

**TOWN OF SILVER CLIFF
SILVER CLIFF, COLORADO**

**FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT**

**FOR THE YEAR ENDED
DECEMBER 31, 2018**

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FINANCIAL SECTION

**Town of Silver Cliff
Management's Discussion and Analysis
For the year ended December 31, 2018**

Governmental Accounting Standards Board Statement Number 34 (GASB 34) requires that this Management's Discussion and Analysis (MD&A) be written to provide an overview of Silver Cliff's financial activities for the fiscal year ended December 31, 2018. The purpose of this MD&A is to provide, in simple terms, an explanation of the effect on the Town's financial position from local economic and business factors, and to explain the reasons for any significant changes in the Town's financial position.

The Town believes this presentation will give a better view of the Town's fund statements and provide for better understanding of the financial position of the Town.

ECONOMIC FACTORS AFFECTING THE TOWN IN 2018

Silver Cliff is located in the Wet Mountain Valley in south-central Colorado in Custer County, has a population of 607 (per 2016 Census), and consists of approximately 9,390 acres or 14.67 square miles.

Silver Cliff was incorporated as a statutory town under the laws of the State of Colorado in 1879 and operates under an elected Mayor-Board form of government. The Town Board consists of a Mayor and six trustees, all elected at-large. The Board appoints or hires the Town Clerk/Treasurer, Building/Zoning Enforcement Officer, Public Works Superintendent, Town Attorney and Municipal Court Judge.

Silver Cliff is not a full-service town. Police protection is provided by the Custer County Sheriff's Department, fire protection by the Wet Mountain Fire Protection District and water and wastewater treatment by Round Mountain Water & Sanitation District. Silver Cliff provides their own street and parks maintenance and maintains approximately 20 miles of streets.

Because over 22% of Silver Cliff's revenues are generated from sales tax, tourism greatly affects Silver Cliff's budget. Silver Cliff is located approximately 50 miles from any city of size and is not on a route you would take to get to another city. Fuel prices along with the state of the economy have a direct effect on tourism.

Although Silver Cliff's residential development continues to grow, commercial development is much slower. This may be due to high costs of available vacant commercial property and higher costs of construction in our area. The fact that we do not have an actual Main Street designated and that the State highway is the Main Street and following their rules and regulations are a factor as well. Water pressure is also limited in Silver Cliff which contributes to restricted commercial growth. This issue is being resolved by a joint effort with Round Mountain Water & Sanitation District for improvements to the Town's water system. In 2018 a Dollar General was built in Silver Cliff but there are still vacant commercial buildings available.

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20, commonly known as the Taxpayer's Bill of Rights (TABOR). TABOR imposes tax raising, revenue, spending and debt limitations on local government entities within the State of Colorado. These limitations became effective for the first year beginning after December 31, 1992.

On April 2, 1996, the Town of Silver Cliff passed a referendum regarding the revenue and spending limits imposed by Article X, Section 20 of the Colorado Constitution. The referendum allows the Town, without increasing or adding any taxes of any kind, to collect, retain and expend all revenues and other funds collected during 1995 and thereafter.

In addition to the limitation provisions of TABOR, there is also a requirement that every entity to which TABOR applies must establish an "emergency reserve". Each entity shall reserve 3% or more of its fiscal year spending excluding bond debt service. For the year ended December 31, 2018, the Town has set aside \$11,000 to establish that reserve.

**Town of Silver Cliff
Management's Discussion and Analysis (Continued)
For the year ending December 31, 2018**

OVERVIEW OF FINANCIAL STATEMENTS

This annual report consists of a series of financial statements:

- **Basic Financial Statements.** This section includes government-wide financial statements, fund financial statements and notes to the financial statements. The government-wide financial statements present the financial position and activities of the Town as a whole using accounting methods similar to those used by private-sector companies. The fund financial statements present financial information on specific activities of the Town. Funds are classified as major and nonmajor funds. The General Fund is considered a major fund. The Museum Fund and the Conservation Trust Fund are nonmajor funds and are reported in aggregate as a separate column. The notes to the financial statements provide additional disclosures to the information presented in the financial statements.
- **Required Supplementary Information.** This section includes financial information that is not part of the basic financial statements but is required by accounting principles generally accepted in the United States of America (GAAP). It includes a budgetary comparison schedule for the General Fund.
- **Other Supplementary Information.** This section includes a combining balance sheet and statement of revenues, expenditures and changes in fund balances for the Museum Fund and the Conservation Trust Fund. This section also presents budget to actual information for these two funds. This budget to actual information, though not required by GAAP is required by the State of Colorado.
- **Legal and Other Regulatory Requirements.** This section includes the Local Highway Finance Report. This report is required to be presented by the State of Colorado.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances. These statements include assets and liabilities of the Town. The financial effect of transactions and events are recognized when they occur (accrual basis of accounting), regardless of when cash is received or paid. There are two government-wide financial statements:

- **Statement of Net Position.** This statement presents information on all of the Town's assets and liabilities, with the difference of the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.
- **Statement of Activities.** This statement 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.

The government-wide financial statements have separate columns for governmental activities and business-type activities. The Town's activities are classified as follows:

- **Government Activities.** Activities reported here include public safety, public works, and general administration. Property taxes, sales tax, federal, state and other local revenues finance these activities.

Town of Silver Cliff
Management's Discussion and Analysis (Continued)
For the year ending December 31, 2018

- **Business-Type Activities.** The Town has no business-style activities at this time.

Fund Financial Statements

The fund financial statements present financial information on specific activities of the Town. Funds are accounting devices that the Town uses to keep track of specific sources of funding and spending for particular purposes. There are three types of funds: government, proprietary and fiduciary funds, however, at this time the town only has government funds.

- **Government Funds.** These statements cover the same activities that are reported in the governmental activities of the government-wide financial statements. The accounting basis and the measurement focus used in these statements, however, are not the same as the ones used in the government-wide financial statements. The governmental funds statements focus on current year accountability, as well as on the resources available at the end of the fiscal year.

Reconciliation of Government-wide Financial Statements to Fund Financial Statements

The government activities of the government-wide financial statements and the governmental funds of the fund financial statements do not use the same accounting basis. Capital assets and long term liabilities are not included on the balance sheet of the government funds, but are included on the statement of net position. Capital assets are recorded as expenditures when they are purchased in the governmental funds and depreciated over the useful life in the government-wide financial statements. Two schedules will be used to reconcile the government-wide financial statements to the governmental funds of the fund financial statements:

- Reconciliation of the balance sheet of the governmental funds to the statement of net position
- Reconciliation of the statement of revenues and expenditures and changes in fund balance to the statement of activities

FINANCIAL OVERVIEW

In condensed format, the following table shows the statement of net position at December 31, 2018 and 2017:

CONDENSED STATEMENT OF NET POSITION

	Governmental Activities	
	12/31/2018	12/30/2017
ASSETS		
Current and Other Assets	\$ 379,592	\$ 311,241
Capital Assets	<u>703,652</u>	<u>753,036</u>
Total Assets	<u>1,083,244</u>	<u>1,064,277</u>
LIABILITIES		
Current Liabilities	1,787	3,076
Noncurrent Liabilities	<u>7,665</u>	<u>9,677</u>
Total Liabilities	<u>9,452</u>	<u>12,753</u>
DEFERRED INFOWS	<u>24,330</u>	<u>23,653</u>
NET POSITION		
Net Investment in Capital Assets	703,652	753,036
Restricted	26,236	20,951
Unrestricted	<u>319,574</u>	<u>253,884</u>
Total Net Position	<u>\$ 1,049,462</u>	<u>\$ 1,027,871</u>

Town of Silver Cliff
Management's Discussion and Analysis (Continued)
For the year ending December 31, 2018

The following table shows the changes in net position for the year ended December 31, 2018 and 2017:

CONDENSED STATEMENT OF ACTIVITIES

	Governmental Activities	
	12/31/2018	12/31/2017
PROGRAM REVENUES		
Charges for Services	\$ 60,041	\$ 40,180
Operating Grants	110,687	87,223
Total Program Revenues	<u>170,728</u>	<u>127,403</u>
GENERAL REVENUES		
Property Taxes	23,681	24,515
Specific Ownership Taxes	3,840	3,536
Sales and Use Taxes	165,215	153,951
Franchise Taxes	18,564	18,563
Gain on Sale of Property	-	42,607
Interest Income	826	774
Other Revenues	1,205	1,907
Total General Revenues	<u>213,331</u>	<u>245,853</u>
Total Revenues	<u>384,059</u>	<u>373,256</u>
PROGRAM EXPENSES		
General Government	114,687	124,192
Public Safety	72,349	60,579
Public Works	99,374	104,302
Culture and Recreation	69,038	39,207
Noncapitalized Capital Outlay	7,020	(11,141)
Interest	-	590
Total Program Expenses	<u>362,468</u>	<u>317,729</u>
CHANGE IN NET POSITION	21,591	55,527
Net Position, Beginning	<u>1,027,871</u>	<u>972,344</u>
NET POSITION, ENDING	<u>\$ 1,049,462</u>	<u>\$ 1,027,871</u>

The most significant item related to the change in net position for 2018 was related to the sale of future cell tower lease revenues that was utilized for the purchase of capital assets.

GOVERNMENTAL ACTIVITIES

The General Fund is the chief operating fund of the Town. The General Fund generates in excess of 22% of its revenues from sales tax. This revenue is used for general governmental purposes. Highway users tax (HUTF) provides about 6% of the general funds revenues and is used strictly on street and alley expenses.

Expenditures are divided into the following functions: general government, public safety, public works, parks and recreation, museum, capital outlay and debt service.

General government expenditures include general operational, administrative expenses of the Town, building and zoning department. Public works expenses cover street and alley maintenance, improvements, snow removal and other street related expenses. Parks and recreation includes maintenance and park utilities. Capital improvements include things such as purchase of equipment, infrastructure improvements such as paving, curb and gutter, sidewalks and other miscellaneous permanent improvements.

Town of Silver Cliff
Management's Discussion and Analysis (Continued)
For the year ending December 31, 2018

CAPITAL ASSETS

At the end of 2018, the Town has a broad range of capital assets totaling \$753,036, net of depreciation. These assets include buildings, equipment, infrastructure, park property, and improvements. Major acquisitions were primarily public works vehicle related. The Town also deleted numerous older capital assets that were no longer in use or owned by the Town that had not been removed in previous years.

A summary of capital assets at December 31, 2018 is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital Assets Not Being Depreciated:				
Land	\$ 144,251	\$ -	\$ -	\$ 144,251
Capital Assets Being Depreciated:				
Land Improvements/Infrastructure	546,871	-	-	546,871
Buildings	406,089	-	-	406,089
Equipment and Vehicles	291,188	-	5,000	286,188
Total Capital Assets Being Depreciated	<u>1,244,148</u>	<u>-</u>	<u>5,000</u>	<u>1,239,148</u>
Less Accumulated Depreciation:				
Land Improvements/Infrastructure	(290,292)	(20,081)	-	(310,373)
Buildings	(172,375)	(10,255)	-	(182,630)
Equipment and Vehicles	<u>(172,696)</u>	<u>(19,048)</u>	<u>(5,000)</u>	<u>(186,744)</u>
Total Accumulated Depreciation	<u>(635,363)</u>	<u>(49,384)</u>	<u>(5,000)</u>	<u>(679,747)</u>
Net Capital Assets	<u>\$ 753,036</u>	<u>\$ (49,384)</u>	<u>\$ -</u>	<u>\$ 703,652</u>

LONG-TERM DEBT

The Town entered into a capital lease during 2017 for the purchase of public works vehicles. The Town is proud to say that as of 2018 it owns all its assets outright.

	<u>Balance 12/31/17</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance 12/31/18</u>	<u>Current Portion</u>	<u>Interest Expense</u>
Accrued Compensated Absences	\$ 9,677	\$ -	\$ 2,012	\$ 7,665	\$ -	\$ -

**Town of Silver Cliff
Management's Discussion and Analysis (Continued)
For the year ending December 31, 2018**

GENERAL FUND BUDGET

To satisfy a budget that cannot be balanced by using the estimated years revenues, the Town has designated portions of their unreserved fund equity for subsequent expenditures, which can be appropriated in future years. A smaller portion, 3% of fiscal year spending, is reserved for emergencies per TABOR.

Total General Fund revenues were approximately \$44,000 over budget primarily related to the increase in building permits, increase in sales tax and HUTF increase. Expenditures were \$10,000 under budget. Overall General Fund carryover increased from \$210,956 to \$265,251

NEXT YEAR'S BUDGET AND RATES

The 2018 proposed estimated sales tax is \$151,000.00. Once again, our sales tax increased due to the fact that we have had a new business open. The Town is still fighting to get the zip code issue settled so that we can get all the sales tax due to the Town. The zip code was dropped back in 1987 and the Town has not been receiving all the sales tax due to the Town since. Silver Cliff and Westcliffe now share 81252 zip code and the postal service has Westcliffe as the preferred town for this zip. The Mayor is writing a letter to the postal service requesting that they reinstate our zip or to take the preferred off and let there be a list to choose from in the 81252 zip code area. We have been doing more research on this issue and have found some more avenues that are helping support our request. We are also anticipating an increase in our mineral royalties.

Adding the Commemorative with flags and a memorial wall was a great addition. There will be benches, lighting, and bathrooms added as the plans progress. Some of the funds for this project will come out of the Conservation Trust Fund. We are getting information out to the community to order plaques and/or benches. We will be applying for a GOCO Grant to help with improvements to the skateboard park, pickleball courts, sand volleyball courts, restrooms and a disc golf course.

The Town of Silver Cliff has become one of the International Dark Skies, with this accreditation we hope our tourism will increase on our off-season months. This accreditation has helped bring many tourists to our area.

At the Museum, the Town pays for the curator and 1 employee to keep the museum open. The Town does most of the general maintenance. There are some major issues that are being assessed. We did get the windows replaced in the upstairs, this will help with utility bills and the preservation of the artifacts. The drainage protection project is still a concern and we continue to look for funding to help with this project. With more inspections, it was determined that this issue will be included with the total improvement project. This project has become more detailed and we are currently looking at grants that can help us fix all the issues at once.

Requests for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Town Clerk
Silver Cliff Town Hall
612 Main Street
P.O. Box 154
Silver Cliff, CO 81249
719-783-2615

Mayberry & Company, LLC

Certified Public Accountants

Member of the American Institute of Certified Public Accountants
Governmental Audit Quality Center
and Private Company Practice Section

Board of Trustees
Town of Silver Cliff
Silver Cliff, Colorado

Independent Auditors' Report

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Silver Cliff, Colorado, as of and for the year ended December 31, 2018, and the related notes to the financial statements which collectively comprise the basic financial statements of the Town, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Silver Cliff, Colorado, as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Town of Silver Cliff's 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 3, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Required Supplementary Information – Management's Discussion and Analysis

Accounting principles generally accepted in the United States of America require that the management, discussion and analysis on pages M1 – M6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Required Supplementary Information – Budgetary Comparison Schedules and Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules shown on pages 20 - 21 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. The combining and budgetary comparison statements and schedules listed as other supplementary information pages 22 - 25 are presented for purposes of additional analysis and are not a required part of the financial statements. This information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such 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 financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Report on Other Legal and Regulatory Requirements

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Local Highway Finance Report page 26 - 27 is presented for purposes of legal compliance and is not a required part of the 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 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

Mayberry + Company, LLC

Englewood, Colorado
March 18, 2019

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BASIC FINANCIAL STATEMENTS

TOWN OF SILVER CLIFF, COLORADO

STATEMENT OF NET POSITION

DECEMBER 31, 2018

	GOVERNMENTAL ACTIVITIES
ASSETS AND DEFERRED OUTFLOWS	
ASSETS	
Current Assets	
Cash and Investments	
Cash	\$ 297,738
Receivables	
Property Tax Receivable	47,916
Intergovernmental Receivables	7,178
Interest Receivable	980
Accounts Receivable	23,666
Other Receivables	2,114
Total Current Assets	<u>379,592</u>
Noncurrent Assets	
Capital Assets not being Depreciated	144,251
Capital Assets being Depreciated	1,239,148
Accumulated Depreciation	<u>(679,747)</u>
Total Noncurrent Assets	<u>703,652</u>
TOTAL ASSETS	<u>\$ 1,083,244</u>
DEFERRED OUTFLOWS OF FINANCIAL RESOURCES	
LIABILITIES, DEFERRED INFLOWS AND NET POSITION	
LIABILITIES	
Current Liabilities	
Accounts Payable	\$ 1,787
Noncurrent Liabilities	
Due in more than one year	<u>7,665</u>
TOTAL LIABILITIES	<u>9,452</u>
DEFERRED INFLOWS OF FINANCIAL RESOURCES	
Deferred Property Taxes	<u>24,330</u>
NET POSITION	
Net Investment in Capital Assets	703,652
Restricted Net Position	26,236
Unrestricted Net Position	<u>319,574</u>
TOTAL NET POSITION	<u>1,049,462</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ 1,083,244</u>

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

TOWN OF SILVER CLIFF, COLORADO

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>PROGRAM REVENUES</u>			NET (EXPENSE) REVENUE AND
			OPERATING	CHANGES IN
	CHARGES FOR	GRANTS AND		NET POSITION
<u>EXPENSES</u>	<u>SERVICES</u>	<u>CONTRIBUTIONS</u>	<u>GOVERNMENT</u>	<u>ACTIVITIES</u>
FUNCTIONS/PROGRAMS				
Government Activities				
Current:				
General Government	\$ 114,687	\$ 26,710	\$ 25,663	\$ (62,314)
Public Safety	72,349	100	-	(72,249)
Public Works	99,374	33,181	78,797	12,604
Culture and Recreation	69,038	50	6,227	(62,761)
Capital Outlay - Non Capitalized	7,020	-	-	(7,020)
TOTAL GOVERNMENT	\$ 362,468	\$ 60,041	\$ 110,687	(191,740)
GENERAL REVENUES				
Property Taxes				23,681
Specific Ownership Taxes				3,840
Sales and Use Taxes				165,215
Franchise and In Lieu of Taxes				18,564
Interest Income				826
Other Revenues				1,205
TOTAL GENERAL REVENUES				213,331
CHANGE IN NET POSITION				21,591
NET POSITION - Beginning				1,027,871
NET POSITION - Ending				\$ 1,049,462

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

TOWN OF SILVER CLIFF, COLORADO

BALANCE SHEET

GOVERNMENTAL FUNDS

DECEMBER 31, 2018

With Comparative Totals for December 31, 2017

	General	Other	Total	
	Fund	Funds	2018	2017
ASSETS AND DEFERRED OUTFLOWS				
ASSETS				
Current Assets				
Cash and Investments				
Cash	\$ 270,577	\$ 27,161	\$ 297,738	\$ 235,257
Receivables				
Property Tax Receivable	47,916	-	47,916	45,514
Intergovernmental Receivables	7,178	-	7,178	6,735
Interest Receivable	980	-	980	-
Accounts Receivable	23,666	-	23,666	23,735
Other Receivables	2,114	-	2,114	-
TOTAL ASSETS	\$ 352,431	\$ 27,161	\$ 379,592	\$ 311,241
LIABILITIES, DEFERRED INFLOWS AND NET POSITION				
LIABILITIES				
Current Liabilities				
Accounts Payable	\$ 1,787	\$ -	\$ 1,787	\$ 3,076
DEFERRED INFLOWS OF FINANCIAL RESOURCES				
Deferred Property Taxes	24,330	-	24,330	23,653
FUND BALANCE				
Restricted Fund Balance	11,000	15,236	26,236	20,951
Committed Fund Balance	-	11,925	11,925	10,310
Unassigned Fund Balance	315,314	-	315,314	253,251
TOTAL FUND BALANCE	326,314	27,161	353,475	284,512
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	\$ 352,431	\$ 27,161	\$ 379,592	\$ 311,241

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

TOWN OF SILVER CLIFF, COLORADO

RECONCILIATION OF GOVERNMENTAL FUND BALANCE
TO GOVERNMENTAL ACTIVITIES NET POSITION
DECEMBER 31, 2018

Fund Balance - Governmental Funds			\$ 353,475
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds			
Capital assets, not being depreciated	\$ 144,251		
Capital assets, being depreciated	1,239,148		
Accumulated depreciation	<u>(679,747)</u>	703,652	
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the funds.			
Accrued compensated absences		<u>(7,665)</u>	
Total Net Position - Governmental Activities			<u><u>\$ 1,049,462</u></u>

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

TOWN OF SILVER CLIFF, COLORADO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2018

With Comparative Totals for the Year Ended December 31, 2017

	General	Other	Total	
	Fund	Funds	2018	2017
REVENUES				
Taxes	\$ 211,301	\$ -	\$ 211,301	\$ 200,566
Intergovernmental Revenues	86,691	6,227	92,918	77,732
Licenses and Permits	37,747	-	37,747	18,241
Fines and Forfeits	-	-	-	325
Charges for Services	22,294	-	22,294	21,614
Investment Earnings	674	154	828	774
Other Revenues	3,877	15,094	18,971	62,549
TOTAL REVENUES	362,584	21,475	384,059	381,801
EXPENDITURES				
Current:				
General Government	112,960	-	112,960	117,887
Public Safety	72,349	-	72,349	60,579
Public Works	77,011	-	77,011	83,657
Parks, Recreation and Other	33,383	13,575	46,958	17,100
Capital Outlay	5,818	-	5,818	43,068
Debt Service	-	-	-	24,913
TOTAL EXPENDITURES	301,521	13,575	315,096	347,204
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	61,063	7,900	68,963	34,597
OTHER FINANCING SOURCES (USES)				
Debt Proceeds	-	-	-	24,323
NET CHANGE IN FUND BALANCE - GAAP BASIS	61,063	7,900	68,963	58,920
FUND BALANCE, BEGINNING	265,251	19,261	284,512	225,592
FUND BALANCE, ENDING	\$ 326,314	\$ 27,161	\$ 353,475	\$ 284,512

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

TOWN OF SILVER CLIFF, COLORADO

**RECONCILIATION OF GOVERNMENTAL FUNDS CHANGE IN FUND BALANCE
TO GOVERNMENTAL ACTIVITIES CHANGE IN NET POSITION**
FOR THE YEAR ENDED DECEMBER 31, 2018

Change in Fund Balance - Governmental Funds	\$ 68,963
Capital assets used in governmental activities are expensed when purchased in the funds and depreciated at the activity level	
Depreciation Expense	(49,384)
Repayments of long-term liabilities are expensed in the fund and reduce outstanding liabilities at the activity level. In addition, proceeds from long-term debt issuances are reported as revenues in the funds and increase liabilities at the activity level	
Change in accrued compensated absences	<u>2,012</u>
Change in Net Position - Governmental Activities	<u>\$ 21,591</u>

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

TOWN OF SILVER CLIFF
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

HISTORY AND FUNCTION OF ORGANIZATION

The Town of Silver Cliff was incorporated under the laws of the State of Colorado and operates under an elected Mayor-Board form of government. As required by generally accepted accounting principles, these financial statements present the Town of Silver Cliff (the primary government). No additional separate governmental units, agencies, or nonprofit corporations are included in the financial statements of the Town.

REPORTING ENTITY

In accordance with Governmental Accounting Standards, the Town has considered the possibility of inclusion of additional entities in its basic financial statements. The definition of the reporting entity is based primarily on financial accountability. The Town is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if Town officials appoint a voting majority of the organization's governing body and either it is able to impose its will on that organization or there is a potential for benefits to, or to impose specific financial burdens on, the Town. The Town may also be financially accountable for governmental organizations that are fiscally dependent upon it.

Based upon the application of these criteria, no additional organizations were included within the Town's reporting entity.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the Town. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The Town presently does not have any business-type activities.

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

FUND ACCOUNTING

The accompanying financial statements include the Town's governmental fund types. The Town's accounting system is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

TOWN OF SILVER CLIFF
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FUND ACCOUNTING (Continued)

Governmental Fund Types

Governmental funds are those through which most governmental functions of the Town are financed. The acquisition, use and balances of the Town's expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is on determination of changes in financial position, rather than on a computation of net income.

Governmental fund financial statements include a separate balance sheet and a statement of revenues, expenditures and changes in fund balances for the General Fund, the Conservation Trust Fund and the Museum Fund. An accompanying schedule is presented to reconcile and explain the differences in fund balances as presented in these statements to the net position presented in the government-wide financial statements. The Town presents the following major governmental fund:

General Fund: This fund is established to account for resources devoted to financing the general services that the town performs for its citizens. General tax revenues and other sources of revenue used to finance the fundamental operations of the town are included in this fund. The fund is charged with all costs of operating the government for which a separate fund has not been established.

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 proprietary fund financial statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. 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. "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: (1) principal and interest on general long-term debt which is recognized when due and (2) compensated absences which are recognized when the obligations are expected to be liquidated with expendable available resources.

Those revenues susceptible to accrual are sales taxes, property taxes, franchise taxes, and grants. Other revenues are not susceptible to accrual as they generally are not measurable until received in cash.

TOWN OF SILVER CLIFF
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

BUDGETS AND BUDGETARY ACCOUNTING

Budgets were adopted for all funds. Budgets are prepared on the same basis of accounting as that used for accounting purposes. In the budget versus actual statements, the actual results of operations are presented on the budgetary basis of accounting for proper comparison to the budget.

Budgets are adopted based on the requirements of state statutes. The following timetable is used:

- 1) Submission of the proposed budget to the Board of Trustees by October 15 of each year.
- 2) Certification of mill levies to the County Commissioners by December 15 of each year.
- 3) Final adoption of the budget and appropriations by December 15 of each year.

The Town does not use encumbrance accounting and all appropriations lapse at year end.

ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION/FUND BALANCE

Cash and Equivalents

For the purposes of cash flow presentation, the Town considers all fully cash and fully liquid investment balances as cash and cash equivalents.

Property Taxes

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

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

Capital Assets

Capital assets are defined by the town as assets with an initial individual cost of more than \$5,000 and a useful life of more than three years except for infrastructure assets. For infrastructure assets the same estimated minimum useful life is used (3 years), but only those infrastructures projects that cost more than \$25,000 are considered for capitalization. Purchased or constructed capital assets are recorded at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation.

Infrastructure is reported in this financial statement and is being depreciated. The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend the assets' useful lives are not capitalized.

TOWN OF SILVER CLIFF
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION/FUND BALANCE (Continued)

Capital Assets (Continued)

Capital assets are depreciated using the straight line method over the following estimated useful lives.

Buildings and improvements	20 – 50 years
Infrastructure	10 years
Equipment and vehicles	5 – 20 years

Land and related improvements are not depreciated and assets under construction are not depreciated until they become available for service.

Accumulated Unpaid Leave (Compensated Absences)

Employees of the town are entitled to vacation and sick leave benefits based on length of service. Vacation leave is earned on a yearly basis. The amount of vacation varies between five and fifteen days per year depending upon the number of years of continuous service provided by the employee. Vacation must be taken during the calendar year it is earned, except for one week which may be carried over to the next year. Any unused vacation time will be paid to the employee upon termination.

Sick leave is earned at one day per month for full time employees and is prorated for part time employees. Employees will be allowed to accumulate 30 days of sick leave, half of which is paid upon termination.

Because it is believed that only an insignificant portion of the liability for compensated absences will be paid in the coming year, these benefit costs are not accrued in the fund financial statements but are recognized in the government-wide financial statements.

Deferred Inflows of Financial Resources

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises both under the full accrual and modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported in both the governmental activities statement of net position and in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred inflow is recorded at December 31. As the tax is collected in the succeeding year, the deferred inflow is recognized as revenue and the receivable is reduced.

TOWN OF SILVER CLIFF
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION/FUND BALANCE (Continued)

Net Position/Fund Balances

In the government-wide financial statements net position is either shown as invested in capital assets net of related debt, with these assets essentially being nonexpendable; restricted when constraints placed on the net position are externally imposed; or unrestricted.

For the governmental fund presentation, fund balances that are classified as “nonspendable” include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts. The Town does not currently have any nonspendable fund balances.

Fund balance is reported as “restricted” when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Amounts that can only be used for specific purposes pursuant to constraints imposed by the most formal action, adoption of an ordinance, of the government's highest level of decision-making authority, the Board of Trustees, are reported as “committed” fund balance. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (for example, legislation, resolution, ordinance) it employed to previously commit those amounts. Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, are reported as “assigned” fund balance. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes. The Town does not currently have any assigned fund balances.

All remaining fund balance in the General Fund or deficits in the other governmental funds are presented as unassigned.

NET POSITION/FUND BALANCE FLOW ASSUMPTIONS

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance, if allowed under the terms of the restriction. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

TOWN OF SILVER CLIFF
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

USE OF ESTIMATES

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

COMPARATIVE DATA

Comparative total data for the prior year has been presented in most of the accompanying financial statements in order to provide an understanding of changes in the Town's financial position and operations. However, comparative (i.e., presentation of prior year totals by fund type) data has not been presented in certain statements since their inclusion would make those statements unduly complex and difficult to read.

