

**TOWN OF WESTCLIFFE  
WESTCLIFFE, COLORADO**

**FINANCIAL STATEMENTS  
WITH  
INDEPENDENT AUDITORS' REPORT**

**FOR THE YEAR ENDED  
DECEMBER 31, 2022**

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## **FINANCIAL SECTION**

**Town of Westcliffe  
Management's Discussion and Analysis  
For the year ended December 31, 2022**

GASB 34 requires that this discussion and analysis be written to provide an overview of Westcliffe's financial activities for the fiscal year ended December 31, 2016. 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 changes in the Town's financial position.

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

**ECONOMIC FACTORS AFFECTING THE TOWN IN 2022**

Westcliffe is located in the Wet Mountain Valley in south-central Colorado in Custer County, has a population of 652 (per 2020 Census), and consists of approximately 781 acres or 1.22 square miles.

Westcliffe was incorporated as a statutory town under the laws of the State of Colorado in 1887 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 Clerk/Treasurer, Town Manager, Town Attorney, and Municipal Court Judge.

Westcliffe 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. Westcliffe provides its street and parks maintenance and maintains approximately 10.5 miles of streets and 4 parks.

Factors affecting the Town's economy are the lack of jobs, affordable housing, and entertainment and activities. Because 70% of Westcliffe's revenues are generated from sales tax, tourism significantly affects Westcliffe's budget. Westcliffe is located approximately 50 miles from any city of size and is not considered a "destination town."

Development in Westcliffe has picked up, the once inflated costs of available vacant property and higher costs of construction have leveled in our area. The improvement at the national level has also contributed to our economic growth. The board and staff of Round Mountain Water and Sanitation have assured the Town that water is available to double the current usage, so there will be water available for future growth when the economy allows. Infrastructure improvements to our local wastewater system may be needed in the near future.

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 Westcliffe 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. The voters approved this ballot measure by a large margin.

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, 2022, the Town has set aside \$44,020.66 to establish that reserve.

**OVERVIEW OF FINANCIAL STATEMENTS**

This annual report consists of a series of financial statements:

**Town of Westcliffe  
Management's Discussion and Analysis  
For the year ended December 31, 2022**

**OVERVIEW OF FINANCIAL STATEMENTS (Continued)**

- **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 give financial information on specific activities of the Town. Funds are classified as major and non-major funds. The General Fund is considered a major fund. Conservation Trust Fund is a non-major fund reported separately from the General Fund. These funds are reported in aggregate in 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.

**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 valuable indicator of whether the Town's financial position 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.
- **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 and 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:

**Town of Westcliffe  
Management's Discussion and Analysis  
For the year ended December 31, 2022**

**Reconciliation of Government-wide Financial Statements to Fund Financial Statements (Continued)**

- 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**

**CONDENSED STATEMENT OF NET POSITION**

	<u>Governmental Activities</u>	
	<u>12/31/2022</u>	<u>12/31/2021</u>
<b>ASSETS</b>		
Current and Other Assets	\$ 3,038,639	\$ 2,152,131
Capital Assets	<u>3,956,138</u>	<u>3,426,732</u>
Total Assets	<u>6,994,777</u>	<u>5,578,863</u>
<b>LIABILITIES</b>		
Current Liabilities	178,305	119,864
Noncurrent Liabilities	<u>43,128</u>	<u>49,328</u>
Total Liabilities	<u>221,433</u>	<u>169,192</u>
<b>DEFERRED INFLOWS</b>	<u>243,930</u>	<u>66,391</u>
<b>NET POSITION</b>		
Net Investment in Capital Assets	3,921,340	3,381,895
Restricted	125,853	106,052
Unrestricted	<u>2,482,221</u>	<u>1,855,333</u>
<b>Total Net Position</b>	<b><u>\$ 6,529,414</u></b>	<b><u>\$ 5,343,280</u></b>

**CONDENSED STATEMENT OF ACTIVITIES**

	<u>Governmental Activities</u>	
	<u>12/31/2022</u>	<u>12/31/2021</u>
<b>PROGRAM REVENUES</b>		
Charges for Services	\$ 146,043	\$ 108,685
Operating Grants	1,206,499	54,483
Capital Grants	<u>-</u>	<u>17,105</u>
Total Program Revenues	<u>1,352,542</u>	<u>180,273</u>
<b>GENERAL REVENUES</b>		
Property Taxes	66,352	61,400
Specific Ownership Taxes	8,706	9,795
Sales Taxes	1,298,037	1,139,739
Franchise Taxes	34,583	27,796
Other Taxes	3,303	3,029
Interest Income	26,805	3,603
Other Revenues	<u>3,293</u>	<u>1,391</u>
Total General Revenues	<u>1,441,079</u>	<u>1,246,753</u>
Total Revenues	<u>2,793,621</u>	<u>1,427,026</u>
<b>PROGRAM EXPENSES</b>		
General Government	352,451	362,123
Public Safety	56,803	57,103
Public Works	1,133,536	534,917
Culture and Recreation	<u>64,697</u>	<u>58,967</u>
Total Program Expenses	<u>1,607,487</u>	<u>1,013,110</u>
<b>CHANGE IN NET POSITION</b>	1,186,134	413,916
Net Position, Beginning	<u>5,343,280</u>	<u>4,929,364</u>
<b>NET POSITION, ENDING</b>	<b><u>\$ 6,529,414</u></b>	<b><u>\$ 5,343,280</u></b>

**Town of Westcliffe  
Management's Discussion and Analysis  
For the year ended December 31, 2022**

**GOVERNMENTAL ACTIVITIES**

The General Fund is the chief operating fund of the Town. The General Fund generates about 70% of its revenues from sales tax. This revenue is used for general governmental purposes. Highway Users Tax (HUTF) provides about 7% of the General Funds' revenues and is used strictly on street and alley expenses. Property tax and building permit fees add 13.0% to the Town's general fund revenues, and the remaining revenues are generated from other sources, such as interest and license fees.

Expenditures are divided into two categories: General Fund expenditures and capital improvements.

General Fund expenditures include general operational, administrative expenses of the Town, building and zoning department, animal control expenses, street and alley maintenance (including snow removal), park maintenance, and utilities. Capital improvements include purchasing equipment, infrastructure improvements such as paving, curb and gutter, sidewalks, and other miscellaneous permanent improvements.

**OTHER FUND ANALYSIS**

Conservation Trust Fund (CTF) is separate from the General Fund revenues and expenditures. It has its own checking account, and all funds remain separate.

The Conservation Trust Fund consists of revenues derived from State lottery proceeds and interest income. Westcliffe collects an average of \$5,900 per year in lottery revenues.

