost Paid by Town of Silverton	Direct Cost Paid by San Juan County	% Split
Ambulance		X	50%
Fire Protection		X	50%
Fire Truck/Ambulance Insurance for vehicles titled by each entity	X	X	50%
Land Use Planning	X		50%
Building Inspector	X		50%
Code Enforcement	X		50%
Carriage House Operations, Maintenance, Insurance	X		50%
Transfer Station	X		50%
Law Enforcement (Sheriff)		X	50%

Silverton - San Juan Fire and Rescue Authority

The Town entered into an intergovernmental agreement with San Juan County to share the cost of fire protection services. The Town's contribution to the Silverton - San Juan Fire and Rescue Authority in 2022 was \$41,900.

The Town makes contributions to the Statewide defined benefit plan entitled Silverton San Juan Volunteer Fire Department Pension Fund, administered by the Fire and Police Protection Association of Colorado (FPPA). FPPA administers the plan and manages the benefits under the plan which is a cost-sharing, multiple-employer defined benefit pension plan. The statewide defined benefit plan provides benefits for members. The Town makes contributions based upon Town established benefits and funding requirements in accordance with an actuarial study obtained by FPPA. Plan members do not make contributions. The Town's net contributions to the FPPA plan for 2022 was \$0. Additional contributions are received from the State of Colorado and San Juan County.

Required Supplementary Information

Town of Silverton, Colorado
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended December 31, 2022

	Original	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes				
Property Taxes	\$ 308,745	\$ 308,745	\$ 309,863	\$ 1,118
Specific Ownership Taxes	23,041	23,041	24,897	1,856
General Sales Taxes	1,036,218	1,542,412	1,581,235	38,823
Franchise Taxes	29,353	29,353	35,330	5,977
Severance	1,400	1,400	150	(1,250)
Other Taxes	15,325	15,325	14,378	(947)
Penalties, Interest and Delinquent Taxes	1,899	1,899	2,032	133
Total Taxes	<u>1,415,981</u>	<u>1,922,175</u>	<u>1,967,885</u>	<u>45,710</u>
Licenses and Permits				
Liquor Licenses	3,925	3,925	4,814	889
Professional and Business Licenses	19,000	19,000	30,437	11,437
Lodging and Vacation Rental Fees	83,945	83,945	91,707	7,762
Building Permits	50,000	50,000	69,042	19,042
Other Permits	375	375	225	(150)
Total Licenses and Permits	<u>157,245</u>	<u>157,245</u>	<u>196,225</u>	<u>38,980</u>
Intergovernmental				
Additional Motor Vehicle Registration	4,829	4,829	-	(4,829)
Road and Bridge	4,890	4,890	5,430	540
Highway Users	37,661	37,661	38,848	1,187
Grant	59,768	706,018	651,469	(54,549)
Total Intergovernmental	<u>107,148</u>	<u>753,398</u>	<u>695,747</u>	<u>(57,651)</u>
Fine and Forfeits	<u>11,175</u>	<u>11,175</u>	<u>7,963</u>	<u>(3,212)</u>
Other Revenues				
Earnings on Investments	600	600	3,160	2,560
Administrative Fees	642,325	642,325	634,052	(8,273)
Contributions and Donations	-	-	200	200
Other Miscellaneous	10,983	10,983	84,333	73,350
Charges for Service	3,325	3,325	71,497	68,172
Rents and Leases	79,718	79,718	63,307	(16,411)
Total Other Revenue	<u>736,951</u>	<u>736,951</u>	<u>856,549</u>	<u>119,598</u>
Total Revenues	<u>2,428,500</u>	<u>3,580,944</u>	<u>3,724,369</u>	<u>143,425</u>

(Continued)

Town of Silverton, Colorado
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended December 31, 2022
 (Continued)

	Original	Final Budget	Actual	Variance Positive (Negative)
Expenditures				
Current				
General Government				
Town Board	\$ 46,829	\$ 46,829	\$ 33,080	\$ 13,749
Municipal Court	11,594	11,594	9,140	2,454
Town Administrator	104,850	104,850	108,998	(4,148)
Partner Organizations	40,000	40,000	37,190	2,810
Town Clerk / Treasurer	142,628	142,628	173,123	(30,495)
Elections	2,751	2,751	-	2,751
Financial Administration	13,700	67,200	21,969	45,231
Legal Services	40,056	40,056	41,910	(1,854)
Planning Director	133,522	133,522	138,547	(5,025)
General Government Operations	148,675	148,675	191,911	(43,236)
Visitor's Center Operations	70,026	70,026	66,615	3,411
Town Hall	35,145	35,145	40,787	(5,642)
Grants	40,000	1,152,444	1,054,497	97,947
Total General Government	<u>829,776</u>	<u>1,995,720</u>	<u>1,917,767</u>	<u>77,953</u>
Public Safety				
Law Enforcement	298,300	298,300	327,267	(28,967)
Fire Protection	52,572	52,572	60,900	(8,328)
Carriage House	12,264	12,264	12,110	154
Building Inspector	122,028	122,028	100,638	21,390
Total Public Safety	<u>485,164</u>	<u>485,164</u>	<u>500,915</u>	<u>(15,751)</u>
Public Works				
Public Works Personnel	467,710	467,710	414,896	52,814
Street Maintenance	187,587	224,987	244,596	(19,609)
Lease Payments	140,266	140,266	224,558	(84,292)
Total Public Works	<u>795,563</u>	<u>832,963</u>	<u>884,050</u>	<u>(51,087)</u>
Culture and Recreation				
Recreation	214,753	214,753	238,176	(23,423)
Park Administration	183,500	915,530	525,053	390,477
Kendall Mountain Park	210,536	210,536	47,476	163,060
Library	141,773	141,773	132,633	9,140
Total Culture and Recreation	<u>750,562</u>	<u>1,482,592</u>	<u>943,338</u>	<u>539,254</u>
Special Events				
Personnel	61,072	61,072	61,921	(849)
Other Operating	22,750	22,750	88,523	(65,773)
Event Expense	3,500	3,500	3,500	-
Total Special Events	<u>87,322</u>	<u>87,322</u>	<u>153,944</u>	<u>(66,622)</u>
Total Expenditures	<u>2,948,387</u>	<u>4,883,761</u>	<u>4,400,014</u>	<u>483,747</u>

(Continued)

See Accompanying Independent Auditor's Report.

Town of Silverton, Colorado
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended December 31, 2022
 (Continued)

	Original	Final Budget	Actual	Variance Positive (Negative)
Excess Revenues Over (Under) Expenditures	\$ (519,887)	\$ (1,302,817)	\$ (675,645)	\$ 627,172
Other Financing Sources (Uses)				
Transfers	-	(141,322)	(141,322)	-
Proceeds from Capital Leases	-	822,930	799,325	(23,605)
Net Change in Fund Balance	(519,887)	(621,209)	(17,642)	603,567
Fund Balance, Beginning of year	1,003,577	1,003,577	1,952,702	949,125
Fund Balance, End of year	\$ 483,690	\$ 382,368	\$ 1,935,060	\$ 1,552,692

Town of Silverton, Colorado
Notes to Required Supplementary Information
December 31, 2022

Note 1: Stewardship, Compliance, and Accountability

Budgets

Budgets are legally adopted for all funds of the Town. Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons for the proprietary fund are presented on a non-GAAP budgetary basis, whereby capital outlay and debt principal are budgeted as expenditures.

The Town follows these procedures to establish the budgetary information reflected in the financial statements:

- Management submits to the Town Board a proposed budget for the fiscal year commencing the following January 1. The budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally enacted through passage of a resolution.
- Management is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the Town Board.
- All appropriations lapse at year end.

Supplementary Information

Town of Silverton, Colorado
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2022

	Conservation Trust Fund	Molas Lake Park Fund	Cemetery Fund	Total
Assets				
Cash and Investments	\$ 63,075	\$ 284,703	\$ 50,349	\$ 398,127
Total Assets	\$ 63,075	\$ 284,703	\$ 50,349	\$ 398,127
Liabilities				
Accounts Payable	\$ -	\$ 357	\$ -	\$ 357
Total Liabilities	-	357	-	357
Fund Balance				
Restricted	63,075	254,346	50,349	367,770
Committed for Future Capital Outlay	-	30,000	-	30,000
Total Fund Balance	63,075	284,346	50,349	397,770
Total Liabilities and Fund Balance	\$ 63,075	\$ 284,703	\$ 50,349	\$ 398,127

Town of Silverton, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds

	Conservation Trust Fund	Molas Lake Park Fund	Cemetery Fund	Total
Revenues				
Intergovernmental	\$ 7,981	\$ -	\$ -	\$ 7,981
Charges for Services	-	203,382	8,750	212,132
Investment Income	39	-	-	39
Total Revenues	<u>8,020</u>	<u>203,382</u>	<u>8,750</u>	<u>220,152</u>
Expenditures				
General Government	-	-	2,280	2,280
Culture and Recreation	-	143,829	-	143,829
Total Expenditures	<u>-</u>	<u>143,829</u>	<u>2,280</u>	<u>146,109</u>
Net Change in Fund Balance	8,020	59,553	6,470	74,043
Fund Balance, Beginning of year	<u>55,055</u>	<u>224,793</u>	<u>43,879</u>	<u>323,727</u>
Fund Balance, End of year	<u>\$ 63,075</u>	<u>\$ 284,346</u>	<u>\$ 50,349</u>	<u>\$ 397,770</u>

Town of Silverton, Colorado
 Budgetary Comparison Schedule
 Conservation Trust Fund
 For the Year Ended December 31, 2022

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental Revenue	\$ 6,000	\$ 7,981	\$ 1,981
Investment Income	-	39	39
 Total Revenues	 6,000	 8,020	 2,020
Net Change in Fund Balance	6,000	8,020	2,020
 Fund Balance, Beginning of year	 53,009	 55,055	 2,046
 Fund Balance, End of year	 \$ 59,009	 \$ 63,075	 \$ 4,066

Town of Silverton, Colorado
 Budgetary Comparison Schedule
 Molas Lake Park Fund
 For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Charges for Services	\$ 186,075	\$ 200,754	\$ 203,382	\$ 2,628
Total Revenues	<u>186,075</u>	<u>200,754</u>	<u>203,382</u>	<u>2,628</u>
Expenditures				
Culture and Recreation	<u>165,774</u>	<u>180,453</u>	<u>143,829</u>	<u>36,624</u>
Total Expenditures	<u>165,774</u>	<u>180,453</u>	<u>143,829</u>	<u>36,624</u>
Net Change in Fund Balance	20,301	20,301	59,553	39,252
Fund Balance, Beginning of year	<u>195,266</u>	<u>195,266</u>	<u>224,793</u>	<u>29,527</u>
Fund Balance, End of year	<u>\$ 215,567</u>	<u>\$ 215,567</u>	<u>\$ 284,346</u>	<u>\$ 68,779</u>

Town of Silverton, Colorado
 Budgetary Comparison Schedule
 Cemetery Fund
 For the Year Ended December 31, 2022

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Charges for Services	\$ 3,000	\$ 8,750	\$ 5,750
Donations	-	-	-
Total Revenues	3,000	8,750	5,750
Expenditures			
General Government	5,000	2,280	2,720
Total Expenditures	5,000	2,280	2,720
Net Change in Fund Balance	(2,000)	6,470	8,470
Fund Balance, Beginning of year	35,480	43,879	8,399
Fund Balance, End of year	\$ 33,480	\$ 50,349	\$ 16,869

Town of Silverton, Colorado
 Budgetary Comparison Schedule
 Water Fund
 For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Charges For Services	\$ 288,000	\$ 288,000	\$ 270,027	\$ (17,973)
Tap Fees	31,520	43,620	39,129	(4,491)
Grant Revenue	84,000	96,100	83,322	(12,778)
Other Revenue	-	-	88	88
Total Revenue	<u>403,520</u>	<u>427,720</u>	<u>392,566</u>	<u>(35,154)</u>
Expenses				
Administration and General	350,380	350,380	346,526	3,854
Utilities	11,067	11,067	8,299	2,768
Operations and Maintenance	165,224	201,559	64,379	137,180
Capital Outlay	-	-	62,220	(62,220)
Total Expenses	<u>526,671</u>	<u>563,006</u>	<u>481,424</u>	<u>81,582</u>
Net Operating Income	<u>(123,151)</u>	<u>(135,286)</u>	<u>(88,858)</u>	<u>46,428</u>
Nonoperating Revenues (Expenses)				
Debt Service				
Principal Payments	(11,347)	(11,347)	(11,080)	267
Interest Payments	-	-	(266)	(266)
Total Nonoperating Revenues (Expenses)	<u>(11,347)</u>	<u>(11,347)</u>	<u>(11,346)</u>	<u>1</u>
Net Income (Loss) Before Contributed Capital	(134,498)	(146,633)	(100,204)	46,429
Contributed Capital				
Infrastructure Upgrade	<u>140,510</u>	<u>152,645</u>	<u>156,538</u>	<u>3,893</u>
Change in Net Position, Budgetary Basis	<u>\$ 6,012</u>	<u>\$ 6,012</u>	<u>56,334</u>	<u>\$ 50,322</u>
Reconciliation to GAAP Basis				
Capital Outlay			62,220	
Debt Service Principal			11,080	
Depreciation			<u>(59,351)</u>	
Change in Net Position, GAAP Basis			<u>\$ 70,283</u>	

Town of Silverton, Colorado
 Budgetary Comparison Schedule
 Sewer Fund
 For the Year Ended December 31, 2022

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Charges For Services	\$ 250,000	\$ 237,888	\$ (12,112)
Tap Fees	31,520	41,682	10,162
Grant Revenue	2,000,000	-	(2,000,000)
Other Revenue	-	2	2
Total Revenue	2,281,520	279,572	(2,001,948)
Expenses			
Administration and General	245,589	238,888	6,701
Utilities	30,782	36,205	(5,423)
Operations and Maintenance	2,071,127	99,067	1,972,060
Capital Outlay	-	7,812	(7,812)
Total Expenses	2,347,498	381,972	1,965,526
Net Operating Income	(65,978)	(102,400)	(36,422)
Net Income (Loss) Before Contributed Capital	(65,978)	(102,400)	(36,422)
Contributed Capital			
Infrastructure Upgrade	40,722	46,424	5,702
Change in Net Position, Budgetary Basis	\$ (25,256)	(55,976)	\$ (30,720)
Reconciliation to GAAP Basis			
Capital Outlay		7,812	
Depreciation		(45,262)	
Change in Net Position, GAAP Basis		\$ (93,426)	

Town of Silverton, Colorado
 Budgetary Comparison Schedule
 Refuse Fund
 For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Charges For Services	\$ 225,000	\$ 225,000	\$ 210,980	\$ (14,020)
Other Revenue	4,000	4,000	6,440	2,440
Transfers In	-	-	141,322	141,322
Total Revenue	229,000	229,000	358,742	129,742
Expenses				
Operations and Maintenance	23,730	26,730	25,755	975
Contracted Services	230,000	297,787	267,690	30,097
Total Expenses	253,730	324,517	293,445	31,072
<i>Budgetary Basis</i>	\$ (24,730)	\$ (95,517)	65,297	\$ 160,814
Reconciliation to GAAP Basis				
Depreciation			(1,100)	
Change in Net Position, GAAP Basis			\$ 64,197	

Compliance Section

State Compliance

LOCAL HIGHWAY FINANCE REPORT	STATE: COLORADO
	YEAR ENDING (mm/yy): 12/22

This Information From The Records Of: Silverton, Colorado	Prepared By: Matt Green, Town Clerk
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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. EXPENDITURES FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway expenditures:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	\$ -
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	\$ 236,549.00
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	\$ 8,047.54
2. General fund appropriations	\$ 245,709.03	b. Snow and ice removal	\$ 62,234.00
3. Other local imposts (from page 2)	\$ 23,163.67	c. Other	\$ -
4. Miscellaneous local receipts (from page 2)	\$ 11,227.44	d. Total (a. through c.)	\$ 70,281.54
5. Transfers from toll facilities		4. General administration & miscellaneous	\$ 12,118.00
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	\$ 318,948.54
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	\$ -	a. Interest	\$ -
7. Total (1 through 6)	\$ 280,100.14	b. Redemption	\$ -
B. Private Contributions		c. Total (a. + b.)	\$ -
C. Receipts from State government (from page 2)	\$ 38,848.40	2. Notes:	
D. Receipts from Federal Government (from page 2)	\$ -	a. Interest	
E. Total receipts (A.7 + B + C + D)	\$ 318,948.54	b. Redemption	
		c. Total (a. + b.)	\$ -
		3. Total (1.c + 2.c)	\$ -
		C. Payments to State for highways	\$ -
		D. Payments to toll facilities	\$ -
		E. Total expenditures (A.6 + B.3 + C + D)	\$ 318,948.54

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE (RECEIPTS AND DISBURSEMENTS ONLY)

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		\$ 318,948.54	\$ 318,948.54		\$ -

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
COLORADO
 YEAR ENDING (mm/yy):
12/22

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	\$ 23,163.67	g. Other Misc. Receipts	
6. Total (1. through 5.)	\$ 23,163.67	h. Other	\$ 11,227.44
c. Total (a. + b.)	\$ 23,163.67	i. Total (a. through h.)	\$ 11,227.44
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes (from Item I.C.5.)	\$ 38,848.40	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	\$ -	d. Federal Transit Administration	
d. DOLA Grant		e. U.S. Corps of Engineers	
e. Other		f. Other Federal	
f. Total (a. through e.)	\$ -	g. Total (a. through f.)	\$ -
4. Total (1. + 2. + 3.f)	\$ 38,848.40	3. Total (1. + 2.g)	\$ -
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

III. EXPENDITURES 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			\$ -
b. Engineering Costs			\$ -
c. Construction:			
(1). New Facilities			\$ -
(2). Capacity Improvements			\$ -
(3). System Preservation			\$ -
(4). System Enhancement And Operation			\$ -
(5). Total Construction (1)+(2)+(3)+(4)	\$ -	\$ -	\$ -
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)	\$ -	\$ -	\$ -
<i>(Carry forward to page 1)</i>			

Notes and Comments: