

**TOWN OF AULT
AULT, COLORADO**

**FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT**

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

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TOWN OF AULT, COLORADO

BOARD OF TRUSTEES
DECEMBER 31, 2023

Board of Trustees

Gary D White – Mayor

Corry Cole – Mayor ProTem

Adam Ferrell – Trustee

Judy Ruff- Trustee

Ty Anderson - Trustee

Michael Biwer - Trustee

Scott Riley – Trustee

ADMINISTRATION

Sharon Sullivan – Town Administrator/Int. Clerk

The discussion and analysis of the Town of Ault's financial performance provides an overall review of the Town's financial activities for the year ended December 31, 2023. The intent of this discussion and analysis is to look at the Town's financial performance as a whole. Readers should also review the financial statements and the notes to the financial statements to broaden their understanding of the Town's financial performance.

The Management Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments, issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

Financial Highlights

The Town of Ault's overall net position increased by \$850,620 with its governmental net position increasing by \$665,036 and business-type net position increasing by \$185,584 for the year, with the large increase mainly due to construction.

- The assets of the Town exceeded its liabilities at the close of fiscal year 2023 by \$26,396,230 (*net position*). Of this amount, \$11,463,955 (*unrestricted net position*) may be used to meet the Town's ongoing obligations or unforeseen expenses.
- At the end of 2023, the unrestricted net position for the governmental funds was \$6,058,780 and proprietary funds (business-type activities) were \$5,405,175.
- As of the close of fiscal year 2023, the Town's General Fund reported an ending fund balance of \$6,001,768 compared to the fiscal year 2022 balance of \$5,264,269.
- General Fund 2023 revenues decreased by \$275,155 to \$2,891,442.
- General Fund expenditures increased in 2023 by \$384,507 to \$2,307,372.

Using the Basic Financial Statements

The Basic Financial Statements consists of the Management's Discussion and Analysis (this section) and a series of financial statements and notes to those statements. These statements are organized so that the reader can understand the Town of Ault as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The first two statements are government-wide financial statements - the Statement of Net Position and the Statement of Activities. Both provide long and short-term information about the Town's overall financial status.

The remaining statements are fund financial statements that focus on individual parts of the Town's operations in more detail. The governmental fund statements tell how general Town services were financed in the short term as well as what remains for future spending. The Town has two major governmental funds, the General Fund and the Street Systems Fund.

Proprietary fund statements offer short and long-term financial information about the activities that the Town operates as a business. The Town operates two proprietary funds as follows:

- Water Fund
- Sanitation Fund

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

Financial Analysis of the Town as a Whole

The Town's total net position was \$26,396,230 as of December 31, 2023 compared to \$25,545,610 as of December 31, 2022. This represents an increase of \$850,620.

Government-Wide Financial Statements

The government-wide statements report information about the Town as a whole using accounting methods similar to those used by private businesses. The statements of net position include all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the Town's net position and how they have changed. The change in net position is important because it tells the reader that for the Town as a whole, the financial position of the Town has improved or diminished. The causes of this change may be the result of various factors, some financial, some not. Non-financial factors include facility conditions, and state or federal government required programs.

Both of the government-wide financial statements distinguish functions of the Town 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 of the Town include: general government, public safety (police), public works, parks and recreation, and health and welfare. The Business-type Activities of the Town of Ault consists of water and sanitation services.

Net Position

Net position might serve over time as a useful indicator of a government's financial position. In the case of the Town of Ault, assets exceeded liabilities by approximately \$26 million overall at the close of 2023.

TOWN OF AULT
Management Discussion and Analysis
December 31, 2023

Net position of the Town as of December 31 was as follows:

Condensed Statement of Net Position

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
ASSETS						
Current and Other Assets	\$ 7,804,860	\$ 7,445,763	\$ 5,888,097	\$ 6,035,600	\$ 13,692,957	\$ 13,481,363
Capital Assets, net	<u>3,211,707</u>	<u>3,206,130</u>	<u>11,188,366</u>	<u>11,231,359</u>	<u>14,400,073</u>	<u>14,437,489</u>
TOTAL ASSETS	<u>11,016,567</u>	<u>10,651,893</u>	<u>17,076,463</u>	<u>17,266,959</u>	<u>28,093,030</u>	<u>27,918,852</u>
Deferred Outflows	<u>455,637</u>	<u>172,025</u>	<u>-</u>	<u>-</u>	<u>455,637</u>	<u>172,025</u>
LIABILITIES						
Current Liabilities	120,884	213,422	224,989	436,329	345,873	649,751
Non-Current Liabilities	<u>164,820</u>	<u>123,382</u>	<u>1,241,749</u>	<u>1,406,489</u>	<u>1,406,569</u>	<u>1,529,871</u>
TOTAL LIABILITIES	<u>285,704</u>	<u>336,804</u>	<u>1,466,738</u>	<u>1,842,818</u>	<u>1,752,442</u>	<u>2,179,622</u>
Deferred Inflows	<u>399,995</u>	<u>365,646</u>	<u>-</u>	<u>-</u>	<u>399,995</u>	<u>365,646</u>
Net Position						
Net Investment in Capital Assets	3,160,426	3,132,239	9,993,462	9,854,433	13,153,888	12,986,672
Restricted Net Position	1,567,299	1,711,786	211,088	191,537	1,778,387	1,903,323
Unrestricted	<u>6,058,780</u>	<u>5,277,443</u>	<u>5,405,175</u>	<u>5,378,171</u>	<u>11,463,955</u>	<u>10,655,614</u>
TOTAL NET POSITION	<u>\$ 10,786,505</u>	<u>\$ 10,121,468</u>	<u>\$ 15,609,725</u>	<u>\$ 15,424,141</u>	<u>\$ 26,396,230</u>	<u>\$ 25,545,609</u>

The statement of net position reflects a cash position totaling \$13,692,957 of total assets. As well in the Town's resources, \$14.4 million, are invested in capital assets. These assets consist of land and improvements, buildings, equipment, and utility system assets. The remaining assets represent receivables.

The Town of Ault uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Ault's investment in its capital assets is reported net of related debt, it should be noted that the funds needed to repay this debt must be provided from other sources since; in general, the capital assets themselves cannot be used to liquidate these liabilities. Unrestricted net position may be used to meet the Town's ongoing obligations to citizens and creditors.

Changes in Net Position

Governmental activities increased the Town of Ault's net position by \$665,036. Business activities increased the Town's net position by \$185,584.

TOWN OF AULT
Management Discussion and Analysis
December 31, 2023

A summary of the changes in net position is as follows:

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Program Revenues						
Charges for Services	\$ 543,592	\$ 953,317	\$ 1,778,673	\$ 1,627,608	\$ 2,322,265	\$ 2,580,925
Operating Grants and Contrib.	301,672	383,833	-	-	301,672	383,833
Capital Grants and Contrib.	-	-	168,844	1,390,736	168,844	1,390,736
Total Program Revenues	845,264	1,337,150	1,947,517	3,018,344	2,792,781	4,355,494
General Revenues:						
Taxes	2,161,340	1,927,702	-	-	2,161,340	1,927,702
Other General Revenues	97,766	273,669	332,625	264,397	430,391	538,066
Total General Revenues	2,259,106	2,201,371	332,625	264,397	2,591,731	2,465,768
Total Revenues	3,104,370	3,538,521	2,280,142	3,282,741	5,384,512	6,821,262
Program Expenses						
General Government	525,444	400,515	-	-	525,444	400,515
Public Safety	1,453,882	1,168,330	-	-	1,453,882	1,168,330
Public Works	269,673	311,589	-	-	269,673	311,589
Parks and Recreation	118,715	100,344	-	-	118,715	100,344
Health & Welfare	71,125	49,099	-	-	71,125	49,099
Economic development/assistance	495	-	-	-	495	-
Water Operations	-	-	967,418	992,316	967,418	992,316
Sanitation Operations	-	-	1,127,140	1,057,544	1,127,140	1,057,544
Total Expenses	2,439,334	2,029,877	2,094,558	2,049,860	4,533,892	4,079,737
Transfers	-	30,000	-	(30,000)	-	-
Change in Net Position	665,036	1,538,644	185,584	1,202,881	850,620	2,741,525
Net Position, Beginning	10,121,469	8,582,824	15,424,141	14,221,260	25,545,610	22,804,084
Net Position, Ending	\$ 10,786,505	\$ 10,121,468	\$ 15,609,725	\$ 15,424,141	\$ 26,396,230	\$ 25,545,609

For 2023, the Town's Governmental Activities show a decrease of \$434,151 in total revenues and an increase of \$409,457 in expenses, resulting in a decrease in net position of \$24,694 under 2022. The Business-type Activities show a decrease of \$1,002,599 in revenues and an increase of \$14,698 in expenses resulting in a decrease in net position of \$1,017,297 under 2022.

Financial Analysis of the Town's Funds

The Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds - The focus of the Town's governmental fund is to provide information on near-term inflows, outflows, and balance of spendable resources. Such information is useful in assessing the Town's financing requirements. 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 year.

General Fund – The General Fund went from a fund balance of \$5,482,698 to \$6,001,768. This increase in fund balance has slowed from 2022.

Proprietary Funds - Proprietary funds have historically operated as enterprise funds using the same basis of accounting as business-type activities; therefore, these statements will essentially match the information provided in the statements for the business-type activities of the Town as a whole. The proprietary fund statements, however, will provide a greater level of detail than the information found in the government-wide statements.

Water Fund – The net position increased by \$383,646 in 2023, compared to \$744,338 in 2022, with a slowdown in contributions from customers for raw water.

Sanitation Fund – The net position decreased by \$198,062 in 2023, dropping from the increase of \$464,734 in 2022. Non-operating revenue dropped in 2023.

Capital Assets

Approximately 22% of the Town's capital assets support governmental activities. The majority of the value is invested in land, buildings, infrastructure, and improvements.

Approximately 78% of the Town's capital assets support business-type activities.

	Balance January 1, 2023	Additions	Deletions	Balance December 31, 2023
GOVERNMENTAL ACTIVITIES:				
Capital Assets Not Being Depreciated:				
Land	\$ 219,806	\$ -	\$ -	\$ 219,806
Construction in Progress	-	16,644	-	16,644
Total Capital Assets Not Being Depreciated	219,806	16,644	-	236,450
Capital Assets Being Depreciated:				
Buildings and Improvements	354,290	14,260	-	368,550
Land Improvements	527,338	-	-	527,338
Vehicles and Equipment	824,098	186,866	131,821	879,143
Infrastructure	3,458,673	176,980	-	3,635,653
Total Capital Assets being Depreciated	5,164,399	378,106	131,821	5,410,684
Less Accumulated Depreciation:				
Buildings and Improvements	201,081	10,076	-	211,157
Land Improvements	347,543	11,530	-	359,073
Vehicles and Equipment	349,183	57,470	126,542	280,111
Infrastructure	1,506,991	78,095	-	1,585,086
Total Accumulated Depreciation	2,404,798	157,171	126,542	2,435,427
Total Capital Assets, net	<u>\$ 2,979,407</u>	<u>\$ 237,579</u>	<u>\$ 5,279</u>	<u>\$ 3,211,707</u>

TOWN OF AULT
Management Discussion and Analysis
December 31, 2023

The Town's business-type activities capital assets consist of investments in its utility systems and related equipment.

	Balance January 1, 2023	Additions	Deletions	Balance December 31, 2023
BUSINESS-TYPE ACTIVITIES:				
Capital Assets Not Being Depreciated:				
Land	\$ 15,338	\$ -	\$ -	\$ 15,338
Water Rights	5,033,266	-	-	5,033,266
Construction in Progress	-	-	-	-
Total Capital Assets Not Being Depreciated	5,048,604	-	-	5,048,604
Capital Assets Being Depreciated:				
Water and Sewer Systems	10,268,847	208,885	-	10,477,732
Equipment	162,031	177,780	15,467	324,344
Total Capital Assets Being Depreciated	10,430,878	386,665	15,467	10,802,076
Less Accumulated Depreciation:				
Water and Sewer Systems	4,156,147	414,497	-	4,570,644
Equipment	91,976	15,160	15,467	91,669
Total Accumulated Depreciation	4,248,123	429,657	15,467	4,662,313
Total Capital Assets, net	\$ 11,231,359	\$ (42,992)	\$ -	\$ 11,188,367

The Town's Governmental Activities reported depreciation expense of \$157,171 in the Government-Wide Financial Statements. The Town's Business-Type Activities reported \$429,657 in depreciation expense allocated to the Water and Sanitation Funds at \$70,806 and \$358,851, respectively.

Long-Term Debt

The Town's governmental and business-type activities for long-term debt consist of various capital leases, loans and notes payable that were used for capital asset acquisition and system improvements. Long-term debt transactions for the year were as follows:

	Balance January 1, 2023	Advances	Repayments	Balance December 31, 2023	Due Within One Year	Interest Expense
GOVERNMENTAL ACTIVITIES						
Capital Leases - Equipment	\$ 122,670	\$ -	\$ 48,233	\$ 74,437	\$ 23,156	\$ 7,015
Compensated Absences	49,491	16,436	-	65,927	-	-
Total Obligations	\$ 172,161	\$ 16,436	\$ 48,233	\$ 140,364	\$ 23,156	\$ 7,015
	Balance January 1, 2023	Advances	Repayments	Balance December 31, 2023	Due Within One Year	Interest Expense
BUSINESS -TYPE ACTIVITIES						
2006 CWRPDA Loan	\$ 280,859	\$ -	\$ 78,505	\$ 202,354	\$ 79,885	\$ 4,344
2015 CWRPDA Loan	1,276,709	-	102,137	1,174,572	102,137	-
Compensated Absences	29,563	17,282	-	46,845	-	-
Total Obligations	\$ 1,587,131	\$ 17,282	\$ 180,642	\$ 1,423,771	\$ 182,022	\$ 4,344

General Fund Budget

The General Fund accounts for all of the general government services provided by the Town of Ault including: public safety (police), public works, parks and recreation, and general government services. The Town's General Fund revenues were higher than budgeted by \$596,162. The Town's expenditures were \$107,059 above budgeted.

Economic Factors and Future Budgets and Rates

The Town will see growth in 2025 with five sets of Townhomes going in, as well as a Dollar General, storage units and a c-store, and an asphalt plant. It remains important to have stable, well-thought-out planning.

The Town continues to have comprehensive plan and land use code and municipal code under revision. The Town Board updated the fee structure this year to be sure to stay up with the demands of the infrastructure.

The Town must continue to strategize for growth and needs of the future. Steady yet smart growth is needed to continue with an upward trend.

Request for Information

The financial statements are designed to provide information for regulatory reporting to federal and state agencies and those with an interest in the Town's finances. Questions concerning this or any additional information should be addressed to Town Administrator/Clerk, Town of Ault, 201 1st Street, P.O. Box 1098 Ault, CO 80610 or call (970) 834-2844.

FINANCIAL SECTION

Mayberry & Company, LLC
Certified Public Accountants

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

Board of Trustees
Town of Ault
Ault, Colorado

Independent Auditors' Report

Opinion

We have audited the accompanying financial statements of the governmental activities, the business type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Town of Ault, as of and for the year ended December 31, 2023, and the related notes to the financial statements which collectively comprise Town of Ault'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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Ault as of December 31, 2023, 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 Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Town of Ault'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 Ault's 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 Ault'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 Ault's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 27, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that a management's discussion and analysis, budgetary comparison information, historical pension information and other post-employment benefit plan 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 Ault's basic financial statements. The combining and individual nonmajor fund financial statements 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 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.

Mayberry + Company, LLC

Englewood, Colorado
February 17, 2025

BASIC FINANCIAL STATEMENTS

The Basic Financial Statements provide a financial overview of the Town's operations. These financial statements present the financial position, operating results, and cash flows, where applicable, of all funds and activities as of December 31, 2023.

TOWN OF AULT, COLORADO

STATEMENT OF NET POSITION

December 31, 2023

	Primary Government			Component Unit
	Governmental Activities	Business - Type Activities	Total	Northern Plains Public Library
ASSETS				
Current Assets				
Cash and Investments	\$ 7,330,377	\$ 5,488,777	\$ 12,819,154	\$ 2,552,562
Accounts Receivable	244,033	173,964	417,997	-
Property Tax Receivable	230,450	-	230,450	-
Inventory	-	14,268	14,268	-
Prepaid Expenses	-	-	-	2,122
Restricted Cash and Investments	-	211,088	211,088	-
Total Current Assets	7,804,860	5,888,097	13,692,957	2,554,684
Noncurrent Assets				
Capital Assets not being depreciated	236,450	5,048,604	5,285,054	35,000
Capital Assets being depreciated (net)	2,975,257	6,139,762	9,115,019	1,405,150
Total Noncurrent Assets	3,211,707	11,188,366	14,400,073	1,440,150
TOTAL ASSETS	11,016,567	17,076,463	28,093,030	3,994,834
DEFERRED OUTFLOWS OF FINANCIAL RESOURCES				
Net Pension Deferred Outflows	351,506	-	351,506	-
LIABILITIES				
Current Liabilities				
Accounts Payable	33,886	26,614	60,500	622
Accrued Payroll	39,485	12,487	51,972	6,950
Developer Tap Fees Payable	-	3,276	3,276	-
Accrued Interest Payable	2,385	590	2,975	-
Customer Deposits	17,872	-	17,872	-
Unearned Revenues	4,100	-	4,100	-
Current Portion of Noncurrent Liabilities	23,156	182,022	205,178	-
Total Current Liabilities	120,884	224,989	345,873	7,572
Noncurrent Liabilities				
Accrued Compensated Absences	65,927	46,845	112,772	-
Capital Leases Payable	51,281	-	51,281	-
Net Pension Liability	47,612	-	47,612	-
Notes Payable	-	1,194,904	1,194,904	-
Total Noncurrent Liabilities	164,820	1,241,749	1,406,569	-
TOTAL LIABILITIES	285,704	1,466,738	1,752,442	7,572
DEFERRED INFLOWS OF FINANCIAL RESOURCES				
Deferred Revenue - Property Taxes	230,450	-	230,450	-
Net Pension Deferred Inflows	65,414	-	65,414	-
TOTAL DEFERRED INFLOWS	295,864	-	295,864	-
NET POSITION				
Net Investment in Capital Assets	3,160,426	9,993,462	13,153,888	1,440,150
Restricted:				
for TABOR Emergencies	90,000	-	90,000	34,000
for Impact Related Improvements	1,310,228	-	1,310,228	-
for Parks and Recreation	167,071	-	167,071	-
for Operations and Maintenance Reserve	-	211,088	211,088	-
Unrestricted	6,058,780	5,405,175	11,463,955	2,513,112
TOTAL NET POSITION	\$ 10,786,505	\$ 15,609,725	\$ 26,396,230	\$ 3,987,262

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

TOWN OF AULT, COLORADO

STATEMENT OF ACTIVITIES

Year Ended December 31, 2023

		PROGRAM REVENUES		
			OPERATING	CAPITAL
	EXPENSES	CHARGES FOR SERVICES	GRANTS AND CONTRIBUTIONS	GRANTS AND CONTRIBUTIONS
FUNCTIONS/PROGRAMS				
Governmental Activities:				
General Government	\$ 525,444	\$ 56,395	\$ 169,697	\$ -
Public Safety	1,453,882	421,033	9,712	-
Public Works	269,673	66,114	92,693	-
Culture, Parks and Recreation	118,715	50	29,570	-
Health & Welfare	71,125	-	-	-
Economic Development	495	-	-	-
TOTAL GOVERNMENTAL ACTIVITIES	2,439,334	543,592	301,672	-
Business - Type Activities:				
Water Operations	967,418	881,131	-	403,982
Sanitation Operations	1,127,140	897,542	-	-
TOTAL BUSINESS - TYPE ACTIVITIES	2,094,558	1,778,673	-	403,982
TOTAL PRIMARY GOVERNMENT	\$ 4,533,892	\$ 2,322,265	\$ 301,672	\$ 403,982
Component Unit				
Northern Plains Public Library	\$ 445,888	\$ 597	\$ 1,034,588	\$ 1,000

GENERAL REVENUES

Taxes
Investment Earnings
Other Revenues

TOTAL GENERAL REVENUES

TRANSFERS

TOTAL GENERAL REVENUES AND TRANSFERS

CHANGE IN NET POSITION

NET POSITION - Beginning of Year

NET POSITION - End of Year

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

**NET (EXPENSE) REVENUE AND
CHANGES IN NET POSITION -**

PRIMARY GOVERNMENT

GOVERNMENT ACTIVITIES	BUSINESS - TYPE ACTIVITIES	TOTAL	COMPONENT UNIT
\$ (299,352)	\$ -	\$ (299,352)	\$ -
(1,023,137)	-	(1,023,137)	-
(110,866)	-	(110,866)	-
(89,095)	-	(89,095)	-
(71,125)	-	(71,125)	-
(495)	-	(495)	-
(1,594,070)	-	(1,594,070)	-
-	317,695	317,695	-
-	(229,598)	(229,598)	-
-	88,097	88,097	-
(1,594,070)	88,097	(1,505,973)	-
-	-	-	590,297
2,161,340	-	2,161,340	-
74,901	76,842	151,743	77,589
22,865	20,645	43,510	1,720
2,259,106	97,487	2,356,593	79,309
-	-	-	-
2,259,106	97,487	2,356,593	79,309
665,036	185,584	850,620	669,606
10,121,469	15,424,141	25,545,610	3,317,656
\$ 10,786,505	\$ 15,609,725	\$ 26,396,230	\$ 3,987,262

TOWN OF AULT, COLORADO

BALANCE SHEET - GOVERNMENTAL FUNDS

December 31, 2023

With Comparative Totals for December 31, 2022

	<u>SPECIAL REVENUE FUNDS</u>		
	<u>GENERAL</u>	<u>STREET SYSTEMS</u>	<u>NON-MAJOR CONSERVATION TRUST</u>
ASSETS			
Cash and Investments	\$ 5,862,249	\$ 1,301,057	\$ 167,071
Accounts Receivable	229,970	14,063	-
Property Tax Receivable	230,450	-	-
Developer Receivable	-	-	-
TOTAL ASSETS	\$ 6,322,669	\$ 1,315,120	\$ 167,071
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE			
LIABILITIES			
Accounts Payable	\$ 29,698	\$ 4,188	\$ -
Accrued Payroll	38,781	704	-
Deposits	17,872	-	-
Unearned Revenue - Other	4,100	-	-
TOTAL LIABILITIES	90,451	4,892	-
DEFERRED INFLOWS			
Deferred Revenue - Property Taxes	230,450	-	-
FUND BALANCE			
Nonspendable:			
Restricted Fund Balance			
Restricted for TABOR Emergencies	90,000	-	-
Restricted for Impact Related Projects	-	1,310,228	-
Restricted for Parks and Recreation	-	-	167,071
Committed:			
Committed for Martinez Memorial	6,083	-	-
Unassigned	5,905,685	-	-
TOTAL FUND BALANCE	6,001,768	1,310,228	167,071
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	\$ 6,322,669	\$ 1,315,120	\$ 167,071

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

TOTALS

2023	2022
\$ 7,330,377	\$ 6,995,956
244,033	255,612
230,450	186,338
-	7,857
<u>\$ 7,804,860</u>	<u>\$ 7,445,763</u>

\$ 33,886	\$ 106,968
39,485	31,167
17,872	18,706
<u>4,100</u>	<u>4,100</u>
<u>95,343</u>	<u>160,941</u>

<u>230,450</u>	<u>186,338</u>
----------------	----------------

90,000	96,000
1,310,228	1,478,305
167,071	137,482
6,083	6,083
<u>5,905,685</u>	<u>5,380,615</u>
<u>7,479,067</u>	<u>7,098,485</u>
<u>\$ 7,804,860</u>	<u>\$ 7,445,764</u>

TOWN OF AULT, COLORADO

**RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION GOVERNMENTAL ACTIVITIES**
Year Ended December 31, 2023

FUND BALANCE - GOVERNMENTAL FUNDS

\$7,479,067

Amounts Reported for Governmental Activities on the Statement of Net Position
are Different Because:

Capital assets used in governmental activities are not resources
and are not reported in the funds:

Capital Assets	\$ 5,647,134	
Accumulated Depreciation	<u>(2,435,427)</u>	3,211,707

Certain long-term pension related costs and adjustments are not available to pay
or are payable currently and are therefore not reported in the funds

FPPA Pension		
Net pension deferred outflows	351,506	
Net pension asset/liability	(47,612)	
Net pension deferred Inflows	<u>(65,414)</u>	238,480

Long-term liabilities are not due and payable in the current period

Accrued Compensated Absences	(65,927)	
Accrued Interest Payable	(2,385)	
Capital Leases Payable	<u>(74,437)</u>	<u>(142,749)</u>

TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES

\$ 10,786,505

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

TOWN OF AULT, COLORADO

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
GOVERNMENTAL FUNDS**

Year Ended December 31, 2023

With Comparative Totals for the Year Ended December 31, 2022

	SPECIAL REVENUE FUNDS			TOTALS	
		NON-MAJOR			
		STREET	CONSERVATIO		
	GENERAL	SYSTEMS	N TRUST	2023	2022
REVENUES					
Taxes	\$ 2,153,287	\$ 22,179	\$ -	\$ 2,175,466	\$ 1,948,206
Licenses and Permits	53,461	66,114	-	119,575	468,070
Intergovernmental	179,540	78,438	29,570	287,548	281,268
Charges for Services	142,565	-	-	142,565	126,439
Fines and Forfeits	281,191	-	-	281,191	358,023
Other	<u>81,398</u>	<u>8,333</u>	<u>19</u>	<u>89,750</u>	<u>356,515</u>
TOTAL REVENUES	<u>2,891,442</u>	<u>175,064</u>	<u>29,589</u>	<u>3,096,095</u>	<u>3,538,521</u>
EXPENDITURES					
Current					
General Government	488,032	6,477	-	494,509	395,183
Public Safety	1,354,618	-	-	1,354,618	1,123,076
Public Works	4,454	104,081	-	108,535	161,588
Culture, Parks and Recreation	105,440	3,990	-	109,430	83,604
Health & Welfare	54,810	-	-	54,810	46,410
Economic Development	495	-	-	495	-
Capital Outlay	242,957	301,869	-	544,826	508,971
Debt Service	<u>56,566</u>	<u>-</u>	<u>-</u>	<u>56,566</u>	<u>56,566</u>
TOTAL EXPENDITURES	<u>2,307,372</u>	<u>416,417</u>	<u>-</u>	<u>2,723,789</u>	<u>2,375,398</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	<u>584,070</u>	<u>(241,353)</u>	<u>29,589</u>	<u>372,306</u>	<u>1,163,123</u>
OTHER FINANCING SOURCES (USES)					
Lease Proceeds	-	8,276	-	8,276	123,894
Transfers In	-	65,000	-	65,000	95,000
Transfers Out	<u>(65,000)</u>	<u>-</u>	<u>-</u>	<u>(65,000)</u>	<u>(65,000)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(65,000)</u>	<u>73,276</u>	<u>-</u>	<u>8,276</u>	<u>153,894</u>
CHANGE IN FUND BALANCE	519,070	(168,077)	29,589	380,582	1,317,017
FUND BALANCE, Beginning	<u>5,482,698</u>	<u>1,478,305</u>	<u>137,482</u>	<u>7,098,485</u>	<u>5,781,468</u>
FUND BALANCE, Ending	<u>\$ 6,001,768</u>	<u>\$ 1,310,228</u>	<u>\$ 167,071</u>	<u>\$ 7,479,067</u>	<u>\$ 7,098,485</u>

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

TOWN OF AULT, COLORADO

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGE IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**
Year Ended December 31, 2023

Amounts Reported for Governmental Activities in the Statement of Activities
are Different Because:

Net Change in Fund Balance - Governmental Funds		\$	380,582
Principal payments on debt are reported as expenditures and debt proceeds are reported as revenues in the funds:			
Change in Accrued Interest Payable	\$	1,319	
Principal Payments on Capital Leases Payable		<u>48,231</u>	49,550
Accrued Compensated Absences are expensed when paid in the funds:			
Change in Accrued Leave			(16,436)
Pension expense at the fund level represents cash contributions to the defined benefit plan. For the activity level presentation, the amount represents the actuarial cost of the benefits for the fiscal year.			
FPPA Pension			
Change in deferred pension outflows		179,481	
Change in net pension asset/liability		(274,335)	
Change in deferred pension inflows		<u>113,894</u>	19,040
Purchases of capital assets are expensed in governmental funds and depreciated on the statement of activities:			
Capitalized assets		394,750	
Gain (loss) on asset disposals		(5,279)	
Depreciation Expense		<u>(157,171)</u>	<u>232,300</u>
Change in Net Position - Governmental Activities		\$	<u><u>665,036</u></u>

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

TOWN OF AULT, COLORADO

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

December 31, 2023

With Comparative Totals for December 31, 2022

	<u>BUSINESS-TYPE ACTIVITIES</u>		<u>TOTALS</u>	
	<u>WATER</u>	<u>SANITATION</u>	<u>2023</u>	<u>2022</u>
ASSETS				
CURRENT ASSETS				
Cash and Investments	\$ 2,872,918	\$ 2,615,859	\$ 5,488,777	\$ 5,673,890
Restricted Cash and Investments	-	211,088	211,088	191,537
Accounts Receivable	73,486	100,478	173,964	149,073
Inventory	14,268	-	14,268	21,100
Total Current Assets	2,960,672	2,927,425	5,888,097	6,035,600
NONCURRENT ASSETS				
Land	-	15,338	15,338	15,338
Water Rights	5,033,266	-	5,033,266	5,033,266
Equipment	198,755	125,589	324,344	162,031
Improvements	2,624,369	7,853,363	10,477,732	10,268,847
Less: Accumulated Depreciation	(1,040,765)	(3,621,549)	(4,662,314)	(4,248,123)
Total Noncurrent Assets	6,815,625	4,372,741	11,188,366	11,231,359
TOTAL ASSETS	9,776,297	7,300,166	17,076,463	17,266,959
LIABILITIES				
CURRENT LIABILITIES				
Accounts Payable	8,546	18,068	26,614	3,616
Accrued Payroll	6,243	6,244	12,487	12,838
Developer Tap Fees Payable	-	3,276	3,276	3,276
Accrued Interest Payable	-	590	590	819
Unearned Revenue	-	-	-	235,138
Current Portion of Noncurrent Liabilities	-	182,022	182,022	180,642
Total Current Liabilities	14,789	210,200	224,989	436,329
NONCURRENT LIABILITIES				
Compensated Absences	18,534	28,311	46,845	29,563
Notes Payable	-	1,194,904	1,194,904	1,376,926
Total Noncurrent Liabilities	18,534	1,223,215	1,241,749	1,406,489
TOTAL LIABILITIES	33,323	1,433,415	1,466,738	1,842,818
NET POSITION				
Net Investment in Capital Assets	6,815,625	3,177,837	9,993,462	9,854,433
Restricted4/21/2025	-	211,088	211,088	191,537
Restricted for Operations and Maintenance Reserve	-	211,088	211,088	191,537
Unrestricted	2,927,349	2,477,826	5,405,175	5,378,171
TOTAL NET POSITION	\$ 9,742,974	\$ 5,866,751	\$ 15,609,725	\$ 15,424,141

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

TOWN OF AULT, COLORADO

STATEMENT OF REVENUES, EXPENSES AND CHANGE IN FUND NET POSITION

PROPRIETARY FUNDS

Year Ended December 31, 2023

With Comparative Totals for the Year Ended December 31, 2022

	<u>BUSINESS-TYPE ACTIVITIES</u>		<u>TOTALS</u>	
	<u>WATER</u>	<u>SANITATION</u>	<u>2023</u>	<u>2022</u>
OPERATING REVENUES				
Charges for Services	\$ 881,131	\$ 897,542	\$ 1,778,673	\$ 1,627,608
OPERATING EXPENSES				
Personal Services	256,329	287,715	544,044	468,647
Supplies	15,285	27,869	43,154	37,110
Purchased Services	458,996	328,011	787,007	845,943
Other Operating Expenses	19,567	13,335	32,902	9,101
Fleet Maintenance	3,576	3,576	7,152	5,018
Repairs & Maintenance	103,398	79,013	182,411	231,109
Small Capital	39,461	24,426	63,887	37,311
Depreciation	<u>70,806</u>	<u>358,851</u>	<u>429,657</u>	<u>409,917</u>
TOTAL OPERATING EXPENSES	<u>967,418</u>	<u>1,122,796</u>	<u>2,090,214</u>	<u>2,044,156</u>
NET INCOME (LOSS) FROM OPERATIONS	<u>(86,287)</u>	<u>(225,254)</u>	<u>(311,541)</u>	<u>(416,548)</u>
NONOPERATING INCOME (EXPENSE)				
Investment Earnings	51,306	25,536	76,842	24,475
Miscellaneous Revenue	4,300	-	4,300	4,784
Gain/(Loss) on Sale of Assets	10,345	6,000	16,345	-
Interest Expense	<u>-</u>	<u>(4,344)</u>	<u>(4,344)</u>	<u>(5,704)</u>
NONOPERATING INCOME (EXPENSE)	<u>65,951</u>	<u>27,192</u>	<u>93,143</u>	<u>23,555</u>
NET INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	(20,336)	(198,062)	(218,398)	(392,993)
TRANSFERS				
Transfers Out	-	-	-	(30,000)
CAPITAL CONTRIBUTIONS				
Grant Revenue	235,138	-	235,138	235,138
Capital Contributions	<u>168,844</u>	<u>-</u>	<u>168,844</u>	<u>1,390,736</u>
CHANGE IN NET POSITION	383,646	(198,062)	185,584	1,202,881
NET POSITION, Beginning	<u>9,359,328</u>	<u>6,064,813</u>	<u>15,424,141</u>	<u>14,221,260</u>
NET POSITION, Ending	<u>\$ 9,742,974</u>	<u>\$ 5,866,751</u>	<u>\$ 15,609,725</u>	<u>\$ 15,424,141</u>

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

TOWN OF AULT, COLORADO

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

Increase (Decrease) in Cash and Cash Equivalents

Year Ended December 31, 2023

With Comparative Totals for the Year Ended December 31, 2022

	<u>BUSINESS-TYPE ACTIVITIES</u>		<u>TOTAL</u>	
	<u>WATER</u>	<u>SANITATION</u>	<u>2023</u>	<u>2022</u>
Cash Flows From Operating Activities:				
Cash Received From Customers	\$ 878,240	\$ 882,376	\$ 1,760,616	\$ 1,616,486
Cash Payments to Suppliers	(626,046)	(450,540)	(1,076,586)	(1,214,405)
Cash Payments to Employees	(256,329)	(287,715)	(544,044)	(468,647)
Net Cash Provided by Operating Activities	(4,135)	144,121	139,986	(66,566)
Cash Flows From Capital and Related Financing Activities:				
Purchases of Property and Equipment	(318,188)	(68,477)	(386,665)	(229,661)
Proceeds From Grants	-	-	-	235,138
Proceeds From of Assets	10,345	6,000	16,345	-
Capital Contributions	168,844	-	168,844	1,155,598
Principal Payments on Debt	-	(180,642)	(180,642)	(179,286)
Interest Payments on Debt	-	(4,573)	(4,573)	(5,929)
Net Cash Provided (Used) by Capital and Related Financing Activities	(138,999)	(247,692)	(386,691)	975,860
Cash Flows from Non-Capital Financing Activities:				
Other Revenues	4,300	-	4,300	4,784
Transfers - Net	-	-	-	(30,000)
Net Cash Provided (Used) by Non-Capital Financing Activities	4,300	-	4,300	(25,216)
Cash Flows From Investing Activities:				
Investment Income	51,306	25,536	76,842	24,475
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(87,528)	(78,035)	(165,563)	908,553
CASH AND EQUIVALENTS, Beginning	2,960,446	2,904,982	5,865,428	4,721,737
CASH AND EQUIVALENTS, Ending	\$ 2,872,918	\$ 2,826,947	\$ 5,699,865	\$ 5,630,290
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:				
Operating Income	\$ (86,287)	\$ (225,254)	\$ (311,541)	\$ (416,548)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation and Amortization	70,806	358,851	429,657	409,917
Changes in Assets and Liabilities Related to Operations:				
(Increase) Decrease in:				
Accounts Receivable	(9,723)	(15,166)	(24,889)	(11,377)
Inventories	6,832	-	6,832	255
Prepaid Expenses	-	-	-	-
Increase (Decrease) in:				
Accounts Payable	8,016	14,980	22,996	(54,756)
Payroll Liabilities	6,221	10,710	16,931	5,943
Unearned Revenue	-	-	-	-
Total Adjustments	82,152	369,375	451,527	349,982
Net Cash Provided by Operating Activities	\$ (4,135)	\$ 144,121	\$ 139,986	\$ (66,566)

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

TOWN OF AULT, COLORADO

BALANCE SHEET - NORTHERN PLAINS PUBLIC LIBRARY (COMPONENT UNIT)

December 31, 2023

With Comparative Totals for December 31, 2022

	COMPONENT UNIT	
	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and Investments	\$ 2,552,562	\$ 1,846,814
Prepaid Expenses	<u>2,122</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 2,554,684</u>	<u>\$ 1,846,814</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE		
LIABILITIES		
Accounts Payable	\$ 622	\$ 5,790
Accrued Payroll	<u>6,950</u>	<u>6,257</u>
TOTAL LIABILITIES	<u>7,572</u>	<u>12,047</u>
FUND BALANCE		
Nonspendable:		
Prepays	2,122	-
Restricted for TABOR Emergencies	34,000	20,000
Unassigned	<u>2,510,990</u>	<u>1,814,767</u>
TOTAL FUND BALANCE	<u>2,547,112</u>	<u>1,834,767</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	<u>\$ 2,554,684</u>	<u>\$ 1,846,814</u>
FUND BALANCE- Governmental Funds	\$ 2,547,112	
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds		
Capital assets, not being depreciated	35,000	
Capital assets, being depreciated	2,484,826	
Accumulated depreciation	<u>(1,079,676)</u>	
TOTAL NET POSITION - Governmental Activities	<u>\$ 3,987,262</u>	

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

TOWN OF AULT, COLORADO**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
NORTHERN PLAINS PUBLIC LIBRARY (COMPONENT UNIT)****Year Ended December 31, 2023****With Comparative Totals for the Year Ended December 31, 2022**

	<u>COMPONENT UNIT</u>	
	<u>2023</u>	<u>2022</u>
REVENUES		
Intergovernmental	\$ 1,034,488	\$ 684,342
Charges for Services	597	798
Investment Earnings	77,589	12,904
Other	<u>2,820</u>	<u>5,079</u>
TOTAL REVENUES	<u>1,115,494</u>	<u>703,123</u>
EXPENDITURES		
Current		
Culture, Parks and Recreation	351,610	288,384
Capital Outlay	<u>51,539</u>	<u>51,630</u>
TOTAL EXPENDITURES	<u>403,149</u>	<u>340,014</u>
CHANGE IN FUND BALANCE	712,345	363,109
FUND BALANCE, Beginning	<u>1,834,767</u>	<u>1,471,658</u>
FUND BALANCE, Ending	<u>\$ 2,547,112</u>	<u>\$ 1,834,767</u>
 Change in Fund Balance - Governmental Funds	 \$ 712,345	
 Capital assets used in governmental activities are expensed when purchased in the funds and depreciated at the activity level		
Capitalized Asset Purchases	47,820	
Depreciation Expense	<u>(90,559)</u>	
 Change in Net Position - Governmental Activities	 <u>\$ 669,606</u>	

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

TOWN OF AULT, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Ault was incorporated in 1904 and is administered by a 7 member board of trustees, and provides municipal services to a population of 1,700 persons. The Town's basic financial statements include the accounts of all Town operations.

This summary of the Town of Ault's significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. The policies are considered essential and should be read in conjunction with the accompanying financial statements.

The accounting policies of the Town of Ault conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

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, the following component unit is included in the Town's reporting entity because of the significance of its operational or financial relationship to the Town.

Discretely Presented Component Unit

The Northern Plains Public Library – the Mayor appoints a board member to represent the Board of Trustees at Library meetings. New members for the Library Board are selected by the Library Board, and then presented to the Town Board of Trustees for approval. Currently, one member of the Town's Board of Trustees is a member of the Library Board. The Library serves the citizens of Weld County School District RE-9, which includes the Town of Ault. The Town Board of Trustees approves the annual budget for the Library and includes their audit into the Town's audited financial statements. The Library is presented as a governmental fund type discretely presented component unit. Complete financial statements of the Library can be obtained from the Northern Plains Public Library, 216 2nd Street, Ault, CO 80610.

Government-Wide and Fund 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 non-fiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. 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.

TOWN OF AULT, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of the 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 charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 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.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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 the 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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Property taxes, specific ownership taxes, sales and use taxes, franchise fees, state shared revenues, grants and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Town.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the fund's principal ongoing operations. Operating expenses include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

TOWN OF AULT, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

In the fund financial statements, the Town reports the following major governmental funds:

General Fund – The General Fund is the general operating fund of the Town. It is used to account for all financial resources, except those required to be accounted for in another fund.

Street Systems Fund – This is a special revenue fund that accounts for the financial resources related to improvements of the Town's streets and drainage systems. The Town has dedicated its specific ownership taxes, motor vehicle registration fees, Highway Users Tax Fund receipts and Road and Bridge tax revenue for this purpose.

The Town also reports the following major proprietary funds:

Water and Sanitation Funds – These funds account for the activities related to offering the respective services to the Town's residents.

Budgets

The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

- Prior to or by the regular Board meeting in December, the budget is legally enacted through passage of resolutions, after receiving input through public hearings.
- The Town Clerk and Finance Committee reports monthly to the Town Board explaining any variance from the approved budget.
- The Ault Municipal Code requires the adoption of a budget for proprietary funds. Depreciation expense is not a budgeted item.
- The Town does not utilize encumbrance accounting and all appropriations lapse at year end.

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

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

Cash and Equivalents

For purposes of the statement of cash flows, cash equivalents are defined as investments with original maturities of three months or less.

TOWN OF AULT, COLORADO

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property Taxes

Property taxes for the Town are levied by the Town Board and certified for collection to Weld County by December 15 of each year. These taxes become due January 1 of the succeeding year and are payable in full by April 30 or in two installments by June 15 in the year of collection. Property taxes levied in the current year for collection in the subsequent year by the General Fund are included in receivables and deferred inflows at year end. These taxes are classified as deferred inflows since they were levied for and are not available to the Town until the subsequent year.

Inventory

Inventories are valued at cost, using the first-in, first-out (FIFO) method.

Property, Plant and Equipment

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Property and equipment of the Town is depreciated using the straight-line method over the following estimated useful lives.

	<u>Primary Government</u>	<u>Component Unit</u>
Buildings and Improvements	10 - 40 years	40 years
Infrastructure	3 - 15 years	N/A
Furniture and Equipment	5 - 10 years	5 - 15 years
Utility Systems	20 -50 years	N/A
Land Improvements	15 25 years	N/A
Books	N/A	10 years

TOWN OF AULT, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences

Employees of the Town are allowed to accumulate unused vacation, sick and compensatory time depending on length of employment. Upon termination of employment from the Town, an employee will be compensated for all accrued vacation time and compensatory time at their current rate of pay, and all accrued sick time at one half their current rate of pay.

Accumulated unpaid vacation, sick and compensatory time is accrued when earned. In the governmental fund types, accumulated compensated absences not expected to be paid with current available resources are reported as governmental activities liabilities, but not reported in the funds. Compensated absences relating to the Enterprise Funds are reported as a liability of those funds.

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The government only has pension related items that qualify for reporting in this category.

In addition to liabilities, the statement of net position reports 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 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, deferred property taxes, 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. In addition, the Town also has pension related deferred inflows that are reported at the activity level.

Net Position/Fund Balance

In the government-wide financial statements and for the proprietary fund statements, Net Position are either shown as net investment in capital assets, 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.

TOWN OF AULT, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position/Fund Balance (Continued)

Fund balances are 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 highest formal action, the adoption of an Ordinance, of the government's highest level of decision-making authority, the Town Board, 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.

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

Net Position/Fund Balance Flow Assumptions

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

Comparative Data

Comparative total data for the prior year has been presented in 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 each of the statements since their inclusion would make the statements unduly complex and difficult to read.

TOWN OF AULT, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

NOTE 2: CASH AND INVESTMENTS

A summary of cash and investments follows:

Cash and Investments	\$ 12,819,154
Restricted Cash and Investments	<u>211,088</u>
Total Cash and Investments	<u>\$ 13,030,242</u>

The Town's cash and investment balances are comprised of the following:

Cash	\$ 13,028,675
Investments	<u>1,567</u>
Total Cash and Investments	<u>\$ 13,030,242</u>

Restricted cash and investment balances are comprised of the following:

Governmental Activities - Unrestricted	\$ 7,330,377
Business-type Activities - Unrestricted	5,488,777
Business-type Activities - Rest. (O&M Reserve)	<u>211,088</u>
Total Cash and Investments	<u>\$ 13,030,242</u>

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 (\$250,000) must be collateralized by eligible collateral as determined by the PDPA. The financial institution is allowed to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The institution's internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. At December 31, 2023, all of the Town's bank deposits as shown below were either insured by federal depository insurance or collateralized under PDPA. Uninsured deposits in financial institutions are placed into three categories depending on the custody credit risk.

TOWN OF AULT, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

NOTE 2: CASH AND INVESTMENTS (Continued)

The categories are as follows:

- Uncollateralized
- Collateralized with securities held by the pledging financial institution
- Collateralized with securities held by the pledging financial institution's trust department, or agent but not in the entity's name

	<u>Bank Balance</u>	<u>Book Balance</u>
FDIC Insured	\$ 250,000	\$ 250,000
PDPA Secured (Not in Entity's Name)	13,026,364	12,778,524
Petty Cash	-	150
Total Cash	<u>\$ 13,276,364</u>	<u>\$ 13,028,674</u>

Investments (Continued)

Credit Risk

The Town invests excess funds under the prudent investor rule. The criteria for selection of investments and their order of priority are: 1) Safety, 2) Liquidity, and 3) Yield. The Town Treasurer is responsible for all of the investments of the Town.

Eligible investments shall conform to state law and may include any of the following:

- Obligations of the United States and certain U.S. government agencies securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptance of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

As of December 31, 2023, the Town's investments consisted of the following:

	<u>Fair Value</u>	<u>Weighted Maturity</u>	<u>Rating</u>
Local Government Pool	\$ <u>1,567</u>	-	AAAm

During the year ended December 31, 2023, the Town invested funds in Colotrust. As investment pool, it operates under the Colorado Revised Statutes (24-75-701) and is overseen by the Colorado Securities Commissioner. The pool invests 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.

TOWN OF AULT, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

NOTE 2: CASH AND INVESTMENTS (Continued)

Interest Rate Risk

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 Town's investment portfolio does not contain investments that exceed that limitation.

Concentration of Credit Risk

The Town places no limit on the amount that may be invested in any one issuer. The Town's sole investment is in Colotrust.

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. The Town Board of Trustees approves a list of financial institutions and depositories authorized to provide investment services.

NOTE 3: CAPITAL ASSETS

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

	Balance January 1, 2023	Additions	Deletions	Balance December 31, 2023
GOVERNMENTAL ACTIVITIES:				
Capital Assets Not Being Depreciated:				
Land	\$ 219,806	\$ -	\$ -	\$ 219,806
Construction in Progress	-	16,644	-	16,644
Total Capital Assets Not Being Depreciated	219,806	16,644	-	236,450
Capital Assets Being Depreciated:				
Buildings and Improvements	354,290	14,260	-	368,550
Land Improvements	527,338	-	-	527,338
Vehicles and Equipment	824,098	186,866	131,821	879,143
Infrastructure	3,458,673	176,980	-	3,635,653
Total Capital Assets being Depreciated	5,164,399	378,106	131,821	5,410,684
Less Accumulated Depreciation:				
Buildings and Improvements	201,081	10,076	-	211,157
Land Improvements	347,543	11,530	-	359,073
Vehicles and Equipment	349,183	57,470	126,542	280,111
Infrastructure	1,506,991	78,095	-	1,585,086
Total Accumulated Depreciation	2,404,798	157,171	126,542	2,435,427
Total Capital Assets, net	\$ 2,979,407	\$ 237,579	\$ 5,279	\$ 3,211,707

TOWN OF AULT, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

NOTE 3: CAPITAL ASSETS (Continued)

Depreciation is charged to the Town's Governmental Activities as follows:

Depreciation is charged to the Town's Governmental Activities as follows:

General Government	\$ 1,886
Public Safety	27,878
Public Works	107,828
Health and Welfare	3,635
Culture and Recreation	15,944
Total Depreciation	<u>\$ 157,171</u>

The following schedule presents business-type activities capital assets at December 31, 2023:

	Balance January 1, 2023	Additions	Deletions	Balance December 31, 2023
BUSINESS-TYPE ACTIVITIES:				
Capital Assets Not Being Depreciated:				
Land	\$ 15,338	\$ -	\$ -	\$ 15,338
Water Rights	5,033,266	-	-	5,033,266
Construction in Progress	-	-	-	-
Total Capital Assets Not Being Depreciated	<u>5,048,604</u>	<u>-</u>	<u>-</u>	<u>5,048,604</u>
Capital Assets Being Depreciated:				
Water and Sewer Systems	10,268,847	208,885	-	10,477,732
Equipment	<u>162,031</u>	<u>177,780</u>	<u>15,467</u>	<u>324,344</u>
Total Capital Assets Being Depreciated	<u>10,430,878</u>	<u>386,665</u>	<u>15,467</u>	<u>10,802,076</u>
Less Accumulated Depreciation:				
Water and Sewer Systems	4,156,147	414,497	-	4,570,644
Equipment	<u>91,976</u>	<u>15,160</u>	<u>15,467</u>	<u>91,669</u>
Total Accumulated Depreciation	<u>4,248,123</u>	<u>429,657</u>	<u>15,467</u>	<u>4,662,313</u>
Total Capital Assets, net	<u>\$ 11,231,359</u>	<u>\$ (42,992)</u>	<u>\$ -</u>	<u>\$ 11,188,367</u>

Depreciation is charged to the Town's Business-type Activities as follows:

Depreciation is charged to the Town's Business-Type Activities as follows:

Water	\$ 70,806
Sewer	358,851
Total Depreciation	<u>\$ 429,657</u>

NOTE 4: LONG - TERM DEBT – GOVERNMENTAL ACTIVITIES

Changes in governmental activity long-term debt are as follows:

	Balance January 1, 2023	Advances	Repayments	Balance December 31, 2023	Due Within One Year	Interest Expense
GOVERNMENTAL ACTIVITIES						
Capital Leases - Equipment	\$ 122,670	\$ -	\$ 48,233	\$ 74,437	\$ 23,156	\$ 7,015
Compensated Absences	<u>49,491</u>	<u>16,436</u>	<u>-</u>	<u>65,927</u>	<u>-</u>	<u>-</u>
Total Obligations	<u>\$ 172,161</u>	<u>\$ 16,436</u>	<u>\$ 48,233</u>	<u>\$ 140,364</u>	<u>\$ 23,156</u>	<u>\$ 7,015</u>

TOWN OF AULT, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

NOTE 4: LONG - TERM DEBT – GOVERNMENTAL ACTIVITIES (Continued)

LEASE OBLIGATIONS PAYABLE

In March 2020, the District entered into a lease arrangement for the purchase of two pickups. The lease was for \$103,227 and requires semi-annual payments of \$14,103 including interest at a rate of 5.25% starting March, 2020 through September, 2023. The Town made its final lease payment during the current fiscal year.

In July 2022, the District entered into a lease arrangement for the purchase of two police vehicles. The lease was for \$123,894 and requires annual payments of \$28,359 including interest at a rate of 6.99% starting July 2022 through July 2026. The Town has capitalized assets with a remaining basis of \$105,310 related to this lease.

The debt service to be made by the General Fund is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Payment</u>
2024	\$ 23,156	\$ 5,203	\$ 28,207
2025	24,775	3,585	28,207
2026	26,506	1,853	28,359
Total	<u>\$ 74,437</u>	<u>\$ 10,641</u>	<u>\$ 84,773</u>

Changes in business-type activity long-term debt are as follows:

	<u>Balance</u> <u>January 1,</u>			<u>Balance</u> <u>December 31,</u>			<u>Interest</u>
<u>BUSINESS -TYPE ACTIVITIES</u>	<u>2023</u>	<u>Advances</u>	<u>Repayments</u>	<u>2023</u>	<u>Due Within</u> <u>One Year</u>		<u>Expense</u>
2006 CWRPDA Loan	\$ 280,859	\$ -	\$ 78,505	\$ 202,354	\$ 79,885	\$	4,344
2015 CWRPDA Loan	1,276,709	-	102,137	1,174,572	102,137		-
Compensated Absences	29,563	17,282	-	46,845	-		-
Total Obligations	<u>\$ 1,587,131</u>	<u>\$ 17,282</u>	<u>\$ 180,642</u>	<u>\$1,423,771</u>	<u>\$182,022</u>		<u>\$ 4,344</u>

NOTES PAYABLE

A governmental agency bond was issued to the Colorado Water Resources and Power Development Authority ("CWRPDA") in 2006 for the amount of \$1,396,850. Beginning November 2006, semi-annual payments of \$41,539 are required, including interest at a 1.75% annual rate, with a final payment due May 1, 2026. Both the principal and interest thereon are payable solely from the net revenue (gross revenue less operations and maintenance expenses) of the wastewater treatment system. The net revenue of the system is pledged as collateral on the bond. The proceeds of the bond were used to upgrade the Town's wastewater treatment facility from a facultative lagoon system to an aerated lagoon facility. The debt is serviced through the Sanitation Fund.

TOWN OF AULT, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

NOTE 5: LONG - TERM DEBT – BUSINESS-TYPE ACTIVITIES (Continued)

NOTES PAYABLE (Continued)

In April 2015, the Town entered into a direct loan with CWRPDA for \$2,000,000. The term is for 20 years, interest at 0% per annum. Semi-annual payments of \$51,068.38 are due each November 1 and May 1, beginning May 2016. The first payment of \$8,333.33 was due and paid November 1, 2015. The proceeds are being used to upgrade the Town's wastewater treatment facilities. CWRPDA has designated the project as a 2015 Green Project. As such, the interest rate was reduced from the original 2% annual rate to 0%.

The Town must maintain an "operations and maintenance" reserve in the Sanitation Fund to report resources set aside to subsidize potential deficiencies from the Town's operations that could adversely affect debt service payments. The amount is equal to three months of operations and maintenance expenses (excluding depreciation) and may be represented by cash or securities or unrestricted Net Position. The Town has funded this reserve through restriction of its cash balances in the Sanitation Fund (Note 2), in the amount of \$211,088, as of December 31, 2023. The Town believes it is in compliance with all required covenants and obligations called for by the loan agreement.

The debt service requirements to maturity are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 182,022	\$ 3,193	\$ 185,215
2025	183,426	1,789	185,215
2026	143,316	360	143,676
2027	102,137	-	102,137
2028	102,137	-	102,137
2029-2033	510,684	-	510,684
2034-2035	153,204	-	153,204
Total	<u>\$ 1,376,926</u>	<u>\$ 5,342</u>	<u>\$ 1,382,268</u>

NOTE 6: INTERFUND TRANSACTIONS

The Town has recorded the following routine transfers:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	-	65,000
Street Systems Fund	65,000	-
Total	<u>\$ 65,000</u>	<u>\$ 65,000</u>

TOWN OF AULT, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

NOTE 6: EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

STATEWIDE DEFINED BENEFIT PLAN (FPPA)

Summary of Significant Accounting Policies

Pensions. The Town participates in the Statewide Defined Benefit Plan (SWDB), a cost-sharing multiple-employer defined benefit pension fund administered by the Fire & Police Pension Association of Colorado ("FPPA"). The net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SWDB have been determined using the accrual basis of accounting as required by the accounting principles and reporting guidelines as set forth by the Governmental Accounting Standards Board. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the Pension Plan

Plan description. Eligible employees of the Town are provided with pensions through the Statewide Defined Benefit Plan (SWDB) - a cost-sharing multiple-employer defined benefit pension plan administered by FPPA. Plan benefits are specified in Title 31, Articles 30, 30.5 and 31 of the Colorado Revised Statutes (C.R.S.), rules and regulations codified by the Fire and Police Pension Association, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. FPPA issues a publicly available comprehensive annual financial report, that can be obtained at <http://www.FPPAco.org>.

Benefits provided. A member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55. Effective January 1, 2021, a member may also qualify for a normal retirement pension if the member's combined years of service and age equals at least 80, with a minimum age of 50 (Rule of 80).

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' pensionable earnings · for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members covered under Statewide Defined Benefit Social Security Component will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefit adjustments paid to retired members are evaluated annually and may be re-determined every October 1.

TOWN OF AULT, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

NOTE 6: EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

General Information about the Pension Plan (Continued)

The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).

A member is eligible for an early retirement after completion of 30 years of service or attainment of age 50 with at least five years of credited service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5 percent as interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the Plan and remain eligible for a retirement pension at age 55 equal to 2 percent of the member's average highest three years' pensionable earnings for each year of credited service up to ten years; plus 2.5 percent for each year of service thereafter.

Contributions. Contribution rates for employers and members may be increased equally by the FPPA Board of Directors upon approval through an election by both the employers and members.

In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of pensionable earnings. Employer contributions will increase 0.5 percent annually beginning in 2021 through 2030 to a total of 13 percent of pensionable earnings. In 2022, members of the SWDB plan and their employers are contributing at the rate of 12.0 percent and 9.0 percent, respectively, of pensionable earnings for a total contribution rate of 21.0 percent.

Contributions from members and employers of departments reentering the system are established by resolution and approved by the FPPA Board of Directors. The member and employer contribution rates will increase through 2030 as described above for non-reentering departments. Effective January 1, 2021, reentry departments may submit a resolution to the FPPA Board of Directors to reduce the additional 4 percent contribution, to reflect the actual cost of reentry by department, to the plan for reentry contributions. Each reentry department is responsible to remit contributions to the plan in accordance with their most recent FPPA Board of Directors approved resolutions.

The contribution rate for members and employers of affiliated social security employers is 6.0 percent and 4.25 percent, respectively, of pensionable earnings for a total contribution rate of 10.5 percent in 2021. Per the 2014 member election, members of the affiliate social security group had their required contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of pensionable earnings. Employer contributions will increase 0.25 percent annually beginning in 2021 through 2030 to a total of 6.5 percent of pensionable earnings.

TOWN OF AULT, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

NOTE 6: EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

General Information about the Pension Plan (Continued)

Employer contributions are recognized by FPPA in the period in which the compensation becomes payable to the member and the Town is statutorily committed to pay the contributions to FPPA. Employer contributions recognized by the FPPA from the Town were \$42,001 for the plan year ended December 31, 2022 and \$27,894 for the fiscal year ended December 31, 2023. The current year contributions will be expensed in 2024 for FPPA purposes, December 31, 2023 employer contributions for reporting as of December 31, 2024, and are a timing difference at year end.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2023, the Town reported a liability of \$47,612 for its proportionate share of the SWDB's net pension liability. The net pension asset or liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2023. The Town's proportion of the net pension liability was based on Town's contributions to the SWDB for the calendar year 2022 relative to the total contributions of participating employers to the SWDB.

At December 31, 2023, the Town's proportion was 0.05364%, which was an increase of 0.01180% from its proportion measured as of December 31, 2022.

For the year ended December 31, 2023, the Town recognized pension expense of \$29,109. At December 31, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 83,367	\$ (4,585)
Changes of assumptions or other inputs	\$ 75,579	\$ -
Net difference between projected and actual earnings on pension plan investments	\$ 149,255	\$ -
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ 15,411	\$ (60,829)
Contributions subsequent to the measurement date	\$ 27,894	\$ -
Total	\$ 351,506	\$ (65,414)

TOWN OF AULT, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

NOTE 6: EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

\$27,894 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as an adjustment of the net pension asset in the year ended December 31, 2024.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31:	Fiscal year Total
2024	\$ 39,347
2025	52,821
2026	63,621
2027	82,265
2028	13,418
2029-2031	6,726
Total	\$ 258,198

Actuarial assumptions. The actuarial valuations for the Statewide Defined Benefit Plan were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2022. The valuations used the following actuarial assumption and other inputs:

Actuarial method	Entry Age Normal
Amortization method	Level % of Payroll, Open
Amortization period	30 Years
Long-term investment rate of return, net of	7.00%
Salary increase, including wage inflation	4.25%- 11.25%
Cost of Living Adjustments (COLA)	0.00%
* Includes inflation at	2.50%

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the Pub-2010 Safety Healthy Annuitant Mortality Tables projected with the ultimate values of the MP-2020 projection scale. The pre-retirement off-duty mortality tables are adjusted to 60% of the MP-2020 mortality tables for active employees. The on-duty mortality rate is 0.00015.

For determining the actuarially determined contributions, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rates from the RP-2014 Annuitant Mortality Tables projected to 2018 using the MP-2017 projection scales, and the projected prospectively using the ultimate rates of the scale for all years. The pre-retirement off-duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.

TOWN OF AULT, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

NOTE 6: EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

At least every five years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2022 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2023. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent). Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	35.00%	8.93%
Equity Long/Short	6.00%	7.47%
Private Markets	34.00%	10.31%
Fixed Income - Rates	10.00%	5.45%
Fixed Income - Credit	5.00%	6.90%
Absolute Return	9.00%	6.49%
Cash	1.00%	3.92%
Total	100.00%	

The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWDB plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

TOWN OF AULT, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

NOTE 6: EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Discount rate. Projected benefit payments are required to be discounted to their actuarial present values using a single discount rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 4.05 percent (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.00 percent.

Sensitivity of the proportionate share of the net pension asset (liability) to changes in the discount rate. Regarding the sensitivity of the net pension liability/(asset) to changes in the Single Discount Rate, the following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.00 percent, as well as what the plan's net pension liability/(asset) would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate share of the net pension asset (liability)	\$ (328,228)	\$ (47,612)	\$ 184,830

Subsequent Event

Statewide Retirement Plan. During 2022, House Bill 22-1034 was signed into law. This legislation combines the assets and liabilities of the Statewide Defined Benefit Plan and Statewide Hybrid Plan to form the Statewide Retirement Plan effective January 1, 2023. The Statewide Retirement Plan became the Defined Benefit Component of the Statewide Retirement Plan.

SIMPLE IRA EMPLOYEE BENEFIT PLAN

The Town has established an employer SIMPLE IRA Plan, which is a "money-purchase" plan under current law and U.S. Treasury regulations for all substantially full-time non-police employees. A contribution to each employee's account is made and all contributions vest immediately to the employee. The Town has no statutory or contractual liability for any individual's post-employment benefits under this plan. Employer contributions for the year ended December 31, 2023, 2022 and 2021 totaled \$27,732, \$19,892, and \$12,577, respectively.

TOWN OF AULT, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

NOTE 8: 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 sufficient commercial insurance to cover losses from these events and does not self-insure or participate in a public entity risk pool. All risk management activities are allocated among the various funds according to actual or perceived risk as determined by management and the Board of Trustees. Settlement amounts have not exceeded insurance coverage for the three prior years. Expenditures and claims are recognized when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. In determining claims, events that might create claims, but which not have been reported, are considered. There are no outstanding claims or incurred but not reported liabilities (IBNR) for the year ended December 31, 2023.

NOTE 9: COMMITMENTS AND CONTIGENCIES

TABOR Amendment

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 government. In November 1995, voters within the Town approved the collection, retention and expenditure of the full revenues generated by the Town in 1994 and subsequent years, notwithstanding the provisions of the Amendment.

The Town has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2023, the emergency reserve of \$90,000 was recorded in the General Fund.

NOTE 9: COMMITMENTS AND CONTIGENCIES (Continued)

TABOR Amendment

In the normal course of operations, the Town receives grant funds from various Federal and State agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to granting funds. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

TOWN OF AULT, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

NOTE 10: RATE MAINTENANCE

The 2006 Colorado Water Resources and Power Development Authority sewer loan agreement requires that Net Revenues shall represent a sum equal to 110% of the amount necessary to pay when due the principal and interest on the loan and parity debt coming due. The computation of said rate maintenance is as follows:

	<u>Sanitation Fund</u>
Gross Operating Revenue	\$ 897,542
Investment Earnings	25,536
Sale of Assets	<u>6,000</u>
Total Revenue	<u>929,078</u>
Operations and Maintenance Expense	1,122,796
Less: Depreciation	<u>(358,851)</u>
Adjusted O&M	<u>763,945</u>
Net Revenue	<u><u>\$ 165,133</u></u>
Total Debt Service	
2006 CWRPDA Revenue Bonds	\$ 83,079
2015 CWRPDA Revenue Bonds	<u>102,137</u>
	185,216
Required Rate	<u>110%</u>
Net Revenue Required	<u>203,738</u>

NOTE 11: JOINT VENTURE

The Town participates with various towns, cities, and Weld County, Colorado in the Weld 911 Emergency Telephone Service Authority (the Authority) which provides emergency 911 dialing services to customers within the Town limits. On dissolution of the Authority, the Net Position will be shared proportionately based on main telephone station access lines within the agency's jurisdiction. As of December 31, 2023, the Town has not made and is not required to contribute to the Authority. The Authority is governed by a seven-member board of directors, of which four are chosen by the Weld County, Colorado Board of Commissioners. The Authority is primarily funded through a \$.50 per month surcharge to each customer's telephone bill. Accounting responsibility has been placed with Weld County, Colorado and is included as a discretely presented component unit in its Annual Comprehensive Financial Report.

NOTE 12: BUDGET VIOLATION

For the year ended December 31, 2023, the Town's expenditure exceeds appropriations in the General Fund in the amount of \$71,309, which may be a violation of state statutes.

REQUIRED SUPPLEMENTARY INFORMATION
(Pension Schedules Unaudited)

TOWN OF AULT

**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE
NET PENSION ASSET (LIABILITY)
FPPA SWDB Pension Plan
Last 10 Fiscal Years**

<u>Fiscal Year Ended</u>	Town's proportion of the net pension asset (liability)	Town's proportionate share of the net pension asset (liability)	Town's covered payroll	Town's proportionate share of the net pension asset (liability) as a proportion of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
December 31, 2014	0.046884%	\$ 41,923	\$ 203,638	20.59%	105.83%
December 31, 2015	0.049483%	\$ 55,845	\$ 222,525	25.10%	106.83%
December 31, 2016	0.049443%	\$ 872	\$ 239,688	0.36%	100.10%
December 31, 2017	0.044836%	\$ (16,201)	\$ 229,463	7.06%	98.21%
December 31, 2018	0.041264%	\$ 59,364	\$ 241,363	24.60%	106.34%
December 31, 2019	0.037622%	\$ (47,564)	\$ 252,013	-18.87%	95.20%
December 31, 2020	0.035209%	\$ 19,913	\$ 259,500	7.67%	101.94%
December 31, 2021	0.032899%	\$ 71,424	\$ 264,251	27.03%	106.72%
December 31, 2022	0.418359%	\$ 226,723	\$ 336,785	67.32%	116.16%
December 31, 2023	0.053640%	\$ (47,612)	\$ 494,126	-9.64%	97.63%

Note: All amounts are as of plan calculation dates which are one fiscal year prior to the date shown.

See the accompanying Independent Auditors' Report.

TOWN OF AULT

**SCHEDULE OF TOWN CONTRIBUTIONS
FPPA SWDB Pension Plan
Last 10 Fiscal Years**

<u>Fiscal Year Ended</u>	Contractually required contributions	Actual contributions	Contribution deficiency (excess)	Town's covered payroll	Contributions as a percentage of covered payroll
December 31, 2014	\$ 16,291	\$ (16,291)	\$ -	\$ 203,638	8.00%
December 31, 2015	\$ 17,802	\$ (17,802)	\$ -	\$ 222,525	8.00%
December 31, 2016	\$ 19,175	\$ (19,175)	\$ -	\$ 239,688	8.00%
December 31, 2017	\$ 18,357	\$ (18,357)	\$ -	\$ 229,463	8.00%
December 31, 2018	\$ 19,309	\$ (19,309)	\$ -	\$ 241,363	8.00%
December 31, 2019	\$ 20,161	\$ (20,161)	\$ -	\$ 252,013	8.00%
December 31, 2020	\$ 20,760	\$ (20,760)	\$ -	\$ 259,500	8.00%
December 31, 2021	\$ 21,140	\$ (21,140)	\$ -	\$ 264,251	8.00%
December 31, 2022	\$ 28,627	\$ (28,627)	\$ -	\$ 336,785	8.50%
December 31, 2023	\$ 42,001	\$ (42,001)	\$ -	\$ 494,126	8.50%

Note: All amounts are as of plan calculation dates which are one fiscal year prior to the date shown.

See the accompanying Independent Auditors' Report.

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REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF AULT, COLORADO

**BUDGETARY COMPARISON SCHEDULE FOR THE
GENERAL FUND**

Year Ended December 31, 2023

With Comparative Totals for the Year Ended December 31, 2022

	2023			VARIANCE WITH	
	ORIGINAL	FINAL		FINAL BUDGET	2022
	BUDGET	BUDGET	ACTUAL	FAV (UNFAV)	ACTUAL
REVENUES					
Property and Sales Taxes	\$ 1,370,088	\$ 1,370,088	\$ 2,049,012	\$ 678,924	\$ 1,829,253
Franchise Taxes	76,257	76,257	104,275	28,018	87,967
Licenses, Permits and Fees	104,410	104,410	53,461	(50,949)	225,806
Intergovernmental Revenue	28,383	28,383	169,828	141,445	120,331
Charges for Services	119,250	119,250	142,565	23,315	126,439
Fines and Forfeits	442,353	442,353	281,191	(161,162)	358,023
Investment Earnings	20,000	20,000	58,273	38,273	18,341
Miscellaneous Revenue	124,539	124,539	17,746	(106,793)	90,399
Grant Revenue	10,000	10,000	9,712	(288)	65,038
Proceed from Sale of Assets	-	-	5,379	5,379	245,000
TOTAL REVENUES	2,295,280	2,295,280	2,891,442	596,162	3,166,597
EXPENDITURES					
Current:					
General Government	466,630	466,630	488,032	(21,402)	394,074
Public Safety	1,184,586	1,184,586	1,354,618	(170,032)	1,123,076
Public Works	5,000	5,000	4,454	546	4,298
Culture, Parks and Recreation	130,210	130,210	105,440	24,770	82,795
Health & Welfare	59,243	59,243	54,810	4,433	46,410
Economic Development	495	495	495	-	-
Capital Outlay	161,197	161,197	242,957	(81,760)	215,646
Debt Service	56,810	56,810	56,566	244	56,566
Contingency	-	171,892	-	171,892	-
TOTAL EXPENDITURES	2,064,171	2,236,063	2,307,372	(71,309)	1,922,865
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	231,109	59,217	584,070	524,853	1,243,732
OTHER FINANCING SOURCES (USES)					
Lease Proceeds	-	-	-	-	123,894
Transfers In	25,000	25,000	-	(25,000)	-
Transfers Out	(65,000)	(65,000)	(65,000)	-	(65,000)
TOTAL OTHER FINANCING SOURCES (USES)	(40,000)	(40,000)	(65,000)	(25,000)	58,894
CHANGE IN FUND BALANCE - BUDGET BASIS	\$ 191,109	\$ 19,217	519,070	\$ 499,853	1,302,626
FUND BALANCE, Beginning			5,482,698		4,180,072
FUND BALANCE, Ending			\$ 6,001,768		\$ 5,482,698

See the accompanying Independent Auditors' Report.

TOWN OF AULT, COLORADO

BUDGETARY COMPARISON SCHEDULE FOR THE
STREET SYSTEMS FUND

Year Ended December 31, 2023

With Comparative Totals for the Year Ended December 31, 2022

	2023			2022
	ORIGINAL & FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET FAV (UNFAV)	ACTUAL
REVENUES				
Property and Sales Taxes	\$ 29,542	\$ 22,179	\$ (7,363)	\$ 30,986
Licenses, Permits and Fees	60,000	66,114	6,114	242,264
Intergovernmental Revenue	70,036	78,438	8,402	71,343
Investment Earnings	6,000	8,333	2,333	2,737
Miscellaneous Revenue	500	-	(500)	-
TOTAL REVENUES	166,078	175,064	8,986	347,330
EXPENDITURES				
Current:				
General Government	5,350	6,477	(1,127)	1,109
Public Works	181,084	104,081	77,003	157,290
Parks and Recreation	6,000	3,990	2,010	809
Capital Outlay	322,694	301,869	20,825	293,325
TOTAL EXPENDITURES	515,128	416,417	98,711	452,533
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(349,050)	(241,353)	107,697	(105,203)
OTHER FINANCING SOURCES (USES)				
Proceeds from Sale of Assets	-	8,276	8,276	-
Transfers In	95,000	65,000	(30,000)	95,000
TOTAL OTHER FINANCING SOURCES (USES)	95,000	73,276	(21,724)	95,000
CHANGE IN FUND BALANCE	(254,050)	(168,077)	85,973	(10,203)
FUND BALANCE, Beginning	1,421,339	1,478,305	56,966	1,488,508
FUND BALANCE, Ending	\$ 1,167,289	\$ 1,310,228	\$ 142,939	\$ 1,478,305

See the accompanying Independent Auditors' Report.

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OTHER SUPPLEMENTARY INFORMATION

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SPECIAL REVENUE FUND

Special Revenue Fund is established to account for the proceeds of specific revenue sources, other than special assessments, expendable trusts, or major capital projects that are legally restricted to expenditures for specified purposes.

The following is the Special Revenue Fund for the Town:

Conservation Trust Fund -- This fund accounts for lottery proceeds received from the State government. Expenditures are restricted to the development or improvement of Town parks.

TOWN OF AULT, COLORADO

BUDGETARY COMPARISON SCHEDULE FOR THE
CONSERVATION TRUST FUND - NONMAJOR

Year Ended December 31, 2023

With Comparative Totals for the Year Ended December 31, 2022

	<u>2023</u>			
	<u>ORIGINAL & FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET FAV (UNFAV)</u>	<u>2022 ACTUAL</u>
REVENUES				
Intergovernmental Revenue	\$ 23,992	\$ 29,570	\$ 5,578	\$ 24,556
Investment Earnings	<u>110</u>	<u>19</u>	<u>(91)</u>	<u>38</u>
TOTAL REVENUES	24,102	29,589	5,487	24,594
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(20,000)</u>	<u>-</u>	<u>20,000</u>	<u>-</u>
CHANGE IN FUND BALANCE	4,102	29,589	25,487	24,594
FUND BALANCE, Beginning	<u>135,951</u>	<u>137,482</u>	<u>1,531</u>	<u>112,888</u>
FUND BALANCE, Ending	<u>\$ 140,053</u>	<u>\$ 167,071</u>	<u>\$ 27,018</u>	<u>\$ 137,482</u>

See the accompanying Independent Auditors' Report.

ENTERPRISE FUNDS

Enterprise Funds are used to account for operations that are financed in a manner similar to private business enterprises. The costs of providing goods or services to the general public on a continuing basis are recovered primarily from user charges.

The following are the Enterprise Funds of the Town:

Water Fund -- This fund accounts for the provision of water services to Town residents.

Sanitation Fund -- This fund accounts for the provision of waste water management services to Town residents.

TOWN OF AULT, COLORADO

WATER FUND

SCHEDULE OF REVENUES, EXPENSES

AND CHANGE IN FUND NET POSITION -

BUDGET AND ACTUAL

Year Ended December 31, 2023

With Comparative Totals for the Year Ended December 31, 2022

	2023			
	ORIGINAL & FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET FAV (UNFAV)	2022 ACTUAL
OPERATING REVENUES				
Charges for Services	\$ 1,197,999	\$ 881,131	\$ (316,868)	\$ 793,005
OPERATING EXPENSES				
Personal Services	277,164	256,329	20,835	219,385
Supplies	12,960	15,285	(2,325)	11,694
Purchased Services	554,504	458,996	95,508	544,861
Other Operating Expenses	8,170	19,567	(11,397)	5,370
Fleet Maintenance	3,730	3,576	154	2,268
Repairs & Maintenance	274,745	103,398	171,347	120,351
Capital Outlay	103,023	345,492	(242,469)	74,134
TOTAL OPERATING EXPENSES	1,234,296	1,202,643	31,653	978,063
OPERATING INCOME (LOSS)	(36,297)	(321,512)	(285,215)	(185,058)
NON-OPERATING REVENUE (EXPENSE)				
Investment Earnings	20,000	51,306	31,306	16,305
Miscellaneous Revenue	4,000	4,300	300	4,700
Gain/(Loss) on Sale of Assets	-	10,345	10,345	-
TOTAL NON-OPERATING REVENUE (EXPENSE)	24,000	65,951	41,951	21,005
NET INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS	(12,297)	(255,561)	(243,264)	(164,053)
TRANSFERS AND CONTRIBUTIONS				
Transfer Out	(15,000)	-	15,000	(15,000)
Grant Revenue	-	235,138	235,138	-
Capital Contributions	321,410	168,844	(152,566)	934,727
NET INCOME (LOSS) - BUDGET (GAAP) BASIS	\$ 294,113	148,421	\$ (145,692)	755,674
GAAP BASIS ADJUSTMENTS				
Capital Outlay		306,031		44,437
Depreciation		(70,806)		(58,690)
TOTAL GAAP BASIS ADJUSTMENTS		235,225		(14,253)
CHANGE IN FUND NET POSITION		383,646		741,421
NET POSITION, beginning		9,359,328		8,617,907
NET POSITION, ending		\$ 9,742,974		\$ 9,359,328

See the accompanying Independent Auditors' Report.

TOWN OF AULT, COLORADO

SANITATION FUND

SCHEDULE OF REVENUES, EXPENSES

AND CHANGE IN FUND NET POSITION -

BUDGET AND ACTUAL

Year Ended December 31, 2023

With Comparative Totals for the Year Ended December 31, 2022

	2023			
	ORIGINAL & FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET FAV (UNFAV)	2022 ACTUAL
OPERATING REVENUES				
Charges for Services	\$ 847,703	\$ 897,542	\$ 49,839	\$ 834,603
OPERATING EXPENSES				
Personal Services	276,913	287,715	(10,802)	249,262
Supplies	32,740	27,869	4,871	25,416
Purchased Services	279,788	328,011	(48,223)	301,082
Other Operating Expenses	4,630	13,335	(8,705)	3,731
Fleet Maintenance	3,480	3,576	(96)	2,750
Repairs & Maintenance	153,595	79,013	74,582	110,758
Capital Outlay	123,225	89,593	33,632	192,838
TOTAL OPERATING EXPENSES	874,371	829,112	45,259	885,837
OPERATING INCOME	(26,668)	68,430	95,098	(51,234)
NON-OPERATING REVENUE (EXPENSE)				
Investment Earnings	8,000	25,536	17,536	8,170
Miscellaneous Revenue	-	-	-	84
Gain/(Loss) on Sale of Assets	-	6,000	6,000	-
Debt Service Principal	(178,000)	(177,954)	46	(177,954)
Interest Expense	(10,000)	(4,344)	5,656	(5,704)
TOTAL NON-OPERATING REVENUE (EXPENSE)	(180,000)	(150,762)	29,238	(175,404)
NET INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS	(206,668)	(82,332)	124,336	(226,638)
TRANSFERS AND CONTRIBUTIONS				
Transfer Out	(15,000)	-	15,000	(15,000)
Grant Revenue	-	-	-	235,138
Capital Contribution	115,620	-	(115,620)	456,009
NET INCOME (LOSS) - BUDGET (GAAP) BASIS	\$ (106,048)	(82,332)	\$ 23,716	449,509
GAAP BASIS ADJUSTMENTS				
Capital Outlay		65,167		185,224
Debt Principal		177,954		177,954
Depreciation		(358,851)		(351,227)
TOTAL GAAP BASIS ADJUSTMENTS		(115,730)		11,951
CHANGE IN FUND NET POSITION		(198,062)		461,460
NET POSITION, beginning		6,064,813		5,603,353
NET POSITION, ending		\$ 5,866,751		\$ 6,064,813

See the accompanying Independent Auditors' Report.

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COMPONENT UNIT

Component Units are legally separate entities that do not qualify as a primary government.

The Town has one Discretely Presented Component Unit:

Northern Plains Public Library -- The Library serves the citizens of Weld County School District RE-9, which includes the Town of Ault.

TOWN OF AULT, COLORADO

NORTHERN PLAINS PUBLIC LIBRARY (COMPONENT UNIT)

SCHEDULE OF REVENUES, EXPENSES

AND CHANGE IN FUND BALANCE -

BUDGET AND ACTUAL

Year Ended December 31, 2023

With Comparative Totals for the Year Ended December 31, 2022

	<u>2023</u>			
	<u>ORIGINAL & FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET FAV (UNFAV)</u>	<u>2022 ACTUAL</u>
REVENUES				
Charges for Service	\$ 650	\$ 597	\$ (53)	\$ 798
Intergovernmental Revenue	1,041,284	1,034,488	(6,796)	684,342
Other Revenue	2,650	2,820	170	5,079
Investment Earnings	<u>10,200</u>	<u>77,589</u>	<u>67,389</u>	<u>12,904</u>
TOTAL REVENUES	<u>1,054,784</u>	<u>1,115,494</u>	<u>60,710</u>	<u>703,123</u>
EXPENDITURES				
Operating Expenses	123,750	108,180	15,570	76,983
Salaries and Benefits	279,917	243,430	36,487	211,401
Capital Outlay	-	51,539	(51,539)	51,630
Contingency	<u>50,000</u>	<u>-</u>	<u>50,000</u>	<u>-</u>
TOTAL EXPENDITURES	<u>453,667</u>	<u>403,149</u>	<u>50,518</u>	<u>340,014</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	601,117	712,345	111,228	363,109
FUND BALANCE, Beginning	<u>1,570,982</u>	<u>1,834,767</u>	<u>263,785</u>	<u>1,471,658</u>
FUND BALANCE, Ending	<u>\$ 2,172,099</u>	<u>\$ 2,547,112</u>	<u>\$ 375,013</u>	<u>\$ 1,834,767</u>

See the accompanying Independent Auditors' Report.

COMPLIANCE SECTION
State Compliance

LOCAL HIGHWAY FINANCE REPORT

STATE:

COLORADO

Town of Ault

YEAR ENDING (mm/yy): 12/23

This Information From The Records Of:

Prepared By:

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. EXPENDITURES FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway expenditures:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	\$ 275,546.47
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	\$ 63,962.53
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	\$ 249,156.66
2. General fund appropriations	\$ 569,927.36	b. Snow and ice removal	\$ 121.98
3. Other local imposts (from page 2)	\$ 91,748.97	c. Other	\$ 34,288.60
4. Miscellaneous local receipts (from page 2)	\$ 73,333.14	d. Total (a. through c.)	\$ 283,567.24
5. Transfers from toll facilities		4. General administration & miscellaneous	\$ 2,577.25
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	\$ 567,350.11
a. Bonds - Original Issues		6. Total (1 through 5)	\$ 1,193,003.60
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	\$ -	a. Interest	
7. Total (1 through 6)	\$ 735,009.47	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	\$ -
C. Receipts from State government		2. Notes:	
(from page 2)	\$ 74,963.18	a. Interest	
D. Receipts from Federal Government		b. Redemption	
(from page 2)	\$ -	c. Total (a. + b.)	\$ -
E. Total receipts (A.7 + B + C + D)	\$ 809,972.65	3. Total (1.c + 2.c)	\$ -
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total expenditures (A.6 + B.3 + C + D)	\$ 1,193,003.60

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

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

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	\$ 904,508.42	\$ 809,972.65	\$ 1,193,003.60	\$ 521,477.47	\$ -

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: COLORADO YEAR ENDING (mm/yy): 0	
II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assesments	\$ 14,300.00	a. Interest on investments	\$ 8,333.14
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees	\$ 69,353.01	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	\$ 8,095.96	g. Other Misc. Receipts	\$ 65,000.00
6. Total (1. through 5.)	\$ 77,448.97	h. Other	
c. Total (a. + b.)	\$ 91,748.97	i. Total (a. through h.)	\$ 73,333.14
(Carry forward to page 1)		(Carry forward to page 1)	
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes (from Item I.C.5.)	\$ 71,574.51	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	\$ 3,388.67	d. Federal Transit Administration	
d. DOLA Grant		e. U.S. Corps of Engineers	
e. Other		f. Other Federal ARPA	
f. Total (a. through e.)	\$ 3,388.67	g. Total (a. through f.)	\$ -
4. Total (1. + 2. + 3.f)	\$ 74,963.18	3. Total (1. + 2.g)	\$ -
(Carry forward to page 1)		(Carry forward to page 1)	
III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			\$ -
b. Engineering Costs		\$ 33,820.75	\$ 33,820.75
c. Construction:			
(1). New Facilities			\$ -
(2). Capacity Improvements			\$ -
(3). System Preservation		\$ 138,524.00	\$ 138,524.00
(4). System Enhancement And Operation		\$ 103,201.72	\$ 103,201.72
(5). Total Construction (1)+(2)+(3)+(4)	\$ -	\$ 241,725.72	\$ 241,725.72
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)	\$ -	\$ 275,546.47	\$ 275,546.47
(Carry forward to page 1)			
Notes and Comments:			