TOWN OF SILVER CLIFF
SILVER CLIFF, COLORADO

FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2023

TABLE OF CONTENTS

FINANCIAL SECTION

Town of Silver Cliff
Management's Discussion and Analysis
For the year ended December 31, 2023

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, 2023. The purpose of this MD&A is to provide, in simple terms, an explanation of the effect on the Town's financial position on 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 2023

Silver Cliff is in the Wet Mountain Valley in south-central Colorado in Custer County, has a population of 598 (per 2020 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/Deputy Clerk/Treasurer, Building/Zoning Enforcement Officer, Public Works Superintendent, Code Enforcement Official, Town Attorney, Municipal Court Judge and Museum Curator.

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 its own street, parks maintenance, and maintains approximately twenty miles of streets.

Because over 46% of Silver Cliff's revenues are generated from sales tax, tourism affects Silver Cliff's budget. Silver Cliff is located approximately fifty miles from any city of size and is not on the 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 inflated 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.

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, 2023, the Town has set aside $26,000.00 to establish that reserve.

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 using accounting methods like 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 non-major 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 is a separate column. The notes on the financial statements provide additional disclosures of 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 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 the budget to actual information for these two funds. This budget for 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 the 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 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, the federal, state, and other local revenues finance these activities.

- **Business-Type Activities.** The Town has no business-style activities currently.

Financial Fund 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 purposes. There are three types of funds: government, proprietary and fiduciary funds, however, currently 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.

Town of Silver Cliff
Management's Discussion and Analysis (Continued)
For the year ending December 31, 2023

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 government funds but are included on the statement of net position. Capital assets are recorded as expenditures when they are purchased in governmental funds and depreciated over the useful life in 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 on December 31, 2022, and 2023:

CONDENSED STATEMENT OF NET POSITION

	Governmental Activities	
	2023	**2022**
ASSETS		
Current and Other Assets	$ 538,097	$ 628,298
Capital Assets	1,657,459	1,625,730
Total Assets	2,195,556	2,254,028
LIABILITIES		
Current Liabilities	181,403	194,156
Noncurrent Liabilities	98,908	203,961
Total Liabilities	280,311	398,117
DEFERRED INFOWS	31,279	29,071
NET POSITION		
Net Investment in Capital Assets	1,569,761	1,435,186
Restricted	42,126	52,528
Unrestricted	272,079	339,126
Total Net Position	**$ 1,883,966**	**$ 1,826,840**

The following table shows the changes in net position for the year ended December 31, 2022 and 2023:

CONDENSED STATEMENT OF ACTIVITIES

	Governmental Activities	
	2023	**2022**
PROGRAM REVENUES		
Charges for Services	$ 164,979	$ 166,442
Operating Grants	101,657	383,960
Capital Grants	-	429,312
Total Program Revenues	266,636	979,714
GENERAL REVENUES		
Property Taxes	29,354	29,189
Specific Ownership Taxes	4,506	3,896
Sales and Use Taxes	483,461	413,982
Franchise Taxes	24,772	24,022
Gain on Sale of Property	-	469
Interest Income	1,745	50
Other Revenues	22,143	2,468
Total General Revenues	565,981	474,076
Total Revenues	832,617	1,453,790
PROGRAM EXPENSES		
General Government	256,148	216,183
Public Safety	127,751	104,071
Public Works	249,237	271,541
Culture and Recreation	137,361	56,019
Total Program Expenses	775,491	647,814
CHANGE IN NET POSITION	57,126	805,976
Net Position, Beginning	1,826,840	1,020,864
NET POSITION, ENDING	**$ 1,883,966**	**$ 1,826,840**

The most significant item related to the change in net position for 2023 was related to the increase in sales tax.

GOVERNMENTAL ACTIVITIES

The General Fund is the chief operating fund of the Town. The General Fund generates more than 60% of its revenue from sales tax. Two percent of this revenue is used for general governmental purposes. In 2020 a 1% sales tax was approved and is designated to streets and equipment.

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 include maintenance and park utilities. Capital improvements include things such as the purchase of equipment, infrastructure improvements such as paving, curb and gutter, sidewalks, and other miscellaneous permanent improvements.

CAPITAL ASSETS

At the end of 2023, the Town has a broad range of capital assets totaling $1,657,459, net of depreciation. These assets include buildings, equipment, infrastructure, park property, and improvements. Major acquisitions were primarily public works vehicle related. The Town also removed numerous old capital assets that were no longer in use or owned by the Town that had not been removed in previous years.

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

	01/01/23 Beginning Balance	Additions	Deletions	12/31/23 Ending Balance
Capital Assets Not Being Depreciated:				
Land	$ 144,251	$ -	$ -	$ 144,251
Construction in Progress	786,231	-	786,231	-
Total Capital Assets Not Being Depreciated	930,482	-	786,231	144,251
Capital Assets Being Depreciated:				
Land Improvements/Infrastructure	501,910	900,017	-	1,401,927
Buildings	393,351	-	-	393,351
Equipment and Vehicles	531,341	-	-	531,341
Total Capital Assets Being Depreciated	1,426,602	900,017	-	2,326,619
Less Accumulated Depreciation:				
Land Improvements/Infrastructure	(333,861)	(32,794)	-	(366,655)
Buildings	(209,796)	(7,726)	-	(217,522)
Equipment and Vehicles	(187,696)	(41,538)	-	(229,234)
Total Accumulated Depreciation	(731,353)	(82,058)	-	(813,411)
Net Capital Assets	**$ 1,625,731**	**$ 817,959**	**$ 786,231**	**$ 1,657,459**

Depreciation is charged to the governmental activities as follows:

General Government	$ 7,456
Public Works	27,369
Parks and Recreation	47,233
Total Depreciation by Function	**$ 82,058**

LONG-TERM DEBT

The Town's long-term debt is related to leases accrued compensated absences.

	Balance 1/1/23	Additions	Payments	Balance 12/31/23	Due Within One Year	Accrued Interest	Interest Expense
Lease Obligations Payable							
2020 Copier Lease	$ 3,568	$ -	$ 1,202	2,366	$ 1,264	$ -	$ 151
2020 Grader Lease - Kirkpatrick	60,350	-	19,586	40,764	20,129	333	1,526
2021 Water Truck Lease - Kirkpatrick	58,626	-	14,058	44,568	14,447	104	1,602
Total Lease Obligations Payable	122,544	-	34,846	87,698	35,840	437	3,279
Kirkpatrick Line of Credit	68,000	40,000	108,000	-	-	-	1,188
Accrued Compensated Absences	13,417	-	2,207	11,210	-	-	-
Total Noncurrent Liabilities	**$ 203,961**	**$ 40,000**	**$ 145,053**	**$ 98,908**	**$ 35,840**	**$ 437**	**$ 4,467**

GENERAL FUND BUDGET

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.

Total General Fund tax revenues were approximately $31,000 over budget primarily related to the increase in sales tax and building permits coming in over the estimated amount. Expenditures were $55,000 under budget. Overall General Fund carryover is $56,700.

NEXT YEAR'S BUDGET AND RATES

The 2024 proposed estimated sales tax is $310,000.00. Once again, our sales tax increased due to the rate increase. With the current sales tax collection laws, the town feels we are starting to get the sales taxes that are due to the Town on deliveries.

We will be applying for a GOCO Grant and other grants to help with improvements to the playground, restrooms, and a disc golf course at our Silver Cliff Community Park.

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

At the Museum, the Town pays for the curator to keep the museum open. The Town does most of the general maintenance. The Town was awarded a grant from DOLA and CDOT to complete some much needed improvements to the museum that include: replacing all siding and roofing metal products that have the historic look, poured a floor in the front to make the bottom floor all one level to be ADA accessible, installing a chair lift so that the top level is ADA accessible, new sidewalk and splash wall to help with the water from rain and snow damaging the building, a covered pavilion in the back yard that will have ADA restrooms, storage area and an area for review old documents, picnic tables, a game table, a pocket park that will include horse shoe pit, corn hole, ladder toss and another game table, trees and a bench.

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:

Ileen Squire, Town Clerk
Silver Cliff Town Hall
612 Main Street
Silver Cliff, CO 81252
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

Opinion

We have audited the accompanying financial statements of the governmental activities and each major fund of Town of Silver Cliff, as of and for the year ended December 31, 2023, and the related notes to the financial statements which collectively comprise Town of Silver Cliff'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 and each major fund of the Town of Silver Cliff as of December 31, 2023, 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 Financial Statements section of our report. We are required to be independent of the Town of Silver Cliff and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 Silver Cliff'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.

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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 Silver Cliff 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 Silver Cliff'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 Silver Cliff's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 26, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022 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.

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.

Mayberry + Company, LLC

Englewood, Colorado
January 22, 2025

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BASIC FINANCIAL STATEMENTS

TOWN OF SILVER CLIFF, COLORADO

STATEMENT OF NET POSITION
DECEMBER 31, 2023

	GOVERNMENTAL ACTIVITIES
ASSETS AND DEFERRED OUTFLOWS	
ASSETS	
Current Assets	
Cash and Investments	
Cash	$ 332,313
Restricted Cash and Investments	28,126
Receivables	
Property Tax Receivable	128,755
Intergovernmental Receivables	434
Accounts Receivable	48,469
Total Current Assets	538,097
Noncurrent Assets	
Capital Assets not being Depreciated	144,251
Capital Assets being Depreciated	2,326,619
Accumulated Depreciation	(813,411)
Total Noncurrent Assets	1,657,459
TOTAL ASSETS	$ 2,195,556
LIABILITIES, DEFERRED INFLOWS AND NET POSITION	
LIABILITIES	
Current Liabilities	
Accounts Payable	$ 13,753
Unearned Revenue	167,650
Total Current Liabilities	181,403
Noncurrent Liabilities	
Due within one year	35,840
Due in more than one year	63,068
Total Noncurrent Liabilities	98,908
TOTAL LIABILITIES	280,311
DEFERRED INFLOWS OF FINANCIAL RESOURCES	
Deferred Property Taxes	31,279
NET POSITION	
Net Investment in Capital Assets	1,569,761
Restricted Net Position	42,126
Unrestricted Net Position	272,079
TOTAL NET POSITION	1,883,966
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	$ 2,195,556

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, 2023

		PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
	EXPENSES	**CHARGES FOR SERVICES**	**OPERATING GRANTS AND CONTRIBUTIONS**	**GOVERNMENT ACTIVITIES**
FUNCTIONS/PROGRAMS				
Government Activities				
Current				
General Government	$ 256,148	$ 86,609	$ 18,894	$ (150,645)
Public Safety	127,751	400	-	(127,351)
Public Works	249,237	77,545	73,665	(98,027)
Culture and Recreation	137,361	425	9,098	(127,838)
Capital Outlay - Non Capitalized	4,656	-	-	(4,656)
Interest on Debt	338	-	-	(338)
TOTAL GOVERNMENT	$ 775,491	$ 164,979	$ 101,657	(508,855)
GENERAL REVENUES				
Property Taxes				29,354
Specific Ownership Taxes				4,506
Sales and Use Taxes				483,461
Franchise and In Lieu of Taxes				24,772
Interest Income				1,745
Other Revenues				22,143
TOTAL GENERAL REVENUES				565,981
CHANGE IN NET POSITION				57,126
NET POSITION - Beginning				1,826,840
NET POSITION - Ending				$ 1,883,966

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

TOWN OF SILVER CLIFF, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023
With Comparative Totals for December 31, 2022

		Special Revenue Funds			
	General Fund	Conservation Trust Fund	Museum Fund	Total 2023	Total 2022
ASSETS AND DEFERRED OUTFLOWS					
ASSETS					
Current Assets					
Cash and Investments					
Cash	$ 316,679	$ -	$ 15,634	$ 332,313	$ 362,433
Restricted Cash and Investments	-	28,126	-	28,126	17,528
Receivables					
Property Tax Receivable	128,755	-	-	128,755	99,951
Intergovernmental Receivables	434	-	-	434	3,526
Accounts Receivable	41,252	-	7,217	48,469	144,860
Internal Balances	59,796	(12,000)	(47,796)	-	-
TOTAL ASSETS	$ 546,916	$ 16,126	$ (24,945)	$ 538,097	$ 628,298
LIABILITIES, DEFERRED INFLOWS AND NET POSITION					
LIABILITIES					
Current Liabilities					
Accounts Payable	$ 13,753	$ -	$ -	$ 13,753	$ 26,306
Unearned Revenue	167,650	-	-	167,650	167,850
TOTAL LIABILITIES	181,403	-	-	181,403	194,156
DEFERRED INFLOWS OF FINANCIAL RESOURCES					
Deferred Property Taxes	31,279	-	-	31,279	29,071
FUND BALANCE					
Restricted Fund Balance	26,000	16,126	-	42,126	52,528
Committed Fund Balance	-	-	(24,945)	(24,945)	122,082
Unassigned Fund Balance	308,234	-	-	308,234	230,461
TOTAL FUND BALANCE	334,234	16,126	(24,945)	325,415	405,071
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	$ 546,916	$ 16,126	$ (24,945)	$ 538,097	$ 628,298

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, 2023

Fund Balance - Governmental Funds		$ 325,415
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	2,326,619	
Accumulated depreciation	(813,411)	1,657,459
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the funds.		
Capital leases payable	(87,698)	
Accrued compensated absences	(11,210)	(98,908)
Total Net Position - Governmental Activities		$ 1,883,966

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, 2023
With Comparative Totals for the Year Ended December 31, 2022

		Special Revenue Funds			
	General Fund	Conservation Trust Fund	Museum Fund	Total 2023	Total 2022
REVENUES					
Taxes	$ 542,093	$ -	$ -	$ 542,093	$ 471,089
Intergovernmental Revenues	82,189	9,098	5,000	96,287	368,746
Licenses and Permits	80,945	-	-	80,945	85,557
Fines and Forfeits	300	-	-	300	-
Charges for Services	83,724	-	10	83,734	80,885
Investment Earnings	1,745	-	-	1,745	469
Other Revenues	3,893	-	23,620	27,513	17,732
TOTAL REVENUES	794,889	9,098	28,630	832,617	1,024,478
EXPENDITURES					
Current					
General Government	246,651	-	-	246,651	195,151
Public Safety	127,751	-	-	127,751	104,071
Public Works	218,740	-	-	218,740	235,381
Parks, Recreation and Other	69,189	-	12,117	81,306	31,154
Capital Outlay	25,469	-	104,705	130,174	367,145
Debt Service	38,316	-	109,335	147,651	89,943
TOTAL EXPENDITURES	726,116	-	226,157	952,273	1,022,845
OTHER FINANCING SOURCES (USES)					
Debt Proceeds	-	-	40,000	40,000	118,000
Transfers (In)	-	-	-	-	32,000
Transfers (Out)	-	(10,500)	10,500	-	(32,000)
TOTAL OTHER FINANCING SOURCES (USES)	-	(10,500)	50,500	40,000	118,000
NET CHANGE IN FUND BALANCE - GAAP BASIS	68,773	(1,402)	(147,027)	(79,656)	119,633
FUND BALANCE, BEGINNING	265,461	17,528	122,082	405,071	285,438
FUND BALANCE, ENDING	$ 334,234	$ 16,126	$ (24,945)	$ 325,415	$ 405,071

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, 2023

Change in Fund Balance - Governmental Funds		$ (79,656)
Capital assets used in governmental activities are expensed when purchased in the funds and depreciated at the activity level		
Capitalized Asset Purchases	$ 113,787	
Depreciation Expense	(82,058)	31,729
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		
Proceeds from debt issuances	(40,000)	
Principal payments on notes payable	108,000	
Principal payments on capital leases	34,846	
Change in accrued compensated absences	2,207	105,053
Change in Net Position - Governmental Activities		$ 57,126

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

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.

NOTE 1: <u>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</u> (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.

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.

Museum Fund: This fund is established to account for operations and maintenance of the museum.

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.

NOTE 1: <u>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</u> (Continued)

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued)
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:

- Submission of the proposed budget to the Board of Trustees by October 15 of each year.
- Certification of mill levies to the County Commissioners by December 15 of each year.
- 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.

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

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

Capital Assets (Continued)

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 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.

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.

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.

At December 31, 2023, 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.

	Bank Balance	Book Balance
FDIC Insured	$ 250,000	$ 250,000
PDPA Secured (Not in Entity's Name)	118,461	110,389
Petty Cash	-	50
Total Cash	**$ 368,461**	**$ 360,439**

NOTE 2: CASH AND INVESTMENTS (Continued)

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, 2023.

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, 2023, 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:

	01/01/23 Beginning Balance	Additions	Deletions	12/31/23 Ending Balance
Capital Assets Not Being Depreciated:				
Land	$ 144,251	$ -	$ -	$ 144,251
Construction in Progress	786,231	-	786,231	-
Total Capital Assets Not Being Depreciated	930,482	-	786,231	144,251
Capital Assets Being Depreciated:				
Land Improvements/Infrastructure	501,910	900,017	-	1,401,927
Buildings	393,351	-	-	393,351
Equipment and Vehicles	531,341	-	-	531,341
Total Capital Assets Being Depreciated	1,426,602	900,017	-	2,326,619
Less Accumulated Depreciation:				
Land Improvements/Infrastructure	(333,861)	(32,794)	-	(366,655)
Buildings	(209,796)	(7,726)	-	(217,522)
Equipment and Vehicles	(187,696)	(41,538)	-	(229,234)
Total Accumulated Depreciation	(731,353)	(82,058)	-	(813,411)
Net Capital Assets	**$ 1,625,731**	**$ 817,959**	**$786,231**	**$ 1,657,459**

Depreciation is charged to the governmental activities as follows:

General Government	$ 7,456
Public Works	27,369
Parks and Recreation	47,233
Total Depreciation by Function	**$ 82,058**

NOTE 4: NONCURRENT LIABILITIES

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

	Balance 1/1/23	Additions	Payments	Balance 12/31/23	Due Within One Year	Accrued Interest	Interest Expense
Lease Obligations Payable							
2020 Copier Lease	$ 3,568	$ -	$ 1,202	2,366	$ 1,264	$ -	$ 151
2020 Grader Lease - Kirkpatrick	60,350	-	19,586	40,764	20,129	333	1,526
2021 Water Truck Lease - Kirkpatrick	58,626	-	14,058	44,568	14,447	104	1,602
Total Lease Obligations Payable	122,544	-	34,846	87,698	35,840	437	3,279
Kirkpatrick Line of Credit	68,000	40,000	108,000	-	-	-	1,188
Accrued Compensated Absences	13,417	-	2,207	11,210	-	-	-
Total Noncurrent Liabilities	**$ 203,961**	**$ 40,000**	**$ 145,053**	**$ 98,908**	**$ 35,840**	**$ 437**	**$ 4,467**

NOTE 4: NONCURRENT LIABILITIES (Continued)

In 2020 the Town entered into a lease purchase obligation for the purchase of a copier. The lease requires monthly payments of $113 through October 2025 and bears interest at 5.00%. Assets with a remaining basis of $1,800 were capitalized as part of this lease. In the event of non-appropriation; if through no action initiated by the Town, and the Town's legislative body does not appropriate funds for the continuation of this agreement for any fiscal year after the first fiscal year and has no funds to do so from other sources, and the Town has made reasonable but unsuccessful efforts to find a creditworthy assignee acceptable to the lessor, in its sole discretion, within the Town's general organization can terminate the agreement. Legal writing at least 30 days prior to the beginning of the fiscal year must be submitted. The notice must be accompanied by payment of all sums then owed through the current fiscal year under the agreement. Equipment will be returned at the Town's expense in good working condition and free of all liens and encumbrances. Then the Town will be released from any further payment obligation beyond those due for the current fiscal year.

In 2020 the Town refinanced a purchase of a grader with Kirkpatrick Bank entering into a lease purchase obligation. The lease requires annual payments of $21,270 through September 2025 and bears interest at 2.75%. Assets with a remaining basis of $127,468 were capitalized as part of this lease. In the case of default, lessor may, at its option, exercise any one or more of the following remedies: obtain possession of the equipment, and exercise any other right, remedy, or privilege which may be available to it under applicable law, including the right to proceed by appropriate court action to enforce the terms of this lease, recover damages for the breach of this lease, and rescind this lease as to any or all of the equipment.

In 2021 the Town refinanced the purchase of a water truck with Kirkpatrick Bank entering into a lease purchase obligation. The lease requires annual payments of $15,693 through January 2026 and bears interest at 2.75%. Assets with a remaining basis of $43,843 were capitalized as part of this lease. In the case of default, lessor may, at its option, exercise any one or more of the following remedies: obtain possession of the equipment, and exercise any other right, remedy, or privilege which may be available to it under applicable law, including the right to proceed by appropriate court action to enforce the terms of this lease, recover damages for the breach of this lease, and rescind this lease as to any or all of the equipment.

NOTE 4: **NONCURRENT LIABILITIES** (Continued)

The remaining minimum payments for the leases are as follows:

Fiscal Year	Principal	Interest	Total
2024	$ 35,839	$ 2,477	$ 38,316
2025	36,591	1,500	38,091
2026	15,268	426	15,693
Total	**$ 87,698**	**$ 4,403**	**$ 92,100**

Short-Term Obligations

In January 2022, the Town entered into a short-term line of credit with Kirkpatrick Bank maturing in January 2023 primarily for Museum expenditures. The line of credit was for $118,000 and bore interest at 2.20%. The town borrowed $118,000 against the line of credit and made $50,000 in principal payments during the 2022 fiscal year. In January 2023, the Town entered into a second short-term line of credit with Kirkpatrick Bank in January 2023 in the amount of $100,000 which was partially utilized in repaying the initial line of credit. The line of credit matured in September 2023 and bore interest at 3.50%. The General Fund repaid the line of credit during 2023 with the Museum Fund reimbursing the General Fund for the final payment subsequent to year end.

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 2023, the Town contributed $7,241 and the employees contributed $7,837. The Town's total payroll was $284,056 of which $265,072, or 93% 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, 2023.

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, 2023 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 2023 in the amount of 3 percent or more of its fiscal year spending. At December 31, 2023, the Town has reserved the following for emergencies:

General Fund	$ 26,000

Other Restrictions

The Town has restricted net position at December 31, 2023 in the Governmental Activities and fund balance in the Conservation Trust Fund related to unspent Conservation Trust Fund revenues.

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.

NOTE 8: RISK MANAGEMENT (Continued)

It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability of loss, to the

limit of the financial resources of CIRSA. It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverages at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members.

CIRSA is a separate legal entity and the Town does not approve budgets nor does it have 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, 2023.

NOTE 9: BUDGET VIOLATION

The Town's expenditures exceeded appropriations in the Museum Fund in the amount of $97,034. This may be a violation of state statues.

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REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF SILVER CLIFF, COLORADO

BUDGETARY COMPARISON SCHEDULE
General Fund
FOR THE YEAR ENDED DECEMBER 31, 2023
With Comparative Totals for the Year Ended December 31, 2022

	2023			
	Original/ Final Budget	Actual	Variance With Final Budget	2022 Actual
REVENUES				
Taxes				
Property Taxes	$ 30,000	$ 29,354	$ (646)	$ 29,189
Specific Ownership Taxes	4,000	4,506	506	3,896
Sales and Use Taxes	452,400	483,461	31,061	413,982
Franchise and In Lieu of Taxes	24,000	24,772	772	24,022
Total Tax Revenue	510,400	542,093	31,693	471,089
Intergovernmental Revenues				
Cigarette Taxes	400	910	510	550
Highway Users	50,000	49,354	(646)	49,679
Road and Bridge	25,000	24,311	(689)	36,994
Clerk/Motor Vehicle Fees	2,500	-	(2,500)	3,520
State Grants	400	85	(315)	41,010
Other Intergovernmental	1,000	7,529	6,529	-
Total Intergovernmental Revenue	79,300	82,189	2,889	131,753
Licenses and Permits				
Liquor Licenses	3,000	2,250	(750)	1,650
Building Permits	75,200	77,545	2,345	81,455
Annexation/Other P&Z Fees	-	-	-	400
Animal Licenses	100	100	-	100
Business Licenses	700	750	50	775
Other Licenses	300	300	-	1,177
Total Licenses and Permits	79,300	80,945	1,645	85,557
Fines and Forfeits	300	300	-	-
Charges for Services				
Recreation/Comm Ctr Charges	300	425	125	400
Other Charges for Services	86,500	83,299	(3,201)	80,340
Total Charges for Services	86,800	83,724	(3,076)	80,740
Investment Earnings	200	1,745	1,545	469
Other Revenues				
Donations	1,500	500	(1,000)	1,528
Sale of Capital Assets	-	-	-	50
Other Miscellaneous Revenue	31,000	3,393	(27,607)	2,389
Total Other Revenue	32,500	3,893	(28,607)	3,967
TOTAL REVENUES	788,800	794,889	6,089	773,575

See accompanying Independent Auditors' Report.

(Continued)

TOWN OF SILVER CLIFF, COLORADO

BUDGETARY COMPARISON SCHEDULE
General Fund
FOR THE YEAR ENDED DECEMBER 31, 2023
With Comparative Totals for the Year Ended December 31, 2022

	2023			2022
	Original/ Final Budget	Actual	Variance With Final Budget	Actual
(Continued)				
EXPENDITURES				
General Government				
Personnel Services	132,500	140,885	(8,385)	98,755
Contract labor	3,300	3,235	65	4,080
Insurance	11,500	11,048	452	11,264
Professional Fees	18,700	18,356	344	15,681
Repairs and Maintenance	7,000	6,949	51	12,658
Supplies	9,300	2,990	6,310	4,824
Telephone and Utilities	8,400	7,353	1,047	7,791
Travel and Training	1,500	1,353	147	996
COVID Expenses	-	-	-	28
Other Expenses	56,000	54,482	1,518	39,074
Total General Government	248,200	246,651	1,549	195,151
Public Safety				
Personnel Services	101,000	93,495	7,505	74,988
Professional Fees	23,870	23,870	-	21,700
Telephone and Utilities	5,000	5,224	(224)	5,091
Travel and Training	4,500	5,162	(662)	2,262
Other Expenses	-	-	-	30
Total Public Safety	134,370	127,751	6,619	104,071
Public Works				
Personnel Services	76,100	75,973	127	115,491
Fuel and Automotive	9,500	7,390	2,110	9,998
Insurance	3,500	3,390	110	3,840
Repairs and Mainenance	121,000	100,512	20,488	81,310
Supplies	21,000	21,974	(974)	13,144
Telephone and Utilities	10,600	9,501	1,099	11,557
Other Expenses	-	-	-	41
Total Public Works/Comm Devel	241,700	218,740	22,960	235,381
Parks, Recreation and Other				
Personnel Services	47,200	45,935	1,265	130
Repairs and Maintenance	13,450	12,477	973	15,842
Telephone and Utilities	12,000	10,777	1,223	8,680
Total Parks, Recreation & Other	72,650	69,189	3,461	24,652
Capital Outlay				
General Government Capital Outlay	12,000	17,352	(5,352)	74,544
Public Works Capital Outlay	47,062	1,000	46,062	107,637
Parks, Recreation and Other Capital Outlay	7,117	7,117	-	1,500
Total Capital Outlay	66,179	25,469	40,710	183,681
Debt Service				
Principal and Interest	21,270	38,316	(17,046)	38,429
TOTAL EXPENDITURES	784,369	726,116	58,253	781,365
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	4,431	68,773	64,342	(7,790)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	7,000
Transfers (Out)	(21,541)	-	(21,541)	-
NET CHANGE IN FUND BALANCE - BUDGET BASIS	$ (17,110)	68,773	$ 42,801	(790)
Budget to GAAP Basis Reconciliation				
NET CHANGE IN FUND BALANCE - GAAP BASIS		68,773		(790)
FUND BALANCE, BEGINNING		265,461		266,251
FUND BALANCE, ENDING		$ 334,234		$ 265,461

See accompanying Independent Auditors' Report.

TOWN OF SILVER CLIFF, COLORADO

BUDGETARY COMPARISON SCHEDULE
Conservation Trust Fund
FOR THE YEAR ENDED DECEMBER 31, 2023
With Comparative Totals for the Year Ended December 31, 2022

	2023			2022
	Original & Final Budget	Actual	Variance With Final Budget	Actual
REVENUES				
Intergovernmental Revenues				
Conservation Trust Fund	$ 9,098	$ 9,098	$ -	$ 7,800
Other Intergovernmental	-	-	-	12,000
Total Intergovernmental Revenue	9,098	9,098	-	19,800
Investment Earnings	50	-	(50)	-
TOTAL REVENUES	9,148	9,098	(50)	19,800
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	-	(10,500)	(10,500)	(32,000)
NET CHANGE IN FUND BALANCE - BUDGET BASIS	$ 9,148	(1,402)	$ (10,550)	(12,200)
FUND BALANCE, BEGINNING		17,528		29,728
FUND BALANCE, ENDING		$ 16,126		$ 17,528

See accompanying Independent Auditors' Report.

TOWN OF SILVER CLIFF, COLORADO

BUDGETARY COMPARISON SCHEDULE
Museum Fund
FOR THE YEAR ENDED DECEMBER 31, 2023
With Comparative Totals for the Year Ended December 31, 2022

	2023			2022
	Original & Final Budget	Actual	Variance With Final Budget	Actual
REVENUES				
Intergovernmental Revenues				
State Grants	$ 129,572	$ -	$ (129,572)	$ 217,193
Other Intergovernmental	5,000	5,000	-	-
Total Intergovernmental Revenue	134,572	5,000	(129,572)	217,193
Charges for Services				
Sales of Goods	500	10	(490)	145
Other Revenues				
Donations	5,000	4,870	(130)	13,683
Other Miscellaneous Revenue	-	18,750	18,750	82
Total Other Revenue	5,000	23,620	18,620	13,765
TOTAL REVENUES	140,072	28,630	(111,442)	231,103
EXPENDITURES				
Parks, Recreation and Other				
Repairs and Maintenance	1,000	4,061	(3,061)	1,455
Supplies	700	3,553	(2,853)	30
Telephone and Utilities	2,500	3,446	(946)	3,674
Other Expenses	600	1,057	(457)	1,343
Total Parks, Recreation & Other	4,800	12,117	(7,317)	6,502
Capital Outlay				
Parks, Recreation and Other Capital Outlay	124,323	104,705	19,618	183,464
Debt Service				
Principal and Interest	-	109,335	(109,335)	51,514
TOTAL EXPENDITURES	129,123	226,157	(97,034)	241,480
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	25,000
Transfers (Out)	-	10,500	(10,500)	-
NET CHANGE IN FUND BALANCE - BUDGET BASIS	$ 10,949	(187,027)	$ (218,976)	14,623
Debt Proceeds		40,000		118,000
NET CHANGE IN FUND BALANCE - GAAP BASIS		(147,027)		132,623
FUND BALANCE, BEGINNING		122,082		(10,541)
FUND BALANCE, ENDING		$ (24,945)		$ 122,082

See accompanying Independent Auditors' Report.

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STATE COMPLIANCE SECTION

The public report burden for this information collection is estimated to average 380 hours annually. Form Approved OMB No. 2125-0032

LOCAL HIGHWAY FINANCE REPORT		STATE: COLORADO YEAR ENDING (mm/yy): 12/2023
This Information From The Records Of:	Prepared By:	

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	$ 11,312.07
3. Other local imposts (from page 2)	$ 193,712.92
4. Miscellaneous local receipts (from page 2)	$ -
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.)	$ -
7. Total (1 through 6)	$ 205,024.99
B. Private Contributions	
C. Receipts from State government (from page 2)	$ 44,977.92
D. Receipts from Federal Government (from page 2)	$ -
E. Total receipts (A.7 + B + C + D)	$ 250,002.91

III. EXPENDITURES FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway expenditures:	
1. Capital outlay (from page 2)	$ 80,082.40
2. Maintenance:	$ 89,505.96
3. Road and street services:	
a. Traffic control operations	$ 1,653.50
b. Snow and ice removal	$ 4,095.10
c. Other	$ 27,609.47
d. Total (a. through c.)	$ 33,358.07
4. General administration & miscellaneous	$ 23,186.48
5. Highway law enforcement and safety	$ 23,870.00
6. Total (1 through 5)	$ 250,002.91
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	$ -
b. Redemption	$ -
c. Total (a. + b.)	$ -
2. Notes:	
a. Interest	$ -
b. Redemption	$ -
c. Total (a. + b.)	$ -
3. Total (1.c + 2.c)	$ -
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total expenditures (A.6 + B.3 + C + D)	$ 250,002.91

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

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

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	$ 250,002.91	$ 250,002.91		$ -

Notes and Comments:

See accompanying Independent Auditors' Report.

LOCAL HIGHWAY FINANCE REPORT	STATE: COLORADO YEAR ENDING (mm/yy): 12/2023

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 Assesments	$ 35,963.39	a. Interest on investments	$ -
b. Other local imposts:		b. Traffic Fines & Penalties	$ -
1. Sales Taxes	$ 133,426.41	c. Parking Garage Fees	$ -
2. Infrastructure & Impact Fees	$ -	d. Parking Meter Fees	$ -
3. Liens	$ -	e. Sale of Surplus Property	$ -
4. Licenses	$ -	f. Charges for Services	$ -
5. Specific Ownership &/or Other	$ 24,323.12	g. Other Misc. Receipts	$ -
6. Total (1. through 5.)	$ 157,749.53	h. Other	$ -
c. Total (a. + b.)	$ 193,712.92	i. Total (a. through h.)	$ -
(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 (from Item I.C.5.)	$ 44,977.92	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	$ -
a. State bond proceeds		b. FEMA	$ -
b. Project Match	$ -	c. HUD	$ -
c. Motor Vehicle Registrations	$ -	d. Federal Transit Administration	$ -
d. DOLA Grant	$ -	e. U.S. Corps of Engineers	$ -
e. Other	$ -	f. Other Federal ARPA	$ -
f. Total (a. through e.)	$ -	g. Total (a. through f.)	$ -
4. Total (1. + 2. + 3.f)	$ 44,977.92	3. Total (1. + 2.g)	$ -
(Carry forward to page 1)		***(Carry forward to page 1)***	

III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs	$ -	$ -	$ -
b. Engineering Costs	$ -	$ -	$ -
c. Construction:			
(1). New Facilities	$ -	$ -	$ -
(2). Capacity Improvements	$ -	$ -	$ -
(3). System Preservation	$ -	$ 80,082.40	$ 80,082.40
(4). System Enhancement And Operation	$ -		$ -
(5). Total Construction (1)+(2)+(3)+(4)	$ -	$ 80,082.40	$ 80,082.40
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)	$ -	$ 80,082.40	$ 80,082.40
(Carry forward to page 1)			

Notes and Comments:

FORM FHWA-536