

**TOWN OF WESTCLIFFE  
WESTCLIFFE, COLORADO**

**FINANCIAL STATEMENTS  
WITH  
INDEPENDENT AUDITORS' REPORT**

**FOR THE YEAR ENDED  
DECEMBER 31, 2023**

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## **FINANCIAL SECTION**

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

For the December 31, 2004 financial statements, the Town of Westcliffe implemented a major new reporting format in compliance with the Governmental Accounting Standards Board Statement Number 34 (GASB 34).

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, 2023. 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 2023**

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 6 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, 2023, the Town has set aside \$51,000 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 (Continued)**  
**For the year ending December 31, 2023**

**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 assets. Over time, increases or decreases in net assets 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:

### 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

In condensed format, the following table shows the statement of net position at December 31, 2023 and 2022

	<b>Governmental Activities</b>	
	<b>12/31/2023</b>	<b>12/31/2022</b>
<b>ASSETS</b>		
Current and Other Assets	\$ 3,462,075	\$ 3,038,639
Capital Assets	<u>4,087,717</u>	<u>3,956,138</u>
Total Assets	<u>7,549,792</u>	<u>6,994,777</u>
<b>LIABILITIES</b>		
Current Liabilities	138,173	178,305
Noncurrent Liabilities	<u>39,567</u>	<u>43,128</u>
Total Liabilities	<u>177,740</u>	<u>221,433</u>
<b>DEFERRED INFLOWS</b>	<u>237,610</u>	<u>243,930</u>
<b>NET POSITION</b>		
Net Investment in Capital Assets	4,064,193	3,921,340
Restricted	106,921	125,853
Unrestricted	<u>2,963,328</u>	<u>2,482,221</u>
<b>Total Net Position</b>	<b><u>\$ 7,134,442</u></b>	<b><u>\$ 6,529,414</u></b>

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

**CONDENSED STATEMENT OF ACTIVITIES**

**Governmental Activities**

	<u>12/31/2023</u>	<u>12/31/2022</u>
<b>PROGRAM REVENUES</b>		
Charges for Services	\$ 92,476	\$ 146,043
Operating Grants	<u>255,840</u>	<u>1,206,499</u>
Total Program Revenues	<u>348,316</u>	<u>1,352,542</u>
<b>GENERAL REVENUES</b>		
Property Taxes	68,605	66,532
Specific Ownership Taxes	10,540	8,706
Sales Taxes	1,277,525	1,298,037
Franchise Taxes	35,082	34,583
Other Taxes	2,834	3,303
Interest Income	121,546	26,805
Other Revenues	<u>17,840</u>	<u>3,293</u>
Total General Revenues	<u>1,533,972</u>	<u>1,441,259</u>
Total Revenues	<u>1,882,288</u>	<u>2,793,801</u>
<b>PROGRAM EXPENSES</b>		
General Government	422,663	352,451
Public Safety	56,813	56,803
Public Works	640,723	1,133,536
Culture and Recreation	<u>189,032</u>	<u>64,697</u>
Total Program Expenses	<u>1,277,260</u>	<u>1,607,487</u>
<b>CHANGE IN NET POSITION</b>	605,028	1,186,314
Net Position, Beginning	<u>6,529,414</u>	<u>5,343,280</u>
<b>NET POSITION, ENDING</b>	<u>\$ 7,134,442</u>	<u>\$ 6,529,594</u>

**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 2023, the Town has \$1,788,319, net of depreciation, invested in a broad range of capital assets, including buildings, equipment, park property, and improvements.

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>
Capital assets not being depreciated				
Land	\$ 450,086	\$ 45,600	\$ -	\$ 495,686
Construction in progress	727,227	269,070	544,621	451,676
Total capital assets not being depreciated	<u>1,177,313</u>	<u>314,670</u>	<u>544,621</u>	<u>947,362</u>
Capital assets being depreciated				
Land improvements	593,896	-	-	593,896
Buildings	479,624	-	-	479,624
Equipment and vehicles	412,918	37,554	2,573	447,899
Infrastructure	4,178,787	544,621	-	4,723,408
Total capital assets being depreciated	<u>5,665,225</u>	<u>582,175</u>	<u>2,573</u>	<u>6,244,827</u>
Total capital assets	<u>6,842,538</u>	<u>896,845</u>	<u>547,194</u>	<u>7,192,189</u>
Less: Accumulated depreciation				
Land improvements	(276,068)	(33,350)	-	(309,418)
Buildings	(163,458)	(11,085)	-	(174,543)
Equipment and vehicles	(264,923)	(21,701)	(2,573)	(284,051)
Infrastructure	(2,181,950)	(141,929)	-	(2,323,879)
Total accumulated depreciation	<u>(2,886,399)</u>	<u>(208,065)</u>	<u>(2,573)</u>	<u>(3,091,891)</u>
<b>Net capital assets</b>	<b><u>\$ 3,956,139</u></b>	<b><u>\$ 688,780</u></b>	<b><u>\$ 544,621</u></b>	<b><u>\$ 4,100,298</u></b>

Major additions during 2023 include:

Improvements/Chip Seal	\$ 277,422
Fill pon and add culvert	\$ 45,600
Purchase new truck and mischllaneous equipment	\$ 130,028
Safe Routes to School construction project	\$ 39,785
Payment for lease-purchases of a skid steer and attachements	\$ 11,169
Safe routes to school - Design	\$ 2,700
Westcliffe Improvements Phase II Design (Transportation Alterntive Program)	\$ 91,366
<b>Total</b>	<b><u>\$ 598,070</u></b>

2023 brought several capital improvements. Chip sealed/Paving; Safe Routes to School construction project; Payments for lease-purchase of a Skid Steer and Attachments; Safe Routes to School – Design; Westcliffe Improvements Phase II Design (Transportation Alternative Program); Purchase new truck and miscellaneous equipment; Fill pond and add culvert.

Grant funds were received from CDOT of \$129,900.07 for the construction phase of the Safe Routes to School project of the Safe Routes to School project \$23,646.00; \$106,254.07 for the design phase of the Westcliffe Phase II TAP project.

	<b>Beginning</b>			<b>Ending</b>	<b>Due Within</b>	<b>Interest</b>
	<b>Balance</b>	<b>Advances</b>	<b>Payments</b>	<b>Balance</b>	<b>One Year</b>	<b>Paid</b>
<b>Governmental activities</b>						
Obligations under lease	\$ 34,798	\$ -	\$ 11,274	\$ 23,524	\$ 11,727	\$ 1,174
Compensated absences	8,330	7,713	-	16,043	-	-
<b>Total governmental activities</b>	<b><u>\$ 43,128</u></b>	<b><u>\$ 7,713</u></b>	<b><u>\$ 11,274</u></b>	<b><u>\$ 39,567</u></b>	<b><u>\$ 11,727</u></b>	<b><u>\$ 1,174</u></b>

## **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 November 28, 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.

## **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 \$2,139,930.00 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 \$270,000. and resurface some alleyways in the commercial district for \$40,000.

Jess Price Memorial Park - \$380,000.

Metal grates on Rosita - \$25,000.

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

Westcliffe Phase II design-\$10,000.

Westcliffe Phase II construction project-\$2,275,930.

RMS Powell Street Improvements - \$277,500.

Install EV Units - \$10,000.

RMS Powell Street Design - \$35,000.

## **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  
Patters on 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, 2023, 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, 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 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 2022 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, 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.

**Supplementary Information**

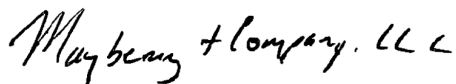
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Westcliffe's basic financial statements. The combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 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, 2023**

	<b><u>GOVERNMENTAL ACTIVITIES</u></b>
<b>ASSETS AND DEFERRED OUTFLOWS</b>	
<b>ASSETS</b>	
<b>Current Assets</b>	
Cash and Investments	
Cash	\$ 2,977,565
Restricted Cash and Investments	50,742
Receivables	
Property Tax Receivable	67,406
Intergovernmental Receivables	196,157
Other Receivables	170,205
Total Current Assets	<u>3,462,075</u>
<b>Noncurrent Assets</b>	
Capital Assets not being Depreciated	947,361
Capital Assets being Depreciated	6,244,827
Accumulated Depreciation	<u>(3,091,891)</u>
Total Noncurrent Assets	<u>4,100,297</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	<u>\$ 7,562,372</u>
<b>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>	
<b>LIABILITIES</b>	
<b>Current Liabilities</b>	
Accounts Payable	\$ 20,332
Accrued Liabilities	223
Deposits and Escrow	853
Unearned Revenue	114,265
Total Current Liabilities	<u>135,673</u>
<b>Noncurrent Liabilities</b>	
Due within one year	11,727
Due in more than one year	27,840
Total Noncurrent Liabilities	<u>39,567</u>
<b>TOTAL LIABILITIES</b>	<u>175,240</u>
<b>DEFERRED INFLOWS OF FINANCIAL RESOURCES</b>	
Other Deferred Inflows	<u>237,610</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	4,076,773
Restricted Net Position	106,921
Unrestricted Net Position	<u>2,965,828</u>
<b>TOTAL NET POSITION</b>	<u>7,149,522</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>	<u>\$ 7,562,372</u>

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

**TOWN OF WESTCLIFFE, COLORADO**

**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	<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	\$ 426,689	\$ 20,627	\$ 187,825	\$ (218,237)
Public Safety	56,813	39	-	(56,774)
Public Works	592,146	69,910	63,892	(458,344)
Culture and Recreation	<u>189,032</u>	<u>1,900</u>	<u>6,623</u>	<u>(180,509)</u>
<b>TOTAL GOVERNMENT</b>	<u>\$ 1,264,680</u>	<u>\$ 92,476</u>	<u>\$ 258,340</u>	<u>(913,864)</u>
<b>GENERAL REVENUES</b>				
Property Taxes				68,605
Specific Ownership Taxes				10,540
Sales Taxes				1,277,525
Franchise Taxes				35,082
Other Taxes				2,834
Interest Income				121,546
Other Revenues				<u>17,840</u>
<b>TOTAL GENERAL REVENUES</b>				<u>1,533,972</u>
<b>CHANGE IN NET POSITION</b>				620,108
<b>NET POSITION - Beginning</b>				<u>6,529,414</u>
<b>NET POSITION - Ending</b>				<u>\$ 7,149,522</u>

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

**TOWN OF WESTCLIFFE, COLORADO**

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

**DECEMBER 31, 2023**

**With Comparative Totals for December 31, 2022**

	<b>Capital Projects Fund</b>		
	<b>General Fund</b>	<b>Capital Fund</b>	<b>Other Funds</b>
	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS AND DEFERRED OUTFLOWS</b>			
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Investments			
Cash	\$ 1,649,355	\$ 1,328,210	\$ -
Restricted Cash and Investments	-	-	50,742
Receivables			
Property Tax Receivable	67,406	-	-
Intergovernmental Receivables	126,502	69,655	-
Other Receivables	-	170,205	-
Internal Balances	(725,000)	725,000	-
	<u>          </u>	<u>          </u>	<u>          </u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	<b>\$ 1,118,263</b>	<b>\$ 2,293,070</b>	<b>\$ 50,742</b>
<b>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>			
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts Payable	\$ 8,903	\$ 11,429	\$ -
Accrued Liabilities	223	-	-
Deposits and Escrow	853	-	-
Unearned Revenue	113,265	1,000	-
	<u>          </u>	<u>          </u>	<u>          </u>
<b>TOTAL LIABILITIES</b>	<b>123,244</b>	<b>12,429</b>	<b>-</b>
<b>DEFERRED INFLOWS OF FINANCIAL RESOURCES</b>			
Other Deferred Inflows	<u>67,405</u>	<u>170,205</u>	<u>-</u>
<b>FUND BALANCE</b>			
Restricted Fund Balance	56,179	-	50,742
Committed Fund Balance	775,204	2,110,436	-
Unassigned Fund Balance	96,231	-	-
	<u>          </u>	<u>          </u>	<u>          </u>
<b>TOTAL FUND BALANCE</b>	<b>927,614</b>	<b>2,110,436</b>	<b>50,742</b>
	<u>          </u>	<u>          </u>	<u>          </u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>	<b>\$ 1,118,263</b>	<b>\$ 2,293,070</b>	<b>\$ 50,742</b>

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

<b>Total</b>	
<b>2023</b>	<b>2022</b>
\$ 2,977,565	\$ 2,506,295
50,742	43,674
67,406	68,760
196,157	244,740
170,205	175,170
-	-
\$ 3,462,075	\$ 3,038,639

\$ 20,332	\$ 15,222
223	(74)
853	400
114,265	162,757
135,673	178,305
237,610	243,930
106,921	125,853
2,885,640	1,689,902
96,231	800,649
3,088,792	2,616,404
\$ 3,462,075	\$ 3,038,639

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**TOWN OF WESTCLIFFE, COLORADO**

**RECONCILIATION OF GOVERNMENTAL FUND BALANCE  
TO GOVERNMENTAL ACTIVITIES NET POSITION  
DECEMBER 31, 2023**

<b>Fund Balance - Governmental Funds</b>			\$ 3,088,792
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds			
Capital assets, not being depreciated	\$	947,361	
Capital assets, being depreciated		6,244,827	
Accumulated depreciation		<u>(3,091,891)</u>	4,100,297
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the funds.			
Leases payable		(23,524)	
Accrued compensated absences		<u>(16,043)</u>	<u>(39,567)</u>
<b>Total Net Position - Governmental Activities</b>			<u>\$ 7,149,522</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, 2023**

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

	<b>Capital Projects</b>		
	<b>General</b>	<b>Capital</b>	<b>Other</b>
	<b>Fund</b>	<b>Fund</b>	<b>Funds</b>
<b>REVENUES</b>			
Taxes	\$ 968,744	\$ 425,842	\$ -
Intergovernmental Revenues	115,725	135,823	6,623
Licenses and Permits	82,521	-	-
Fines and Forfeits	39	-	-
Charges for Services	4,950	4,966	-
Investment Earnings	62,682	58,419	445
Other Revenues	18,009	-	-
<b>TOTAL REVENUES</b>	<b>1,252,670</b>	<b>625,050</b>	<b>7,068</b>
<b>EXPENDITURES</b>			
Current			
General Government	389,625	-	-
Public Safety	56,813	-	-
Public Works	272,110	-	-
Parks, Recreation and Other	39,108	-	-
Capital Outlay	48,466	593,831	-
Debt Service	1,278	11,169	-
<b>TOTAL EXPENDITURES</b>	<b>807,400</b>	<b>605,000</b>	<b>-</b>
<b>REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES</b>	<b>445,270</b>	<b>20,050</b>	<b>7,068</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	725,000	-
Transfers (Out)	(725,000)	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(725,000)</b>	<b>725,000</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE - GAAP BASIS</b>	<b>(279,730)</b>	<b>745,050</b>	<b>7,068</b>
<b>FUND BALANCE, BEGINNING</b>	<b>1,207,344</b>	<b>1,365,386</b>	<b>43,674</b>
<b>FUND BALANCE, ENDING</b>	<b>\$ 927,614</b>	<b>\$ 2,110,436</b>	<b>\$ 50,742</b>

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

<b>Total</b>	
<b>2023</b>	<b>2022</b>
\$ 1,394,586	\$ 1,410,982
258,171	1,206,355
82,521	135,001
39	1,126
9,916	9,917
121,546	26,805
18,009	3,435
<u>1,884,788</u>	<u>2,793,621</u>
389,625	323,101
56,813	56,803
272,110	230,959
39,108	36,891
642,297	1,483,823
12,447	11,516
<u>1,412,400</u>	<u>2,143,093</u>
<u>472,388</u>	<u>650,528</u>
725,000	265,000
<u>(725,000)</u>	<u>(265,000)</u>
-	-
472,388	650,528
<u>2,616,404</u>	<u>1,965,876</u>
<u>\$ 3,088,792</u>	<u>\$ 2,616,404</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, 2023**

<b>Change in Fund Balance - Governmental Funds</b>		\$	472,388
Capital assets used in governmental activities are expensed when purchased in the funds and depreciated at the activity level			
Capitalized Asset Purchases	\$	352,224	
Depreciation Expense		<u>(208,065)</u>	144,159
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 leases		11,274	
Change in accrued compensated absences		<u>(7,713)</u>	<u>3,561</u>
<b>Change in Net Position - Governmental Activities</b>		\$	<u>620,108</u>

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

**TOWN OF WESTCLIFFE, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2023**

**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, 2023**

**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, 2023**

**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, 2023**

**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, 2023**

**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, 2023**

**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, 2023**

**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, 2023:

Cash	\$ 235,408
Investments	<u>2,792,899</u>
<b>Total Cash and Investments</b>	<b><u>\$ 3,028,307</u></b>

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

Cash and Investments	\$ 3,019,991
Restricted Cash and Investments	<u>8,316</u>
<b>Total Cash and Investments</b>	<b><u>\$ 3,028,307</u></b>

**Deposits**

Custodial Credit Risk - Deposits

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

**TOWN OF WESTCLIFFE, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2023**

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

**Deposits**

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.

	<u>Bank Balance</u>	<u>Book Balance</u>
FDIC Insured	\$ 250,000	\$ 250,000
PDPA Secured (Not in Entity's Name)	43,541	(14,692)
Petty Cash	-	100
<b>Total Cash</b>	<b><u>\$ 293,541</u></b>	<b><u>\$ 235,408</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.

During the year ended December 31, 2023, the Town invested funds in the Colorado Surplus Asset Fund (CSAFE). As investment pools, they operate under the Colorado Revised Statutes (24-75-701) and are overseen by the Colorado Securities Commissioner. They invest in securities that are specified by Colorado Revised Statutes (24-75-601). Authorized securities include U.S. Treasuries, U.S. Agencies, commercial paper (rated A1 or better) and bank deposits (collateralized through PDPA). The pools operate similar to a 2a-7-like money market fund with a share value equal to \$1.00 and a maximum weighted average maturity of 60 days. These funds are rated AAAM by the Standard and Poor’s Corporation. The CSAFE (Cash Fund) investment of \$2,792,898 is reported at amortized cost.

Concentration of Credit Risk - Investments

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

**TOWN OF WESTCLIFFE, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2023**

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

**Investments (Continued)**

Interest Rate Risk - Investments

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

Custodial Credit Risk – Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of December 31, 2023, the Town did not have any investments requiring safekeeping.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Not Categorized</u>	<u>Total</u>	<u>Weighted Average Maturity</u>	<u>Rating</u>
Local Government Pools	\$ -	\$ -	\$ -	\$ 2,792,898	\$ 2,792,898	N/A	AAAF
<b>Total Investments</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,792,898</b>	<b>\$ 2,792,898</b>		

**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	\$ 45,600	\$ -	\$ 495,686
Construction in progress	727,227	256,489	544,621	439,095
Total capital assets not being depreciated	<u>1,177,313</u>	<u>302,089</u>	<u>544,621</u>	<u>934,781</u>
Capital assets being depreciated				
Land improvements	593,896	-	-	593,896
Buildings	479,624	-	-	479,624
Equipment and vehicles	412,918	37,554	2,573	447,899
Infrastructure	4,178,787	544,621	-	4,723,408
Total capital assets being depreciated	<u>5,665,225</u>	<u>582,175</u>	<u>2,573</u>	<u>6,244,827</u>
Total capital assets	<u>6,842,538</u>	<u>884,264</u>	<u>547,194</u>	<u>7,179,608</u>
Less: Accumulated depreciation				
Land improvements	(276,068)	(33,350)	-	(309,418)
Buildings	(163,458)	(11,085)	-	(174,543)
Equipment and vehicles	(264,923)	(21,701)	(2,573)	(284,051)
Infrastructure	(2,181,950)	(141,929)	-	(2,323,879)
Total accumulated depreciation	<u>(2,886,399)</u>	<u>(208,065)</u>	<u>(2,573)</u>	<u>(3,091,891)</u>
<b>Net capital assets</b>	<b>\$ 3,956,139</b>	<b>\$ 676,199</b>	<b>\$ 544,621</b>	<b>\$ 4,087,717</b>

Depreciation is charged to the governmental activities as follows:

General government	\$ 25,325
Public works	32,816
Parks and recreation	149,924
<b>Total depreciation expense</b>	<b>\$ 208,065</b>

**TOWN OF WESTCLIFFE, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2023**

**NOTE 4: LEASE RECEIVABLES**

Changes in governmental activities lease receivables are as follows:

	<u>Balance</u> <u>1/1/2023</u>	<u>Advances</u>	<u>Receipts</u>	<u>Balance</u> <u>12/31/23</u>	<u>Due Within</u> <u>One Year</u>	<u>Interest</u> <u>Income</u>
Communication Tower Lease 2017	\$ 175,171	\$ -	\$ 4,966	\$ 170,205	\$ 5,374	\$ 7,034

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>
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	6,292	5,708	12,000
2029-2033	35,464	24,536	60,000
2034-2038	43,194	16,806	60,000
2039-2043	52,608	7,392	60,000
2044	<u>9,821</u>	<u>179</u>	<u>10,000</u>
<b>Total</b>	<b><u>\$ 170,205</u></b>	<b><u>\$ 79,795</u></b>	<b><u>\$ 250,000</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 lease	\$ 34,798	\$ -	\$ 11,274	\$ 23,524	\$ 11,727	\$ 1,174
Compensated absences	<u>8,330</u>	<u>7,713</u>	<u>-</u>	<u>16,043</u>	<u>-</u>	<u>-</u>
<b>Total governmental activities</b>	<b><u>\$ 43,128</u></b>	<b><u>\$ 7,713</u></b>	<b><u>\$ 11,274</u></b>	<b><u>\$ 39,567</u></b>	<b><u>\$ 11,727</u></b>	<b><u>\$ 1,174</u></b>

In 2020, the Town entered into a 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.

**TOWN OF WESTCLIFFE, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2023**

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

The remaining minimum payments for the lease are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 10,545	\$ 624	\$ 11,169
2025	10,040	198	10,238
<b>Total</b>	<b>\$ 20,585</b>	<b>\$ 822</b>	<b>\$ 21,407</b>

In 2021, the Town entered into a 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>
2024	\$ 1,182	\$ 96	\$ 1,278
2025	1,230	48	1,278
2026	527	5	532
<b>Total</b>	<b>\$ 2,939</b>	<b>\$ 149</b>	<b>\$ 3,088</b>

**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.

Eligible employees shall be automatically enrolled in the Town of Westcliffe ("the Employer") Retirement Plan. Each enrolled employee will be eligible to make a 457 contribution up to the limits determined by the IRS. The Employer will make a Discretionary Employer Matching Contribution into the employees' 401(a) plan account based on:

- Discretionary matching contribution of 1%, 2%, or 3% of compensation (dollar for dollar) per pay period for all eligible employees that elect to defer compensation into the employee's 457(b) plan account.

The Town does not match any contributions over the 3%. All contributions are current. During 2023, the Town contributed \$4,889 and the employees contributed \$19,649. The Town's total payroll was \$323,803 of which \$197,596 was covered under the plan. Employees vest in the Town’s contribution at 20% per year.

**TOWN OF WESTCLIFFE, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2023**

**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, 2023.

**NOTE 8: 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 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, 2023**

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

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

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	<u>\$ 51,000</u>
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**Other Restrictions**

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

Conservation Trust Fund	<u>\$ 50,742</u>
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The Town has also restricted Tennis Court donations in the General Fund in the amount of \$5,179.

**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 Town will maintain a maximum operating reserve in the General Fund of six months of operating expenditures. With total operating expenditures of \$807,400, the committed reserve are \$403,700.

Through the adoption of the 2024 budget, the Town has committed \$371,504 and \$9,094, for subsequent year's expenditures in the General and Capital Funds, respectively.

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

Capital Fund	<u>\$ 2,101,342</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.

**TOWN OF WESTCLIFFE, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2023**

**NOTE 9: 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 10: INTERFUND TRANSACTIONS**

The Town has recorded a routine transfer of \$725,000 from the General Fund to the Capital Fund to fund current and future capital projects for the fiscal year ended December 31, 2023. This amount was owed between funds at year end and was reported as an internal balance.

**REQUIRED SUPPLEMENTARY INFORMATION**

**TOWN OF WESTCLIFFE, COLORADO**

**BUDGETARY COMPARISON SCHEDULE**

**General Fund**

**FOR THE YEAR ENDED DECEMBER 31, 2023**

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

	<b>2023</b>			<b>2022</b>
	<b>Original &amp; Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>	
<b>REVENUES</b>				
<b>Taxes</b>				
Property Taxes	\$ 68,759	\$ 68,605	\$ (154)	\$ 66,352
Specific Ownership Taxes	9,000	10,540	1,540	8,706
Sales Taxes	842,328	851,684	9,356	865,359
Franchise Taxes	28,000	35,082	7,082	34,583
Other Taxes	700	2,833	2,133	3,303
Total Tax Revenue	<u>948,787</u>	<u>968,744</u>	<u>19,957</u>	<u>978,303</u>
<b>Intergovernmental Revenues</b>				
Cigarette Taxes	1,800	3,309	1,509	2,090
Highway Users	30,100	31,045	945	30,761
Road and Bridge	31,169	32,847	1,678	49,632
Federal Grants	158,048	44,640	(113,408)	216
State Grants	-	3,884	3,884	1,616
Total Intergovernmental Revenue	<u>221,117</u>	<u>115,725</u>	<u>(105,392)</u>	<u>84,315</u>
<b>Licenses and Permits</b>				
Liquor Licenses	1,500	4,281	2,781	4,615
Building Permits	96,800	69,310	(27,490)	122,561
Annexation/Other P&Z Fees	1,000	600	(400)	1,250
Business Licenses	6,000	8,330	2,330	6,575
Total Licenses and Permits	<u>105,300</u>	<u>82,521</u>	<u>(22,779)</u>	<u>135,001</u>
<b>Fines and Forfeits</b>				
	<u>225</u>	<u>39</u>	<u>(186)</u>	<u>1,126</u>
<b>Charges for Services</b>				
Recreation/Comm Ctr Charges	1,500	1,900	400	1,650
Rents	2,150	3,050	900	3,100
Other Charges for Services	3,500	-	(3,500)	-
Total Charges for Services	<u>7,150</u>	<u>4,950</u>	<u>(2,200)</u>	<u>4,750</u>
<b>Investment Earnings</b>				
	<u>4,000</u>	<u>62,682</u>	<u>58,682</u>	<u>13,140</u>
<b>Other Revenues</b>				
Donations	150	169	19	143
Other Miscellaneous Revenue	1,000	17,840	16,840	3,292
Total Other Revenue	<u>1,150</u>	<u>18,009</u>	<u>16,859</u>	<u>3,435</u>
<b>TOTAL REVENUES</b>	<u>1,287,729</u>	<u>1,252,670</u>	<u>(35,059)</u>	<u>1,220,070</u>

See accompanying Independent Auditors' Report.

**TOWN OF WESTCLIFFE, COLORADO**

**BUDGETARY COMPARISON SCHEDULE**

**General Fund**

**FOR THE YEAR ENDED DECEMBER 31, 2023**

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

	<b>2023</b>			
	<b>Original &amp; Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>	<b>2022 Actual</b>
(Continued)				
<b>EXPENDITURES</b>				
<b>General Government</b>				
Personnel Services	292,598	250,926	41,672	206,727
Equipment Rentals	1,505	168	1,337	168
Insurance	17,589	17,333	256	14,494
Professional Fees	31,300	23,857	7,443	24,037
Repairs and Maintenance	6,000	8,943	(2,943)	4,905
Supplies	1,800	3,146	(1,346)	1,999
Telephone and Utilities	8,000	10,813	(2,813)	8,268
Travel and Training	3,300	6,029	(2,729)	2,688
Other Expenses	67,200	68,410	(1,210)	59,815
Total General Government	<u>429,292</u>	<u>389,625</u>	<u>39,667</u>	<u>323,101</u>
<b>Public Safety</b>				
Police	56,500	56,500	-	56,500
Animal Control	513	313	(200)	303
Total Public Safety	<u>57,013</u>	<u>56,813</u>	<u>(200)</u>	<u>56,803</u>
<b>Public Works</b>				
Personnel Services	171,385	136,328	35,057	116,949
Contract Labor	30,000	630	29,370	9,576
Repairs and Maintenance	95,000	96,487	(1,487)	79,722
Telephone and Utilities	24,080	34,456	(10,376)	23,754
Travel and Training	3,000	4,209	(1,209)	958
Total Public Works/Comm Devel	<u>323,465</u>	<u>272,110</u>	<u>51,355</u>	<u>230,959</u>
<b>Parks, Recreation and Other</b>				
Repairs and Maintenance	22,000	16,379	5,621	20,391
Telephone and Utilities	20,000	22,729	(2,729)	16,500
Total Parks, Recreation & Other	<u>42,000</u>	<u>39,108</u>	<u>2,892</u>	<u>36,891</u>
Parks, Recreation and Other Capital Outlay	-	48,466	(48,466)	-
Other Capital Outlay	157,848	-	157,848	-
<b>Debt Service</b>				
Principal and Interest	-	1,136	(1,136)	1,091
Interest	-	142	(142)	187
Total Debt Service	<u>-</u>	<u>1,278</u>	<u>(1,278)</u>	<u>1,278</u>
<b>Contingency Reserve</b>	20,000	-	20,000	-
<b>TOTAL EXPENDITURES</b>	<u>1,029,618</u>	<u>807,400</u>	<u>221,818</u>	<u>649,032</u>
<b>REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES</b>	258,111	445,270	186,759	571,038
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (Out)	(140,000)	(725,000)	(585,000)	(265,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(140,000)</u>	<u>(725,000)</u>	<u>(585,000)</u>	<u>(265,000)</u>
<b>NET CHANGE IN FUND BALANCE - BUDGET BASIS</b>	<u>\$ 118,111</u>	<u>(279,730)</u>	<u>\$ (398,241)</u>	<u>306,038</u>
<b>FUND BALANCE, BEGINNING</b>		1,207,344		901,306
<b>FUND BALANCE, ENDING</b>		<u>\$ 927,614</u>		<u>\$ 1,207,344</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, 2023**

**With Comparative Totals for December 31, 2022**

	<b>SPECIAL REVENUE FUNDS</b>		
	<b>Conservation Trust Fund</b>	<b>Total</b>	
		<b>2023</b>	<b>2022</b>
<b>ASSETS AND DEFERRED OUTFLOWS</b>			
<b>ASSETS</b>			
<b>Current Assets</b>			
Restricted Cash and Investments	\$ 50,742	\$ 50,742	\$ 43,674
<b>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>			
<b>FUND BALANCE</b>			
Restricted Fund Balance	\$ 50,742	\$ 50,742	\$ 43,674

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

	<b>SPECIAL REVENUE FUNDS</b>		
	<b>Conservation Trust</b>	<b>Total</b>	
	<b>Fund</b>	<b>2023</b>	<b>2022</b>
<b>REVENUES</b>			
Intergovernmental Revenues	\$ 6,623	\$ 6,623	\$ 5,576
Investment Earnings	445	445	81
<b>NET CHANGE IN FUND BALANCE - GAAP BASIS</b>	7,068	7,068	5,657
<b>FUND BALANCE, BEGINNING</b>	43,674	43,674	38,017
<b>FUND BALANCE, ENDING</b>	\$ 50,742	\$ 50,742	\$ 43,674

See accompanying Independent Auditors' Report.

**TOWN OF WESTCLIFFE, COLORADO**

**BUDGETARY COMPARISON SCHEDULE**

**Conservation Trust Fund**

**FOR THE YEAR ENDED DECEMBER 31, 2023**

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

	<b>2023</b>			<b>2022</b>
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>	
<b>REVENUES</b>				
<b>Intergovernmental Revenues</b>				
Conservation Trust Fund	\$ 5,500	\$ 6,623	\$ 1,123	\$ 5,576
<b>Investment Earnings</b>	<u>75</u>	<u>445</u>	<u>370</u>	<u>81</u>
TOTAL REVENUES	<u>5,575</u>	<u>7,068</u>	<u>1,493</u>	<u>5,657</u>
<b>EXPENDITURES</b>				
<b>Capital Outlay</b>				
Total Capital Outlay	<u>50,000</u>	<u>-</u>	<u>50,000</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE - BUDGET BASIS</b>	<u>\$ (44,425)</u>	<u>7,068</u>	<u>\$ 51,493</u>	<u>5,657</u>
<b>FUND BALANCE, BEGINNING</b>		<u>43,674</u>		<u>38,017</u>
<b>FUND BALANCE, ENDING</b>		<u>\$ 50,742</u>		<u>\$ 43,674</u>

See accompanying Independent Auditors' Report.

TOWN OF WESTCLIFFE, COLORADO

**BUDGETARY COMPARISON SCHEDULE**

**Capital Fund**

FOR THE YEAR ENDED DECEMBER 31, 2023

With Comparative Totals for the Year Ended December 31, 2022

	<b>2023</b>			<b>2022</b>
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>	
<b>REVENUES</b>				
<b>Taxes</b>				
Sales Taxes	\$ 421,164	\$ 425,842	\$ 4,678	\$ 432,679
<b>Intergovernmental Revenues</b>				
Federal Grants	1,677,687	135,823	(1,541,864)	904,305
State Grants	-	-	-	212,159
Total Intergovernmental Revenue	<u>1,677,687</u>	<u>135,823</u>	<u>(1,541,864)</u>	<u>1,116,464</u>
<b>Charges for Services</b>				
Rents	12,000	4,966	(7,034)	5,167
<b>Investment Earnings</b>				
	3,000	58,419	55,419	13,584
<b>Other Revenues</b>				
TOTAL REVENUES	<u>2,113,851</u>	<u>625,050</u>	<u>(1,488,801)</u>	<u>1,567,894</u>
<b>EXPENDITURES</b>				
<b>Capital Outlay</b>				
General Government Capital Outlay	180,000	45,600	134,400	43,965
Public Works Capital Outlay	<u>2,042,687</u>	<u>548,231</u>	<u>1,494,456</u>	<u>1,439,858</u>
Total Capital Outlay	2,222,687	593,831	1,628,856	1,483,823
<b>Debt Service</b>				
Principal and Interest	11,169	11,169	-	10,238
TOTAL EXPENDITURES	<u>2,233,856</u>	<u>605,000</u>	<u>1,628,856</u>	<u>1,494,061</u>
<b>REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES</b>	<u>(120,005)</u>	<u>20,050</u>	<u>140,055</u>	<u>73,833</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	140,000	725,000	585,000	265,000
<b>NET CHANGE IN FUND BALANCE - BUDGET BASIS</b>	<u>\$ 19,995</u>	<u>745,050</u>	<u>\$ 725,055</u>	<u>338,833</u>
<b>Budget to GAAP Basis Reconciliation</b>				
<b>FUND BALANCE, BEGINNING</b>		1,365,386		1,026,553
<b>FUND BALANCE, ENDING</b>		<u>\$ 2,110,436</u>		<u>\$ 1,365,386</u>

See accompanying Independent Auditors' Report.

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

**LOCAL HIGHWAY FINANCE REPORT**

City or County:  
Town of Westcliffe  
YEAR ENDING :  
December-22

This Information From The Records Of (example - City of \_ or County of \_  
Town of Westcliffe

Prepared By: Kathy Reis  
Phone: 719-783-2282

**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)	1,398,209
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	52,432
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	961
2. General fund appropriations	0	b. Snow and ice removal	26,260
3. Other local imposts (from page 2)	451,562	c. Other	12,751
4. Miscellaneous local receipts (from page 2)	1,126	d. Total (a. through c.)	39,971
5. Transfers from toll facilities	0	4. General administration & miscellaneous	14,551
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	56,500
a. Bonds - Original Issues	0	6. Total (1 through 5)	1,561,663
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)	452,687.96	b. Redemption	0
<b>B. Private Contributions</b>	0	c. Total (a. + b.)	0
<b>C. Receipts from State government</b> (from page 2)	1,108,975.04	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>	1,561,663.00	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>	1,561,663

**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	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	0	1,561,663.00	1,561,663	0	0

Notes and Comments:

**LOCAL HIGHWAY FINANCE REPORT**

STATE:  
Colorado  
YEAR ENDING (mm/yy):  
December-22

**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	66,352	a. Interest on investments	0
b. Other local imposts:		b. Traffic Fines & Penalties	1,126
1. Sales Taxes	326,876	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	58,335	g. Other Misc. Receipts	0
6. Total (1. through 5.)	385,211	h. Other	0
c. Total (a. + b.)	451,562	i. Total (a. through h.)	1,126
	(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	30761.13	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	1005301	e. U.S. Corps of Engineers	0
e. Other (Specify) Town of Silver Cliff	72913.33	f. Other Federal	0
f. Total (a. through e.)	1078214	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	1108975	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	1,398,209	1,398,209
(5). Total Construction (1) + (2) + (3) + (4)	0	1,398,209	1,398,209
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	1,398,209	1,398,209
			(Carry forward to page 1)

**Notes and Comments:**