The CTF account will only be used for park maintenance and capital improvement projects in parks.

**CAPITAL ASSETS**

At the end of 2022, the Town has \$3,956,138, net of depreciation, invested in a broad range of capital assets, including buildings, equipment, park property, and improvements.

Major additions during 2022 include:

1.	Improvements/Chip Seal	\$229,000.00
2.	Tennis court repair	\$27,244.00
3.	Retrofit 28 streetlights	\$9,117.50
4.	Payments toward the skid steer	\$10,238.14
5.	Safe Routes to School construction project	\$991,993.10
6.	Retrofit lights at the Town shops and Memorial Park baseball field	6,603.00
7.	Purchase two laptops	\$1,530.07
8.	Payments for lease-purchase of a Skid Steer and Attachments	\$12,099.62
9.	Purchase 2022 Outlander	\$6,495.00
10.	Purchase Cub Cadet Pro	\$14,849.00
11.	Safe Routes to School – Design	\$5,830.00
12.	Westcliffe Improvements Phase II (Transportation Alternative Program)	\$191,261.25
13.	Concrete Curb ramp at 401 Main	\$1,000.00
	Total	\$1,500,657.68

**Town of Westcliffe  
Management's Discussion and Analysis  
For the year ended December 31, 2022**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital assets not being depreciated				
Land	\$ 450,086	\$ -	\$ -	\$ 450,086
Construction in progress	54,162	673,065	-	727,227
Total capital assets not being depreciated	<u>504,248</u>	<u>673,065</u>	<u>-</u>	<u>1,177,313</u>
Capital assets being depreciated				
Land improvements	567,948	27,244	1,297	593,895
Buildings	479,624	-	-	479,624
Equipment and vehicles	391,574	21,344	-	412,918
Infrastructure	4,178,787	-	-	4,178,787
Total capital assets being depreciated	<u>5,617,933</u>	<u>48,588</u>	<u>1,297</u>	<u>5,665,224</u>
Total capital assets	<u>6,122,181</u>	<u>721,653</u>	<u>1,297</u>	<u>6,842,537</u>
Less: Accumulated depreciation				
Land improvements	(248,528)	(28,836)	(1,297)	(276,067)
Buildings	(152,155)	(11,304)	-	(163,459)
Equipment and vehicles	(245,698)	(19,225)	-	(264,923)
Infrastructure	(2,049,067)	(132,883)	-	(2,181,950)
Total accumulated depreciation	<u>(2,695,448)</u>	<u>(192,248)</u>	<u>(1,297)</u>	<u>(2,886,399)</u>
<b>Net capital assets</b>	<b><u>\$ 3,426,733</u></b>	<b><u>\$ 529,405</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 3,956,138</u></b>

2022 brought several capital improvements. Chip sealed; Tennis court repair; Retrofit 28 streetlights; Payments toward the skid steer; Safe Routes to School construction project; Retrofit lights at the Town shops and Memorial Park baseball field; Purchase two laptops; Payments for lease-purchase of a Skid Steer and Attachments; Purchase 2022 Outlander; Purchase Cub Cadet Pro; Safe Routes to School – Design; Westcliffe Improvements Phase II (Transportation Alternative Program); Concrete Curb ramp at 401 Main.

Grant funds were received from CDOT of \$826,758.00 for the construction phase of the Safe Routes to School project; \$2,698.20 for the design phase of the Safe Routes to School project; \$175,844.38 for the design phase of the Westcliffe Phase II TAP project.

**NEXT YEAR'S BUDGET AND RATES**

Under Colorado law, budgets for the Town must balance and be adopted by the Town Board by December 15<sup>th</sup> each year. Westcliffe adopted its 2023 budget on September 19, 2022. Supplements can be made to the budget; however, this must be done by ordinance or resolution approved by the Board of Trustees.

To satisfy a budget that cannot be balanced by using the estimated year's 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.

**Town of Westcliffe  
Management's Discussion and Analysis  
For the year ended December 31, 2022**

	<u>2023 Budget</u>	<u>2022 Actual</u>
<b>General Fund</b>		
Fund balance carryover	\$885,509.39	\$901,306.00
Revenues	\$1,287,728.32	\$1,220,070.00
Expenditures	(\$1,169,618.46)	(\$914,032.00)
Ending fund balance	<u>\$1,003,619.25</u>	<u>\$1,207,344.00</u>
<b>Capital Fund</b>		
Fund balance carryover	\$780,346.73	\$1,026,553.00
Revenues	\$2,253,850.84	\$1,832,894.00
Expenditures	(\$2,233,856.00)	(\$1,494,061.00)
Ending fund balance	<u>\$800,341.57</u>	<u>\$1,365,386.00</u>
<b>Conservation Trust Fund</b>		
Fund balance carryover	\$46,695.26	\$38,017.00
Revenues	\$5,575.00	\$5,657.00
Expenditures	\$50,000.00	\$0.00
Ending fund balance	<u>\$2,270.26</u>	<u>\$43,674.00</u>

**Future/Anticipated Projects that may affect the Town Finances**

Westcliffe is anticipating several projects that may affect the Town's finances.

The Town received a TAP and MMOF grant for the Westcliffe Phase II project for \$1,677,687 for design and construction. The project includes portions of six (6) blocks along 3rd Street between Main & Rosita Ave.; Rosita Ave. from 2nd Street to Adams Blvd.; Adams Blvd. from Rosita Ave. to Main Street.

Chip Seal for 2 miles for \$250,000.00 and resurface some alleyways in the commercial district for \$15,000.

Pave the Rosita Parking lot - \$150,000.

Ventilation for the Town Hall-\$5,000.

Payments on the skid steer-\$11,169.

Westcliffe Phase II design-\$19,687.

Westcliffe Phase II construction project-\$1,658,000.

Equipment (Mower, street sweeper and other as needed)-\$100,000.

Install a fence around the 7<sup>th</sup> Street Town shop - \$25,000.

**Town of Westcliffe  
Management's Discussion and Analysis  
For the year ended December 31, 2022**

**Requests for Information**

This financial report is designed to provide a general overview of the Town's finances for all those interested 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  
Patterson Hall  
1000 Main Street  
P.O. Box 406  
Westcliffe, CO 81252  
719-783-2282  
[townclerk@townofwestcliffe.com](mailto:townclerk@townofwestcliffe.com)

# Mayberry & Company, LLC

## Certified Public Accountants

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

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Board of Trustees  
Town of Westcliffe  
Westcliffe, Colorado

### **Independent Auditors' Report**

#### ***Opinion***

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Westcliffe, as of and for the year ended December 31, 2022, and the related notes to the financial statements which collectively comprise the Town of Westcliffe'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, each major fund and the aggregate remaining fund information of the Town of Westcliffe as of December 31, 2022, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

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 Westcliffe 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 these 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 the 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 Town of Westcliffe'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.

#### ***Auditors' Responsibility 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 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 Town of Westcliffe 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 Town of Westcliffe'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.

#### ***Report on Summarized Comparative Information***

We have previously audited the Town of Westcliffe's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 4, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021 is consistent, in all material respects, with the audited financial statements from which it has been derived.

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that a management's discussion and analysis and budgetary comparison information listed in the tables of contents 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.

**Supplementary Information**

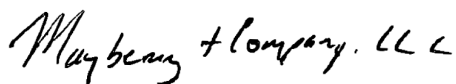
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Westcliffe's basic financial statements. The combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 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 GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic 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 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.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2023 on our consideration of the Town of Westcliffe's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Westcliffe's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Westcliffe's internal control over financial reporting and compliance.



Englewood, Colorado  
June 26, 2023

## **BASIC FINANCIAL STATEMENTS**

**TOWN OF WESTCLIFFE, COLORADO**

**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2022**

	<b><u>GOVERNMENTAL ACTIVITIES</u></b>
<b>ASSETS AND DEFERRED OUTFLOWS</b>	
<b>ASSETS</b>	
<b>Current Assets</b>	
Cash and Investments	
Cash	\$ 2,506,295
Restricted Cash and Investments	43,674
Receivables	
Property Tax Receivable	68,760
Intergovernmental Receivables	244,740
Other Receivables	175,170
Total Current Assets	<u>3,038,639</u>
<b>Noncurrent Assets</b>	
Capital Assets not being Depreciated	1,177,313
Capital Assets being Depreciated	5,665,224
Accumulated Depreciation	<u>(2,886,399)</u>
Total Noncurrent Assets	<u>3,956,138</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	<b><u>\$ 6,994,777</u></b>
<b>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>	
<b>LIABILITIES</b>	
<b>Current Liabilities</b>	
Accounts Payable	\$ 15,222
Accrued Liabilities	(74)
Deposits and Escrow	400
Unearned Revenue	162,757
Total Current Liabilities	<u>178,305</u>
<b>Noncurrent Liabilities</b>	
Due within one year	11,177
Due in more than one year	31,951
Total Noncurrent Liabilities	<u>43,128</u>
<b>TOTAL LIABILITIES</b>	<b><u>221,433</u></b>
<b>DEFERRED INFLOWS OF FINANCIAL RESOURCES</b>	
Other Deferred Inflows	<u>243,930</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	3,921,340
Restricted Net Position	125,853
Unrestricted Net Position	<u>2,482,221</u>
<b>TOTAL NET POSITION</b>	<b><u>6,529,414</u></b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>	<b><u>\$ 6,994,777</u></b>

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

**TOWN OF WESTCLIFFE, COLORADO**

**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>PROGRAM REVENUES</u>			<b>NET (EXPENSE) REVENUE AND</b>
			<b>OPERATING</b>	<b>CHANGES IN NET POSITION</b>
	<u>EXPENSES</u>	<u>CHARGES FOR SERVICES</u>	<u>GRANTS AND CONTRIBUTIONS</u>	<u>GOVERNMENT ACTIVITIES</u>
<b>FUNCTIONS/PROGRAMS</b>				
Government Activities				
Current				
General Government	\$ 352,451	\$ 19,456	\$ 1,120,530	\$ 787,535
Public Safety	56,803	1,126	-	(55,677)
Public Works	1,133,536	123,811	80,393	(929,332)
Culture and Recreation	64,697	1,650	5,576	(57,471)
<b>TOTAL GOVERNMENT</b>	<u>\$ 1,607,487</u>	<u>\$ 146,043</u>	<u>\$ 1,206,499</u>	<u>(254,945)</u>
<b>GENERAL REVENUES</b>				
Property Taxes				66,352
Specific Ownership Taxes				8,706
Sales Taxes				1,298,037
Franchise Taxes				34,583
Other Taxes				3,303
Interest Income				26,805
Other Revenues				3,293
<b>TOTAL GENERAL REVENUES</b>				<u>1,441,079</u>
<b>CHANGE IN NET POSITION</b>				1,186,134
<b>NET POSITION - Beginning</b>				<u>5,343,280</u>
<b>NET POSITION - Ending</b>				<u>\$ 6,529,414</u>

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

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TOWN OF WESTCLIFFE, COLORADO

**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**

DECEMBER 31, 2022

With Comparative Totals for December 31, 2021

	<b>Capital Projects Fund</b>		
	<b>General Fund</b>	<b>Capital Fund</b>	<b>Other Funds</b>
<b>ASSETS AND DEFERRED OUTFLOWS</b>			
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Investments			
Cash	\$ 1,486,072	\$ 1,020,223	\$ -
Restricted Cash and Investments	-	-	43,674
Receivables			
Property Tax Receivable	68,760	-	-
Intergovernmental Receivables	148,354	96,386	-
Other Receivables	-	175,170	-
Internal Balances	(265,000)	265,000	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	<b>\$ 1,438,186</b>	<b>\$ 1,556,779</b>	<b>\$ 43,674</b>
<b>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>			
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts Payable	-	15,222	-
Accrued Liabilities	(74)	-	-
Deposits and Escrow	400	-	-
Unearned Revenue	161,757	1,000	-
<b>TOTAL LIABILITIES</b>	<b>162,083</b>	<b>16,222</b>	<b>-</b>
<b>DEFERRED INFLOWS OF FINANCIAL RESOURCES</b>			
Other Deferred Inflows	68,759	175,171	-
<b>FUND BALANCE</b>			
Restricted Fund Balance	82,179	-	43,674
Committed Fund Balance	324,516	1,365,386	-
Unassigned Fund Balance	800,649	-	-
<b>TOTAL FUND BALANCE</b>	<b>1,207,344</b>	<b>1,365,386</b>	<b>43,674</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>	<b>\$ 1,438,186</b>	<b>\$ 1,556,779</b>	<b>\$ 43,674</b>

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

<b>Total</b>	
<b>2022</b>	<b>2021</b>
\$ 2,506,295	\$ 1,846,717
43,674	38,017
68,760	66,391
244,740	201,006
175,170	-
-	-
<u>\$ 3,038,639</u>	<u>\$ 2,152,131</u>

\$ 15,222	\$ 34,140
(74)	-
400	300
<u>162,757</u>	<u>85,424</u>
<u>178,305</u>	<u>119,864</u>

<u>243,930</u>	<u>66,391</u>
----------------	---------------

125,853	106,052
1,689,902	1,320,515
800,649	539,309
<u>2,616,404</u>	<u>1,965,876</u>
<u>\$ 3,038,639</u>	<u>\$ 2,152,131</u>

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**TOWN OF WESTCLIFFE, COLORADO**

**RECONCILIATION OF GOVERNMENTAL FUND BALANCE  
TO GOVERNMENTAL ACTIVITIES NET POSITION  
DECEMBER 31, 2022**

<b>Fund Balance - Governmental Funds</b>			\$ 2,616,404
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds			
Capital assets, not being depreciated	\$ 1,177,313		
Capital assets, being depreciated	5,665,224		
Accumulated depreciation	<u>(2,886,399)</u>	3,956,138	
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the funds.			
Capital leases payable	(34,798)		
Accrued compensated absences	<u>(8,330)</u>	<u>(43,128)</u>	
<b>Total Net Position - Governmental Activities</b>			<u>\$ 6,529,414</u>

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

**TOWN OF WESTCLIFFE, COLORADO**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**  
**With Comparative Totals for the Year Ended December 31, 2021**

	<b>Capital Projects</b>		
	<b>General</b>	<b>Fund</b>	<b>Other</b>
	<b>Fund</b>	<b>Fund</b>	<b>Funds</b>
<b>REVENUES</b>			
Taxes	\$ 978,303	\$ 432,679	\$ -
Intergovernmental Revenues	84,315	1,043,581	5,576
Licenses and Permits	135,001	-	-
Fines and Forfeits	1,126	-	-
Charges for Services	4,750	5,167	-
Investment Earnings	13,140	13,584	81
Other Revenues	3,435	72,883	-
<b>TOTAL REVENUES</b>	<u>1,220,070</u>	<u>1,567,894</u>	<u>5,657</u>
<b>EXPENDITURES</b>			
Current			
General Government	323,101	-	-
Public Safety	56,803	-	-
Public Works	230,959	-	-
Parks, Recreation and Other	36,891	-	-
Capital Outlay	-	1,483,823	-
Debt Service	1,278	10,238	-
<b>TOTAL EXPENDITURES</b>	<u>649,032</u>	<u>1,494,061</u>	<u>-</u>
<b>REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES</b>	<u>571,038</u>	<u>73,833</u>	<u>5,657</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Debt Proceeds	-	-	-
Transfers In	-	265,000	-
Transfers (Out)	(265,000)	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(265,000)</u>	<u>265,000</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE - GAAP BASIS</b>	306,038	338,833	5,657
<b>FUND BALANCE, BEGINNING</b>	901,306	1,026,553	38,017
<b>FUND BALANCE, ENDING</b>	<u>\$ 1,207,344</u>	<u>\$ 1,365,386</u>	<u>\$ 43,674</u>

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

<b>Total</b>	
<b>2022</b>	<b>2021</b>
\$ 1,410,982	\$ 1,241,761
1,133,472	70,644
135,001	84,189
1,126	150
9,917	24,346
26,805	3,603
<u>76,318</u>	<u>2,333</u>
<u>2,793,621</u>	<u>1,427,026</u>
323,101	328,350
56,803	57,103
230,959	165,807
36,891	35,918
1,483,823	371,957
<u>11,516</u>	<u>12,846</u>
<u>2,143,093</u>	<u>971,981</u>
<u>650,528</u>	<u>455,045</u>
-	5,783
265,000	145,000
<u>(265,000)</u>	<u>(145,000)</u>
-	<u>5,783</u>
650,528	460,828
<u>1,965,876</u>	<u>1,505,048</u>
<u>\$ 2,616,404</u>	<u>\$ 1,965,876</u>

**TOWN OF WESTCLIFFE, COLORADO**

**RECONCILIATION OF GOVERNMENTAL FUNDS CHANGE IN FUND BALANCE  
TO GOVERNMENTAL ACTIVITIES CHANGE IN NET POSITION  
FOR THE YEAR ENDED DECEMBER 31, 2022**

<b>Change in Fund Balance - Governmental Funds</b>		\$	650,528
Capital assets used in governmental activities are expensed when purchased in the funds and depreciated at the activity level			
Capitalized Asset Purchases	\$	721,654	
Depreciation Expense		<u>(192,248)</u>	529,406
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			
Principal payments on capital leases		10,039	
Change in accrued compensated absences		<u>(3,839)</u>	<u>6,200</u>
<b>Change in Net Position - Governmental Activities</b>		\$	<u>1,186,134</u>

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

**TOWN OF WESTCLIFFE, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**HISTORY AND FUNCTION OF ORGANIZATION**

The Town of Westcliffe 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 Westcliffe (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 WESTCLIFFE, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

**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 Capital 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 governmental funds:

*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.

*Conservation Trust Fund:* This fund is established to account for lottery funds received from the state. These funds are to be expended only for the acquisition, development and maintenance of new conservation sites or for capital improvements or maintenance for recreational purposes on any public site. This fund is considered a special revenue fund and is a nonmajor fund.

*Capital Fund:* This fund was established in 2017 to account for amounts set aside by the Board of Trustees for capital acquisition and replacement. Revenues for this fund are primarily from transfers of excess available resources from the General Fund as discussed above. This also accounts for capital grants received by the Town, other than those reported in the Conservation Trust Fund. This fund is a capital projects fund and is considered a major fund.

**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.

**TOWN OF WESTCLIFFE, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**MEASUREMENT FOCUS AND BASIS OF ACCOUNTING** (Continued)

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.

**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

**TOWN OF WESTCLIFFE, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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

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.

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

Buildings and improvements	20 – 50 years
Infrastructure	10 – 30 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)**

PTO is provided in an amount of hours and with sufficient pay, for all the same purposes, and under all the same conditions or in excess of the requirements delineated in the Healthy Families and Workplace Act (HFWA) and applicable rules. This includes but is not limited to accrual, use, payment, annual carryover of unused accrued leave, notice and documentation requirements, and anti-retaliation and anti-interference rights. Additional HFWA leave will not be provided if an employee uses all of their available PTO for non-HFWA-qualifying reasons, except when a public health emergency is declared after usage of PTO, requiring supplemental leave.

Regular full-time employees (scheduled for 12 months per year) shall accrue the following amount of PTO on an annual basis, calculated by 12 pay periods per year. PTO accruals shall increase to the next level beginning with the pay period that includes the employee's appropriate anniversary date. The maximum PTO a regular full-time employee may accumulate is three hundred and twenty hours (320). When an employee reaches 320 hours of accrued but unused PTO, the employee will cease to accrue PTO until the employee uses PTO and brings the available amount below the cap of 320 hours. An employee's benefit year may be extended for any significant leave of absence except military leave of absence. Military leave has no effect on this calculation. (See individual leave of absence policies for more information). PTO is available for use the month after it is earned.

**TOWN OF WESTCLIFFE, COLORADO  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2022**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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

**Accumulated Unpaid Leave (Compensated Absences)** (Continued)

The amount of PTO employees receives each year increases with the length of their employment as shown in the following schedule:

<u>Years of Service</u>	<u>Monthly Accrual Hours</u>	<u>Annual Accrual Days</u>
1 through 5	16	24
6 through 10	18	27
11 or more	22	33

Part-time and seasonal employees earn one (1) hour of PTO for every 30 hours worked. The maximum PTO a part-time employee may accumulate is one hundred twenty-four (124) hours. When an employee reaches 124 hours of accrued but unused PTO, the employee will cease to accrue PTO until the employee uses PTO and brings the available amount below the cap of 124 hours.

PTO is paid at the employee’s base pay rate at the time of absence. It does not include overtime or any special forms of compensation such as incentives, commissions, bonuses, or shift differentials. PTO is not included in the calculation of overtime.

Upon separation of employment, employees will be paid for unused PTO earned through the last day of work not to exceed the capped amounts, paid out hour-for-hour at the employee’s pay rate for the previous year.

**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 WESTCLIFFE, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

**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.

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 WESTCLIFFE, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

The Town’s cash and investment balances are allocated as follows as of December 31, 2022:

Cash	\$ 482,984
Investments	<u>2,066,985</u>
<b>Total Cash and Investments</b>	<b><u>\$ 2,549,969</u></b>

This balance is presented in the financial statements as shown below:

Cash and Investments	\$ 2,506,295
Restricted Cash and Investments	<u>43,674</u>
<b>Total Cash and Investments</b>	<b><u>\$ 2,549,969</u></b>

**TOWN OF WESTCLIFFE, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

**NOTE 2: CASH AND INVESTMENTS (Continued)**

**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.

At December 31, 2022, 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	\$ 250,000	\$ 250,000
PDPA Secured (Not in Entity's Name)	282,215	232,884
Petty Cash	-	100
<b>Total Cash</b>	<b><u>\$ 532,215</u></b>	<b><u>\$ 482,984</u></b>

**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.

**TOWN OF WESTCLIFFE, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

**NOTE 2: CASH AND INVESTMENTS (Continued)**

**Investments (Continued)**

The Town did not hold any investments other than certificates of deposits included in the bank balances shown above at December 31, 2022.

Concentration of Credit Risk - Investments

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

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, 2022, 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	\$ 450,086	\$ -	\$ -	\$ 450,086
Construction in progress	54,162	673,065	-	727,227
Total capital assets not being depreciated	<u>504,248</u>	<u>673,065</u>	<u>-</u>	<u>1,177,313</u>
Capital assets being depreciated				
Land improvements	567,948	27,244	1,297	593,895
Buildings	479,624	-	-	479,624
Equipment and vehicles	391,574	21,344	-	412,918
Infrastructure	4,178,787	-	-	4,178,787
Total capital assets being depreciated	<u>5,617,933</u>	<u>48,588</u>	<u>1,297</u>	<u>5,665,224</u>
Total capital assets	<u>6,122,181</u>	<u>721,653</u>	<u>1,297</u>	<u>6,842,537</u>
Less: Accumulated depreciation				
Land improvements	(248,528)	(28,836)	(1,297)	(276,067)
Buildings	(152,155)	(11,304)	-	(163,459)
Equipment and vehicles	(245,698)	(19,225)	-	(264,923)
Infrastructure	(2,049,067)	(132,883)	-	(2,181,950)
Total accumulated depreciation	<u>(2,695,448)</u>	<u>(192,248)</u>	<u>(1,297)</u>	<u>(2,886,399)</u>
<b>Net capital assets</b>	<b><u>\$ 3,426,733</u></b>	<b><u>\$ 529,405</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 3,956,138</u></b>

**TOWN OF WESTCLIFFE, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

**NOTE 3: CAPITAL ASSETS** (Continued)

Depreciation is charged to the governmental activities as follows:

General government	\$ 25,324
Public works	139,118
Parks and recreation	27,806
<b>Total depreciation expense</b>	<b><u>\$ 192,248</u></b>

**NOTE 4: LEASE RECEIVABLES**

Changes in governmental activities lease receivables are as follows:

	<u>Balance</u> <u>1/1/2022</u>	<u>Advances</u>	<u>Receipts</u>	<u>Balance</u> <u>12/31/22</u>	<u>Due Within</u> <u>One Year</u>	<u>Interest</u> <u>Income</u>
Communication Tower Lease 2017	\$ -	\$ 180,336	\$ 4,966	\$ 175,370	\$ 5,166	\$ 6,834

In 2017 the Town entered into a communication tower lease agreement. The lease requires monthly payments of \$1,000 to be received starting November 2019 through October 2044 and bears interest an estimated interest of 3.95%.

Future lease receivable payments are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 5,166	\$ 6,834	\$ 12,000
2024	5,374	6,626	12,000
2025	5,590	6,410	12,000
2026	5,814	6,186	12,000
2027	6,048	5,952	12,000
2028-2032	34,093	25,907	60,000
2033-2037	41,523	18,477	60,000
2038-2042	50,574	9,426	60,000
2043-2044	21,189	811	22,000
<b>Total</b>	<b><u>\$ 175,370</u></b>	<b><u>\$ 86,630</u></b>	<b><u>\$ 262,000</u></b>

**NOTE 5: NONCURRENT LIABILITIES**

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

	<u>Beginning</u>			<u>Ending</u>	<u>Due Within</u>	<u>Interest</u>
	<u>Balance</u>	<u>Advances</u>	<u>Payments</u>	<u>Balance</u>	<u>One Year</u>	<u>Paid</u>
<b>Governmental activities</b>						
Obligations under capital lease	\$ 44,837	\$ -	\$ 10,039	\$ 34,798	\$ 11,177	\$ 1,477
Compensated absences	4,491	3,839	-	8,330	-	-
<b>Total governmental activities</b>	<b><u>\$ 49,328</u></b>	<b><u>\$ 3,839</u></b>	<b><u>\$ 10,039</u></b>	<b><u>\$ 43,128</u></b>	<b><u>\$ 11,177</u></b>	<b><u>\$ 1,477</u></b>

**TOWN OF WESTCLIFFE, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

**NOTE 5: NONCURRENT LIABILITIES** (Continued)

In 2020, the Town entered into a capital lease obligation for the purchase of a skid steer. The lease requires monthly payments of \$931 through November 2025 and bears interest at 3.95%. Assets with a remaining basis of \$48,843 were capitalized as part of this lease. In the case of default, the lessor is permitted to do one or more of the following: recover from the lessee, as liquidated damages for loss of bargain and not as penalty, the principal balance as of the date of such default, declare any other agreements between the lessor and lessee in default, terminate any rights the lessee has under the lease agreement, require the return or take possession of the equipment, lease or sell the equipment at a public or private sale, apply the net proceeds received from any sale, lease or other disposition to the lessee obligations under the lease with the lessee remaining liable for any deficiency, charge the lessee for expenses incurred in the right to remedy and exercise any other remedy available at law or equity.

The remaining minimum payments for the lease are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 10,138	\$ 1,031	\$ 11,169
2024	10,545	624	11,169
2025	10,040	198	10,238
<b>Total</b>	<b><u>\$ 30,723</u></b>	<b><u>\$ 1,853</u></b>	<b><u>\$ 32,576</u></b>

In 2021, the Town entered into a capital lease obligation for the purchase of a copier. The lease requires monthly payments of \$121 through June 2026 and bears interest at 4.00%. Assets with a remaining basis of \$4,048 were capitalized as part of this lease. In the case of default, the lessor is permitted to do one or more of the following: recover from the lessee, as liquidated damages for loss of bargain and not as penalty, pay the sum of all amounts past due plus interest from the due date until paid at the rate of 1.5% per month, pay all payments remaining in the term discounted at the discount rate to the date of default, pay the sum of the equipment's booked residual and taxes. The lessor may require the return or take possession of the equipment. The lessee agrees to pay all reasonable cost, including attorney's fees and disbursements, incurred by the lessor to enforce this agreement.

The remaining minimum payments for the lease are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 1,039	\$ 132	\$ 1,171
2024	1,178	100	1,278
2025	1,226	52	1,278
2026	632	7	639
<b>Total</b>	<b><u>\$ 4,075</u></b>	<b><u>\$ 291</u></b>	<b><u>\$ 4,366</u></b>

**TOWN OF WESTCLIFFE, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

**NOTE 6: DEFINED CONTRIBUTION PENSION PLAN**

The Town provides a defined contribution plan for all employees through the Colorado Retirement Association. Participation in the plan is mandatory for covered employees. The fund is named Colorado Retirement Association.

Employees vest in the Town's contribution at 20% per year. All employees who have contributed to the plan are entitled to the benefits after completion of one year of service and upon termination. The employee contributes 3% of earnings and employer contributes 3% of earnings. The Town is not liable for amounts over the 3%. All contributions are current. During 3, the Town contributed \$6,095 and the employees contributed \$6,907. The Town's total payroll was \$273,122 of which \$90,692 was covered under the plan.

**NOTE 7: 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, 2022.

**NOTE 8: 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, 2022 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 Westcliffe 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.

**TOWN OF WESTCLIFFE, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

**NOTE 8: RESTRICTED FUND BALANCE / NET POSITION** (Continued)

**Tax Spending and Debt Limitations** (Continued)

The Article requires an emergency reserve be set aside for 2022 in the amount of 3 percent or more of its fiscal year spending. At December 31, 2022, the Town has reserved the following for emergencies:

General Fund	<u>\$ 57,000</u>
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**Other Restrictions**

The Town has restricted net position at December 31, 2022 in the Conservation Trust Fund related to unspent Conservation Trust Fund revenues.

Conservation Trust Fund	<u>\$ 43,674</u>
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The Town has also restricted Tennis Court donations in the General Fund in the amount of \$25,179.

**Fund Equity Commitments**

In December 2020, the Town adopted a policy allowing for a minimum three month and maximum six month operating reserve in the General Fund with any excess amounts to be transferred to the Capital Fund. Based on the policy, the maximum operating reserve in the General Fund of six months of operating expenditures, \$649,032 total expenditures, a six-month reserve would be \$324,516. The Town has committed the \$324,516 in the General Fund for operating reserves at the year end.

The Town has committed the following amounts for future capital needs.

Capital Fund	<u>\$ 1,365,386</u>
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**NOTE 9: 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.

**TOWN OF WESTCLIFFE, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

**NOTE 9: RISK MANAGEMENT** (Continued)

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, 2022.

**NOTE 10: INTERFUND TRANSACTIONS**

The Town has recorded a routine transfer of \$265,000 from the General Fund to the Capital Fund for the fiscal year ended December 31, 2022.

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**REQUIRED SUPPLEMENTARY INFORMATION**

TOWN OF WESTCLIFFE, COLORADO

**BUDGETARY COMPARISON SCHEDULE**

**General Fund**

**FOR THE YEAR ENDED DECEMBER 31, 2022**

**With Comparative Totals for the Year Ended December 31, 2021**

	<b>2022</b>			<b>2021</b>
	<b>Original &amp; Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>	
<b>REVENUES</b>				
<b>Taxes</b>				
Property Taxes	\$ 66,391	\$ 66,352	\$ (39)	\$ 61,400
Specific Ownership Taxes	8,900	8,706	(194)	9,795
Sales Taxes	802,217	865,359	63,142	759,904
Franchise Taxes	26,000	34,583	8,583	27,796
Other Taxes	1,983	3,303	1,320	3,030
Total Tax Revenue	<u>905,491</u>	<u>978,303</u>	<u>72,812</u>	<u>861,925</u>
<b>Intergovernmental Revenues</b>				
Cigarette Taxes	1,800	2,090	290	3,017
Highway Users	29,199	30,761	1,562	31,747
Road and Bridge	30,955	49,632	18,677	14,917
Federal Grants	78,924	216	(78,708)	26
State Grants	-	1,616	1,616	-
Total Intergovernmental Revenue	<u>140,878</u>	<u>84,315</u>	<u>(56,563)</u>	<u>49,707</u>
<b>Licenses and Permits</b>				
Liquor Licenses	3,441	4,615	1,174	1,775
Building Permits	97,286	122,561	25,275	75,274
Annexation/Other P&Z Fees	1,200	1,250	50	1,500
Business Licenses	6,070	6,575	505	5,640
Total Licenses and Permits	<u>107,997</u>	<u>135,001</u>	<u>27,004</u>	<u>84,189</u>
<b>Fines and Forfeits</b>				
	<u>1,100</u>	<u>1,126</u>	<u>26</u>	<u>150</u>
<b>Charges for Services</b>				
Recreation/Comm Ctr Charges	1,475	1,650	175	1,075
Rents	2,500	3,100	600	2,150
Other Charges for Services	3,400	-	(3,400)	9,121
Total Charges for Services	<u>7,375</u>	<u>4,750</u>	<u>(2,625)</u>	<u>12,346</u>
<b>Investment Earnings</b>				
	<u>3,000</u>	<u>13,140</u>	<u>10,140</u>	<u>1,182</u>
<b>Other Revenues</b>				
Donations	143	143	-	35
Other Miscellaneous Revenue	1,867	3,292	1,425	1,389
Total Other Revenue	<u>2,010</u>	<u>3,435</u>	<u>1,425</u>	<u>1,424</u>
<b>TOTAL REVENUES</b>	<u>1,167,851</u>	<u>1,220,070</u>	<u>52,219</u>	<u>1,010,923</u>

See accompanying Independent Auditors' Report.

TOWN OF WESTCLIFFE, COLORADO

**BUDGETARY COMPARISON SCHEDULE**

**General Fund**

**FOR THE YEAR ENDED DECEMBER 31, 2022**

**With Comparative Totals for the Year Ended December 31, 2021**

	2022		Variance With Final Budget	2021 Actual
	Original & Final Budget	Actual		
(Continued)				
<b>EXPENDITURES</b>				
<b>General Government</b>				
Personnel Services	212,511	206,727	5,784	194,884
Equipment Rentals	1,505	168	1,337	6,666
Insurance	14,646	14,494	152	13,049
Professional Fees	27,183	24,037	3,146	17,636
Repairs and Maintenance	5,000	4,905	95	7,393
Supplies	1,000	1,999	(999)	1,803
Telephone and Utilities	7,100	8,268	(1,168)	7,619
Travel and Training	2,315	2,688	(373)	3,026
Other Expenses	83,455	59,815	23,640	76,274
Total General Government	<u>354,715</u>	<u>323,101</u>	<u>31,614</u>	<u>328,350</u>
<b>Public Safety</b>				
Police	56,500	56,500	-	56,500
Animal Control	303	303	-	303
Municipal Court	-	-	-	300
Total Public Safety	<u>56,803</u>	<u>56,803</u>	<u>-</u>	<u>57,103</u>
<b>Public Works</b>				
Personnel Services	123,889	116,949	6,940	60,004
Contract Labor	30,000	9,576	20,424	31,980
Repairs and Maintenance	80,000	79,722	278	53,204
Telephone and Utilities	21,700	23,754	(2,054)	19,693
Travel and Training	1,000	958	42	926
Total Public Works/Comm Devel	<u>256,589</u>	<u>230,959</u>	<u>25,630</u>	<u>165,807</u>
<b>Parks, Recreation and Other</b>				
Personnel Services	-	-	-	1,845
Repairs and Maintenance	20,000	20,391	(391)	19,803
Telephone and Utilities	25,500	16,500	9,000	14,270
Total Parks, Recreation & Other	<u>45,500</u>	<u>36,891</u>	<u>8,609</u>	<u>35,918</u>
Other Capital Outlay	157,848	-	157,848	-
<b>Debt Service</b>				
Principal and Interest	-	1,091	(1,091)	617
Interest	-	187	(187)	129
Total Debt Service	<u>-</u>	<u>1,278</u>	<u>(1,278)</u>	<u>746</u>
<b>TOTAL EXPENDITURES</b>	<u>871,455</u>	<u>649,032</u>	<u>222,423</u>	<u>587,924</u>
<b>REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES</b>	<u>296,396</u>	<u>571,038</u>	<u>274,642</u>	<u>422,999</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Debt Proceeds	-	-	-	5,783
Transfers (Out)	(265,000)	(265,000)	-	(145,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(265,000)</u>	<u>(265,000)</u>	<u>-</u>	<u>(139,217)</u>
<b>NET CHANGE IN FUND BALANCE - BUDGET BASIS</b>	<u>\$ 31,396</u>	<u>306,038</u>	<u>\$ 274,642</u>	<u>283,782</u>
<b>FUND BALANCE, BEGINNING</b>		<u>901,306</u>		<u>617,524</u>
<b>FUND BALANCE, ENDING</b>		<u>\$ 1,207,344</u>		<u>\$ 901,306</u>

See accompanying Independent Auditors' Report.

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**OTHER SUPPLEMENTARY INFORMATION**

**TOWN OF WESTCLIFFE, COLORADO**

**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2022**

**With Comparative Totals for December 31, 2021**

	<b>SPECIAL REVENUE FUNDS</b>		
	<b>Conservation Trust Fund</b>	<b>Total</b>	
		<b>2022</b>	<b>2021</b>
<b>ASSETS AND DEFERRED OUTFLOWS</b>			
<b>ASSETS</b>			
<b>Current Assets</b>			
Restricted Cash and Investments	\$ 43,674	\$ 43,674	\$ 38,017
<b>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>			
<b>FUND BALANCE</b>			
Restricted Fund Balance	\$ 43,674	\$ 43,674	\$ 38,017

See accompanying Independent Auditors' Report.

**TOWN OF WESTCLIFFE, COLORADO**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**

**NONMAJOR GOVERNMENTAL FUNDS**

**FOR THE YEAR ENDED DECEMBER 31, 2022**

**With Comparative Totals for the Year Ended December 31, 2021**

	<b>SPECIAL REVENUE FUNDS</b>		
	<b>Conservation Trust</b>	<b>Total</b>	
	<b>Fund</b>	<b>2022</b>	<b>2021</b>
<b>REVENUES</b>			
Intergovernmental Revenues	\$ 5,576	\$ 5,576	\$ 6,073
Investment Earnings	81	81	69
<b>NET CHANGE IN FUND BALANCE - GAAP BASIS</b>	5,657	5,657	6,142
<b>FUND BALANCE, BEGINNING</b>	38,017	38,017	31,875
<b>FUND BALANCE, ENDING</b>	<u>\$ 43,674</u>	<u>\$ 43,674</u>	<u>\$ 38,017</u>

See accompanying Independent Auditors' Report.

**TOWN OF WESTCLIFFE, COLORADO**

**BUDGETARY COMPARISON SCHEDULE**

**Conservation Trust Fund**

**FOR THE YEAR ENDED DECEMBER 31, 2022**

**With Comparative Totals for the Year Ended December 31, 2021**

	<b>2022</b>		<b>Variance With Final Budget</b>	<b>2021</b>	
	<b>Final Budget</b>	<b>Actual</b>		<b>Actual</b>	<b>Actual</b>
<b>REVENUES</b>					
<b>Intergovernmental Revenues</b>					
Conservation Trust Fund	\$ 5,576	\$ 5,576	\$ -	\$ 6,073	
<b>Investment Earnings</b>	<u>-</u>	<u>81</u>	<u>81</u>	<u>69</u>	
<b>NET CHANGE IN FUND BALANCE - BUDGET BASIS</b>	<u>\$ 5,576</u>	<u>5,657</u>	<u>\$ 81</u>	<u>6,142</u>	
<b>FUND BALANCE, BEGINNING</b>		<u>38,017</u>		<u>31,875</u>	
<b>FUND BALANCE, ENDING</b>		<u>\$ 43,674</u>		<u>\$ 38,017</u>	

See accompanying Independent Auditors' Report.

TOWN OF WESTCLIFFE, COLORADO

**BUDGETARY COMPARISON SCHEDULE**

**Capital Fund**

**FOR THE YEAR ENDED DECEMBER 31, 2022**

**With Comparative Totals for the Year Ended December 31, 2021**

	<b>2022</b>		<b>Variance With Final Budget</b>	<b>2021</b>	
	<b>Final Budget</b>	<b>Actual</b>		<b>Budget</b>	<b>Actual</b>
<b>REVENUES</b>					
<b>Taxes</b>					
Sales Taxes	\$ 401,108	\$ 432,679	\$ 31,571	\$ 379,836	
<b>Intergovernmental Revenues</b>					
Federal Grants	-	831,422	831,422	-	
State Grants	1,074,118	212,159	(861,959)	14,864	
Total Intergovernmental Revenue	1,074,118	1,043,581	(30,537)	14,864	
<b>Charges for Services</b>					
Rents	12,000	5,167	(6,833)	12,000	
<b>Investment Earnings</b>					
	3,000	13,584	10,584	2,352	
<b>Other Revenues</b>					
Donations	40,226	72,883	32,657	909	
<b>TOTAL REVENUES</b>	<b>1,530,452</b>	<b>1,567,894</b>	<b>37,442</b>	<b>409,961</b>	
<b>EXPENDITURES</b>					
<b>Capital Outlay</b>					
General Government Capital Outlay	211,462	43,965	167,497	121,627	
Public Works Capital Outlay	1,557,251	1,439,858	117,393	250,330	
Total Capital Outlay	1,768,713	1,483,823	284,890	371,957	
<b>Debt Service</b>					
Principal and Interest	11,169	10,238	931	12,100	
<b>TOTAL EXPENDITURES</b>	<b>1,779,882</b>	<b>1,494,061</b>	<b>285,821</b>	<b>384,057</b>	
<b>REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES</b>	<b>(249,430)</b>	<b>73,833</b>	<b>323,263</b>	<b>25,904</b>	
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	265,000	265,000	-	145,000	
<b>NET CHANGE IN FUND BALANCE - BUDGET BASIS</b>	<b>\$ 15,570</b>	<b>338,833</b>	<b>\$ 323,263</b>	<b>170,904</b>	
<b>Budget to GAAP Basis Reconciliation</b>					
<b>FUND BALANCE, BEGINNING</b>				<b>1,026,553</b>	<b>855,649</b>
<b>FUND BALANCE, ENDING</b>				<b>\$ 1,365,386</b>	<b>\$ 1,026,553</b>

See accompanying Independent Auditors' Report.

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**COMPLIANCE SECTION**  
**State Compliance**

<b>LOCAL HIGHWAY FINANCE REPORT</b>	City or County: Town of Westcliffe
	YEAR ENDING : December-21

This Information From The Records Of (example - City of _ or County of Town of Westcliffe	Prepared By: Phone:	Kathy Reis 719-783-2282
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**I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE**

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES	
ITEM	AMOUNT	ITEM	AMOUNT
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	198,450
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	20,835
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	5434
2. General fund appropriations	259234	b. Snow and ice removal	35854
3. Other local imposts (from page 2)	46,931	c. Other	8966
4. Miscellaneous local receipts (from page 2)	125	d. Total (a. through c.)	50255
5. Transfers from toll facilities	0	4. General administration & miscellane	11699
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	56800
a. Bonds - Original Issues	0	6. Total (1 through 5)	338038
b. Bonds - Refunding Issues	0	<b>B. Debt service on local obligations:</b>	
c. Notes	0	1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	0
7. Total (1 through 6)	306290.4	b. Redemption	0
<b>B. Private Contributions</b>	0	c. Total (a. + b.)	0
<b>C. Receipts from State government</b> (from page 2)	31747.36	2. Notes:	
<b>D. Receipts from Federal Government</b> (from page 2)	0	a. Interest	0
<b>E. Total receipts (A.7 + B + C + D)</b>	338037.76	b. Redemption	0
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		<b>C. Payments to State for highways</b>	0
		<b>D. Payments to toll facilities</b>	0
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	338038

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

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

**V. LOCAL ROAD AND STREET FUND BALANCE**

	A. Beginning Balance	B. Total Receipts	Total Disbursemen	D. Ending Balance	E. Reconciliation
	0	338037.76	338038	0	0

<b>LOCAL HIGHWAY FINANCE REPORT</b>	STATE: Colorado
	YEAR ENDING (mm/yy): December-21

**II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL**

ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments	67,001	a. Interest on investments	0
b. Other local imposts:		b. Traffic Fines & Penalties	125
1. Sales Taxes	0	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	0	d. Parking Meter Fees	0
3. Liens	0	e. Sale of Surplus Property	0
4. Licenses	0	f. Charges for Services	0
5. Specific Ownership &/or Other	46,931	g. Other Misc. Receipts	0
6. Total (1. through 5.)	46,931	h. Other	0
c. Total (a. + b.)	113,932	i. Total (a. through h.)	125
	(Carry forward		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	31747.36	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	0
a. State bond proceeds		b. FEMA	0
b. Project Match		c. HUD	0
c. Motor Vehicle Registrations	0	d. Federal Transit Admin	0
d. Other (Specify) CDOT	0	e. U.S. Corps of Engineers	0
e. Other (Specify)	0	f. Other Federal	0
f. Total (a. through e.)	0	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	31747.36	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)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs	0	0	0
b. Engineering Costs	0	0	0
c. Construction:			
(1). New Facilities	0	0	0
(2). Capacity Improvements	0	0	0
(3). System Preservation	0	0	0
(4). System Enhancement & Operation	0	198,450	198,450
(5). Total Construction (1) + (2) + (3) + (4)	0	198,450	198,450
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	198,450	198,450
			(Carry forward to page 1)

**Notes and Comments:**