NOTE 2: CASH AND INVESTMENTS

Deposits

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of bank failure, the government's deposits may not be returned to it. The Town's deposit policy is in accordance with CRS 11-10.5-101, The Colorado Public Deposit Protection Act (PDPA), which governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The financial institution is allowed to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The institution's internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

TOWN OF SILVER CLIFF
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 2: CASH AND INVESTMENTS (Continued)

Deposits (Continued)

At December 31, 2018, all of the Town's deposits as shown below were either insured by federal depository insurance or collateralized under PDPA and are therefore not deemed to be exposed to custodial credit risk.

	<u>Bank Balance</u>	<u>Book Balance</u>
FDIC Insured	\$ 303,803	\$ 299,840
Petty Cash	-	50
Total Cash	<u>\$ 303,803</u>	<u>\$ 299,890</u>

Investments

Credit Risk - Investments

Colorado statutes specify which instruments units of local government may invest, which include:

- Obligations of the United States and certain U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of the 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
- Guaranteed investment contracts

The Town's investment policy limits its investments to those allowed by Colorado Revised Statute 24-75-601.1 as described above.

The Town did not hold any investments other than certificates of deposits included in the bank balances shown above at December 31, 2018.

Concentration of Credit Risk - Investments

The Town places no limit on the amount that may be invested in any one issuer.

TOWN OF SILVER CLIFF
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments (Continued)

Interest Rate Risk - Investments

Colorado Statutes require that no investment may have a maturity in excess of five years from the date of purchase. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates, other than those contained in state statutes. The anticipated maturity of any investment is not expected to exceed five years regardless of stated maturity.

Custodial Credit Risk – Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of December 31, 2018, the Town did not have any investments requiring safekeeping.

NOTE 3: CAPITAL ASSETS

A summary of the Town's governmental activity capital assets is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital Assets Not Being Depreciated:				
Land	\$ 144,251	\$ -	\$ -	\$ 144,251
Capital Assets Being Depreciated:				
Land Improvements/Infrastructure	546,871	-	-	546,871
Buildings	406,089	-	-	406,089
Equipment and Vehicles	291,188	-	5,000	286,188
Total Capital Assets Being Depreciated	1,244,148	-	5,000	1,239,148
Less Accumulated Depreciation:				
Land Improvements/Infrastructure	(290,292)	(20,081)	-	(310,373)
Buildings	(172,375)	(10,255)	-	(182,630)
Equipment and Vehicles	(172,696)	(19,048)	(5,000)	(186,744)
Total Accumulated Depreciation	(635,363)	(49,384)	(5,000)	(679,747)
Net Capital Assets	\$ 753,036	\$ (49,384)	\$ -	\$ 703,652

Depreciation is charged to the governmental activities as follows:

General Government	\$ 3,739
Public Works	23,565
Parks and Recreation	22,080
Total Depreciation by Function	<u>\$ 49,384</u>

TOWN OF SILVER CLIFF
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 4: NONCURRENT LIABILITIES

The following is a schedule of long-term liabilities and changes in liabilities for the year.

	<u>Balance</u> <u>12/31/17</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>12/31/18</u>	<u>Current</u> <u>Portion</u>	<u>Interest</u> <u>Expense</u>
Accrued Compensated Absences	\$ 9,677	\$ -	\$ 2,012	\$ 7,665	\$ -	\$ -

NOTE 5: DEFINED CONTRIBUTION PENSION PLAN

The Town provides a defined contribution plan for all full-time employees through the Colorado County Officials and Employees Retirement Association. Participation in the plan is optional for covered employees. The Town matches employee contributions up to 3% of covered wages.

Employees vest after three years for all employer contributions. The Town is not liable for amounts over the 3% match. The Town Board establishes all benefit provisions. All contributions are current. During 2018, the Town contributed \$1,923 and the employees contributed \$1,923. The Town's total payroll was \$131,503 of which \$64,086, or 49% was for employees contributing under the plan.

NOTE 6: COMMITMENTS AND CONTINGENCIES

The Town receives financial assistance from federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of the Town, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the Town at December 31, 2018.

TOWN OF SILVER CLIFF
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 7: RESTRICTED FUND BALANCE / NET POSITION

Tax Spending and Debt Limitations

On November 3, 1992, the voters of Colorado approved Amendment 1, commonly known as the TABOR Amendment, which adds a new Section 20 to Article X of the Colorado Constitution. TABOR contains tax, spending, revenue and debt limitations which apply to the State of Colorado, all local governments, and special districts. The Town's financial activity for the year ended December 31, 2018 will provide the basis for calculation of future limitations adjusted for allowable increases tied to inflation and local growth.

Subsequent to December 31, 1992, revenue in excess of the Town's "spending limit" must be refunded unless voters approve the retaining of such excess revenue. TABOR generally requires voter approval for any new tax, tax increases and new debt.

On April 2, 1996 the Town of Silver Cliff passed a referendum regarding the revenue and spending limits imposed by Article X, section 20 of the Colorado constitution. The referendum allows the town, without increasing or adding any taxes of any kind, to collect, retain and expend all revenues and other funds collected during 1995 and thereafter.

TABOR is extremely complex and subject to interpretation. Ultimate implementation may depend upon litigation and legislative guidance. The Town's management believes it is in compliance with the TABOR amendment.

The Article requires an emergency reserve be set aside for 2018 in the amount of 3 percent or more of its fiscal year spending. At December 31, 2018, the Town has reserved the following for emergencies:

General Fund	<u>\$ 11,000</u>
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Other Restrictions

The Town has restricted net position at December 31, 2018 in the Conservation Trust Fund related to unspent Conservation Trust Fund revenues.

Fund Equity Commitments

The Town has committed the following amounts for future Museum related expenditures:

Museum Fund	<u>\$11,925</u>
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TOWN OF SILVER CLIFF
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 8: RISK MANAGEMENT

The Town is involved with the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to the provision of 24-10-115.5, Colorado Revised Statutes (1982 Replacement Volume) and Colorado Constitution, Article XIV, Section 18(2).

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

It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability of loss, to the limit of the financial resources of CIRSA. It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverages at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members.

CIRSA is a separate legal entity and the Town does not approve budgets nor does it have ability to significantly affect the operations of the unit.

The Town has not materially changed its coverage from previous years. Based on the lack of previous loss occurrences, the Town has not recorded any liability for unpaid claims at December 31, 2018.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF SILVER CLIFF, COLORADO

BUDGETARY COMPARISON SCHEDULE

General Fund

FOR THE YEAR ENDED DECEMBER 31, 2018

With Comparative Totals for the Year Ended December 31, 2017

	2018		Variance With Final Budget	2017 Actual
	Original/ Final Budget	Actual		
REVENUES				
Taxes				
Property Taxes	\$ 23,500	\$ 23,681	\$ 181	\$ 24,515
Specific Ownership Taxes	3,000	3,840	840	3,536
Sales and Use Taxes	151,000	165,215	14,215	153,952
Franchise and In Lieu of Taxes	23,000	18,564	(4,436)	18,563
Total Tax Revenue	<u>200,500</u>	<u>211,300</u>	<u>10,800</u>	<u>200,566</u>
Intergovernmental Revenues				
Cigarette Taxes	1,200	650	(550)	1,096
Highway Users	48,700	60,236	11,536	48,677
Road and Bridge	18,650	18,560	(90)	18,886
Clerk/Motor Vehicle Fees	2,500	3,307	807	3,038
State Grants	300	3,937	3,637	129
Total Intergovernmental Revenue	<u>71,350</u>	<u>86,690</u>	<u>15,340</u>	<u>71,826</u>
Licenses and Permits				
Liquor Licenses	500	575	75	1,289
Building Permits	18,700	32,782	14,082	16,062
Annexation/Other P&Z Fees	600	400	(200)	400
Animal Licenses	200	100	(100)	150
Business Licenses	200	149	(51)	165
Other Licenses	300	3,743	3,443	175
Total Licenses and Permits	<u>20,500</u>	<u>37,749</u>	<u>17,249</u>	<u>18,241</u>
Fines and Forfeits	<u>300</u>	<u>-</u>	<u>(300)</u>	<u>325</u>
Charges for Services				
Recreation/Comm Ctr Charges	75	50	(25)	50
Rents	-	-	-	4,600
Other Charges for Services	21,300	22,244	944	16,964
Total Charges for Services	<u>21,375</u>	<u>22,294</u>	<u>919</u>	<u>21,614</u>
Investment Earnings	<u>1,000</u>	<u>674</u>	<u>(326)</u>	<u>690</u>
Other Revenues				
Donations	2,500	2,690	190	6,908
Sale of Capital Assets	-	-	-	51,153
Other Miscellaneous Revenue	1,000	1,188	188	1,904
Total Other Revenue	<u>3,500</u>	<u>3,878</u>	<u>378</u>	<u>59,965</u>
TOTAL REVENUES	<u>318,525</u>	<u>362,585</u>	<u>44,060</u>	<u>373,227</u>

See accompanying Independent Auditors' Report.

(Continued)

TOWN OF SILVER CLIFF, COLORADO

BUDGETARY COMPARISON SCHEDULE

General Fund

FOR THE YEAR ENDED DECEMBER 31, 2018

With Comparative Totals for the Year Ended December 31, 2017

	2018		2017
	Original/ Final Budget	Actual	Variance With Final Budget
			Actual
(Continued)			
EXPENDITURES			
General Government			
Personnel Services	68,540	62,585	5,955
Insurance	10,500	9,574	926
Professional Fees	13,400	7,815	5,585
Repairs and Maintenance	3,000	1,158	1,842
Supplies	4,300	6,156	(1,856)
Telephone and Utilities	7,000	6,997	3
Other Expenses	18,200	18,675	(475)
Total General Government	124,940	112,960	11,980
Public Safety			
Personnel Services	38,200	38,634	(434)
Insurance	6,000	6,000	-
Professional Fees	12,500	12,500	-
Travel and Training	2,500	1,786	714
Other Expenses	7,500	13,429	(5,929)
Total Public Safety	66,700	72,349	(5,649)
Public Works			
Personnel Services	45,600	38,458	7,142
Contract Labor	2,500	-	2,500
Fuel and Automotive	4,500	4,176	324
Insurance	1,500	115	1,385
Repairs and Maintenance	21,000	13,806	7,194
Supplies	3,100	7,967	(4,867)
Telephone and Utilities	13,500	12,490	1,010
Travel and Training	500	-	500
Total Public Works/Comm Devel	92,200	77,012	15,188
Parks, Recreation and Other			
Personnel Services	17,000	19,377	(2,377)
Repairs and Maintenance	4,000	5,145	(1,145)
Telephone and Utilities	6,000	6,421	(421)
Other Expenses	-	2,440	(2,440)
Total Parks, Recreation & Other	27,000	33,383	(6,383)
Capital Outlay			
General Government Capital Outlay	-	5,249	(5,249)
Parks, Recreation and Other Capital Outlay	1,000	569	431
Total Capital Outlay	1,000	5,818	(4,818)
Debt Service			
Principal and Interest	-	-	-
TOTAL EXPENDITURES	311,840	301,522	10,318
NET CHANGE IN FUND BALANCE - BUDGET BASIS	\$ 6,685	61,063	\$ 54,378
Budget to GAAP Basis Reconciliation			
Debt Proceeds		-	24,323
Capital Outlay		-	(24,323)
NET CHANGE IN FUND BALANCE - GAAP BASIS		61,063	54,295
FUND BALANCE, BEGINNING		265,251	210,956
FUND BALANCE, ENDING		\$ 326,314	\$ 265,251

See accompanying Independent Auditors' Report.

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OTHER SUPPLEMENTARY INFORMATION

TOWN OF SILVER CLIFF, COLORADO

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

DECEMBER 31, 2018

With Comparative Totals for December 31, 2017

<u>SPECIAL REVENUE FUNDS</u>			
	Conservation		
	Trust	Museum	Total
	Fund	Fund	2018 2017
ASSETS AND DEFERRED OUTFLOWS			
ASSETS			
Current Assets			
Cash and Investments			
Cash	\$ 15,236	\$ 11,925	\$ 27,161 \$ 19,348
LIABILITIES, DEFERRED INFLOWS AND NET POSITION			
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ -	\$ -	\$ - \$ 87
FUND BALANCE			
Restricted Fund Balance	15,236	-	15,236 8,951
Committed Fund Balance	-	11,925	11,925 10,310
TOTAL FUND BALANCE	<u>15,236</u>	<u>11,925</u>	<u>27,161 19,261</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	<u>\$ 15,236</u>	<u>\$ 11,925</u>	<u>\$ 27,161 19,348</u>

See accompanying Independent Auditors' Report.

TOWN OF SILVER CLIFF, COLORADO

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2018

With Comparative Totals for the Year Ended December 31, 2017

	<u>SPECIAL REVENUE FUNDS</u>			
	Conservation		Total	
	Trust	Museum		
	Fund	Fund	2018	2017
REVENUES				
Intergovernmental Revenues	\$ 6,227	-	\$ 6,227	\$ 5,906
Investment Earnings	58	96	154	84
Other Revenues	-	15,094	15,094	2,584
TOTAL REVENUES	6,285	15,190	21,475	8,574
EXPENDITURES				
Current:				
Parks, Recreation and Other	-	13,575	13,575	3,949
OTHER FINANCING SOURCES (USES)				
NET CHANGE IN FUND BALANCE - GAAP BASIS	6,285	1,615	7,900	4,625
FUND BALANCE, BEGINNING	8,951	10,310	19,261	14,636
FUND BALANCE, ENDING	\$ 15,236	\$ 11,925	\$ 27,161	\$ 19,261

See accompanying Independent Auditors' Report.

TOWN OF SILVER CLIFF, COLORADO

BUDGETARY COMPARISON SCHEDULE

Conservation Trust Fund

FOR THE YEAR ENDED DECEMBER 31, 2018

With Comparative Totals for the Year Ended December 31, 2017

	2018			
	Original & Final Budget	Actual	Variance With Final Budget	2017 Actual
REVENUES				
Intergovernmental Revenues				
Cons Trust Fund Revenue	\$ 6,227	\$ 6,227	\$ -	\$ 5,906
Investment Earnings	-	58	58	27
NET CHANGE IN FUND BALANCE - BUDGET BASIS	<u>\$ 6,227</u>	6,285	<u>\$ 58</u>	5,933
FUND BALANCE, BEGINNING		8,951		3,018
FUND BALANCE, ENDING		<u>\$ 15,236</u>		<u>\$ 8,951</u>

See accompanying Independent Auditors' Report.

TOWN OF SILVER CLIFF, COLORADO

BUDGETARY COMPARISON SCHEDULE

Museum Fund

FOR THE YEAR ENDED DECEMBER 31, 2018

	2018			
	Original & Final Budget	Actual	Variance With Final Budget	2017 Actual
REVENUES				
Investment Earnings	\$ 70	\$ 96	\$ 26	\$ 57
Other Revenues				
Donations	6,000	15,079	9,079	2,584
Other Miscellaneous Revenue	-	15	15	-
TOTAL REVENUES	<u>6,070</u>	<u>15,190</u>	<u>9,120</u>	<u>2,641</u>
EXPENDITURES				
Parks, Recreation and Other				
Repairs and Maintenance	10,000	9,804	196	1,562
Supplies	300	54	246	-
Telephone and Utilities	3,000	3,021	(21)	1,912
Other Expenses	500	696	(196)	475
TOTAL EXPENDITURES	<u>13,800</u>	<u>13,575</u>	<u>225</u>	<u>3,949</u>
OTHER FINANCING SOURCES (USES)				
NET CHANGE IN FUND BALANCE - BUDGET BASIS	<u>\$ (7,730)</u>	1,615	<u>\$ 9,345</u>	(1,308)
FUND BALANCE, BEGINNING		<u>10,310</u>		<u>11,618</u>
FUND BALANCE, ENDING		<u>\$ 11,925</u>		<u>\$ 10,310</u>

See accompanying Independent Auditors' Report.

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STATE COMPLIANCE

LOCAL HIGHWAY FINANCE REPORT	City or County:
	YEAR ENDING : December 2018

This Information From The Records Of (example - City of _ or County of _ Prepared By:
Phone:

I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	
3. Other local imposts (from page 2)	18,799
4. Miscellaneous local receipts (from page 2)	3,525
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	22,324
B. Private Contributions	
C. Receipts from State government (from page 2)	67,894
D. Receipts from Federal Government (from page 2)	0
E. Total receipts (A.7 + B + C + D)	90,218

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	3,183
2. Maintenance:	35,131
3. Road and street services:	
a. Traffic control operations	4,319
b. Snow and ice removal	2,236
c. Other	4,442
d. Total (a. through c.)	10,998
4. General administration & miscellaneous	15,867
5. Highway law enforcement and safety	13,700
6. Total (1 through 5)	78,879
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
3. Total (1.c + 2.c)	0
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total disbursements (A.6 + B.3 + C + D)	78,879

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		90,218	78,879		11,339

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2018

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	3,525
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	18,799	g. Other Misc. Receipts	
6. Total (1. through 5.)	18,799	h. Other	
c. Total (a. + b.)	18,799	i. Total (a. through h.)	3,525
(Carry forward to page 1)		(Carry forward to page 1)	

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	59,314	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	8,580	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	8,580	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	67,894	3. Total (1. + 2.g)	
		(Carry forward to page 1)	

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

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

Notes and Comments: