Town of Orchard City
Financial Statements and Report of
Independent Certified Public Accountants
as of
December 31, 2022

Town of Orchard City
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Blair and Associates, P.C.

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Town of Orchard City, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Orchard City, Colorado, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Town of Orchard City, Colorado's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Orchard City, Colorado, as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Orchard City, Colorado, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Orchard City, Colorado's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Orchard City, Colorado's internal control. Accordingly, no such opinion is expressed.

Certified Public Accountants

105 S.E. Frontier Ave, Suite A Cedaredge, CO 81413 | 970-856-7550 | 970-856-2122 | www.bandacpas.com

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Orchard City, Colorado's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Supplementary Information

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

Blair and Associates, P.C.

Cedaredge, Colorado
August 29, 2023

Management's Discussion and Analysis

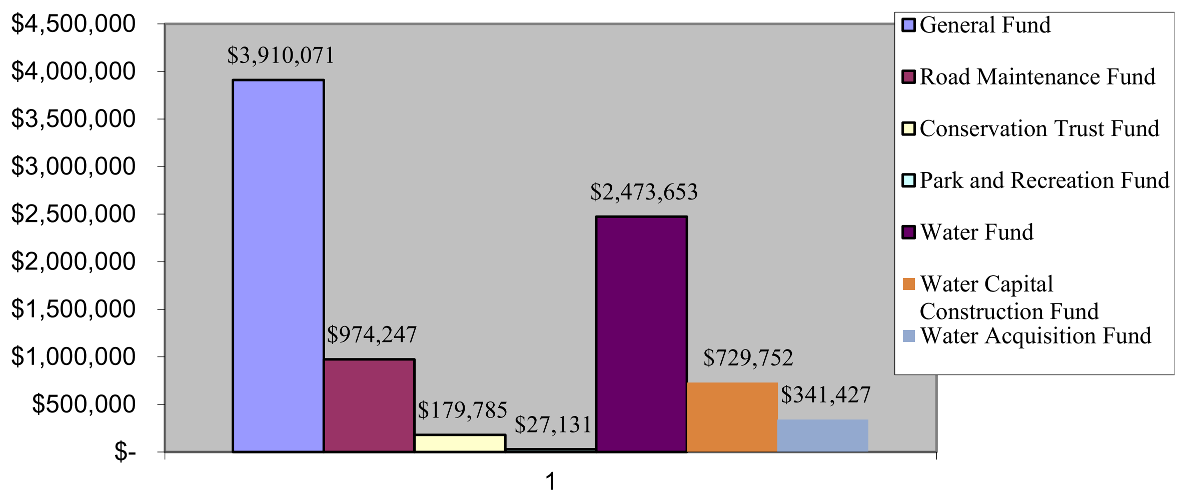
As management of the Town of Orchard City, we offer readers of the Town of Orchard City Financial statements, this narrative overview and analysis of the financial activities of the Town for the fiscal year ended December 31, 2022. We encourage readers to consider the information presented here in conjunction with the additional information furnished in our basic financial statements to better understand the financial position of the Town of Orchard City.

FINANCIAL HIGHLIGHTS

- Town of Orchard City is in healthy financial condition.

  See Governmental Fund Balances and Available Resources chart.

Governmental Fund Balances and Available Resources



- Orchard City's net position amounted to $ 22,092,381 *(refer to statement of activities)* at the end of the year, a reported increase of $ 915,141 for the fiscal year.

- Governmental funds reported combined ending fund balances of $ 5,091,234 (*refer to statement of revenues, expenditures, and changes in fund balances)*, a reported increase of $ 490,924 for the fiscal year.

- Orchard City's unassigned fund balance for the general fund was $ 3,894,026 *(refer to balance sheet)*, an increase of $ 365,168 in comparison to the prior year.

- At December 31, 2022, the Town's General fund did have $ 11,845 reserved for emergencies which was the balance equal to at least 3% of the general fund appropriations as the required state mandated emergency reserve.

- The Town has long-term liabilities for compensated absences of $ 32,675 and a loan payable of $ 1,572,399.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town of Orchard City's basic financial statements. The basic financial statements consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

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

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

The statement of activities presents information showing how the government'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 cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business type activities). The governmental activities include general government, public works, and culture and recreation. The business type activities include water activities.

Fund financial statements

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

Governmental Funds

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions.

Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditure and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The governmental funds are separated into following major funds: General, Road Maintenance and Park and Recreation Funds.

An annual appropriated budget is adopted for all governmental funds. A budgetary comparison statement has been provided for these funds to demonstrate compliance with these budgets.

Proprietary funds

Proprietary funds are maintained as follows:

Enterprise funds are mirrored to report the same functions presented as business-type activities in the government wide financial statements, only in more detail. The enterprise fund is used to account for water operations. The proprietary fund financial statements provide separate information for water operations which are considered to be a major fund.

Notes to financial statements

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

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information which is required to be disclosed by the Governmental Accounting Standards Board.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

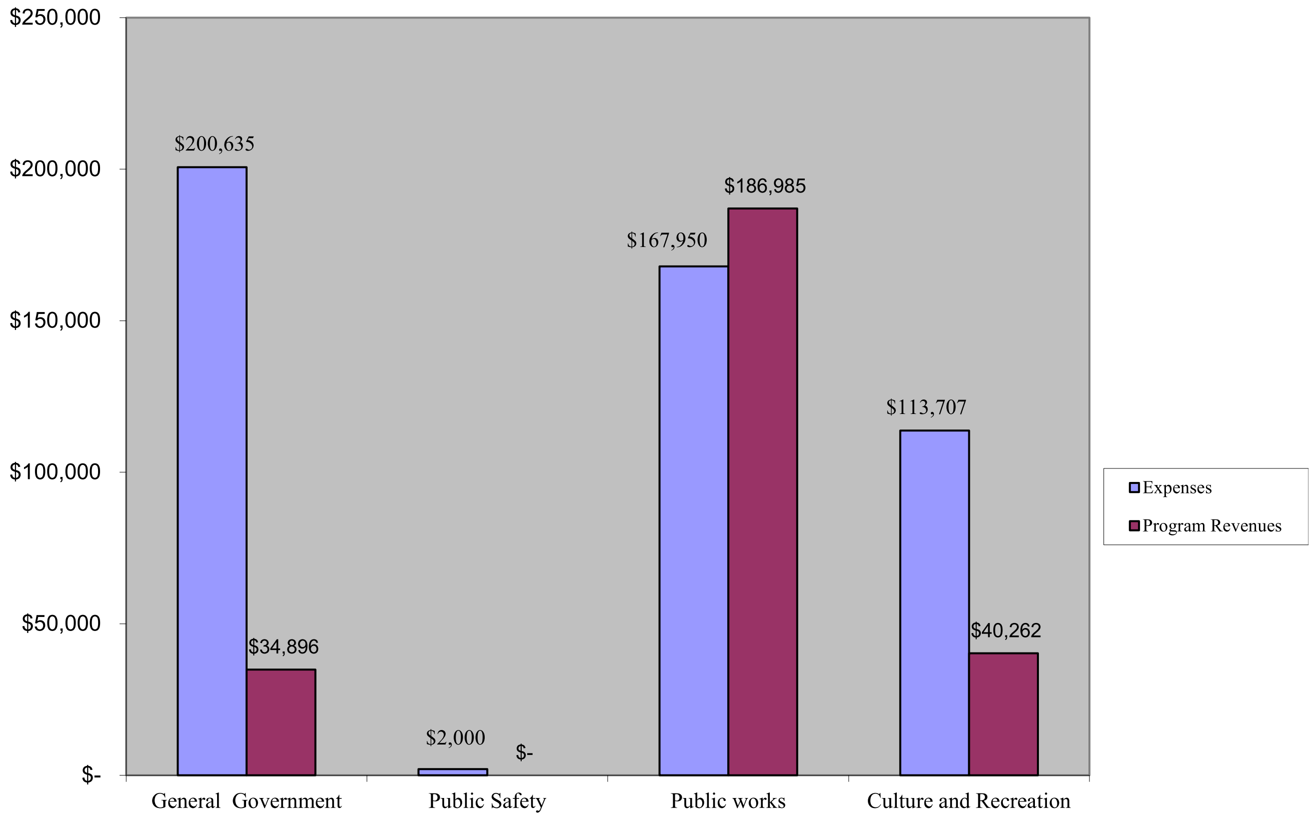
The following table summarizes the Town's governmental and business type net position for 2022 and 2021.

Assets	Governmental Activities 2022	Governmental Activities 2021	Business Type Activities 2022	Business Type Activities 2021	Totals 2022	Totals 2021
Current and other assets	$ 5,096,216	$ 4,602,406	$ 5,125,508	$ 4,460,903	$ 10,221,724	$ 9,063,309
Capital assets	2,840,463	2,960,771	10,648,527	10,845,358	13,488,990	13,806,129
Total assets	$ 7,936,679	$ 7,563,177	$ 15,774,035	$ 15,306,261	$ 23,710,714	$ 22,869,438
Current Liabilities	$ 4,982	$ 2,099	$ 84,981	$ 89,747	$ 89,963	$ 91,846
Non-current liabilities						
Loan payable	-	-	1,495,695	1,572,399	1,495,695	1,572,399
Compensated absences	32,675	27,959	-	-	32,675	27,959
Total liabilities	37,657	30,058	1,580,676	1,662,146	1,618,333	1,692,204
Net Position						
Investment in capital assets, net of related debt	2,840,463	2,960,771	9,076,128	9,197,392	11,916,591	12,158,163
Restricted	24,656	22,560	-	-	24,656	22,560
Unrestricted	5,033,903	4,549,788	5,117,231	4,446,723	10,151,134	8,996,511
Total net position	$ 7,899,022	$ 7,533,119	$ 14,193,359	$ 13,644,115	$ 22,092,381	$ 21,177,234

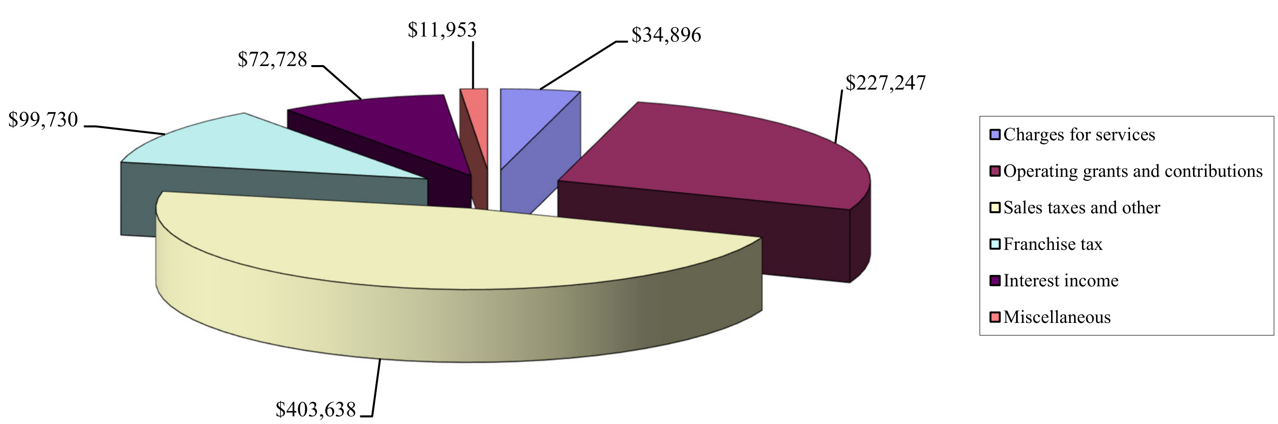
At the close of 2022 total net position was $ 22,092,381, an increase of $ 915,141 from prior year. In governmental activities the largest portion of assets are in cash and cash equivalents and capital assets of $5,096,216 and $2,840,463 respectfully, (99% of total net position). An additional portion of net position, $ 24,656 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, $ 10,151,134 (46% of net position), may be used to meet the government's ongoing obligations to citizens and creditors.

Revenues	Governmental Activities 2022	Governmental Activities 2021	Business Type Activities 2022	Business Type Activities 2021	Total 2022	Total 2021
Program revenues						
Charges for services	$ 34,896	$ 52,430	$ 1,172,412	$ 1,359,855	$ 1,207,308	$ 1,412,285
Operating grants	227,247	232,410	-	-	227,247	232,410
Capital grants/contributions	-	-	518,743	839,036	518,743	839,036
General Revenues						
Sales taxes and other	403,638	337,503	-	-	403,638	337,503
Franchise taxes	99,730	96,754	-	-	99,730	96,754
Interest income	72,728	2,064	72,249	1,100	144,977	3,164
Miscellaneous	11,953	48,415	28,488	384	40,441	48,799
Totals	850,192	769,576	1,791,892	2,200,375	2,642,084	2,969,951
Expenses						
General government	200,635	169,662			200,635	169,662
Public safety	2,000	2,000			2,000	2,000
Public works	167,950	149,826	1,242,651	1,120,125	1,410,601	1,269,951
Culture and recreation	113,707	95,366			113,707	95,366
Total expenses	484,292	416,854	1,242,651	1,120,125	1,726,943	1,536,979
Increase in net assets	365,900	352,722	549,241	1,080,250	915,141	1,432,972
Beginning	7,533,119	7,180,397	13,644,118	12,563,868	21,177,237	19,744,265
Ending	$ 7,899,019	$ 7,533,119	$ 14,193,359	$ 13,644,118	$ 22,092,378	$ 21,177,237

2022 Expense and Program Revenues-Governmental Activities



Revenues by Source-Governmental Activities



FINANCIAL ANALYSIS OF GOVERNEMENT’S FUNDS

As noted earlier, fund accounting is used to ensure and demonstrate compliance with finance related legal requirements.

Governmental funds

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

As of the end of 2022, the Town’s governmental funds reported combined ending fund balances, *(refer to Statement of Revenues, Expenditures and Changes in Fund Balances),* of $ 5,091,234, an increase of $ 490,924. Of the combined ending fund balances for all governmental funds 77% of this total amount, $ 3,894,026, constitutes unassigned fund balance, which is available for appropriation at the Town’s discretion. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it is already committed to 1) meet a state constitution mandated emergency reserve, $24,656 2) Conservation Trust and Park Maintenance Funds, $ 179,785 or 3) Road Projects, $ 955,772 4) Parks and Recreation, $10,212, and 5) Capital Acquisition, $26,783.

The following discussion is to help define what the Town’s major funds are and how they function.

The General Fund is the primary operating fund for the Town of Orchard City. It accounts for all financial resources of general government. These activities include planning commission, building inspections, code enforcement, legal matters and elections. At the end of 2022, unassigned fund balance of the General Fund was $ 3,894,026, while $3,867,108 was in cash and cash equivalents. The General Fund balance increased by $ 367,003 during 2022.

The Road Maintenance Fund accounts for public works and road maintenance for the Town. Primarily Highway Users Tax Fund finances this fund. At the end of 2022 the fund balance for the Road Maintenance Fund was $955,772.

The Park and Recreation Fund is to account for revenues and expenditure for the maintenance of the park. At the end of 2022 the fund balance for the Park and Recreation Fund was $27,131.

Proprietary funds

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

The Town has three enterprise funds referred to as the Water, Capital Construction and Water Acquisition Funds. The total net position in the enterprise funds as of December 31, 2022 amounted to $ 14,193,359. The total net position increased by $ 549,241.

GENERAL FUND BUDETARY HIGHLIGHTS

The Town can look for county sales tax revenue to increase due to online sales.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Town of Orchard City's investment in capital assets for its governmental and business type activities as of December 31, 2022 amounts to $ 11,916,591, a decrease of $ 241,572 from the prior year. As required by GABS 34, the investment capital assets include land, buildings, building improvements, and equipment.

Long Term Debt

The Town of Orchard City's long-term debt is unpaid paid time off to its employees and loan payable, which as of December 31, 2022 amounted to $ 32,675 and $ 1,572,399 respectively.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The town has been impacted with increase inflation, gas prices and disruption on supply chains. The inflation rate is 6.5 percent and expected to increase (as of December 2022). COVID-19 continues to play a significant role with the slow down of production that created lack of availability and longer delivery times of materials. Global factors have also have created a negative impact such as higher fuel prices that affected fuel used in service trucks to capital improvement project materials. The town had delayed several capital improvements projects for water and road due to the lack of available labor and materials in 2022 but is expecting to completion of these projected in 2023.

Revenue that is billed and received directly by the Town mainly consists of fees and charges in the water funds. The Water Fund is a self-supporting fund which collects, treats and distributes drinking water to our customers. The Town did raise water rates 8.1 percent in December 2022 to become effective in January 2023 to ensure the Water Fund continues to pay for itself because of its fees and the fact that water use is not as directly tied to economic conditions as some of the other revenues are. The Water Capital Construction Fund fee was raised $1.00.

Annual review of fees will be performed to ensure future water capital improvement projects can continue. The Town did receive $807,335.41 from the American Rescue Plan Act that has been allocated to the Water Capital Construction Fund to for water infrastructure projects. The Town continues to closely monitor its revenues and expenditures. This conservative fiscal approach will be used as the Town prepares its 2023 budget and ten-year financial projections.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the finances of the Town of Orchard City. For additional information or questions related to this report please contact the following:

Town of Orchard City
9661 2100 Road
Austin, CO 81410
970-835-3337

Town of Orchard City
Statement of Net Position
December 31, 2022

	Governmental Activities	Business- Type Activities	Total
ASSETS			
Cash and cash equivalents (Note 5)	$ 5,031,092	$ 4,880,516	$ 9,911,608
Due from other governmental units	41,802	-	41,802
Accounts receivable	17,908	120,315	138,223
Inventory of supplies	5,414	124,677	130,091
Capital assets (Note 9)			
Nondepreciable	322,258	1,706,544	2,028,802
Depreciable, net of accumulated depreciation	2,518,205	8,941,983	11,460,188
Total assets	$ 7,936,679	$ 15,774,035	$ 23,710,714
LIABILITIES			
Accounts payable	$ 3,236	$ 1,404	$ 4,640
Accrued payroll	1,865	6,762	8,627
Uneared revenue	-	111	111
Other accrued expenses	(119)	-	(119)
Current portion of loan payable	-	76,704	76,704
Long-term liabilities:			
Loan payable	-	1,495,695	1,495,695
Compensated absences (Note 1)	32,675	-	32,675
Total liabilities	37,657	1,580,676	1,618,333
NET POSITION			
Investment in capital assets, net of related debt	2,840,463	9,076,128	11,916,591
Restricted for:			
Emergencies	24,656	-	24,656
Unrestricted	5,033,903	5,117,231	10,151,134
Total net position	$ 7,899,022	$ 14,193,359	$ 22,092,381

See accompanying notes to the basic financial statements.

Town of Orchard City
Statement of Activities
For the Year Ended December 31, 2022

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
					Primary Government		
Functions/Programs	**Expenses**	**Charges for Service and Fees**	**Operating Grants and Contributio**	**Capital Grants and Contributio**	**Governmental Activities**	**Business-Type Activities**	**Total**
Primary government:							
Governmental activities:							
General government	$ 200,635	$ 34,896	$ -	$ -	$ (165,739)	$ -	$ (165,739)
Public safety	2,000	-	-	-	(2,000)	-	(2,000)
Public Works	167,950	-	186,985	-	19,035	-	19,035
Culture and recreation	113,707	-	40,262	-	(73,445)	-	(73,445)
Total governmental activities	484,292	34,896	227,247	-	(222,149)	-	(222,149)
Business-type activities:							
Water	1,242,651	1,172,412	-	518,743	-	448,504	448,504
Total business- type activities	1,242,651	1,172,412	-	518,743	-	448,504	448,504
Total primary government	$1,726,943	$1,207,308	$ 227,247	$ 518,743	(222,149)	448,504	226,355
		General Revenues					
		Sales taxes			371,629	-	371,629
		Franchise taxes			99,730	-	99,730
		Mineral Leasing			20,386	-	20,386
		Severance tax			11,623	-	11,623
		Miscellaneous			11,953	28,488	40,441
		Investment earnings			72,728	72,249	144,977
		Total General Revenues			588,049	100,737	688,786
		Changes in Net Position			365,900	549,241	915,141
		Net Position-January 1			7,533,122	13,644,118	21,177,240
		Net Position-December 31			$ 7,899,022	$ 14,193,359	$ 22,092,381

See accompanying notes to the basic financial statements.

Town of Orchard City
Governmental Funds
Balance Sheet
December 31, 2022

	General Fund	Road Maintenance Fund	Park and Recreation Fund	Non Major Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	$ 3,867,108	$ 957,067	$ 27,131	$ 179,785	$ 5,031,091
Due from other governments	29,477	12,325	-	-	41,802
Accounts receivable	17,908	-	-	-	17,908
Inventory of supplies	-	5,414	-	-	5,414
Total assets	$ 3,914,493	$ 974,806	$ 27,131	$ 179,785	$ 5,096,215
Liabilities and Fund Balance					
Liabilities:					
Accounts payable	$ 3,236	$ -	$ -	$ -	$ 3,236
Accrued payroll	1,307	558	-	-	1,865
Other accrued expenses	(119)	-	-	-	(119)
Total liabilities	4,424	558	-	-	4,982
Fund balances:					
Restricted					
Reserve for emergencies	11,845	10,975	1,836	-	24,656
Parks and recreation	-	-	-	179,785	179,785
Committed					
Road maintenance projects	-	955,772	-	-	955,772
Parks and recreation	-	-	10,212	-	10,212
Assigned					
Capital acquisitions	4,200	7,500	15,083	-	26,783
Unassigned	3,894,026	-	-	-	3,894,026
Total fund balance	3,910,071	974,247	27,131	179,785	5,091,234
Total liabilities and fund balance	$ 3,914,495	$ 974,805	$ 27,131	$ 179,785	$ 5,096,216

See accompanying notes to the basic financial statements.

Town of Orchard City
Reconciliation of the Governmental Funds Balance
Sheet to the Statement of Net Position
December 31, 2022

Total fund balance, governmental funds	$ 5,091,234
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current period expenditures and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.	2,840,463
Some liabilities, (such as Notes Payable, Capital Lease Contract Payable, Long-term Compensated Absences, and Bonds Payable), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.	(32,675)
Net Position of Governmental Activities in the Statement of Net Position	$ 7,899,022

See accompanying notes to the basic financial statements.

Town of Orchard City
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2022

	General Fund	Road Maintenance Fund	Park and Recreation Fund	Non Major Governmental Funds	Total Governmental Funds
REVENUES					
Franchise Taxes	$ 97,051	$ -	$ 2,679	$ -	$ 99,730
Sales Taxes	371,629	-	-	-	371,629
Charges for services	6,129	-	-	-	6,129
Licenses and permits	28,767	-	-	-	28,767
Intergovernmental	32,009	186,985	-	40,262	259,256
Investment earnings	57,764	14,608	-	356	72,728
Miscellaneous	4,214	2,250	5,489	-	11,953
Total revenues	597,563	203,843	8,168	40,618	850,192
EXPENDITURES					
Current:					
General government	174,325	-	-	-	174,325
Public safety	2,000	-	-	-	2,000
Public works	993	68,745	-	-	69,738
Culture and recreation	16,370	-	41,240	-	57,610
Capital outlay	-	12,958	-	42,637	55,595
Total expenditures	193,688	81,703	41,240	42,637	359,268
Excess (deficiency) of revenues over expenditures	403,875	122,140	(33,072)	(2,019)	490,924
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	36,872	-	36,872
Transfers out	(36,872)	-	-	-	(36,872)
Total other financing sources (uses)	(36,872)	-	36,872	-	-
Net change to fund balance	367,003	122,140	3,800	(2,019)	490,924
Fund balance, January 1	3,543,068	852,107	23,331	181,804	4,600,310
Fund balance, December 31	$ 3,910,071	$ 974,247	$ 27,131	$ 179,785	$ 5,091,234

See accompanying notes to the basic financial statements.

Town of Orchard City
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities
For the Year Ended December 31, 2022

Net change in fund balances - total governmental funds		$ 490,924
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as deprecation expense. This is the amount by which depreciation exceeded capital outlay in the current period.		
Capital assets current additions	$ 12,974	
Depreciation expense	(133,282)	
Excess of depreciation over capital outlay		(120,308)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Compensated absences		(4,716)
Change in net position of governmental funds		$ 365,900

See accompanying notes to the basic financial statements.

Town of Orchard City
Statement of Net Position
Enterprise Funds
December 31, 2022

	Water Fund	Water Capital Construction Fund	Water Acquisition Fund	Total
ASSETS				
Current Assets:				
Cash and cash equivalents	$ 3,817,976	$ 729,863	$ 332,677	$ 4,880,516
Accounts Receivable, net	111,565	-	8,750	120,315
Inventory of supplies	124,677	-	-	124,677
Total current assets	4,054,218	729,863	341,427	5,125,508
Noncurrent assets:				
Capital assets:				
Land and improvements	1,535,000	-	-	1,535,000
Utility system	12,866,239	-	-	12,866,239
Buildings and improvements	181,461	-	-	181,461
Equipment	357,921	-	-	357,921
Construction in progress	171,544	-	-	171,544
Less Accumulated Depreciation	(4,463,638)	-	-	(4,463,638)
Total noncurrent assets	10,648,527	-	-	10,648,527
Total assets	$ 14,702,745	$ 729,863	$ 341,427	$15,774,035
LIABILITIES				
Current liabilities:				
Accounts payable	$ 1,404	$ -	$ -	$ 1,404
Accrued payroll	6,762	-	-	6,762
Unearned revenue	-	111	-	111
Current portion on long-term debt	76,704	-	-	76,704
Total current liabilities	84,870	111	-	8,166
Long-term debt:				
Loans payable	1,495,695	-	-	1,495,695
Total long-term debt	1,495,695	-	-	1,495,695
NET POSITION				
Invested in capital assets	10,648,527	-	-	10,648,527
Unrestricted	2,473,653	729,752	341,427	3,544,832
Total net position	$ 13,122,180	$ 729,752	$ 341,427	$14,193,359

See accompanying notes to the basic financial statements.

Town of Orchard City
Statement of Revenues, Expenses and Changes in Fund Net Position
Enterprise Funds
Year Ended December 31, 2022

	Water Fund	Water Capital Construction Fund	Water Acquisition Fund	Total
Operating revenues:				
Charges for services	$ 941,401	$ 188,386	$ 42,625	$ 1,172,412
Miscellaneous	28,488	-	-	28,488
Total operating revenues	969,889	188,386	42,625	1,200,900
Operating expenses:				
Personal services	549,135	-	-	549,135
Purchased services, supplies and materials	170,010	45	-	170,055
Repairs and maintenance	171,128	-	-	171,128
Depreciation	327,896	-	-	327,896
Total operating expenses	1,218,169	45	-	1,218,214
Operating income (loss)	(248,280)	188,341	42,625	(17,314)
Nonoperating revenues (expenses):				
Interest and investment revenue	35,195	34,060	2,994	72,249
Operating grants and contributions	-	403,668	-	403,668
Transfers in (out)	(327,524)	197,524	130,000	-
Interest expense	(24,437)	-	-	(24,437)
Total nonoperating revenues (expenses)	(316,766)	635,252	132,994	451,480
Income (loss) before Capital Contributions	(565,046)	823,593	175,619	434,166
Capital contributions-Tap Fees	-	115,075	-	115,075
Change in net position	(565,046)	938,668	175,619	549,241
Total net position, January 1	13,456,157	22,153	165,808	13,644,118
Residual transfer	231,069	(231,069)	-	-
Total net position, December 31	$ 13,122,180	$ 729,752	$ 341,427	$14,193,359

See accompanying notes to the basic financial statements.

Town of Orchard City
Statement of Cash Flows
Enterprise Funds
Year Ended December 31, 2022

	Water Fund	Water Capital Construction Fund	Water Acquisition Fund	Total
Cash Flows From Operating Activities				
Charges for sales and services	$ 936,351	$ 188,386	$ 42,625	$ 1,167,362
Other receipts	28,488	-	-	28,488
Payments for personal services	(547,827)	-	-	(547,827)
Payments to suppliers	(297,386)	(3,688)	-	(301,074)
Net cash provided (used) by operating activities	119,626	184,698	42,625	346,949
Cash Flows from Noncapital Activities				
Transfers in	(327,524)	197,524	130,000	-
Grants and contributions	-	403,668	-	403,668
Net cash provided (used) by noncapital financing activities	(327,524)	601,192	130,000	403,668
Cash Flows from Capital and Related Financing Activities				
Tap fees and water rights	-	115,075	-	115,075
Acquisition of fixed assets	-	(131,065)	-	(131,065)
Principal payments on loan	-	(75,567)	-	(75,567)
Interest expense	-	(24,437)	-	(24,437)
Net cash provided (used) by capital and related financing activities	-	(115,994)	-	(115,994)
Cash Flows from Investing Activities				
Interest on investments	35,195	34,060	2,994	72,249
Net increase (decrease) in cash and equivalents	(172,703)	703,956	175,619	706,872
Cash balances, January 1	3,990,679	25,907	157,058	4,173,644
Cash balances, December 31	$ 3,817,976	$ 729,863	$ 332,677	$ 4,880,516
Reconciling of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	$ (248,280)	$ 188,341	$ 42,625	$ (17,314)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	327,896	-	-	327,896
(Increase) Decrease in receivables	(5,050)	-	-	(5,050)
(Increase) Decrease in inventory	47,320	-	-	47,320
Increase (Decrease) in accounts payables	(3,568)	(3,643)	-	(7,211)
Increase (Decrease) in accrued payroll	1,308	-	-	1,308
Net cash provided by (used) operating activities	$ 119,626	$ 184,698	$ 42,625	$ 346,949

See accompanying notes to the basic financial statements.

Note 1 - Summary of Significant Accounting Policies

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

The more significant of the Town's accounting policies are described below:

Financial Reporting Entity

The Town is incorporated under the laws of the State of Colorado, with a mayor and a town board. As required by accounting principles generally accepted in the United States of America, these financial statements present the Town of Orchard City (the primary government). The Town has no oversight responsibility for any other governmental entity since no other entities are considered to be controlled by or dependent on the Town. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respect governing board.

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. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes, charges for services and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on user charges for support.

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

Fund Financial Statements

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

Note 1 - Summary of Significant Accounting Policies - (continued)

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

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

The Town reports the following major governmental funds:

- The General Fund is the Town's primary operating fund. It accounts for all financial resources of the Town, except those required to be accounted for in another fund.

Special Revenue Funds are used to account for the proceeds of special revenue sources that are restricted for specific purposes.

- Road and Maintenance Fund is to account for highway user's tax to be used for construction and maintenance of the Town's roads.

- Park and Recreation Fund is to account for lease income and taxes to maintain the Town Park.

The remaining governmental funds are aggregated and presented as non-major funds. Those funds include:

- The Conservation Trust Fund, which accounts for State of Colorado lottery funds to be used for parks and recreation services and capital investment.

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

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

- Water Fund, which account for all operations of the Town's water, services. This is primarily financed by user charges.
- Capital Construction and Acquisition Funds is to account for construction of utility systems and water.

Note 1 - Summary of Significant Accounting Policies - (continued)

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the enterprise fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

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

Deferred Outflows / Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section of deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and will not be recognize as an outflow of resources (expense/ expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section of 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 will not be recognized as an inflow of resources (revenue) until that time. Property taxes revenue that are related to a future period have been recorded as deferred inflows. Grants and entitlements received before eligibility requirements are met (e.g., cash advances) are recorded as deferred inflows. These amounts are deferred and will be recognized as an inflow of resources in the period that the amounts become available.

Note 1 - Summary of Significant Accounting Policies - (continued)

Cash and Cash Equivalents

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

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Capital Assets

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

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

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

Asset Class	Useful Life
Building and Other Improvements	20-50 years
Water System	50 years
Furniture and Equipment	3-10 years
Infrastructure	15-40 years

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

Note 1 - Summary of Significant Accounting Policies - (continued)

Long-Term Liabilities

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

The long-term compensated absences are serviced from revenues of the General Fund from future appropriations. No interest costs were capitalized in 2022.

Compensated Absences

It is the Town's policy for employees to accumulate earned but unused vacation and sick pay benefits, but employees are not entitled to be paid for sick leave upon termination. In the government-wide statements, vacation and unused compensation time is accrued when incurred and reported as a liability of the governmental and business-type activities. In the governmental funds, vacation and unused compensation time that is expected to be liquidated with expendable available financial resources is reported as expenditure and a fund liability of the governmental fund that will pay it. Amounts not expected to be liquidated with expendable available financial resources are not reported as expenditure.

Net Position

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

Interfund Transactions

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

Inventory

Inventory is valued at lower of cost (first in, first out) or market.

Note 1 - Summary of Significant Accounting Policies - (continued)

Accounts Receivable

The Town considers all receivables fully collectible.

Fund Balance

In the fund financial statements, Governmental Funds report the following classifications:

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

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

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

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

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

Note 3 - Tax, Spending and Debt Limitations

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments, excluding “enterprises.” The Town’s voters on November 8, 1994, approved a ballot measure to permit the Town to collect, retain and expend the full proceeds of the Town’s sales tax, and federal and state grants.

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

The Amendment requires that an emergency reserve be maintained at three percent of fiscal year spending. A portion of the General, Road Maintenance and Park and Recreation Fund’s fund balances are classified as restricted for emergencies as required by the Amendment. The amount restricted at December 31, 2022 was $11,845.

Note 4 - Budgets

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

A. By August 1st of each year, the manager shall give public notice of budget preparation for the next fiscal year. The manager asks that all Town departments, boards, commissions or citizens submit within thirty days from the notice, any request for funds under the budget being prepared.

   The manager, then prepares a proposed budget for the ensuing fiscal year and submits it to the Council no later than forty-five days prior to any date required by state law for the certification to the County of the tax levy.

B. The budget provides a complete financial plan of all Town funds and activities for the ensuing fiscal year indicating anticipated revenues, proposed operating and capital expenditures, a provision for contingencies, and anticipated net surplus or deficit for the ensuing fiscal year.

C. A public hearing on the proposed budget is held by the Council in early December.

D. The Council adopts the budget by resolution on or before the final day established by law for the certification of the ensuing year’s tax levy to the County. Adoption of the budget by the Council shall constitute appropriations of the amounts specified therein as expenditures from the funds indicated and shall constitute a levy of the property tax therein proposed.

Note 4 - Budgets- (continued)

E. If during the fiscal year the manager determines that there are expenses in excess of those estimated in the budget, the Council by ordinance may make supplemental appropriations for the year up to the amount of such excess. To meet an emergency affecting public property, health, peace or safety, the Council may make emergency appropriations. If at any time during the fiscal year it appears probable to the manager that the revenues available will be insufficient to meet the amount appropriated, the manager reports to the Council, indicating the estimated amount of deficit, any remedial action already taken, and a recommendation as to any other steps to be taken. Any time during the fiscal year the manager may transfer part or all of any unencumbered appropriation balance within a department.

F. Budget appropriations lapse at the end of each year.

G. Expenditures may not exceed appropriations at the fund level. Budget amounts included in the financial statements are based on the final amended budget. There were no revisions made to the original budget.

H. Budgets for governmental funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP), except for long-term receivables and advances and capital lease financing which are budgeted when liquidated rather than when the receivable/liability is incurred. Budgets for enterprise funds are adopted on a basis consistent with the spending measurement focus of the governmental funds.

Revenues	Final Budget	Actual	Variance Favorable (Unfavorable)
GAAP based revenues	$ -	$ 1,676,817	$ -
Add:			
Loan proceeds		-	
Tap fees and water rights		115,075	
Total budgetary revenues	$ 1,135,326	$ 1,791,892	$ 656,566
Expenditures			
GAAP based expenses	$ -	$ 1,270,526	$ -
Add (deduct):			
Depreciation		(327,524)	
Decrease in inventory		47,320	
Acquisition of capital assets		131,065	
Total budgetary expenses	$ 2,348,434	$ 1,121,387	$ 1,227,047

Note 5 - Deposits and Investments

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories; eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to the aggregate uninsured deposits. Collateral in the pool is considered to be equal to depository insurance pursuant to definitions listed in GASB Statement No. 40. At December 31, 2022, the carrying amount of the Town's deposits was $1,492,017 the bank balance of the Town's deposits was $1,517,202 of which $431,798 was covered by federal depository insurance.

The Town maintains a cash pool that is available to the General Fund, Special Revenue Funds and Enterprise Fund.

Cash and Cash Equivalents

Cash in bank accounts	$ 1,492,017
Cash with county treasurer and cash on hand	1,907
ColoTrust	8,417,684
Total	$ 9,911,608

Interest rate risk-The town does not have a formal policy limiting investment maturities, other than that established by the state statue of five years, which would help manage its exposure to fair value losses from increasing interest rates.

Credit risk-Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. It is the Town's policy to limit its investments to U.S. Treasury obligations, certain U.S. government agencies securities, commercial paper, local government investment pools, repurchase agreements and money market funds.

Custodial Credit Risk- 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 investment or collateral securities that are in the possession of an outside party.

Note 5 - Deposits and Investments- (continued)

Investments

At December 31, 2022 the Town had the following investments:

	Maturities Less Than One Year	Net Asset Value
ColoTrust Plus +	$ 8,417,684	$ 8,417,684

The Town invested $8,417,684 in the Colorado Government Liquid Asset Trust (COLOTRUST). COLOTRUST is an investment vehicle established by state statute for local government entities in Colorado to pool surplus funds for investment purposes. The State Securities Commission administers and enforces all state statutes governing public investment pools. The investment is an external investment pool that reports at the fair value per share of the pool's underlying portfolio. The unit of account is each share held, and the value of the position is the fair value of the pool's share price multiplied by the number of shares held. For pricing and redeeming share COLOTRUST maintains a stable net asset value (NAV) of $1 per share, which approximates fair value. The government-investor does not "look through" the pool to report a pro rata share of the pool's investments, receivables and payables. All COLOTRUST investments are reported at NAV and do not have any unfunded commitments, redemption restrictions or redemption notice periods. COLOTRUST offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+, which are both rated AAAm by Standard & Poor's. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. Financial statements and information about the pool for COLOTRUST may be obtained through its website at www.colotrust.com. COLOTRUST may, without the necessity of a formal meeting of their Board, temporarily suspend the right of redemption or postpone the date of payment for redeemed shares under certain specific conditions described in their trust indenture and during any financial emergency when it is not reasonably practicable because of substantial losses which might be incurred.

Note 6 - Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Town purchases general liability and property insurance through commercial insurers to provide coverage of all losses, claims and judgments. Claims have not exceeded coverage in any of the last three fiscal years.

Note 7 - Retirement Plans

Defined Contribution Plan

The Town participates in the Colorado Retirement Association Defined Contribution Plan (CRA), a multiple-employer public employee retirement system, which is a qualified plan as defined by Internal Revenue Service Code Section 401 (A) and CRS 24.54. The plan provides retirement benefits through a defined contribution plan to participating Colorado counties, municipalities, and special districts. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings. Plan provisions and contribution requirements are established and may be amended by CRA and would have to be approved by the Town.

There are no unfunded past service liabilities. All of its full-time employees, who work 40 hours per week, are eligible to contribute to the plan. Employees are eligible to participate upon the first day of the payroll period following the employee’s date of hire. Both the Town and the employees contribute between 4% and 4% of the employee's monthly base salary to the plan. Employees may also make additional contributions up to a maximum of 10% of compensation.

Employees are immediately vested in their participant contributions and become vested in employer contributions to the plan over a five-year period. For the year ended December 31, 2022, the Town's total payroll was $498,228, the total covered payroll by the retirement plan was $448,075. During 2022, the Town and employees each made their respectively required contribution of $17,225, for a total of $34,450. Complete financial statements for the retirement plans may be obtained from CRA, 4949 S. Syracuse St., Suite 400, Denver, Colorado, 80237.

Note 8 - Capital Assets

Capital asset activities for the year ended December 31, 2022, was as follows:

	Balance 1/1/2022	Additions	Deletions	Balance 12/31/2022
Governmental Activities				
Capital assets not being depreciated				
Land	$ 322,258	$ -	$ -	$ 322,258
Capital assets being depreciated				
Buildings	1,162,018	-	-	1,162,018
Equipment and furniture	507,046	-	-	507,046
Infrastructure	1,966,308	-	-	1,966,308
Ball fields and parks	812,964	12,974	-	825,938
Less: Accumulated depreciation	(1,809,823)	(133,282)	-	(1,943,105)
	2,718,480	(120,308)	-	2,518,205
Governmental Activities				
Capital assets, net	$ 3,040,738	$ (120,308)	$ -	$ 2,840,463

Note 8 - Capital Assets- (continued)

	Balance 1/1/2022	Additions	Deletions	Balance 12/31/2022
Business-Type Activities				
Capital assets not being depreciated				
Construction in progress	$ 40,479	$ 131,065	$ -	$ 171,544
Land and water rights	1,535,000	-	-	1,535,000
	1,575,479	131,065	-	1,706,544
Capital assets being depreciated				
Buildings and improvements	181,461	-	-	181,461
Equipment and furniture	357,921	-	-	357,921
Distribution system	12,866,239	-	-	12,866,239
Less: Accumulated depreciation	(4,135,742)	(327,896)	-	(4,463,638)
	6,419,469	(327,896)	-	8,941,983
Business-Type Activities				
Capital assets, net	$ 7,954,469	$ (196,831)	$ -	$ 10,648,527

Depreciation expense was charged to functions/programs of the Towns as follows:

General government	$ 21,594
Public works	85,254
Culture and recreation	26,434
	$ 133,282
Water Fund	$ 327,896

Note 9 - Long-Term Liabilities

Governmental Activities	Balance January 1, 2021	Additions	Reductions	Balance December 31, 2021	Due Within One Year
Accrued compensated absences	$ 27,959	$ -	$ (27,959)	$ -	$ -
Total	$ 27,959	$ -	$ (27,959)	$ -	$ -
Enterprise Activities					
Loan payable - SRF	$ 1,647,966	$ -	$ (75,567)	$ 1,572,399	$ 76,704
Total	$ 1,647,966	$ -	$ (75,567)	$ 1,572,399	$ 76,704

Note 9 - Long-Term Liabilities- (continued)

Loan Payable-Colorado Water Resources and Power Development Authority

The Town borrowed $1,691,091 from the Colorado Water Resources and Power Development Authority in 2021 to facilitate the construction of a new water treatment facility. The Colorado Water Resources and Power Development Authority loaned the Town, through Drinking Water Revolving Fund Program, a loan bearing a 1.50% interest rate and is payable in principal installments of $ 50,001.89 on May 1 and November 1 of each year. The loan matures on November 1, 2040.

Year	Principal	Interest	Total
2023	$ 76,704	$ 23,299	$ 100,003
2024	77,859	22,145	100,004
2025	79,032	20,972	100,004
2026	80,221	19,782	100,003
2027	81,429	18,575	100,004
2028-2032	425,910	74,109	500,019
2033-2037	458,953	41,066	500,019
2038-2040	292,291	7,720	300,011
	$ 1,572,399	$ 227,668	$ 1,800,067

Town of Orchard City
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund
For the Year Ended December 31, 2022

Revenues	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
Taxes:				
Franchise	$ 86,000	$ 86,000	$ 97,051	$ 11,051
	86,000	86,000	97,051	11,051
Intergovernmental				
Other taxes	100	100	1,818	1,718
Sales tax	250,000	250,000	371,629	121,629
Severance tax	2,000	2,000	11,623	9,623
Mineral leasing	3,000	3,000	20,386	17,386
Planning commission	500	500	6,129	5,629
Total intergovernmental	255,600	255,600	411,585	155,985
License and permits	15,393	15,393	28,767	13,374
Miscellaneous				
Interest on deposits	2,000	2,000	57,764	55,764
Rent	100	100	1,200	1,100
Other	100	100	1,196	1,096
Total revenues	359,193	359,193	597,563	238,370
Expenditures				
Salaries and benefits	90,500	90,500	80,044	10,456
Utilities	3,500	3,500	3,550	(50)
Telephone	1,300	1,300	858	442
Office supplies	3,700	3,700	4,003	(303)
Postage	1,000	1,000	689	311
Computer support	15,000	15,000	6,527	8,473
Building repairs and supplies	20,000	20,000	5,560	14,440
Trash removal	1,475	1,475	1,243	232
Janitorial services	10,621	10,621	10,561	60
Insurance	8,862	8,862	8,862	-
Town clothing	1,000	1,000	668	332
Dues and subscriptions	1,150	1,150	982	168
Newsletter	7,000	7,000	1,351	5,649
Website	2,000	2,000	2,508	(508)
Trustee fees and other	22,500	22,500	16,376	6,124
Conference and schools	5,000	5,000	3,215	1,785
Town picnic and other	10,000	10,000	8,254	1,746
Miscellaneous	1,487	1,487	1,612	(125)
Board meeting and supplies	5,000	5,000	2,015	2,985
Community room help	1,000	1,000	300	700
Planning commission	2,200	2,200	1,979	221
Public notices and ads	1,700	1,700	1,667	33
Professional fees	14,500	14,500	9,288	5,212
Records management	3,000	3,000	-	3,000
GIS update mapping	1,500	1,500	1,700	(200)
Treasurer's fees	250	250	244	6
Total general government	$ 240,745	$ 240,745	$ 174,325	$ 66,420

See accompanying notes to the basic financial statements.

Town of Orchard City
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund
For the Year Ended December 31, 2022

Building department				
Supplies	$ 1,300	$ 1,300	$ 900	$ 400
Training and meetings	700	700	93	607
Vehicle expense	3,000	3,000	-	3,000
Total Building department	5,000	5,000	993	4,007
Public safety				
Mosquito control	11,700	11,700	-	11,700
Juvenile diversion	2,000	2,000	2,000	-
Total public safety	13,700	13,700	2,000	11,700
Donations				
Dolphin House	1,500	1,500	1,500	-
All points transportation	2,869	2,869	2,869	-
Animal control	2,000	2,000	2,000	-
Food bank	2,000	2,000	2,000	-
Student of the month	900	900	800	100
Hospice	2,000	2,000	2,000	-
Other	16,000	16,000	5,201	10,799
Total donations	27,269	27,269	16,370	10,899
Contingency	10,000	10,000	-	10,000
Reserve	10,008	10,008	-	10,008
Total expenditures	306,722	306,722	193,688	113,034
Excess of revenues over (under) expenditures	52,471	52,471	403,875	351,404
Other Financing sources (uses)				
Transfer out	(36,872)	(36,872)	(36,872)	-
Excess of revenues and sources over and (under) expenditures and use	15,599	15,599	367,003	351,404
Fund balance - January 1	3,424,782	3,424,782	3,543,068	118,286
Fund balance - December 31	$ 3,440,381	$ 3,440,381	$ 3,910,071	$ 469,690

Town of Orchard City
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Road Maintenance Fund
For the Year Ended December 31, 2022

Revenues	**Original Budget**	**Final Budget**	**Actual**	**Favorable (Unfavorable)**
Intergovernmental				
State shared				
HUTF	$ 147,429	$ 147,429	$ 151,502	$ 4,073
Motor vehicle fees	16,000	16,000	19,000	3,000
Motor vehicle - sales tax	2,500	2,500	4,275	1,775
County road and bridge	11,000	11,000	12,208	1,208
Total intergovernmental	176,929	176,929	186,985	10,056
Miscellaneous				
Interest on deposits	300	300	14,608	14,308
Other	-	-	2,250	2,250
Total revenues	177,229	177,229	203,843	26,614
Expenditures				
Public Works:				
Salaries and benefits	40,223	40,223	38,430	1,793
Snow removal	5,000	5,000	568	4,432
Travel and training	2,000	2,000	410	1,590
Vehicle expense	8,000	8,000	4,222	3,778
Improvement projects	225,000	225,000	9,225	215,775
Street sign	1,000	1,000	1,679	(679)
Miscellaneous	2,000	2,000	-	2,000
Utilities and telephone	3,800	3,800	2,957	843
Insurance	4,431	4,431	4,431	-
Professional fees	2,000	2,000	2,000	-
Weed Control	1,000	1,000	568	432
Repairs and maintenance	16,000	16,000	7,242	8,758
Supplies and materials-streets	4,800	4,800	6,238	(1,438)
Capital Outlay	45,000	45,000	3,733	41,267
Reserves	10,808	10,808	-	10,808
Total Expenditures	371,062	371,062	81,703	289,359
Excess (deficiency) of revenues over expenditures	(193,833)	(193,833)	122,140	315,973
Fund balance - January 1	793,835	793,835	852,107	58,272
Fund balance - December 31	$ 600,002	$ 600,002	$ 974,247	$ 374,245

See accompanying notes to the basic financial statements.

Town of Orchard City
Park and Recreation Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
Revenues				
Franchise taxes	$ 3,000	$ 3,000	$ 2,679	$ (321)
Lease income	1,500	1,500	1,720	220
Miscellaneous	-	-	3,769	3,769
Total Revenues	4,500	4,500	8,168	3,668
Expenditures				
Salaries and benefits	20,225	20,225	20,224	1
Utilities and telephone	8,500	8,500	6,783	1,717
Vehicle Expenses	4,500	4,500	1,171	3,329
Building maintenance	1,000	1,000	215	785
Landscaping	500	500	-	500
Insurance	4,431	4,431	4,431	-
Equipment maintenance	2,000	2,000	917	1,083
Park maintenance	12,500	12,500	2,150	10,350
Miscellaneous	2,600	2,600	3,349	(749)
Audit and budget	1,600	1,600	2,000	(400)
Tabor reserve	1,736	1,736	-	1,736
Total expenditures	59,592	59,592	41,240	18,352
Excess (deficiency) of revenues over expenditures	(55,092)	(55,092)	(33,072)	22,020
Other Financing Sources (Uses)				
Transfer in	36,872	36,872	36,872	-
Total other financing sources (uses)	36,872	36,872	36,872	-
Net change to fund balance	(18,220)	(18,220)	3,800	22,020
Fund balance, January 1	18,220	18,220	23,331	5,111
Fund balance, December 31	$ -	$ -	$ 27,131	$ 27,131

See accompanying notes to the basic financial statements.

Town of Orchard City
Conservation Trust Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
Revenues				
State Lottery Funds	$ 28,000	$ 28,000	$ 40,262	$ 12,262
Interest earnings	100	100	356	256
Total revenues	28,100	28,100	40,618	12,518
Expenditures				
Culture and recreation				
Capital Outlay	58,000	58,000	42,637	15,363
Total expenditures	58,000	58,000	42,637	15,363
Excess of revenues over (under) expenditures	(29,900)	(29,900)	(2,019)	27,881
Fund balance, January 1	167,094	167,094	181,804	14,710
Fund balance, December 31	$ 137,194	$ 137,194	$ 179,785	$ 42,591

Town of Orchard City
Water Fund
Schedule of Revenues, Expenditures and Changes in Available Resources-Budget and Actual
(Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
Revenues				
Charges for services	$ 892,500	$ 892,500	$ 913,559	$ 21,059
Water station vending	3,500	3,500	13,083	9,583
Supplies and repairs	1,000	1,000	14,759	13,759
Interest on earnings	1,000	1,000	35,195	34,195
Miscellaneous	-	-	28,488	28,488
Total revenues	898,000	898,000	1,005,084	107,084
Expenditures				
Salaries and benefits	572,460	572,460	549,135	23,325
Purchased services, supplies and materials	51,000	51,000	47,988	3,012
Repairs and maintenance	129,800	129,800	171,128	(41,328)
Capital outlay	6,000	6,000	3,221	2,779
Miscellaneous	16,500	16,500	11,523	4,977
Utilities	22,700	22,700	24,844	(2,144)
Telephone	8,200	8,200	5,169	3,031
Insurance	17,724	17,724	17,724	-
Professional services	12,000	12,000	6,250	5,750
Office expenses	30,400	30,400	21,189	9,211
Training and travel	5,000	5,000	3,585	1,415
Vehicle expense	19,600	19,600	16,225	3,375
Water assessments	9,000	9,000	9,787	(787)
Safety equipment	3,000	3,000	2,505	495
Reserves	95,000	95,000	-	95,000
Total expenditures	998,384	998,384	890,273	108,111
Excess of revenues over (under) expenditures	(100,384)	(100,384)	114,811	215,195
Other Financing Sources (Uses)				
Transfer out	(327,524)	(327,524)	(327,524)	-
Total other financing sources (uses)	(327,524)	(327,524)	(327,524)	-
Net change to fund balance	(427,908)	(427,908)	(212,713)	215,195
Available resources-January 1	2,427,908	2,427,908	2,610,796	182,888
Accruals: Long Term Debt	-	-	75,570	75,570
Available resources-December 31	$ 2,000,000	$ 2,000,000	$ 2,473,653	$ 473,653

Town of Orchard City
Water Capital Construction Fund
Schedule of Revenues, Expenditures and Changes in Available Resources-Budget and Actual
(Non-GAAP Budgetary Basis)
Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
Revenues				
Charges for services	$ 225,000	$ 225,000	$ 188,016	$ (36,984)
Grants	-	-	403,668	403,668
Tap fees	6,500	6,500	115,075	108,575
Interest	3,500	3,500	34,060	30,560
Meadow View line payment	2,226	2,226	370	(1,856)
Total revenues	237,226	237,226	741,189	503,963
Expenditures				
Loan processing fees	-	-	45	(45)
Capital outlay- Waterline Replacement	1,200,000	1,200,000	131,065	1,068,935
SRF loan payment	100,050	100,050	100,004	46
Total expenditures	1,300,050	1,300,050	231,114	1,068,936
Excess of revenues over (under) expenditures	(1,062,824)	(1,062,824)	510,075	1,572,899
Other Financing Sources (Uses)				
Transfer in	197,524	197,524	197,524	-
Total other financing sources (uses)	197,524	197,524	197,524	-
Net change to fund balance	(865,300) -	(865,300) -	707,599	1,572,899
Available resources-January 1	1,221,239	1,221,239	22,153	(1,199,086)
Available resources-December 31	$ 355,939	$ 355,939	$ 729,752	$ 373,813

Town of Orchard City
Water Acquisition Fund
Schedule of Revenues, Expenditures and Changes in Available Resources-Budget and Actual
(Non-GAAP Budgetary Basis)
Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
Revenues				
Water Conveyance Fee	$ -	$ -	$ 42,625	$ 42,625
Interest income	100	100	2,994	2,894
Total revenues	100	100	45,619	45,519
Expenditures				
Water shares	50,000	50,000	-	50,000
Total expenditures	50,000	50,000	-	50,000
Excess of revenues over (under) expenditures	(49,900)	(49,900)	45,619	95,519
Other Financing Sources (Uses)				
Transfer in	130,000	130,000	130,000	-
Total other financing sources (uses)	130,000	130,000	130,000	-
Net change to fund balance	80,100 -	80,100 -	175,619	95,519
Available resources-January 1	165,800	165,800	165,808	8
Available resources-December 31	$ 245,900	$ 245,900	$ 341,427	$ 95,527

COLORADO
Department of Transportation

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Annual Highway Finance Report - CY22

Email address: peteblaircpa@yahoo.com
City/County: Orchard City

Receipts, Disbursements & Costs

II - Receipts for Road & Street Purposes

A. Receipts from local sources

2. General Fund Appropriations:	$	0.00
3. Other local imposts: *from A.3. 'Total' below)*	$	16,483.00
4. Miscellaneous local receipts: *from A.4. 'Total' below)*	$	16,858.00
5. Transfers from toll facilities	$	0.00
6. Proceeds of sale of bonds and notes		
a. Bonds - Original Issues:	$	0.00
b. ¦Bonds - Refunding Issues:	$	0.00
c. Notes:	$	0.00
SubTotal:	$	33,341.00

B. Private Contributions $ 0.00

Receipts, Disbursements & Costs

II - Receipts for Road & Street Purposes (Detail)

A.3.¦ Other local imposts

a. Property Taxes &and Assessments	$ 0.00
b. Other Local Imposts	
1. Sales Taxes:	$ 4,275.00
2. Infrastructure and Impact Fees:	$ 0.00
3. Liens:	$ 0.00
4. Licenses:	$ 0.00
5. Specific Ownership and/or Other:	$ 12,208.00
Total: *(a + b) carried to 'Other local imposts' above)*	$ 16,483.00

A.4.¦ Miscellaneous local receipts

a. Interest on Investments:	$ 14,608.00
b. Traffic fines and Penalities:	$ 0.00
c. Parking Garage Fees:	$ 0.00
d. Parking Meter Fees:	$ 0.00
e. Sale of Surplus Property:	$ 0.00
f. Charges for Services:	$ 0.00
g. Other Misc. Receipts:	$ 2,250.00
h. Other:	$ 0.00
Total: *(a through h) carried to 'Misc local receipts' above)*	$ 16,858.00

C. Receipts from State Government

1. Highway User Taxes:	$ 151,502.00
3. Other State funds:	
c. Motor Vehicle Registrations:	$ 19,000.00
d. Other (Specify): Comments: undefined	$ 0.00
e. Other (Specify): Comments: undefined	$ 0.00
Total: *(1+3c,d,e)*	$ 170,502.00

D. Receipts from Federal Government

2. Other Federal Agencies	
a. Forest Service:	$ 0.00
b. FEMA:	$ 0.00
c. HUD:	$ 0.00
d. Federal Transit Administration:	$ 0.00
e. U.S. Corp of Engineers	$ 0.00
f. Other Federal:	$ 0.00

Total: *(2a-f)*	$ 0.00

Receipts, Disbursements & Costs

III - Disbursements for Road & Street Purposes

A. Local highway disbursements

1. Capital outlay: *(from A.1.d. 'Total Capital Outlay' below)*	$ 9,225.00
2. Maintenance:	$ 0.00
3. Road and street services	
a. Traffic control operations:	$ 0.00
b. ¦Snow and ice removal:	$ 568.00
c. Other:	$ 0.00
4. General administration and miscellaneous	$ 71,910.00
5. Highway law enforcement and safety	$ 0.00
Total: *(A.1-5)*	$ 81,703.00

B. Debt service on local obligations

1.¦ Bonds	
a.¦Interest	$ 0.00
b.¦Redemption	$ 0.00
2.¦ Notes	
a.¦Interest	$ 0.00
b.¦Redemption	$ 0.00
SubTotal: *(1+2)*	$ 0.00

C. Payments to State for Highways:	$ 0.00
D. Payments to Toll Facilities:	$ 0.00
Total Disbursements: *(A+B+C+D)*	$ 81,703.00

Receipts, Disbursements & Costs

III - Disbursements for Road & Street Purposes - (Detail)

	A. ON NATIONAL HIGHWAY SYSTEM	B. OFF NATIONAL HIGHWAY SYSTEM	C. TOTAL
A.1. Capital Outlay			
a. Right-Of-Way Costs:	$ 0.00	$ 0.00	$ 0.00
b. Engineering Costs:	$ 0.00	$ 0.00	$ 0.00
c. Construction			
1. New Facilities:	$ 0.00	$ 0.00	$ 0.00
2. ¦Capacity Improvements:	$ 0.00	$ 0.00	$ 0.00
3. System Preservation:	$ 0.00	$ 9,225.00	$ 9,225.00
4. System Enhancement:	$ 0.00	$ 0.00	$ 0.00
5. Total Construction:			$ 9,225.00
d. Total Capital Outlay: *(Lines A.1.a. + 1.b. + 1.c.5)*			$ 9,225.00

Receipts, Disbursements & Costs

IV. Local Highway Debt Status

	OPENING DEBT	AMOUNT ISSUED	REDEMPTIONS	CLOSING DEBT
A. Bonds (Total)	$ 0.00	$ 0.00	$ 0.00	$ 0.00
1. Bonds (Refunding Portion)		$ 0.00	$ 0.00	$ 0.00
B. Notes (Total):	$ 0.00	$ 0.00	$ 0.00	$ 0.00

Receipts, Disbursements & Costs

V - Local Road & Street Fund Balance

A. Beginning Balance	B. Total Receipts	C.Total Disbursements	D. Ending Balance	E. Reconciliation
$ 124,867.00	$ 203,843.00	$ 81,703.00	$ 247,007.00	$ 0.00

Notes and Comments:
undefined

Please enter your name: Melissa Oelke

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