
Town of Silt, Colorado
Financial Statements and
Independent Auditor's Report
as of
December 31, 2024

Town of Silt
Table of Contents

	<u>Page</u>
Independent Auditor’s Report	1
Management’s Discussion and Analysis	3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	12
Statement of Activities	13
Fund Financial Statements:	
Governmental Funds Balance Sheet	14
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	15
Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances	16
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	17
Statement of Net Position-Enterprise Funds	18
Statement of Revenues, Expenses and Changes in Net Position-Enterprise Funds	19
Statement of Cash Flows-Enterprise Funds	20
Notes to Basic Financial Statements	21
Required Supplementary Information	
Schedule of Changes in Net Pension Asset	38
Schedule of Contributions to Pension Plan	39
Statement of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual:	
General Fund	40
Park Impact Fee Fund	41
Other Supplementary Information	
Combining Balance Sheet-Nonmajor Governmental Funds	42
Combining Statement of Revenues, Expenditures and Changes in Fund Balances-Nonmajor Governmental Funds	43
Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual-Governmental Funds:	
Conservation Trust	44
Construction Impact Fee Fund	45
Victim Assistance Fund	46
Beautification Fund	47
Economic Development Fund	48
Schedules of Revenues, Expenditures and Changes in Available Resources-Budget and Actual-Enterprise Funds:	
Water Fund	49
Wastewater Fund	50
Irrigation Fund	51
Housing Authority Fund	52
Local Highway Finance Report	53



INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Town of Silt, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Silt, Colorado, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Town of Silt, Colorado's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Silt, Colorado, as of December 31, 2024, 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Silt, Colorado, 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

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 Town of Silt, Colorado'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 generally accepted auditing standards 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 generally accepted auditing standards, 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 of Silt, Colorado'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 of Silt, Colorado'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, schedule of changes in net pension asset/liability, schedule of contributions to pension plan, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Silt, Colorado's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Blair and Associates, P.C.

Cedaredge, Colorado

June 2, 2025

TOWN OF SILT
Management's Discussion and Analysis
Fiscal Year Ended December 31, 2024

As management of the Town of Silt (the "Town"), we offer readers of the Town's basic financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended December 31, 2024. We encourage readers to consider the information presented here in conjunction with additional information provided in the financial statements.

FINANCIAL HIGHLIGHTS

- The Town's assets exceeded its liabilities by \$ 31,108,047 (i.e. net position) as of December 31, 2024, an increase of \$ 3,148,998 in comparison to the prior year.
- Governmental funds reported combined ending fund balances of \$ 7,418,917, a decrease of \$ 212,877 in comparison with the prior year.
- The Town's fund balance for the General Fund was \$ 6,343,515, a decrease of \$ 438,966 in comparison to the prior year.
- Total long-term liabilities increased by \$ 24,828,325 during the 2024 fiscal year with new debt issued of \$ 25,526,464.
- General property tax, sales tax, and other tax totaled \$ 3,287,128 or 86% of general revenues.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The basic statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide Financial Statements

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

The statement of net position presents information on all the Town's assets and liabilities and deferred inflow of resources, with the difference reported as net position. Over time, the increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The statement of activities presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses reported in this statement for some items will result in cash flows in future periods (e.g. uncollected taxes and earned but unused personal time).

The government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (Governmental Activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (Business-type Activities).

The Governmental Activities of the Town include general government administration, public safety, public works, and parks and recreation. The Business-type Activities of the Town include the following utilities: Water, Wastewater, Irrigation, and Silt Housing Authority Funds.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. The Town's funds can be divided into two categories: Governmental Funds and Proprietary Funds.

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

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

The Town maintains two major government funds, the General Fund and the Park Impact Fee Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund.

Proprietary Funds – The Town maintains one type of proprietary fund. Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses a separate enterprise fund to account for each of its funds: Water/Wastewater, Irrigation, and Silt Housing Authority Funds.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

As noted previously, net position may serve over time as a useful indicator of the Town's financial position. For the year ended December 31, 2024, the Town's combined assets exceeded liabilities and deferred inflow of resources by \$ 31,108,047. Of this amount, 24,865,607 is unrestricted and available to meet the Town's ongoing financial obligations.

The next largest portion of net position is the investment in capital assets (net of related debt) of \$ 5,610,762 (18% of net position). This amount reflects the investment in all capital assets (e.g. infrastructure, land, buildings, and equipment) less any related debt used to acquire those assets that are still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of debt, it should be noted that the resources needed to repay this debt must be provided from other sources since capital assets themselves cannot be used to liquidate these liabilities.

The following table summarizes the Town's governmental and business-type net assets for 2024 and 2023:

	Governmental Activities		Business Type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Assets						
Current and other assets	\$ 8,095,928	\$ 8,279,305	\$ 17,990,874	\$ 1,868,036	\$ 26,086,802	\$ 10,147,341
Capital assets	8,442,198	7,412,252	23,909,693	12,907,304	32,351,891	20,319,556
Total assets	<u>16,538,126</u>	<u>15,691,557</u>	<u>41,900,567</u>	<u>14,775,340</u>	<u>58,438,693</u>	<u>30,466,897</u>
Deferred outflows	<u>296,665</u>	<u>277,585</u>	<u>-</u>	<u>-</u>	<u>296,665</u>	<u>277,585</u>
Current liabilities	252,355	266,840	55,235	33,306	307,590	300,146
Non-current liabilities	130,931	204,804	26,759,398	1,854,556	26,890,329	2,059,360
Total liabilities	<u>383,286</u>	<u>471,644</u>	<u>26,814,633</u>	<u>1,887,862</u>	<u>27,197,919</u>	<u>2,359,506</u>
Deferred inflow of resources	<u>429,392</u>	<u>425,927</u>	<u>-</u>	<u>-</u>	<u>429,392</u>	<u>425,927</u>
Net position						
Investment in capital assets, net of related debt	8,311,267	7,207,448	(2,700,505)	11,201,948	5,610,762	18,409,396
Restricted	631,678	573,027	-	-	631,678	573,027
Unrestricted	7,079,168	7,291,096	17,786,439	1,685,530	24,865,607	8,976,626
Total net position	<u>\$ 16,022,113</u>	<u>\$ 15,071,571</u>	<u>\$ 15,085,934</u>	<u>\$ 12,887,478</u>	<u>\$ 31,108,047</u>	<u>\$ 27,959,049</u>

An additional portion of net position, \$631,678, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$ 24,865,607 (80% of net position), may be used to meet the government's ongoing obligations to citizens and creditors.

Change in Net Position

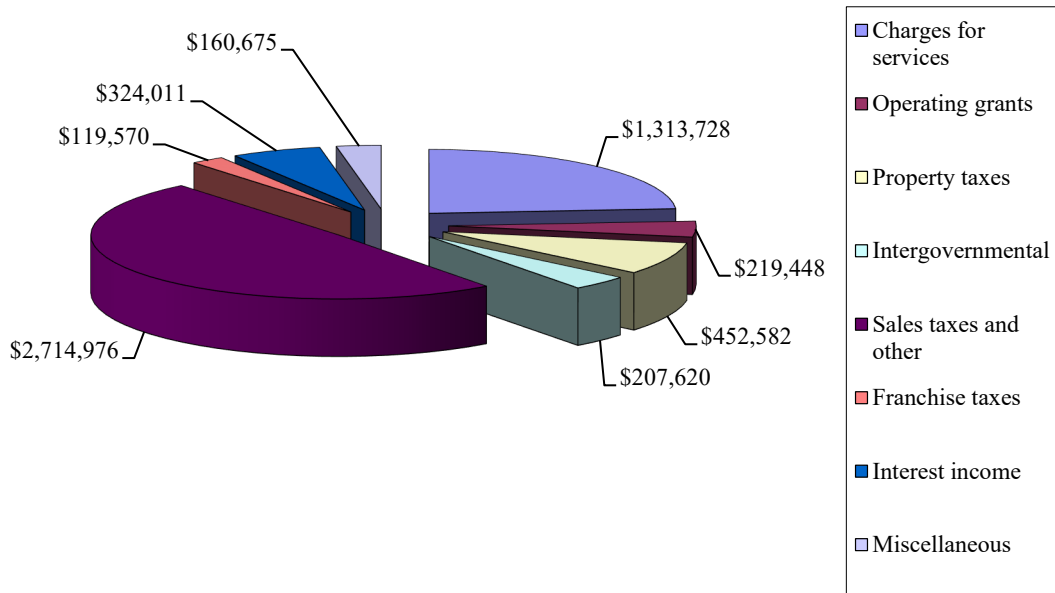
Governmental and business-type activities increased the Town's net position by \$ 950,542 in 2024.

	Governmental Activities		Business Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues						
Program revenues						
Charges for services	\$ 1,313,728	\$ 1,179,046	\$ 4,087,045	\$ 3,162,954	\$ 5,400,773	\$ 4,342,000
Operating grants	219,448	682,794	-	-	219,448	682,794
Capital grants	-	-	1,793,663	422,200	1,793,663	422,200
General revenues						
Property taxes	452,582	369,085	-	-	452,582	369,085
Intergovernmental	207,620	374,510	-	-	207,620	374,510
Sales taxes and other	2,714,976	2,520,031	-	-	2,714,976	2,520,031
Franchise taxes	119,570	128,354	-	-	119,570	128,354
Transfers	(85,000)	(74,100)	85,000	74,100	-	-
Miscellaneous	160,675	138,673	-	-	160,675	138,673
Interest income	324,011	275,774	96,254	82,269	420,265	358,043
Totals	<u>5,427,610</u>	<u>5,594,167</u>	<u>6,061,962</u>	<u>3,741,523</u>	<u>11,489,572</u>	<u>9,335,690</u>
Expenses						
General government	1,074,332	1,092,614	-	-	1,074,332	1,092,614
Public safety	1,777,553	1,372,722	-	-	1,777,553	1,372,722
Public works	1,174,572	1,240,734	3,863,506	3,287,473	5,038,078	4,528,207
Parks and recreation	450,611	328,489	-	-	450,611	328,489
Total expenses	<u>4,477,068</u>	<u>4,034,559</u>	<u>3,863,506</u>	<u>3,287,473</u>	<u>8,340,574</u>	<u>7,322,032</u>
Increase in net position	950,542	1,559,608	2,198,456	454,050	3,148,998	2,013,658
Beginning	15,071,571	13,511,963	12,887,478	12,433,428	27,959,049	25,945,391
Ending	<u>\$ 16,022,113</u>	<u>\$ 15,071,571</u>	<u>\$ 15,085,934</u>	<u>\$ 12,887,478</u>	<u>\$ 31,108,047</u>	<u>\$ 27,959,049</u>

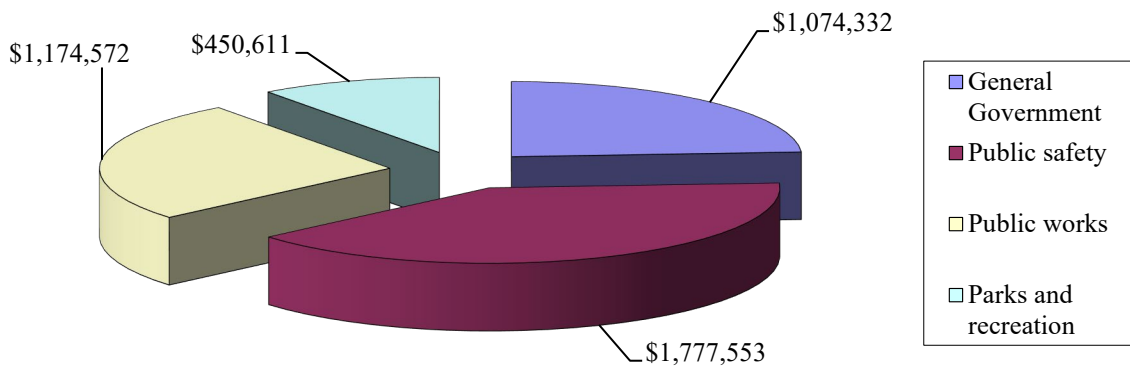
Governmental Activities

Governmental activities increased the Town's net position by \$ 950,542.

Revenues by Source-Governmental Activities



Expenses by Department-Governmental Activities



Business-type Activities

Business-type activities for the year had an increase in net position of \$ 2,198,456. Charges for services accounted for 67% of total revenues.

FINANCIAL ANALYSIS OF GOVERNMENT’S FUNDS

Governmental funds

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

As of the end of 2024, the Town’s governmental funds reported combined ending fund balances of 7,418,917, a decrease of \$ 212,877 in comparison with the prior year. Of the combined ending fund balances for all governmental funds 83% of this total amount, \$ 6,131,483, constitutes unassigned fund balance, which is available for appropriation at the Town’s discretion. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it is already committed to meet the State constitution mandated emergency reserve \$212,032, restricted for parks and recreation \$ 419,646, committed for beautification \$ 388,901, assigned for victim assistance \$ 54,184, assigned for economic development 95,322 and assigned for impact fees of \$ 117,349.

The Town has two major governmental funds, the General Fund, which is the primary operating fund for the Town, and the Park Impact Fee Fund. At the end of 2024, unassigned fund balance of the General Fund was \$ 6,131,483, while the total fund balance was \$ 6,343,515. As a measure of the General Fund’s liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. The fund balance in the Town’s General Fund decreased by \$ 438,966 during 2024.

Proprietary funds

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

The Town has four enterprise funds: Water, Wastewater, Irrigation, and Silt Housing Authority Funds. At the end of 2024, these funds represented the following net position amounts:

	<u>Water</u>	<u>Wastewater</u>	<u>Irrigation</u>	<u>Silt Housing Authority</u>
Unrestricted net position	\$ 16,010,733	\$ 1,149,333	\$ 389,278	\$ 237,095
Total net position	\$ 8,177,058	\$ 4,895,242	\$ 1,112,643	\$ 900,991
Increase (decrease) in net position	\$ 2,063,147	\$ 226,659	\$ (67,145)	\$ (24,205)

GENERAL FUND BUDGETARY HIGHLIGHTS

The Town budgeted \$ 7,890,370 for 2024 expenditures. Actual expenditures were \$ 5,549,651.

CAPITAL ASSET AND DEBT ADMINISTRATION

The Town's investment in capital assets for its governmental and business-type activities as of December 31, 2024, was \$ 32,351,891. As required by GASB 34, the investment in capital assets includes land, buildings, building improvements, and equipment.

	Balance January 1, 2024	Additions	Dispositions	Balance December 31, 2024
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 1,641,621	\$ -	\$ -	\$ 1,641,621
Construction in progress	327,528	248,470	-	575,998
	<u>1,969,149</u>	<u>248,470</u>	<u>-</u>	<u>2,217,619</u>
Capital assets being depreciated				
Buildings	1,068,578	106,988	-	1,175,566
Improvements/infrastructure	9,617,351	1,089,234	-	10,706,585
Machinery and equipment	1,655,012	152,675	-	1,807,687
Right-to-use lease	75,930	-	-	75,930
	<u>12,416,871</u>	<u>1,348,897</u>	<u>-</u>	<u>13,765,768</u>
Less accumulated depreciation				
Buildings	(904,477)	(25,000)	-	(929,477)
Improvements/infrastructure	(5,071,424)	(317,333)	-	(5,388,757)
Machinery and equipment	(972,557)	(199,778)	-	(1,172,335)
Right-tu-use amortization	(25,310)	(25,310)	-	(50,620)
	<u>(6,973,768)</u>	<u>(567,421)</u>	<u>-</u>	<u>(7,541,189)</u>
Capital asset being depreciated, net	<u>5,443,103</u>	<u>781,476</u>	<u>-</u>	<u>6,224,579</u>
Total Governmental Activities Capital Assets	<u>\$ 7,412,252</u>	<u>\$ 1,029,946</u>	<u>\$ -</u>	<u>\$ 8,442,198</u>

	Balance January 1, 2024	Additions	Dispositions	Balance December 31, 2024
Business - Type Activities				
Capital assets not being depreciated				
Land and Water Shares	\$ 731,034	\$ -	\$ -	\$ 731,034
Construction in progress	-	10,876,605	-	10,876,605
Total	<u>731,034</u>	<u>10,876,605</u>	<u>-</u>	<u>11,607,639</u>
Capital assets being depreciated				
Treatment plants	10,643,998	591,885	-	11,235,883
Distribution system	6,337,173	-	-	6,337,173
Irrigation system	1,636,387	-	-	1,636,387
Buildings	1,515,720	-	-	1,515,720
Machinery and equipment	755,142	276,248	-	1,031,390
Less accumulated depreciation	(8,712,150)	(742,349)	-	(9,454,499)
Capital assets being depreciated, net	<u>12,176,270</u>	<u>125,784</u>	<u>-</u>	<u>12,302,054</u>
Total Business-Type Activities Capital Assets	<u>\$ 12,907,304</u>	<u>\$ 11,002,389</u>	<u>\$ -</u>	<u>\$ 23,909,693</u>

Long-term Debt

As of December 31, 2024, the Town had long-term debt as follows:

	Balance January 1, 2024	Additions	Reductions	Balance December 31, 2024	Due within one year
Governmental Activities					
Lease payable - PD vehicle	\$ 107,822	\$ -	\$ (34,105)	\$ 73,717	\$ 35,912
Lease payable - Streetsweeper	45,078	-	(14,572)	30,506	15,021
Right-to-use	51,904	-	(25,196)	26,708	26,708
Total	<u>\$ 204,804</u>	<u>\$ -</u>	<u>\$ (73,873)</u>	<u>\$ 130,931</u>	<u>\$ 77,641</u>
Enterprise Activities					
Bonds payable-Series 2020	\$ 1,764,400	\$ -	\$ (427,100)	\$ 1,337,300	\$ 436,300
CWRPDA loan payable	-	25,526,464	(165,378)	25,361,086	707,334
Lease payable - Streetsweeper	90,156	-	(29,144)	61,012	30,043
Total	<u>\$ 1,854,556</u>	<u>\$ 25,526,464</u>	<u>\$ (621,622)</u>	<u>\$ 26,759,398</u>	<u>\$ 1,173,677</u>

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide the general public with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have any questions regarding this report or need additional financial information, please contact:

Town Administrator/Treasurer
Town of Silt
231 North 7th Street
P.O. Box 70
Silt, Colorado 81652
Tel: (970) 876-2353
Fax: (970) 876-2937

TOWN OF SILT, COLORADO
Statement of Net Position
December 31, 2024

	Governmental Activities	Business- Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 6,650,296	\$ 2,004,907	\$ 8,655,203
Restricted Cash	-	1,720	1,720
Property taxes receivable	424,656	-	424,656
Customer Accounts Receivables	179,668	1,192,150	1,371,818
Other receivables	484,660	-	484,660
Due from other governments	408,625	14,589,854	14,998,479
Inventories	1,066	-	1,066
Interfund balances	(53,043)	53,043	-
Bond Issuance Costs	-	149,200	149,200
Capital assets, net	8,442,198	23,909,693	32,351,891
Total assets	16,538,126	41,900,567	58,438,693
DEFERRED OUTFLOWS			
Pension deferrals	296,665	-	296,665
Total Deferred outflows	\$ 296,665	\$ -	\$ 296,665
LIABILITIES			
Accrued Payroll	\$ 218,214	\$ 32,635	\$ 250,849
Accrued Expenses	14,249	12,433	26,682
Deposits and escrows	19,892	1,500	21,392
Unearned revenue	-	4,000	4,000
Accrued Interest	-	4,667	4,667
Noncurrent liabilities:			
Due within one year	77,641	1,173,677	1,251,318
Due more than one year:	53,290	25,585,721	25,639,011
Net pension liability	-	-	-
Total liabilities	383,286	26,814,633	27,197,919
Deferred inflows of resources			
Deferred property taxes	424,656	-	424,656
Pension deferrals	4,736	-	4,736
Total Deferred inflows of resources	429,392	-	429,392
NET POSITION			
Invested in capital assets	8,311,267	(2,700,505)	5,610,762
Restricted for:			
Tabor	212,032	-	212,032
Parks and recreation	419,646	-	419,646
Unrestricted	7,079,168	17,786,439	24,865,607
Total net position	\$ 16,022,113	\$ 15,085,934	\$ 31,108,047

The accompanying notes are an integral part of this statement.

TOWN OF SILT, COLORADO
Governmental Funds
Balance Sheet
December 31, 2024

	<u>General Fund</u>	<u>Park Impact Fee Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets				
Cash unrestricted	\$ 5,653,708	\$ 255,794	\$ 740,798	\$ 6,650,300
Taxes receivable	424,656	-	-	424,656
Inventory	1,066	-	-	1,066
Customer accounts receivable	47,815	-	131,853	179,668
Other receivables	484,660	-	-	484,660
Due from other Governments	408,625	-	-	408,625
Total assets	<u>\$ 7,020,530</u>	<u>\$ 255,794</u>	<u>\$ 872,651</u>	<u>\$ 8,148,975</u>
Liabilities				
Accrued Payroll	\$ 218,214	\$ -	\$ -	\$ 218,214
Deposits and Escrows	19,892	-	-	19,892
Due to Other Funds	-	-	53,043	53,043
Total Liabilities	<u>252,362</u>	<u>-</u>	<u>53,043</u>	<u>305,405</u>
Deferred inflows of resources				
Deferred property taxes	424,656	-	-	424,656
Total Deferred inflows of resources	<u>424,656</u>	<u>-</u>	<u>-</u>	<u>424,656</u>
Fund Balance				
Restricted				
Tabor emergencies	212,032	-	-	212,032
Parks and recreation	-	255,794	163,852	419,646
Committed				
Beautification	-	-	388,901	388,901
Assigned				
Impact fees	-	-	117,349	117,349
Economic Development	-	-	95,322	95,322
Victim Assistance	-	-	54,184	54,184
Unassigned	6,131,483	-	-	6,131,483
Total Fund Equity	<u>6,343,515</u>	<u>255,794</u>	<u>819,608</u>	<u>7,418,917</u>
Total Liabilities, deferred inflows of resources and fund equity	<u>\$ 7,020,533</u>	<u>\$ 255,794</u>	<u>\$ 872,651</u>	<u>\$ 8,148,978</u>

The accompanying notes are an integral part of this statement.

TOWN OF SILT, COLORADO
Reconciliation of the Governmental Funds Balance
Sheet to the Statement of Net Position
December 31, 2024

Total fund balance, governmental funds \$ 7,418,917

Amounts reported for governmental activities in the Statement of Net Position is different because:

Capital assets used in governmental activities are not current period expenditures and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.

Cost of capital assets	\$ 15,983,388	
Less accumulated depreciation	<u>(7,541,190)</u>	8,442,198

Some liabilities, (such as Notes Payable, Capital Lease Contract Payable, Long-term Compensated Absences, and Bonds Payable), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.

Capital leases		(130,931)
----------------	--	-----------

Net pension Liability and related deferred inflows and outflows of resources are not recorded in the funds.		291,929
---	--	---------

Net Position of Governmental Activities in the Statement of Net Position		<u><u>\$ 16,022,113</u></u>
---	--	-----------------------------

The accompanying notes are an integral part of this statement.

TOWN OF SILT, COLORADO
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2024

	<u>General Fund</u>	<u>Park Impact Fee Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Taxes	\$ 3,102,471	\$ -	\$ 164,102	\$ 3,266,573
Intergovernmental	336,200	-	-	336,200
Operating Grant and Contributions	62,735	-	62,563	125,298
Licenses/Permits	173,770	-	-	173,770
Charges for services	540,224	-	-	540,224
Fines and Fees	82,473	-	23,743	106,216
Impact Fees	-	64,941	83,787	148,728
Interest	321,223	53	2,735	324,011
Administration Fees	282,504	-	-	282,504
Miscellaneous	209,085	-	-	209,085
Total revenues	<u>5,110,685</u>	<u>64,994</u>	<u>336,930</u>	<u>5,512,609</u>
EXPENDITURES				
Current:				
General government	1,032,333	-	10,040	1,042,373
Public safety	1,705,110	-	10,000	1,715,110
Public works	1,109,211	-	-	1,109,211
Parks and Recreation	299,471	-	-	299,471
Capital outlay	1,302,564	-	155,795	1,458,359
Debt Service	15,962	-	-	15,962
Total expenditures	<u>5,464,651</u>	<u>-</u>	<u>175,835</u>	<u>5,640,486</u>
Excess (deficiency) of revenues over expenditures	(353,966)	64,994	161,095	(127,877)
Other Financing Sources (Uses)				
Transfers in (out)	(85,000)	-	-	(85,000)
Other Financing Sources (Uses)	<u>(85,000)</u>	<u>-</u>	<u>-</u>	<u>(85,000)</u>
Net change in fund balance	(438,966)	64,994	161,095	(212,877)
Fund balance, January 1	<u>6,782,481</u>	<u>190,800</u>	<u>658,513</u>	<u>7,631,794</u>
Fund balance, December 31	<u>\$ 6,343,515</u>	<u>\$ 255,794</u>	<u>\$ 819,608</u>	<u>\$ 7,418,917</u>

The accompanying notes are an integral part of this statement.

TOWN OF SILT, COLORADO
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures,
and Changes in Fund Balances to the Statement of Activities
For the Year Ended December 31, 2024

Net change in fund balances - total governmental funds \$ (212,877)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Fixed assets current additions	\$ 1,597,368	
Depreciation expense	<u>(567,422)</u>	
Excess of capital outlay over depreciation		1,029,946

Repayment of long-term debt principal is reported as an expenditure in the governmental funds but reduces long-term liabilities in the statement of net position.		73,873
---	--	--------

Pension expenses not in current year		<u>59,599</u>
--------------------------------------	--	---------------

Change in net position of governmental funds		<u><u>\$ 950,541</u></u>
---	--	---------------------------------

The accompanying notes are an integral part of this statement.

TOWN OF SILT, COLORADO
Statement of Net Position
Enterprise Funds
December 31, 2024

ASSETS	Water	Wastewater	Irrigation	Silt Housing Authority	Total Enterprise Funds
Current Assets:					
Cash	\$ 401,769	\$ 1,024,084	\$ 364,967	\$ 214,087	\$ 2,004,907
Restricted Cash	860	860	-	-	1,720
Accounts receivable, net	1,040,501	152,799	27,773	24,120	1,245,193
Due from State	14,589,854	-	-	-	14,589,854
Total current assets	16,032,984	1,177,743	392,740	238,207	17,841,674
Capital assets:					
Water Shares	362,745	-	29,176	-	391,921
Land	32,078	152,915	-	154,120	339,113
Property, plant and Equipment	10,648,443	7,684,354	1,918,248	1,505,510	21,756,555
Construction in progress	10,876,605	-	-	-	10,876,605
Less accumulated depreciation	(3,783,157)	(3,482,057)	(1,193,553)	(995,734)	(9,454,501)
Total capital assets	18,136,714	4,355,212	753,871	663,896	23,909,693
Intangible Asset -Bond Issuance Costs	74,600	74,600	-	-	149,200
Total Assets	\$ 34,244,298	\$ 5,607,555	\$ 1,146,611	\$ 902,103	\$ 41,900,567
LIABILITIES					
Current liabilities:					
Accounts payable	\$ -	\$ 12,046	\$ -	\$ -	\$ 12,046
Deposits	1,500	-	-	-	1,500
Accrued payroll	14,030	14,031	3,462	1,112	32,635
Accrued Interest	2,334	2,333	-	-	4,667
Other Accrued Liabilities	387	-	-	-	387
Unearned revenues	4,000	-	-	-	4,000
Current maturities of long term debt					
Bonds payable	218,150	218,150	-	-	436,300
Loans payable	707,334	-	-	-	707,334
Lease payable	7,511	7,511	15,021	-	30,043
Total current liabilities	955,246	254,071	18,483	1,112	1,228,912
Noncurrent Liabilities					
Bonds payable	450,500	450,500	-	-	901,000
Loans payable	24,653,752	-	-	-	24,653,752
Lease payable	7,742	7,742	15,485	-	30,969
Total noncurrent liabilities	25,111,994	458,242	15,485	-	25,585,721
Net Position					
Invested in capital assets, net of related debt	(7,833,675)	3,745,909	723,365	663,896	(2,700,505)
Unrestricted	16,010,733	1,149,333	389,278	237,095	17,786,439
Total Net Position	\$ 8,177,058	\$ 4,895,242	\$ 1,112,643	\$ 900,991	\$ 15,085,934

TOWN OF SILT, COLORADO
Statement of Revenues, Expenses and Changes in Net Position
Enterprise Funds
Year Ended December 31, 2024

	<u>Water</u>	<u>Wastewater</u>	<u>Irrigation</u>	<u>Silt Housing Authority</u>	<u>Total</u>
Operating Revenues					
Charges for services	\$ 2,143,215	\$ 1,314,476	\$ 276,347	\$ 279,858	\$ 4,013,896
Other	36,575	36,574	-	-	73,149
Total operating revenues	<u>2,179,790</u>	<u>1,351,050</u>	<u>276,347</u>	<u>279,858</u>	<u>4,087,045</u>
Operating Expenses					
Operations	705,210	599,468	165,590	217,008	1,687,276
Administration	408,129	408,129	165,336	81,959	1,063,553
Depreciation	361,123	270,897	67,738	42,591	742,349
Total operating expenses	<u>1,474,462</u>	<u>1,278,494</u>	<u>398,664</u>	<u>341,558</u>	<u>3,493,178</u>
Operating income (loss)	<u>705,328</u>	<u>72,556</u>	<u>(122,317)</u>	<u>(61,700)</u>	<u>593,867</u>
Nonoperating revenues (expenses)					
Interest income	41,440	41,439	-	13,375	96,254
Interest expense	(345,602)	(23,336)	(1,390)	-	(370,328)
Total nonoperating revenues (expenses)	<u>(304,162)</u>	<u>18,103</u>	<u>(1,390)</u>	<u>13,375</u>	<u>(274,074)</u>
Income (loss) before transfers and and Capital Contributions	401,166	90,659	(123,707)	(48,325)	319,793
Contributions and Transfers					
Tap fees	120,000	120,000	3,562	-	243,562
Other grants and contributions	1,525,981	-	-	24,120	1,550,101
Transfers in (out)	16,000	16,000	53,000	-	85,000
Total Contributions and Transfers	<u>1,661,981</u>	<u>136,000</u>	<u>56,562</u>	<u>24,120</u>	<u>1,878,663</u>
Change in net position	2,063,147	226,659	(67,145)	(24,205)	2,198,456
Total net position, January 1	<u>6,113,911</u>	<u>4,668,583</u>	<u>1,179,788</u>	<u>925,196</u>	<u>12,887,478</u>
Total net position, December 31	<u>\$ 8,177,058</u>	<u>\$ 4,895,242</u>	<u>\$ 1,112,643</u>	<u>\$ 900,991</u>	<u>\$ 15,085,934</u>

TOWN OF SILT, COLORADO
Statement of Cash Flows
Enterprise Funds
Year Ended December 31, 2024

	<u>Water</u>	<u>Wastewater</u>	<u>Irrigation</u>	<u>Silt Housing Authority</u>	<u>Total Enterprise Funds</u>
Cash Flows From Operating Activities					
Cash received from customer and others	\$ 2,161,210	\$ 1,331,333	\$ 275,452	\$ 279,858	\$ 4,047,853
Cash payments for personnel	(705,210)	(599,468)	(165,590)	(217,008)	(1,687,276)
Cash payments for goods and services	(403,833)	(390,017)	(165,825)	(81,949)	(1,041,624)
Net cash provided (used) by operating activities	<u>1,052,167</u>	<u>341,848</u>	<u>(55,963)</u>	<u>(19,099)</u>	<u>1,318,953</u>
Cash Flows from Noncapital Financing Activities					
Transfers from (to) other funds	16,000	16,000	53,000	-	85,000
Net cash provided (used) by noncapital financing activities	<u>16,000</u>	<u>16,000</u>	<u>53,000</u>	<u>-</u>	<u>85,000</u>
Cash Flows from Capital and Related Financing Activities					
Receipt of capital contributions	120,000	120,000	3,562	-	243,562
Fixed Assets purchased, less gain on sale	(11,068,623)	(607,885)	(14,835)	(53,395)	(11,744,738)
Capital grants	1,525,981	-	-	24,120	1,550,101
(Increase) decrease in capital grants receivable	(816,467)	-	-	(24,120)	(840,587)
Loan proceeds	25,526,464	-	-	-	25,526,464
(Increase) decrease in due from State	(14,589,854)	-	-	-	(14,589,854)
Long term debt payment- principal	(386,214)	(220,836)	(14,572)	-	(621,622)
Long term debt payment- interest	(345,602)	(23,336)	(1,390)	-	(370,328)
Net cash provided (used) by capital and related financing activities	<u>(34,315)</u>	<u>(732,057)</u>	<u>(27,235)</u>	<u>(53,395)</u>	<u>(847,002)</u>
Cash Flows from Investing Activities					
Interest on investments	41,440	41,439	-	13,375	96,254
Net Cash provided by Investing Activities	<u>41,440</u>	<u>41,439</u>	<u>-</u>	<u>13,375</u>	<u>96,254</u>
Net increase (decrease) in cash and equivalents	1,075,292	(332,770)	(30,198)	(59,119)	653,205
Cash balances, January 1	(672,663)	1,357,714	395,165	273,206	1,353,422
Cash balances, December 31	<u>\$ 402,629</u>	<u>\$ 1,024,944</u>	<u>\$ 364,967</u>	<u>\$ 214,087</u>	<u>\$ 2,006,627</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ 705,328	\$ 72,556	\$ (122,317)	\$ (61,700)	\$ 593,867
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation expense	361,123	270,897	67,738	42,591	742,349
Assets (increase) decrease:					
Accounts receivables	(18,580)	(19,717)	(895)	-	(39,192)
Liabilities increase (decrease):					
Payroll liabilities	4,296	6,066	(489)	10	9,883
Accounts payable	-	12,046	-	-	12,046
Total adjustments	<u>346,839</u>	<u>269,292</u>	<u>66,354</u>	<u>42,601</u>	<u>725,086</u>
Net cash provided (used) by operating activities	<u>\$ 1,052,167</u>	<u>\$ 341,848</u>	<u>\$ (55,963)</u>	<u>\$ (19,099)</u>	<u>\$ 1,318,953</u>

Town of Silt
Notes to the Financial Statements
December 31, 2024

Note 1 - Summary of Significant Accounting Policies

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

A. Financial Reporting Entity

The Town is a home rule municipality with a mayor and council form of government that are elected by the voters. As required by accounting principles generally accepted in the United States of America, these financial statements present the Town of Silt (the primary government). The Town has no oversight responsibility for any other governmental entity since no other entities are considered to be controlled by or dependent on the Town. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respective governing body.

B. Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the activities of the Town. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes, charges for services and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on user charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to those 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.

C. Fund Financial Statements

The accounts of the Town are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

All governmental funds are accounted for on a flow of current financial resources basis. Balance sheets for these funds generally include only current assets and current liabilities. Reported fund balances are considered a measure of available, spendable resources. Operating statements for these funds present a summary of available, spendable resources and expenditures for the period.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Town of Silt
Notes to the Financial Statements
December 31, 2024

Note 1 - Summary of Significant Accounting Policies (continued)

C. Fund Financial Statements (continued)

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 Park Impact Fee Fund, which accounts for the collection of park fees to be used to improve the local parks. The major revenue sources are fees and grants. Expenditures include park maintenance and capital outlay.

Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. Enterprise funds are considered major funds because of community interests in the activities and sources of funding supporting these operations.

Enterprise 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 an enterprise fund’s principal ongoing operations. The principal operating revenues of the Town are charges for water, sewer, and irrigation fees, and rental income. Operating expenses for the enterprise funds include purchased services, utilities, repairs and maintenance, supplies, insurance and depreciation cost. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Town reports the following major enterprise fund business-type activities:

- Water, Wastewater, Irrigation and Silt Housing Authority Funds, which account for all operations of the Town’s water, wastewater, irrigation and housing authority services. They are primarily financed by user charges.

D. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the enterprise fund financial statements. Revenues are recorded when earned and expenses are recorded when a 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.

The modified accrual basis of accounting is used by all governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. Exceptions to this general rule include principal and interest on general long-term debt which is recognized when due, and compensated absences which are recognized when the obligations are expected to be liquidated with expendable available resources.

Town of Silt
Notes to the Financial Statements
December 31, 2024

Note 1 - Summary of Significant Accounting Policies (continued)

D. Measurement Focus and Basis of Accounting (continued)

Those revenues susceptible to accrual are interest revenue and charges for services. Entitlement revenues are not susceptible to accrual because generally, they are not measurable until received. Grant revenues are recognized as they are earned.

The accrual basis of accounting is utilized by enterprise funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

E. Cash and Cash Equivalents

For the purposes of the statement of cash flows of the enterprise funds, cash and cash equivalents consist of operating and restricted cash and highly liquid securities with an initial maturity of three months or less.

F. Investments

Money market funds are stated at cost, which is equal to fair market value.

G. Use of 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 reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

H. Property Taxes

Property taxes for the current year are levied and attached as a lien on property the following January 1. They are payable in full by April 30 or in two equal installments due February 28 and June 15. Property taxes levied in the current year and collected in the following year are reported as a receivable at December 31. However, since the taxes are not available to pay current liabilities, the receivable is recorded as deferred inflow of resources in the governmental and enterprise funds.

I. Capital Assets

Capital assets, which include property, equipment and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capitalized assets are defined by the Town as assets that have a useful life of one or more years, and for which the initial, individual value equals or exceeds \$ 5,000.

All purchased assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that does not add to the value of an asset or materially extend asset life is not capitalized.

Town of Silt
Notes to the Financial Statements
December 31, 2024

Note 1 - Summary of Significant Accounting Policies (continued)

I. Capital Assets (continued)

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

<u>Asset Class</u>	<u>Useful Life</u>
Buildings	40 years
Utility Plant and System	40 years
Distribution System	5-40 years
Machinery and Equipment	5-20 years
Infrastructure	10-20 years

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

Under GASB 34 the town is not required to retroactively report on infrastructure assets before June 30, 2004. Therefore, infrastructure assets before that date are not shown on the financial statements.

J. Long-Term Liabilities

In the government-wide financial statements, and enterprise fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or enterprise fund type statement of net position.

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 expenditures.

K. Compensated Absences

Vacation shall begin accruing at the end of the employee's first six months of continuous employment. During the first through fourth year of continuous employment, excluding the first six months, full-time employees, including law enforcement personnel, shall accrue vacation time at a rate of 3.076 hours per pay period, equal to 80 hours per year. During the fifth through ninth year of continuous employment, vacation time shall accrue at a rate of 4.615 hours per pay period, equal to 120 hours per year. After ten years of continuous employment, vacation shall accrue at a rate of 6.153 hours per pay period, equal to 160 hours per year. After ten years of continuous employment for exempt employees' vacation shall accrue at a rate of 7.691 hours per pay period, equal to 200 hours per year. Full-time employees and police officers shall accrue paid sick leave at a rate of 3.692 hours per pay period, equal to 96 hours per year, commencing after the first two weeks of employment. Sick leave accumulates eight hours per month. As of January 2022, The Town will pay a % of accrued sick leave based on length of employment, as a benefit upon termination after a minimum of two years of employment. Unused sick leave benefits will be allowed to accumulate indefinitely.

Town of Silt
Notes to the Financial Statements
December 31, 2024

Note 1 - Summary of Significant Accounting Policies (continued)

L. Net Position

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition or construction of improvements on those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

M. Interfund Transactions

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. At year end, outstanding balances between funds are reported as “due to/from other funds.” Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

N. Encumbrances

The Town does not use an encumbrance system for budgetary control.

O. Accounts Receivable

The Town considers accounts receivable for water and sewer to be fully collectible because the Town can place liens on the individual properties; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

P. Fund Equity

In the governmental fund financial statements, governmental funds report the following classifications of fund balance:

- Non-spendable fund balance amounts that are not in spendable form (such as inventory) or are required to be maintained intact;
- Restricted fund balance-amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions or by enabling legislation;
- Committed fund balance-amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint;
- Assigned fund balance-amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance-amounts that are available for any purpose; positive amounts are reported only in the general fund.

Town of Silt
Notes to the Financial Statements
December 31, 2024

Note 1 - Summary of Significant Accounting Policies (continued)

P. Fund Equity (continued)

When expenditures are incurred for purposes for which both restricted and unrestricted net position are available, the Town considers restricted funds to have been spent first. When expenditures are incurred for which committed, assigned, or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Town Council has provided otherwise in its commitment or assignment actions.

Note 2 - Reconciliation of Government-wide and Fund Financial Statements

The governmental funds balance sheet includes reconciliation between fund balances total governmental funds and net position - governmental activities as reported in the government-wide statement of net position. Additionally, the governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net change in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. The enterprise fund statement of net position and statement of revenues, expenses and changes in net position also includes reconciliation to the government-wide statement of net position and activities.

These reconciliations detail items that require adjustment to convert from the current resources' measurement and modified accrual basis for governmental fund statements to the economic resources measurement and full accrual basis used for government-wide statements. However, certain items having no effect on measurement and basis of accounting were eliminated from the governmental fund statements during the consolidation of governmental activities.

Note 3 - Tax, Spending and Debt Limitations

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments, excluding "enterprises."

The Town's voters on November 1996, approved a ballot measure to permit the Town to collect, retain and expend all revenues and other funds collected in 1996 and each subsequent year thereafter, for capital projects and other municipal services without limiting in any year the amount of the other revenues that may be collected and expended by the Town of Silt in excess of the limits of Article X, Section 20 of the Colorado Constitution. This measure, however, did not remove limits on property taxes.

The Amendment is complex and subject to judicial interpretation. The Town believes it is in compliance with the requirements of the amendment.

The Amendment requires that an emergency reserve be maintained at three percent of fiscal year spending. A portion of the General Fund's fund balance is classified as restricted for emergencies as required by the Amendment.

Town of Silt
Notes to the Financial Statements
December 31, 2024

Note 4 - Budgets

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

- A. By September of each year, the administrator gives public notice of the budget calendar for the next fiscal year. The administrator asks that all Town departments, boards, commissions, or citizens submit within thirty days from the notice any request for funds under the budget being prepared. The administrator then prepares a proposed budget for the ensuing fiscal year and submits it to the Council no later than forty-five days prior to any date required by state law for the certification to the County of the tax levy.
- B. The budget provides a complete financial plan of all Town funds and activities for the ensuing fiscal year indicating anticipated revenues, proposed operating and capital expenditures, a provision for contingencies, and anticipated net surplus or deficit for the ensuing fiscal year.
- C. A public hearing on the proposed budget is held by the Council in early December.
- D. The Council adopts the budget by resolution on or before the final day established by law for the certification of the ensuing year's tax levy to the County. Adoption of the budget by the Council shall constitute appropriations of the amounts specified therein as expenditures from the funds indicated and shall constitute a levy of the property tax therein proposed.
- E. If during the fiscal year the administrator determines that there are expenses in excess of those estimated in the budget, the Council by resolution may make supplemental appropriations for the year up to the amount of such excess. To meet an emergency affecting public property, health, peace or safety, the Council may make emergency appropriations. If at any time during the fiscal year it appears probable to the administrator that the revenues available will be insufficient to meet the amount appropriated, the administrator reports to the Council, indicating the estimated amount of deficit, any remedial action already taken, and a recommendation as to any other steps to be taken. Any time during the fiscal year the administrator may transfer part or all of any unencumbered appropriation balance within a department.
- F. Budget appropriations lapse at the end of each year.
- G. Expenditures may not exceed appropriations at the fund level. Budget amounts included in the financial statements are based on the final amended budget. There no revisions made to the original budgeted expenditures for the year. The district could be in violation of Colorado budget law because expenditures exceeded budgetary amount in the Water Fund and Wastewater Fund.
- H. Budgets for governmental funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP), except for long-term receivables and advances and capital lease financing which are budgeted when liquidated rather than when the receivable/liability is incurred. Budgets for enterprise funds are adopted on a basis consistent with the spending measurement focus of the governmental funds.
- I. Budget for the Enterprise Funds are adopted on a basis consistent with the Governmental Funds.

Town of Silt
Notes to the Financial Statements
December 31, 2024

Note 5 - Deposits and Investments

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local governments deposit cash in eligible public depositories; eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to the aggregate uninsured deposits. Collateral in the pool is considered to be equal to depository insurance pursuant to definitions listed in GASB Statement No. 40. At December 31, 2024, the bank balance of the Town's deposits was \$ 1,861,489 of which \$ 251,720 was covered by federal depository insurance and \$ 1,609,769 was collateralized under PDPA.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest. Authorized investments include obligations of the United States and certain U.S. government agency securities; certain international agency securities; general obligation and revenue bonds of U.S. local government entities; bankers' acceptances of certain banks; commercial paper; local government investment pools; written repurchase agreements collateralized by certain authorized securities; certain money market funds; and guaranteed investment contracts. The Town has no formal investment policy. At December 31, 2024 the Town's investments included funds held in Colotrust and CSAFE.

During the year ended December 31, 2024, the Town invested funds in Colotrust and CSAFE. As investment pools, they operate under the Colorado Revised Statutes (24-75-701) and are overseen by the Colorado Securities Commissioner. They invested in securities that are specified by Colorado Revised Statutes (24-75601). Authorized securities include U.S. Treasuries, U.S. Agencies, commercial paper (rated A1 or better) and bank deposits (collateralized through PDPA). The pool operates similar to a money market fund with a share value equal to \$1.00 and a maximum weighted average maturity of 1 day. These funds are rated AAAM by the Standard and Poor's Corporation.

Investments

	<u>12/31/2024</u>	<u>Credit Rating</u>
Investments Measured at Amortized Costs		
CSAFE	\$6,117,203	AAAM
Investments Measured at Net Asset Value		
ColoTrust	1,089,027	AAAM
Total Investments	<u>\$7,206,230</u>	

Town of Silt
Notes to the Financial Statements
December 31, 2024

Note 5 - Deposits and Investments (continued)

The composition of all cash and cash investments held by the Town at December 31, 2024 is as follows:

Cash on hand	\$ 3,408
Cash in bank	1,445,565
Investments	<u>7,206,230</u>
Total cash and investments	<u>\$ 8,655,203</u>

Note 6 - Interfund Transactions

Interfund receivable and payable balances as of December 31, 2024, are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Water/Wastewater	Economic Development	\$ 53,043

The outstanding balance between funds result mainly from the time lag between the date of payments between funds are made and borrowing from the pooled cash account.

Note 7 - Contingent liabilities

Risk management

The Town is exposed to various risks of loss related to torts; theft of, damages to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town pays an annual premium to CIRSA Property/Casualty and Workers' Compensation for its general liability and workmen's compensation insurance coverage. The agreement with CIRSA will be self-sustaining through member premiums. CIRSA rate-setting policies are established by the Board of Directors, in consultation with independent actuaries. The Board of Directors may credit member municipalities' future contributions in the event of a surplus. Although it has never occurred, CIRSA member municipalities are subject to a supplemental assessment in the event of a deficiency.

There were no settlements exceeding insurance coverage over the last three years.

Town of Silt
Notes to the Financial Statements
December 31, 2024

Note 8 - Long-Term Liabilities

Schedule of Long-Term Debt

	Balance January 1, 2024			Balance December 31, 2024		Due within one year
	Additions	Reductions				
Governmental Activities						
Lease payable - PD vehicle	\$ 107,822	\$ -	\$ (34,105)	\$ 73,717		\$ 35,912
Lease payable - Streetsweeper	45,078	-	(14,572)	30,506		15,021
Right-to-use lease	51,904	-	(25,196)	26,708		26,708
Total	<u>\$ 204,804</u>	<u>\$ -</u>	<u>\$ (73,873)</u>	<u>\$ 130,931</u>		<u>\$ 77,641</u>
Enterprise Activities						
Bonds payable-Series 2020	\$ 1,764,400	\$ -	\$ (427,100)	\$ 1,337,300		\$ 436,300
CWRPDA loans payable *	-	25,526,464	(165,378)	25,361,086		707,334
Lease payable - Streetsweeper	90,156	-	(29,144)	61,012		30,043
Total	<u>\$ 1,854,556</u>	<u>\$ 25,526,464</u>	<u>\$ (621,622)</u>	<u>\$ 26,759,398</u>		<u>\$ 1,173,677</u>

* Includes \$8,645,000 in loan forgiveness that will be recognized in 2025.

Bonds payable-Series 2020

The Town issued Water and Wastewater Revenue Refunding Bonds in 2020 to pay off the 2011 Wastewater Revenue Bonds. The bonds are due in semi-annual installments through 2027 with interest varying from 2.2%.

Bonds and interest payments are payable only from income derived by the Town from operation of the wastewater system. Principal and interest requirements for this bond issue are as follows:

	Principal	Interest	Totals
2025	\$ 436,300	\$ 29,002	\$ 465,302
2026	445,700	19,610	465,310
2027	455,300	10,016	465,316
Total	<u>\$ 1,337,300</u>	<u>\$ 58,628</u>	<u>\$ 1,395,928</u>

Street Sweeper

The Town borrowed \$224,165 on a capital lease to be used for the purchase of a street sweeper. Payments are due in yearly installments of \$ 47,886.74 commencing on April 1, 2022 with a final payment due April 1, 2026 with interest at 3.10%.

Payments are split between the General Fund, Water Fund, Wastewater Fund, and Irrigation Fund. Lease payable balances are maintained in each fund based on each fund's proportional share of the asset.

	Principal	Interest	Totals
2025	45,064	2,823	47,887
2026	46,454	1,433	47,887
	<u>\$ 91,518</u>	<u>\$ 4,256</u>	<u>\$ 95,774</u>

Town of Silt
Notes to the Financial Statements
December 31, 2024

Note 8 - Long-Term Liabilities (continued)

Colorado Water Resources and Power Development Authority (CWRPDA)

The Town received two loans from (CWRPDA) for the purpose of replacing the water treatment plant.

The first loan was for \$12,691,668 and is payable in semi-annual installments in February and August and maturing in August 2044. This loan carries a rate of interest that varies between 1% and 3.5%.

The second loan was for \$12,834,796 and is payable in semi-annual installments of \$123,315.76 in May and November and maturing in November 2043. This loan has a forgiveness amount of \$8,645,000 that will be recognized in 2025 and will result in a reduction of the principal balance to \$ 4,189,796. This loan carries a rate of interest of 1.6%.

Principal and interest payments for both loans after December 31, 2024 are as follows:

	Principal	Interest	Total
2025	\$ 189,012	\$ 347,369	\$ 536,381
2026	707,334	344,351	1,051,685
2027	726,597	326,278	1,052,875
2028	745,024	307,897	1,052,921
2029	760,921	289,208	1,050,129
2030-2034	4,093,179	1,160,047	5,253,226
2035-2039	4,581,974	676,938	5,258,912
2040-2044	4,912,045	248,093	5,160,138
Total	<u>\$ 16,716,086</u>	<u>\$ 3,700,181</u>	<u>\$ 20,416,267</u>

Police Vehicles

The Town borrowed \$146,177 on a capital lease to be used for the purchase of two police vehicles. Payments are due in yearly installments of \$ 39,818.91 commencing on January 13, 2023 with a final payment due January 13, 2026 with interest at 5.95%. Principal and interest requirements for this bond issue are as follows:

	Principal	Interest	Totals
2025	\$ 35,912	\$ 3,907	\$ 39,819
2026	37,805	2,014	39,819
	<u>\$ 73,717</u>	<u>\$ 5,921</u>	<u>\$ 79,638</u>

Right-to-Use:

The Town entered into an agreement with Huntington Technology Finance for use of laptop computers to be used in the police vehicles. The town will made a payment of \$24,026 upon signing the lease with payments due on January 25 in 2024 and 2025 of \$28,310 for use of the equipment. The equipment will remain the property of Huntington Technology Finance for the duration of and at the conclusion of the lease.

	Principal	Interest	Totals
2025	26,708	1,602	28,310

Town of Silt
Notes to the Financial Statements
December 31, 2024

Note 9 - Defined Contribution Plan

All eligible employees participate in the Colorado Retirement Association (CRA) (the Plan), a defined contribution plan, authorized by state statute. The Plan is a tax qualified plan under Section 401(a) of the Internal Revenue Code and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

Employees are eligible for participation after one year of employment. Employee contributions are 100% vested immediately upon employee participation in the plan and employer contributions are 100% vested after five years.

Note 10 - Defined Compensation Plan

The Town must contribute 7% of the compensation of each participant. Each participant contributes a minimum amount equal to the Town's contribution and is permitted to make additional contributions not to exceed 10% of their compensation. Total payroll for the Town was \$2,532,409 while covered payroll was \$1,574,551. For the year ended December 31, 2024, employee contributions totaled \$101,883 and Town contributions totaling \$101,883.

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. The Plan may be amended by resolution of the Town Council, but it may not be amended beyond the limits established by state statute.

Complete financial statements for the retirement plans may be obtained from the CRA, 4949 S. Syracuse St., Suite 400, Denver, Colorado, 80237.

The Town also offers its employees an additional voluntary deferred compensation plan created in accordance with Internal Revenue Code 457(f), administered by Colorado Retirement Association (CRA) (the Plan).

The Plan permits the employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergencies. The Town has no other liability other than to make the required monthly contribution.

Note 11 - Defined Benefit Plan

The Town's police officers participate in the Statewide Defined Benefit Plan (SWDB), which is a cost-sharing multiple-employer defined benefit pension plan. The Plan is administered by the Fire & Police Pension Association of Colorado (FPPA). FPPA issues a publicly available comprehensive annual financial report that can be obtained on FPPA's website at <http://www.fppaco.org>.

A member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55. Effective January 1, 2021, a member may also qualify for a normal retirement pension if the member's combined years of service and age equals at least 80, with a minimum age of 55 (Rule of 80).

Town of Silt
Notes to the Financial Statements
December 31, 2024

Note 11 - Defined Benefit Plan

Defined Benefit Plan- SWDB (continued)

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members currently covered under Social Security will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefits paid to retired members are evaluated and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).

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

Contribution rates for employers and members may be increased equally by the FPPA Board of Directors upon approval through an election by both the employers and members.

In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of pensionable earnings. Employer contributions will increase 0.5 percent annually beginning in 2021 through 2030 to a total of 13.0 percent of pensionable earnings. In 2022, members of the SWDB plan and their employers are contributing at the rate of 12 percent and 9.5 percent, respectively, of pensionable earnings for a total contribution rate of 21.5 percent.

Contributions from members and employers of departments reentering the system are established by resolution and approved by the FPPA Board of Directors. The member and employer contribution rates will increase through 2030 as described above for the non-reentering departments. Effective January 1, 2021, reentry departments may submit a resolution to the FPPA Board of Directors to reflect the actual cost of reentry by department. Each reentry department is responsible to remit contributions to the plan in accordance with their most recent FPPA Board of Directors approved resolution.

The contribution rate for members and employers of affiliated social security employers is 6.0 percent and 4.5 percent, respectively, of pensionable earnings for a total contribution rate of 10.5 percent in 2021. Per the 2014-member election, members of the affiliate social security group had their required contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of pensionable earnings. Employer contributions will increase 0.25 percent annually beginning in 2021 through 2030 to a total of 6.5 percent of pensionable earnings.

Town of Silt
Notes to the Financial Statements
December 31, 2024

Note 11 - Defined Benefit Plan

Defined Benefit Plan- SWDB (continued)

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

At December 31, 2024, the Entity reported a net pension liability of \$ 0. The net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At December 31, 2023, the Town's proportion was 0.03590%, which was an increase of 0.00166% from its proportion of 0.03424% measured as of December 31, 2022.

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resource. For the year ended December 31, 2024, the Town recognized pension expense of \$20,087 related to the SWDB.

At December 31, 2024, the Entity reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 98,573	\$ 4,736
Changes in assumptions	57,176	-
Net difference between projected and actual earnings		
on pension plan investments	70,766	-
Contributions subsequent to the measurement date	70,150	-
Total	\$ 296,665	\$ 4,736

The SWDB plan reported \$202,373 as deferred outflows of resources related to pensions resulting from the Town contributions subsequent to the measurement date will be recognized as an increase in net position asset in the year ended December 31, 2024.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2024	\$ 38,271
2025	\$ 56,534
2026	\$ 80,828
2027	\$ 10,980
2028	\$ 13,549
Thereafter	\$ 21,617

The actuarial valuations for the Statewide Retirement Plan were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2023. The valuations used the following actuarial assumption and other inputs:

Town of Silt
Notes to the Financial Statements
December 31, 2024

Note 11 - Defined Benefit Plan

Defined Benefit Plan- SWDB (continued)

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % of payroll, Open
Amortization Period	30 years
Long-term Investment rate of return*	7.0%
Projected Salary Increases	4.25%-11.25%
Cola adjustment	0.0%
*Includes Inflation At	2.5%

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the Pub-2010 Safety Health Annuitant Mortality Tables projected with the ultimate values of the MP-2020 projection scale. The pre-retirement off-duty mortality tables are adjusted to 60% of the MP=2020 mortality tables for active employees. The on-duty mortality rate is 0.00015.

For determining the actuarially determined contributions, the post-retirement mortality tables for non-disabled retirees uses the Pub-2010 Safety Healthy Annuitant Mortality Tables projected with the ultimate values of the MP-2020 projection scale. The pre-retirement off-duty mortality tables are adjusted to 60% of the MP-2020 mortality tables for active employees. The on-duty mortality rate is 0.00015.

At least every five years the FPPA’s Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2022 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA’s actuaries, Gabriel, Roeder, Smith & Company, based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2023. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent). Best estimates of arithmetic real rates of return for each major asset class included in the Fund’s target asset allocation as of December 31, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global Equity	35%	8.33%
Equity Long/Short	6%	7.27%
Private Markets	34%	10.31%
Fixed Income- Rates	10%	5.35%
Fixed Income- Credit	5%	5.89%
Absolute Return	9%	6.39%
Cash	1%	4.32%
Total	100.00%	

Town of Silt
Notes to the Financial Statements
December 31, 2024

Note 11 - Defined Benefit Plan

Defined Benefit Plan- SWDB (continued)

Projected benefit payments are required to be discounted to their actuarial present values using a single discount rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan’s fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan’s projected fiduciary net position is not sufficient to pay benefits).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 3.77 percent (based on the weekly rate closest to but not later than the measurement date of the “state & local bonds” rate from Federal Reserve statistical release (H.15)); and the resulting single discount rate is 7.00 percent.

Regarding the sensitivity of the net pension liability/(asset) to changes in the single discount rate, the following presents the plan’s net pension liability/(asset), calculated using a single discount rate of 7.00 percent, as well as what the plan’s net pension liability/(asset) would be if it were calculated using a single discount rate that is one percent lower or one percent higher:

1% Decrease	Single Discount Rate Assumption	1% Increase
6.00%	7.00%	8.00%
\$290,235	\$ -	\$ -

Note 12 - Capital Assets

	Balance January 1, 2024	Additions	Dispositions	Balance December 31, 2024
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 1,641,621	\$ -	\$ -	\$ 1,641,621
Construction in progress	327,528	248,470	-	575,998
	1,969,149	248,470	-	2,217,619
Capital assets being depreciated				
Buildings	1,068,578	106,988	-	1,175,566
Improvements/infrastructure	9,617,351	1,089,234	-	10,706,585
Machinery and equipment	1,655,012	152,675	-	1,807,687
Right-to-use lease	75,930	-	-	75,930
	12,416,871	1,348,897	-	13,765,768
Less accumulated depreciation				
Buildings	(904,477)	(25,000)	-	(929,477)
Improvements/infrastructure	(5,071,424)	(317,333)	-	(5,388,757)
Machinery and equipment	(972,557)	(199,778)	-	(1,172,335)
Right-to-use amortization	(25,310)	(25,310)	-	(50,620)
	(6,973,768)	(567,421)	-	(7,541,189)
Capital asset being depreciated, net	5,443,103	781,476	-	6,224,579
Total Capital Assets	\$ 7,412,252	\$ 1,029,946	\$ -	\$ 8,442,198

Town of Silt
Notes to the Financial Statements
December 31, 2024

Note 12 - Capital Assets (continued)

	Balance January 1, 2024	Additions	Dispositions	Balance December 31, 2024
Business - Type Activities				
Capital assets not being depreciated				
Land and Water Shares	\$ 731,034	\$ -	\$ -	\$ 731,034
Construction in progress	-	10,876,605	-	10,876,605
Total	<u>731,034</u>	<u>10,876,605</u>	<u>-</u>	<u>11,607,639</u>
Capital assets being depreciated				
Treatment plants	10,643,998	591,885	-	11,235,883
Distribution system	6,337,173	-	-	6,337,173
Irrigation system	1,636,387	-	-	1,636,387
Buildings	1,515,720	-	-	1,515,720
Machinery and equipment	755,142	276,248	-	1,031,390
Less accumulated depreciation	<u>(8,712,150)</u>	<u>(742,349)</u>	<u>-</u>	<u>(9,454,499)</u>
Capital assets being depreciated, net	<u>12,176,270</u>	<u>125,784</u>	<u>-</u>	<u>12,302,054</u>
 Total Business-Type Activities Capital Assets	 <u>\$ 12,907,304</u>	 <u>\$ 11,002,389</u>	 <u>\$ -</u>	 <u>\$ 23,909,693</u>

Depreciation was charged to governmental activity functions/programs as follows:

General government	\$ 17,806
Public safety	151,752
Public works	311,268
Parks and recreation	<u>86,596</u>
Total	<u>\$ 567,422</u>

Depreciation was charged to the Enterprise Funds as follows:

Water Fund	\$ 361,123
Wastewater Fund	270,897
Irrigation Fund	67,738
Silt Housing Authority	<u>42,591</u>
Total	<u>\$ 742,349</u>

TOWN OF SILT, COLORADO
Schedule of Change in Net Pension Liability/(Asset)
For the Year Ended December 31, 2024

Measurement Date:		December 31, 2023
Employer portion of NPL(A)-December 31, 2023		0.045412 %
Employer portion of NPL(A)-December 31, 2024		0.051759 %
Employer proportionate share of NPL(A)	\$	-
Employer covered payroll	\$	770,555
Employer proportionate share of NPL(A) as a percentage of covered payroll		0%

TOWN OF SILT, COLORADO
Schedule of Contributions to Pension Plan
For the Year Ended December 31, 2024

Required Employer Contributions	December 31, 2016	\$	28,950
Required Employer Contributions	December 31, 2017	\$	23,464
Required Employer Contributions	December 31, 2018	\$	27,917
Required Employer Contributions	December 31, 2019	\$	27,861
Required Employer Contributions	December 31, 2020	\$	27,851
Required Employer Contributions	December 31, 2021	\$	27,955
Required Employer Contributions	December 31, 2022	\$	34,094
Required Employer Contributions	December 31, 2023	\$	47,477
Required Employer Contributions	December 31, 2024	\$	70,150
Employer covered payroll		\$	770,555
Contributions as a percentage of employer covered payroll			9.10%

TOWN OF SILT, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
General Fund
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Revenues				
Taxes	\$ 2,496,879	\$ 2,496,879	\$ 3,102,471	\$ 605,592
Intergovernmental	331,900	331,900	336,200	4,300
Licenses/Permits	137,440	137,440	173,770	36,330
Operating Grants and Contributions	1,866,000	1,866,000	62,735	(1,803,265)
Charges for services	473,725	473,725	540,224	66,499
Fines and Forfeits	33,300	33,300	82,473	49,173
Interest	240,000	240,000	321,223	81,223
Administration Fees	282,504	282,504	282,504	-
Miscellaneous	47,750	47,750	209,085	161,335
Total revenues	5,909,498	5,909,498	5,110,685	(798,813)
Expenditures				
General government	1,357,405	1,357,405	1,032,333	325,072
Public safety	1,621,350	1,621,350	1,705,110	(83,760)
Public works	2,021,140	2,021,140	1,109,211	911,929
Parks and Recreation	350,725	350,725	299,471	51,254
Capital Outlay	2,438,750	2,438,750	1,302,564	1,136,186
Debt service	16,000	16,000	15,962	38
Total Expenditures	7,805,370	7,805,370	5,464,651	2,340,719
Excess of Revenues over (under) Expenditures	(1,895,872)	(1,895,872)	(353,966)	1,541,906
Other Financing Sources (Uses)				
Transfers in (out)	(85,000)	(85,000)	(85,000)	-
Net change in fund balance	(1,980,872)	(1,980,872)	(438,966)	1,541,906
Fund balance, January 1	6,218,241	6,218,241	6,782,481	564,240
Fund balance, December 31	\$ 4,237,369	\$ 4,237,369	\$ 6,343,515	\$ 2,106,146

TOWN OF SILT, COLORADO
Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
Park Impact Fee Fund
For the Year Ended December 31, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
Revenues				
Impact Fees	\$ 66,000	\$ 66,000	\$ 64,941	\$ (1,059)
Interest	50	50	53	3
Total revenues	<u>66,050</u>	<u>66,050</u>	<u>64,994</u>	<u>(1,056)</u>
Expenditures				
Capital Outlay	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues over (under) Expenditures	66,050	66,050	64,994	(1,056)
Fund Balance, January 1	<u>40,799</u>	<u>40,799</u>	<u>190,800</u>	<u>150,001</u>
Fund Balance, December 31	<u>\$ 106,849</u>	<u>\$ 106,849</u>	<u>\$ 255,794</u>	<u>\$ 148,945</u>

TOWN OF SILT, COLORADO
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2024

	<u>Conservation Trust Fund</u>	<u>Construction Fee Impact Fund</u>	<u>Victim Assistance</u>	<u>Beautification Fund</u>	<u>Economic Development Fund</u>	<u>Total Nonmajor Governmental Funds</u>
Assets						
Cash and cash equivalents	\$ 163,852	\$ 117,349	\$ 54,184	\$ 388,901	\$ 16,512	\$ 740,798
Accounts receivable	-	-	-	-	131,853	131,853
Total assets	<u>\$ 163,852</u>	<u>\$ 117,349</u>	<u>\$ 54,184</u>	<u>\$ 388,901</u>	<u>\$ 148,365</u>	<u>\$ 872,651</u>
Liabilities and Fund Balances						
Liabilities:						
Due to Other Funds	\$ -	\$ -	\$ -	\$ -	\$ 53,043	\$ 53,043
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>53,043</u>	<u>53,043</u>
Fund balances:						
Unreserved:	163,852	117,349	54,184	388,901	95,322	819,608
Total fund balances	163,852	117,349	54,184	388,901	95,322	819,608
Total liabilities and fund balances	<u>\$ 163,852</u>	<u>\$ 117,349</u>	<u>\$ 54,184</u>	<u>\$ 388,901</u>	<u>\$ 148,365</u>	<u>\$ 872,651</u>

TOWN OF SILT, COLORADO
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
December 31, 2024

	Conservation Trust Fund	Construction Fee Impact Fund	Victim Assistance	Beautification Fund	Economic Development Fund	Total Nonmajor Governmental Funds
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ 164,102	\$ -	\$ 164,102
Operating Grants and Contributions	45,121	-	-	-	17,442	62,563
Fines and Forfeits	-	-	23,743	-	-	23,743
Impact Fees	-	83,787	-	-	-	83,787
Interest Income	2,700	-	-	35	-	2,735
Total revenues	<u>47,821</u>	<u>83,787</u>	<u>23,743</u>	<u>164,137</u>	<u>17,442</u>	<u>336,930</u>
EXPENDITURES						
General Government	-	-	-	-	1,952	1,952
Public Safety	-	-	10,000	-	-	10,000
Projects	-	8,088	-	-	-	8,088
Capital Outlay	29,485	-	-	126,310	-	155,795
Total expenditures	<u>29,485</u>	<u>8,088</u>	<u>10,000</u>	<u>126,310</u>	<u>1,952</u>	<u>175,835</u>
Excess revenues over (under) expenditures	18,336	75,699	13,743	37,827	15,490	161,095
Fund balance, January 1	145,516	41,650	40,441	351,074	79,832	658,513
Fund balance, December 31	<u>\$ 163,852</u>	<u>\$ 117,349</u>	<u>\$ 54,184</u>	<u>\$ 388,901</u>	<u>\$ 95,322</u>	<u>\$ 819,608</u>

TOWN OF SILT, COLORADO
Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
Conservation Trust Fund
For the Year Ended December 31, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget
Revenues				Favorable
				(Unfavorable)
Operating Grants and Contributions	\$ 50,000	\$ 50,000	\$ 43,971	\$ (6,029)
Donations	-	-	1,150	1,150
Interest Income	1,800	1,800	2,700	900
Total revenues	<u>51,800</u>	<u>51,800</u>	<u>47,821</u>	<u>(3,979)</u>
Expenditures				
Capital outlay	30,000	30,000	29,485	515
Total expenditures	<u>30,000</u>	<u>30,000</u>	<u>29,485</u>	<u>515</u>
Excess of Revenues over (under) Expenditures	21,800	21,800	18,336	(3,464)
Fund balance, January 1	<u>148,158</u>	<u>148,158</u>	<u>145,516</u>	<u>(2,642)</u>
Fund balance, December 31	<u>\$ 169,958</u>	<u>\$ 169,958</u>	<u>\$ 163,852</u>	<u>\$ (6,106)</u>

TOWN OF SILT, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
Construction Impact Fee Fund
For the Year Ended December 31, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget
Revenues				Favorable
Impact Fees	\$ 35,000	\$ 35,000	\$ 83,787	\$ 48,787
Total revenues	<u>35,000</u>	<u>35,000</u>	<u>83,787</u>	<u>48,787</u>
Expenditures				
Projects	10,000	10,000	8,088	1,912
Total expenditures	<u>10,000</u>	<u>10,000</u>	<u>8,088</u>	<u>1,912</u>
Excess of revenues over (under) expenditures	25,000	25,000	75,699	50,699
Fund balance, January 1	<u>41,650</u>	<u>41,650</u>	<u>41,650</u>	<u>-</u>
Fund balance, December 31	<u>\$ 66,650</u>	<u>\$ 66,650</u>	<u>\$ 117,349</u>	<u>\$ 50,699</u>

TOWN OF SILT, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
Victim Assistance Fund
For the Year Ended December 31, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget
Revenues				Favorable
Fines and Forfeits	\$ 11,000	\$ 11,000	\$ 23,743	\$ 12,743
Total revenues	<u>11,000</u>	<u>11,000</u>	<u>23,743</u>	<u>12,743</u>
Expenditures				
Public Safety	15,300	15,300	10,000	5,300
Total expenditures	<u>15,300</u>	<u>15,300</u>	<u>10,000</u>	<u>5,300</u>
Excess of revenues over				
(under) expenditures	(4,300)	(4,300)	13,743	18,043
Fund balance, January 1	<u>40,215</u>	<u>40,215</u>	<u>40,441</u>	<u>226</u>
Fund balance, December 31	<u>\$ 35,915</u>	<u>\$ 35,915</u>	<u>\$ 54,184</u>	<u>\$ 18,269</u>

TOWN OF SILT, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
Beautification Fund
For the Year Ended December 31, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget
Revenues				Favorable
Taxes	\$ 150,000	\$ 150,000	\$ 164,102	\$ 14,102
Interest	40	40	35	(5)
Total revenues	<u>150,040</u>	<u>150,040</u>	<u>164,137</u>	<u>14,097</u>
Expenditures				
Capital outlay	<u>130,000</u>	<u>130,000</u>	<u>126,310</u>	<u>3,690</u>
Total expenditures	<u>130,000</u>	<u>130,000</u>	<u>126,310</u>	<u>3,690</u>
Excess of Revenues over				
(under) Expenditures	20,040	20,040	37,827	17,787
Fund balance, January 1	<u>279,025</u>	<u>279,025</u>	<u>351,074</u>	<u>72,049</u>
Fund balance, December 31	<u>\$ 299,065</u>	<u>\$ 299,065</u>	<u>\$ 388,901</u>	<u>\$ 89,836</u>

TOWN OF SILT, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
Economic Development Fund
For the Year Ended December 31, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
Revenues				
Operating Grants and Contributions	\$ 22,000	\$ 22,000	\$ 17,442	\$ (4,558)
Total revenues	<u>22,000</u>	<u>22,000</u>	<u>17,442</u>	<u>(4,558)</u>
Expenditures				
General Government	16,288	16,288	1,952	14,336
Total expenditures	<u>16,288</u>	<u>16,288</u>	<u>1,952</u>	<u>14,336</u>
Excess of Revenues over (under) Expenditures	5,712	5,712	15,490	9,778
Fund Balance, January 1	<u>21,859</u>	<u>21,859</u>	<u>79,832</u>	<u>57,973</u>
Fund Balance, December 31	<u>\$ 27,571</u>	<u>\$ 27,571</u>	<u>\$ 95,322</u>	<u>\$ 67,751</u>

TOWN OF SILT, COLORADO
Schedule of Revenues, Expenditures and Changes in Available Resources-Budget and Actual
Water Fund
For the Year Ended December 31, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget
Revenues				Favorable
				(Unfavorable)
Charges for Services	\$ 1,576,000	\$ 1,576,000	\$ 2,143,215	\$ 567,215
Interest revenue	27,500	27,500	41,440	13,940
Tap Fees	300,000	300,000	120,000	(180,000)
Loan proceeds	16,604,825	16,604,825	25,526,464	8,921,639
Grants and Contributions	3,000,000	3,000,000	1,525,981	(1,474,019)
Miscellaneous	35,045	35,045	36,575	1,530
Total revenues	<u>21,543,370</u>	<u>21,543,370</u>	<u>29,393,675</u>	<u>7,850,305</u>
Expenditures				
Administration	423,189	423,189	408,129	15,060
Operations	619,450	619,450	705,210	(85,760)
Capital Outlay	19,333,113	19,333,113	11,068,623	8,264,490
Debt service				
Principal	231,076	231,076	386,214	(155,138)
Interest	342,017	342,017	345,602	(3,585)
Total expenditures	<u>20,948,845</u>	<u>20,948,845</u>	<u>12,913,778</u>	<u>8,035,067</u>
Excess of Revenues over				
(under) Expenditures	594,525	594,525	16,479,897	15,885,372
Other Financing Sources (Uses)				
Transfers in (out)	24,500	24,500	16,000	(8,500)
Change in available resources	619,025	619,025	16,495,897	15,876,872
Available resources, January 1	<u>474,896</u>	<u>474,896</u>	<u>(485,164)</u>	<u>(960,060)</u>
Available resources, December 31	<u>\$ 1,093,921</u>	<u>\$ 1,093,921</u>	<u>\$ 16,010,733</u>	<u>\$ 14,916,812</u>

TOWN OF SILT, COLORADO
Schedule of Revenues, Expenditures and Changes in Available Resources-Budget and Actual
Wastewater Fund
For the Year Ended December 31, 2024

Revenues	Budgeted Amounts		Actual	Variance with
	Original	Final		(Unfavorable)
Charges for Services	\$ 1,230,000	\$ 1,230,000	\$ 1,314,476	\$ 84,476
Interest revenue	27,500	27,500	41,439	13,939
Tap Fees	300,000	300,000	120,000	(180,000)
Grants and Contributions	-	-	-	-
Miscellaneous	35,045	35,045	36,574	1,529
Total revenues	1,592,545	1,592,545	1,512,489	(80,056)
Expenditures				
Administration	423,189	423,189	408,129	15,060
Operations	457,700	457,700	599,468	(141,768)
Capital Outlay	508,000	508,000	607,885	(99,885)
Debt service				
Principal	290,398	290,398	220,836	69,562
Interest	39,376	39,376	23,336	16,040
Total expenditures	1,718,663	1,718,663	1,859,654	(140,991)
Excess of Revenues over (under) Expenditures	(126,118)	(126,118)	(347,165)	(221,047)
Other Financing Sources (Uses)				
Transfers in (out)	24,500	24,500	16,000	(8,500)
Change in available resources	(101,618)	(101,618)	(331,165)	(229,547)
Available resources, January 1	1,221,162	1,221,162	1,480,498	259,336
Available resources, December 31	\$ 1,119,544	\$ 1,119,544	\$ 1,149,333	\$ 29,789

TOWN OF SILT, COLORADO
Schedule of Revenues, Expenditures and Changes in Available Resources-Budget and Actual
Irrigation Fund
For the Year Ended December 31, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		(Unfavorable)
Revenues				
Charges for Services	\$ 270,000	\$ 270,000	\$ 276,347	\$ 6,347
Tap Fees	10,000	10,000	3,562	(6,438)
Total revenues	<u>280,000</u>	<u>280,000</u>	<u>279,909</u>	<u>(91)</u>
Expenditures				
Administration	197,000	197,000	165,336	31,664
Operations	154,426	154,426	117,272	37,154
Purchase of Fixed Assets	50,000	50,000	63,153	(13,153)
Debt service				
Principal	16,000	16,000	14,572	1,428
Interest	-	-	1,390	(1,390)
Total expenditures	<u>417,426</u>	<u>417,426</u>	<u>361,723</u>	<u>55,703</u>
Excess of revenues over (under) expenditures	(137,426)	(137,426)	(81,814)	55,612
Other Financing Sources (Uses)				
Transfers in (out)	53,000	53,000	53,000	-
Change in available resources	(84,426)	(84,426)	(28,814)	55,612
Available Resources, January 1	<u>395,623</u>	<u>395,623</u>	<u>418,092</u>	<u>22,469</u>
Available Resources, December 31	<u>\$ 311,197</u>	<u>\$ 311,197</u>	<u>\$ 389,278</u>	<u>\$ 78,081</u>

TOWN OF SILT, COLORADO
Schedule of Revenues, Expenditures and Changes in Available Resources-Budget and Actual
Silt Housing Authority
For the Year Ended December 31, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget
Revenues				Favorable
Charges for Services	\$ 296,400	\$ 296,400	\$ 279,858	\$ (16,542)
Grants and Contributions	-	-	24,120	24,120
Interest revenue	12,000	12,000	13,375	1,375
Total revenues	<u>308,400</u>	<u>308,400</u>	<u>317,353</u>	<u>8,953</u>
Expenditures				
Administration	125,100	125,100	81,959	43,141
Operations	234,300	234,300	208,829	25,471
Purchase of Fixed Assets	50,000	50,000	61,574	(11,574)
Total expenditures	<u>409,400</u>	<u>409,400</u>	<u>352,362</u>	<u>57,038</u>
Excess of Revenues over				
(under) Expenditures	(101,000)	(101,000)	(35,009)	65,991
Available resources, January 1	<u>274,999</u>	<u>274,999</u>	<u>272,104</u>	<u>(2,895)</u>
Available resources, December 31	<u>\$ 173,999</u>	<u>\$ 173,999</u>	<u>\$ 237,095</u>	<u>\$ 63,096</u>

TOWN OF SILT, COLORADO

Single Audit Reports

December 31, 2024

TOWN OF SILT, COLORADO
Table of Contents
December 31, 2024

	<u>Page(s)</u>
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	1
Independent Auditor’s Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	2-3
Schedule of Expenditures of Federal Awards	4
Notes to the Schedule of Expenditures of Federal Awards	5
Schedule of Findings and Questioned Costs	6-7
Status of Prior Audit Findings	8



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Trustees
Town of Silt, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Silt, Colorado, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Town of Silt, Colorado's basic financial statements, and have issued our report thereon dated July 2, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Silt, Colorado's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Silt Colorado's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Silt, Colorado's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Silt, Colorado's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Blair and Associates, P.C.

Cedaredge, Colorado

July 2, 2025



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Trustees
Town of Silt, Colorado

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Town of Silt, Colorado's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Town of Silt, Colorado's major federal programs for the year ended December 31, 2024. The Town of Silt, Colorado's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town of Silt, Colorado complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town of Silt, Colorado and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Town of Silt, Colorado's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Town of Silt, Colorado's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town of Silt, Colorado's compliance based on our audit. 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town of Silt, Colorado's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Town of Silt, Colorado's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the Town of Silt, Colorado's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Town of Silt, Colorado's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Silt, Colorado, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Town of Silt, Colorado's basic financial statements. We issued our report thereon dated June 2, 2025, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Blair and Associates, P.C.

Cedaredge, Colorado

June 2, 2025

TOWN OF SILT, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2024

FEDERAL AGENCY NAME	PASS THROUGH AGENCY	FEDERAL PROGRAM TITLE	FEDERAL ASSISTANCE LISTING NUMBER	OTHER IDENTIFICATION NUMBER	EXPENDITURES
UNITED STATES DEPARTMENT OF INTERIOR	COLORADO DEPARTMENT OF LOCAL AFFAIRS	ENERGY AND MINERAL IMPACT ASSISTANCE PROGRAM	15.437	DOLA EIAF-9723	\$291,010
ENVIROMENTAL PROTECTION AGENCY	COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY	CAPITALIZATION GRANT FOR DRINKING WATER STATE REVOLVING FUNDS	66.468	PROJECT # DBS23AX495 DWRF	<u>\$10,936,609</u>
TOTAL FEDERAL AWARDS					<u><u>\$11,227,619</u></u>

TOWN OF SILT, COLORADO
Notes to Schedule of Expenditures of Federal Awards
December 31, 2024

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of Town of Silt, Colorado and is presented on the accrual basis of accounting. The information on the SEFA is presented in accordance with the requirements of Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (“Uniform Guidance”). Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the general-purpose financial statements. Expenditures represent only the federally funded portions of the program. The Town records should be consulted to determine amounts expended or matched from nonfederal sources.

The Town has elected to not use the 10% de minimus indirect cost rate, as allowed under the Uniform Guidance.

Program Costs

The amounts shown as current-year expenses represent only the federal grant portion of the program costs. Entire program costs, including the Town’s local matching share, may be more than shown.

TOWN OF CEDAREEDGE
Notes to Schedule of Finding and Questioned Costs
December 31, 2024

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness identified	None Reported
Significant deficiency identified	No
Noncompliance material to financial statements noted	No

Federal Awards

Internal Control over major programs:	
Material weakness identified	None Reported
Significant deficiency identified	No

Type of auditor's report issued on compliance for major programs	Unmodified
---	------------

Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations Part 200	No
--	----

Identification of major programs:

<u>Federal Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
66.468	Capitalization Grant for Drinking Water State Revolving Funds

Dollar threshold used to distinguish between Type A and Type B programs:	\$ 750,000
---	------------

Auditee qualified as low risk auditee?	No
--	----

TOWN OF CEDAREdge
Notes to Schedule of Finding and Questioned Costs
December 31, 2024

SECTION II — Findings Required to be Reported by Government Auditing Standards

No Findings Noted

SECTION III — Findings Required to be Reported by the Uniform Guidance

No Findings Noted

TOWN OF CEDAREdge
Status of Prior Audit Findings
December 31, 2024

Note: There was no prior year audit findings Required to be Reported by Government Auditing Standards and Reported by the Uniform Guidance.