Town of Orchard City
Financial Statements and Report of
Independent Certified Public Accountants
as of
December 31, 2023

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

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Town of Orchard City, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Orchard City, Colorado, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Town of Orchard City, Colorado's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Orchard City, Colorado, as of December 31, 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 Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 3-10) and budgetary comparison information for major governmental funds (pages 33-36) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Orchard City, Colorado's basic financial statements. The budgetary comparison information for non-major governmental funds (page 37), budgetary comparison information for enterprise funds (pages 38-40), and the local highway finance report (pages 41-45) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Blair and Associates, P.C.

Cedaredge, Colorado
July 26, 2024

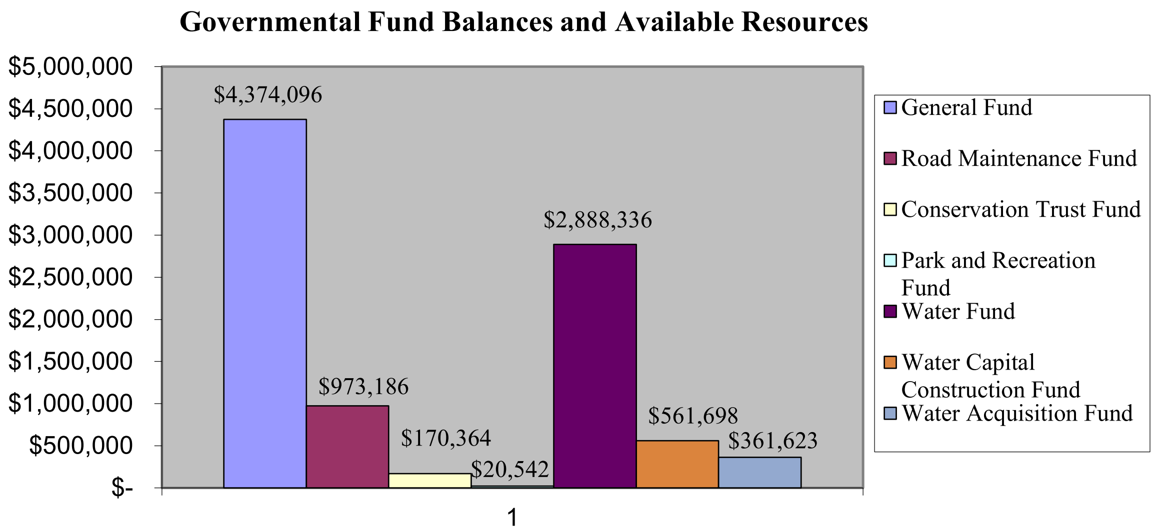
Management's Discussion and Analysis

As management of the Town of Orchard City, we offer readers of the Town of Orchard City Financial statements, this narrative overview and analysis of the financial activities of the Town for the fiscal year ended December 31, 2023. We encourage readers to consider the information presented here in conjunction with the additional information furnished in our basic financial statements to better understand the financial position of the Town of Orchard City.

FINANCIAL HIGHLIGHTS

- Town of Orchard City is in healthy financial condition.

  See Governmental Fund Balances and Available Resources chart.



- Orchard City's net position amounted to $22,708,829 *(refer to statement of activities)* at the end of the year, a reported increase of $616,448 for the fiscal year.

- Governmental funds reported combined ending fund balances of $5,538,188 (*refer to statement of revenues, expenditures, and changes in fund balances)*, a reported increase of $446,954 for the fiscal year.

- Orchard City's unassigned fund balance for the general fund was $4,360,128 *(refer to balance sheet)*, an increase of $466,102 in comparison to the prior year.

- At December 31, 2023, the Town's General fund did have $9,768 reserved for emergencies which was the balance equal to at least 3% of the general fund appropriations as the required state mandated emergency reserve.

- The Town has long-term liabilities for compensated absences of $35,025 and a loan payable of $1,495,695.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide financial statements

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

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

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

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

Fund financial statements

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

Governmental Funds

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

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

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

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

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

Proprietary funds

Proprietary funds are maintained as follows:

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

Notes to financial statements

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

Other information

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

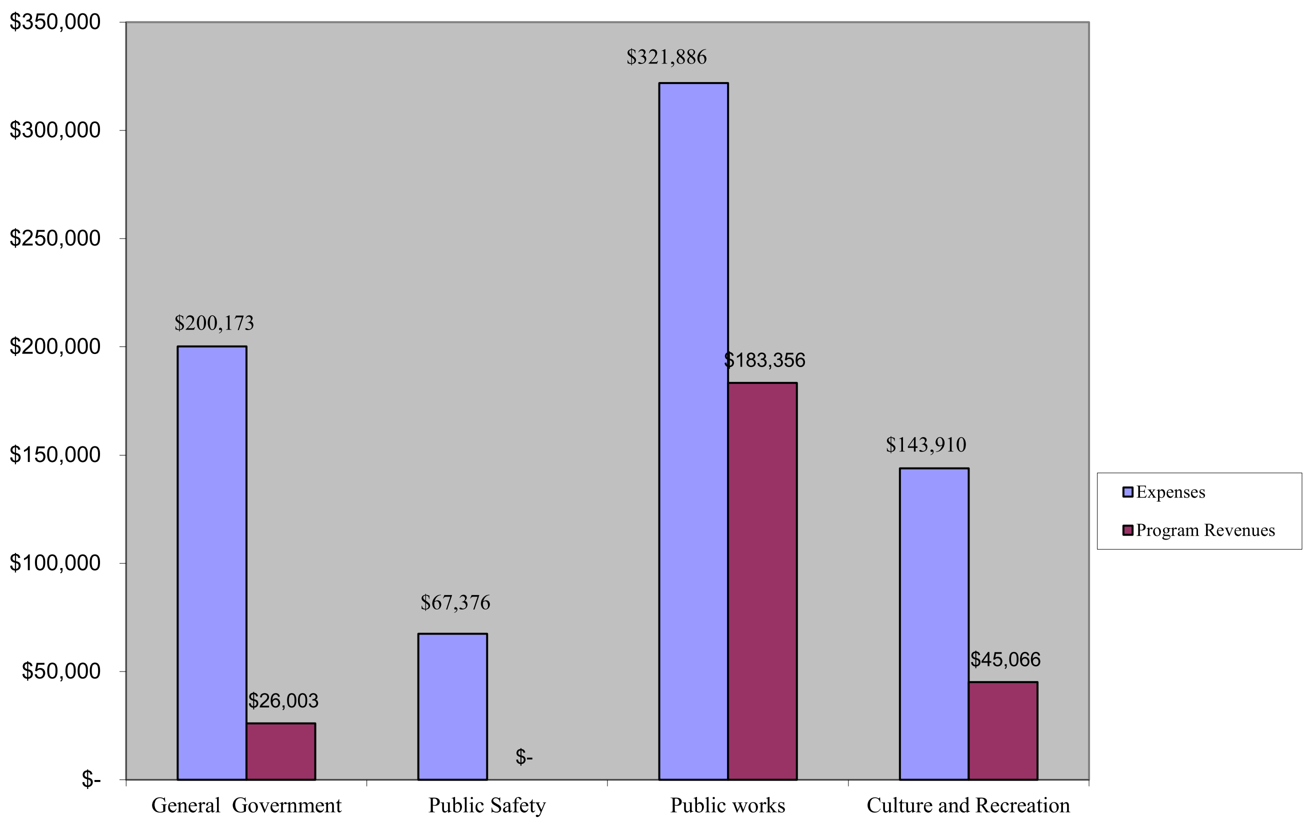
The following table summarizes the Town's governmental and business type net position for 2023 and 2022.

Assets	Governmental Activities 2023	Governmental Activities 2022	Business Type Activities 2023	Business Type Activities 2022	Totals 2023	Totals 2022
Current and other assets	$ 5,586,217	$ 5,096,216	$ 5,488,566	$ 5,125,508	$ 11,074,783	$ 10,221,724
Capital assets	2,705,883	2,840,463	10,688,126	10,648,527	13,394,009	13,488,990
Total assets	$ 8,292,100	$ 7,936,679	$ 16,176,692	$ 15,774,035	$ 24,468,792	$ 23,710,714
Current Liabilities	$ 48,029	$ 4,982	$ 259,073	$ 84,981	$ 307,102	$ 89,963
Non-current liabilities						
Loan payable	-	-	1,417,836	1,495,695	1,417,836	1,495,695
Compensated absences	35,025	32,675	-	-	35,025	32,675
Total liabilities	83,054	37,657	1,676,909	1,580,676	1,759,963	1,618,333
Net Position						
Investment in capital assets, net of related debt	2,705,883	2,840,463	9,192,431	9,076,128	11,898,314	11,916,591
Restricted	22,525	24,656	-	-	22,525	24,656
Unrestricted	5,480,638	5,033,903	5,307,352	5,117,231	10,787,990	10,151,134
Total net position	$ 8,209,046	$ 7,899,022	$ 14,499,783	$ 14,193,359	$ 22,708,829	$ 22,092,381

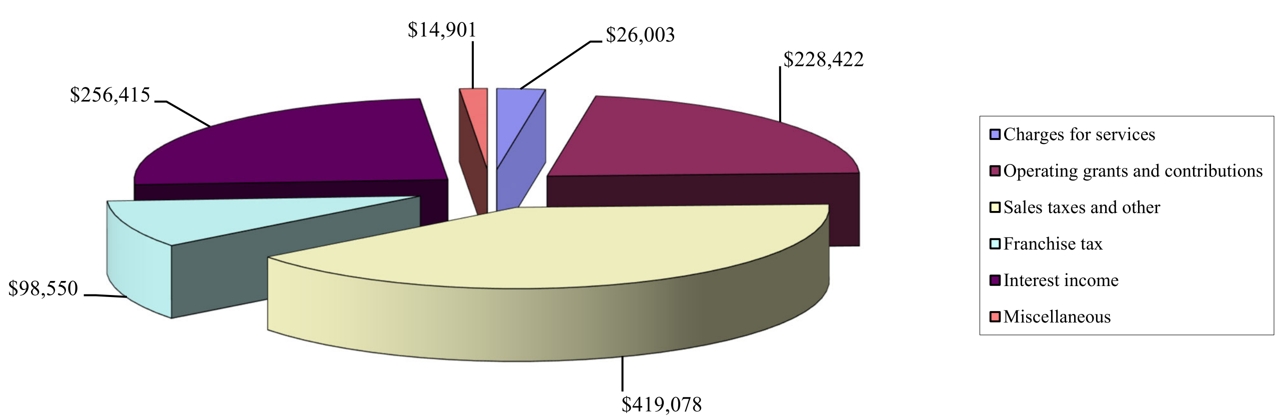
At the close of 2023 total net position was $22,708,829, an increase of $616,448 from prior year. In governmental activities the largest portion of assets are in cash and cash equivalents and capital assets of $5,526,469 and $2,705,883 respectfully, (99% of total net position). An additional portion of net position, $22,525 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, $10,787,990 (48% of net position), may be used to meet the government's ongoing obligations to citizens and creditors.

Revenues	Governmental Activities 2023	Governmental Activities 2022	Business Type Activities 2023	Business Type Activities 2022	Total 2023	Total 2022
Program revenues						
Charges for services	$ 26,003	$ 34,896	$ 1,292,508	$ 1,172,412	$ 1,318,511	$ 1,207,308
Operating grants	228,422	227,247	-	-	228,422	227,247
Capital grants/contributions	-	-	50,400	518,743	50,400	518,743
General Revenues						
Sales taxes and other	419,078	403,638	-	-	419,078	403,638
Franchise taxes	98,550	99,730	-	-	98,550	99,730
Interest income	256,415	72,728	220,906	72,249	477,321	144,977
Miscellaneous	14,901	11,953	2,223	28,488	17,124	40,441
Totals	1,043,369	850,192	1,566,037	1,791,892	2,609,406	2,642,084
Expenses						
General government	200,173	200,635			200,173	200,635
Public safety	67,376	2,000			67,376	2,000
Public works	321,886	167,950	1,259,613	1,242,651	1,581,499	1,410,601
Culture and recreation	143,910	113,707			143,910	113,707
Total expenses	733,345	484,292	1,259,613	1,242,651	1,992,958	1,726,943
Increase in net assets	310,024	365,900	306,424	549,241	616,448	915,141
Beginning	7,899,022	7,533,122	14,193,359	13,644,118	22,092,381	21,177,240
Ending	$ 8,209,046	$ 7,899,022	$ 14,499,783	$ 14,193,359	$ 22,708,829	$ 22,092,381

2023 Expense and Program Revenues-
Governmental Activities



Revenues by Source-Governmental Activities



FINANCIAL ANALYSIS OF GOVERNEMENT'S FUNDS

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

Governmental funds

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

As of the end of 2023, the Town's governmental funds reported combined ending fund balances, *(refer to Statement of Revenues, Expenditures and Changes in Fund Balances),* of $5,538,188, an increase of $446,954. Of the combined ending fund balances for all governmental funds 79% of this total amount, $4,360,128, constitutes unassigned fund balance, which is available for appropriation at the Town's discretion. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it is already committed to 1) meet a state constitution mandated emergency reserve, $22,525 2) Conservation Trust and Park Maintenance Funds, $170,364 or 3) Road Projects, $954,857 4) Parks and Recreation, $3,531, and 5) Capital Acquisition, $26,783.

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

The General Fund is the primary operating fund for the Town of Orchard City. It accounts for all financial resources of general government. These activities include planning commission, building inspections, code enforcement, legal matters and elections. At the end of 2023, unassigned fund balance of the General Fund was $4,360,128, while $4,334,551 was in cash and cash equivalents. The General Fund balance increased by $464,025 during 2023.

The Road Maintenance Fund accounts for public works and road maintenance for the Town. Primarily Highway Users Tax Fund finances this fund. At the end of 2023 the fund balance for the Road Maintenance Fund was $973,186.

The Park and Recreation Fund is to account for revenues and expenditure for the maintenance of the park. At the end of 2023 the fund balance for the Park and Recreation Fund was $20,542.

Proprietary funds

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

The Town has three enterprise funds referred to as the Water, Capital Construction and Water Acquisition Funds. The total net position in the enterprise funds as of December 31, 2023 amounted to $14,499,783. The total net position increased by $306,424.

GENERAL FUND BUDETARY HIGHLIGHTS

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

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Town of Orchard City's investment in capital assets for its governmental and business type activities as of December 31, 2023 amounts to $11,898,314, a decrease of $18,277 from the prior year. As required by GABS 34, the investment capital assets include land, buildings, building improvements, and equipment.

Long Term Debt

The Town of Orchard City's long-term debt is unpaid paid time off to its employees and loan payable, which as of December 31, 2023 amounted to $35,025 and $1,495,695 respectively.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

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

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

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

REQUEST FOR INFORMATION

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

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

Town of Orchard City
Statement of Net Position
December 31, 2023

	Governmental Activities	Business- Type Activities	Total
ASSETS			
Cash and cash equivalents (Note 5)	$ 5,526,469	$ 5,174,326	$ 10,700,795
Due from other governmental units	42,542	-	42,542
Accounts receivable	11,606	125,924	137,530
Inventory of supplies	5,600	188,316	193,916
Capital assets (Note 9)			
Nondepreciable	322,258	1,611,141	1,933,399
Depreciable, net of accumulated depreciation	2,383,625	9,076,985	11,460,610
Total assets	$ 8,292,100	$ 16,176,692	$ 24,468,792
LIABILITIES			
Accounts payable	$ 46,021	$ 172,661	$ 218,682
Accrued payroll	2,008	8,434	10,442
Uneared revenue	-	119	119
Current portion of loan payable	-	77,859	77,859
Long-term liabilities:			
Loan payable	-	1,417,836	1,417,836
Compensated absences (Note 1)	35,025	-	35,025
Total liabilities	83,054	1,676,909	1,759,963
NET POSITION			
Investment in capital assets, net of related debt	2,705,883	9,192,431	11,898,314
Restricted for:			
Emergencies	22,525	-	22,525
Unrestricted	5,480,638	5,307,352	10,787,990
Total net position	$ 8,209,046	$ 14,499,783	$ 22,708,829

See accompanying notes to the basic financial statements.

Town of Orchard City
Statement of Activities
For the Year Ended December 31, 2023

		Program Revenues			Net (Expense) Revenue and Changes in Net Position — Primary Government		
Functions/Programs	**Expenses**	**Charges for Service and Fees**	**Operating Grants and Contributio**	**Capital Grants and Contributio**	**Governmental Activities**	**Business-Type Activities**	**Total**
Primary government:							
Governmental activities:							
General government	$ 200,173	$ 26,003	$ -	$ -	$ (174,170)	$ -	$ (174,170)
Public safety	67,376	-	-	-	(67,376)	-	(67,376)
Public Works	321,886	-	183,356	-	(138,530)	-	(138,530)
Culture and recreation	143,910	-	45,066	-	(98,844)	-	(98,844)
Total governmental activities	733,345	26,003	228,422	-	(478,920)	-	(478,920)
Business-type activities:							
Water	1,259,613	1,292,508	-	50,400	-	83,295	83,295
Total business- type activities	1,259,613	1,292,508	-	50,400	-	83,295	83,295
Total primary government	$1,992,958	$1,318,511	$ 228,422	$ 50,400	(478,920)	83,295	(395,625)
		General Revenues					
		Sales taxes			370,475	-	370,475
		Franchise taxes			98,550	-	98,550
		Mineral Leasing			35,177	-	35,177
		Severance tax			13,426	-	13,426
		Miscellaneous			14,901	2,223	17,124
		Investment earnings			256,415	220,906	477,321
		Total General Revenues			788,944	223,129	1,012,073
		Changes in Net Position			310,024	306,424	616,448
		Net Position-January 1			7,899,022	14,193,359	22,092,381
		Net Position-December 31			$ 8,209,046	$ 14,499,783	$ 22,708,829

See accompanying notes to the basic financial statements.

Town of Orchard City
Governmental Funds
Balance Sheet
December 31, 2023

	General Fund	Road Maintenance Fund	Park and Recreation Fund	Non Major Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	$ 4,334,551	$ 964,972	$ 20,542	$ 206,404	$ 5,526,469
Due from other governments	30,358	12,184	-	-	42,542
Accounts receivable	11,606	-	-	-	11,606
Inventory of supplies	-	5,600	-	-	5,600
Total assets	$ 4,376,515	$ 982,756	$ 20,542	$ 206,404	$ 5,586,217
Liabilities and Fund Balance					
Liabilities:					
Accounts payable	$ 981	$ 9,000	$ -	$ 36,040	$ 46,021
Accrued payroll	1,438	570	-	-	2,008
Other accrued expenses	-	-	-	-	-
Total liabilities	2,419	9,570	-	36,040	48,029
Fund balances:					
Restricted					
Reserve for emergencies	9,768	10,829	1,928	-	22,525
Parks and recreation	-	-	-	170,364	170,364
Committed					
Road maintenance projects	-	954,857	-	-	954,857
Parks and recreation	-	-	3,531	-	3,531
Assigned					
Capital acquisitions	4,200	7,500	15,083	-	26,783
Unassigned	4,360,128	-	-	-	4,360,128
Total fund balance	4,374,096	973,186	20,542	170,364	5,538,188
Total liabilities and fund balance	$ 4,376,515	$ 982,756	$ 20,542	$ 206,404	$ 5,586,217

See accompanying notes to the basic financial statements.

Town of Orchard City
Reconciliation of the Governmental Funds Balance
Sheet to the Statement of Net Position
December 31, 2023

Total fund balance, governmental funds	$ 5,538,188
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current period expenditures and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.	2,705,883
Some liabilities, (such as Notes Payable, Capital Lease Contract Payable, Long-term Compensated Absences, and Bonds Payable), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.	(35,025)
Net Position of Governmental Activities in the Statement of Net Position	$ 8,209,046

See accompanying notes to the basic financial statements.

Town of Orchard City
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2023

	General Fund	Road Maintenance Fund	Park and Recreation Fund	Non Major Governmental Funds	Total Governmental Funds
REVENUES					
Franchise Taxes	$ 95,749	$ -	$ 2,801	$ -	$ 98,550
Sales Taxes	370,475	-	-	-	370,475
Charges for services	1,057	-	-	-	1,057
Licenses and permits	24,946	-	-	-	24,946
Intergovernmental	48,603	183,356	-	45,066	277,025
Investment earnings	207,693	48,330	-	392	256,415
Miscellaneous	8,921	2,040	3,940	-	14,901
Total revenues	757,444	233,726	6,741	45,458	1,043,369
EXPENDITURES					
Current:					
General government	176,229	-	-	-	176,229
Public safety	67,376	-	-	-	67,376
Public works	1,845	65,396	-	-	67,241
Culture and recreation	16,272	-	45,027	-	61,299
Capital outlay	-	169,391	-	54,879	224,270
Total expenditures	261,722	234,787	45,027	54,879	596,415
Excess (deficiency) of revenues over expenditures	495,722	(1,061)	(38,286)	(9,421)	446,954
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	31,697	-	31,697
Transfers out	(31,697)	-	-	-	(31,697)
Total other financing sources (uses)	(31,697)	-	31,697	-	-
Net change to fund balance	464,025	(1,061)	(6,589)	(9,421)	446,954
Fund balance, January 1	3,910,071	974,247	27,131	179,785	5,091,234
Fund balance, December 31	$ 4,374,096	$ 973,186	$ 20,542	$ 170,364	$ 5,538,188

See accompanying notes to the basic financial statements.

Town of Orchard City
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities
For the Year Ended December 31, 2023

Net change in fund balances - total governmental funds		$ 446,954
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as deprecation expense. This is the amount by which depreciation exceeded capital outlay in the current period.		
Capital assets current additions	$ -	
Depreciation expense	(134,580)	
Excess of depreciation over capital outlay		(134,580)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Compensated absences		(2,350)
Change in net position of governmental funds		$ 310,024

See accompanying notes to the basic financial statements.

Town of Orchard City
Statement of Net Position
Enterprise Funds
December 31, 2023

	Water Fund	Water Capital Construction Fund	Water Acquisition Fund	Total
ASSETS				
Current Assets:				
Cash and cash equivalents	$ 4,088,721	$ 732,732	$ 352,873	$ 5,174,326
Accounts Receivable, net	117,174	-	8,750	125,924
Inventory of supplies	188,316	-	-	188,316
Total current assets	4,394,211	732,732	361,623	5,488,566
Noncurrent assets:				
Capital assets:				
Land and improvements	1,535,000	-	-	1,535,000
Utility system	13,341,006	-	-	13,341,006
Buildings and improvements	181,461	-	-	181,461
Equipment	357,921	-	-	357,921
Construction in progress	76,141	-	-	76,141
Less Accumulated Depreciation	(4,803,403)	-	-	(4,803,403)
Total noncurrent assets	10,688,126	-	-	10,688,126
Total assets	$ 15,082,337	$ 732,732	$ 361,623	$16,176,692
LIABILITIES				
Current liabilities:				
Accounts payable	$ 1,746	$ 170,915	$ -	$ 172,661
Accrued payroll	8,434	-	-	8,434
Unearned revenue	-	119	-	119
Current portion on long-term debt	77,859	-	-	77,859
Total current liabilities	88,039	171,034	-	181,095
Long-term debt:				
Loans payable	1,417,836	-	-	1,417,836
Total long-term debt	1,417,836	-	-	1,417,836
NET POSITION				
Invested in capital assets	10,688,126	-	-	10,688,126
Unrestricted	2,888,336	561,698	361,623	3,811,657
Total net position	$ 13,576,462	$ 561,698	$ 361,623	$14,499,783

See accompanying notes to the basic financial statements.

Town of Orchard City
Statement of Revenues, Expenses and Changes in Fund Net Position
Enterprise Funds
Year Ended December 31, 2023

	Water Fund	Water Capital Construction Fund	Water Acquisition Fund	Total
Operating revenues:				
Charges for services	$ 1,060,906	$ 215,602	$ 16,000	$ 1,292,508
Miscellaneous	2,223	-	-	2,223
Total operating revenues	1,063,129	215,602	16,000	1,294,731
Operating expenses:				
Personal services	585,313	-	-	585,313
Purchased services, supplies and materials	172,321	50	9,287	181,658
Repairs and maintenance	95,629	33,948	-	129,577
Depreciation	339,765	-	-	339,765
Total operating expenses	1,193,028	33,998	9,287	1,236,313
Operating income (loss)	(129,899)	181,604	6,713	58,418
Nonoperating revenues (expenses):				
Interest and investment revenue	128,113	79,310	13,483	220,906
Interest expense	(23,300)	-	-	(23,300)
Total nonoperating revenues (expenses)	104,813	79,310	13,483	197,606
Income (loss) before Capital Contributions	(25,086)	260,914	20,196	256,024
Capital contributions-Tap Fees	-	50,400	-	50,400
Change in net position	(25,086)	311,314	20,196	306,424
Total net position, January 1	13,122,180	729,752	341,427	14,193,359
Residual transfer	479,368	(479,368)	-	-
Total net position, December 31	$ 13,576,462	$ 561,698	$ 361,623	$14,499,783

See accompanying notes to the basic financial statements.

Town of Orchard City
Statement of Cash Flows
Enterprise Funds
Year Ended December 31, 2023

	Water Fund	Water Capital Construction Fund	Water Acquisition Fund	Total
Cash Flows From Operating Activities				
Charges for sales and services	$ 1,055,297	$ 215,610	$ 16,000	$ 1,286,907
Other receipts	2,223	-	-	2,223
Payments for personal services	(583,641)	-	-	(583,641)
Payments to suppliers	(331,247)	136,917	(9,287)	(203,617)
Net cash provided (used) by operating activities	142,632	352,527	6,713	501,872
Cash Flows from Noncapital Activities				
Transfers in	-	-	-	-
Grants and contributions	-	-	-	-
Net cash provided (used) by noncapital financing activities	-	-	-	-
Cash Flows from Capital and Related Financing Activities				
Tap fees and water rights	-	50,400	-	50,400
Acquisition of fixed assets	-	(379,364)	-	(379,364)
Principal payments on loan	-	(76,704)	-	(76,704)
Interest expense	-	(23,300)	-	(23,300)
Net cash provided (used) by capital and related financing activities	-	(428,968)	-	(428,968)
Cash Flows from Investing Activities				
Interest on investments	128,113	79,310	13,483	220,906
Net increase (decrease) in cash and equivalents	270,745	2,869	20,196	293,810
Cash balances, January 1	3,817,976	729,863	332,677	4,880,516
Cash balances, December 31	$ 4,088,721	$ 732,732	$ 352,873	$ 5,174,326
Reconciling of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	$ (129,899)	$ 181,604	$ 6,713	$ 58,418
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	339,765	-	-	339,765
(Increase) Decrease in receivables	(5,609)	8	-	(5,601)
(Increase) Decrease in inventory	(63,639)	-	-	(63,639)
Increase (Decrease) in accounts payables	342	170,915	-	171,257
Increase (Decrease) in accrued payroll	1,672	-	-	1,672
Net cash provided by (used) operating activities	$ 142,632	$ 352,527	$ 6,713	$ 501,872

See accompanying notes to the basic financial statements.

Note 1 - Summary of Significant Accounting Policies

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

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

Financial Reporting Entity

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

Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the Town. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes, charges for services and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on user charges for support.

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

Fund Financial Statements

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

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

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

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

The Town reports the following major governmental funds:

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

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

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

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

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

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

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

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

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

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

Measurement Focus and Basis of Accounting

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

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

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

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

Deferred Outflows / Inflows of Resources

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

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

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

Cash and Cash Equivalents

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

Use of Estimates

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

Capital Assets

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

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

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

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

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

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

Long-Term Liabilities

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

The long-term compensated absences are serviced from revenues of the General Fund from future appropriations. No interest costs were capitalized in 2023.

Compensated Absences

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

Net Position

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

Interfund Transactions

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

Inventory

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

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

Accounts Receivable

The Town considers all receivables fully collectible.

Fund Balance

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

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

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

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

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

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

Note 3 - Tax, Spending and Debt Limitations

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

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

The Amendment requires that an emergency reserve be maintained at three percent of fiscal year spending. A portion of the General, Road Maintenance and Park and Recreation Fund’s fund balances are classified as restricted for emergencies as required by the Amendment. The amount restricted at December 31, 2023 was $22,525.

Note 4 - Budgets

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

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

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

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

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

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

Note 4 - Budgets- (continued)

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

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

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

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

Revenues	Final Budget	Actual	Variance Favorable (Unfavorable)
GAAP based revenues	$ -	$ 1,515,637	$ -
Add:			
Loan proceeds		-	
Tap fees and water rights		50,400	
Total budgetary revenues	$ 1,165,600	$ 1,566,037	$ 400,437
Expenditures			
GAAP based expenses	$ -	$ 1,259,613	$ -
Add (deduct):			
Depreciation		(339,765)	
Principal payments on debt		76,704	
Acquisition of capital assets		379,364	
Total budgetary expenses	$ 2,246,076	$ 1,375,916	$ 870,160

Note 5 - Deposits and Investments

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories; eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to the aggregate uninsured deposits. Collateral in the pool is considered to be equal to depository insurance pursuant to definitions listed in GASB Statement No. 40. At December 31, 2023, the carrying amount of the Town’s deposits was $1,831,946 the bank balance of the Town's deposits was $1,852,298 of which $471,327 was covered by federal depository insurance.

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

Cash and Cash Equivalents

Cash in bank accounts	$ 1,831,946
Cash with county treasurer and cash on hand	1,743
ColoTrust	8,867,106
Total	$ 10,700,795

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

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

Custodial Credit Risk- For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party.

Note 5 - Deposits and Investments- (continued)

Investments

At December 31, 2023 the Town had the following investments:

	Maturities Less Than One Year	Net Asset Value
ColoTrust Plus +	$ 8,867,106	$ 8,867,106

The Town invested $8,867,106 in the Colorado Government Liquid Asset Trust (COLOTRUST). COLOTRUST is an investment vehicle established by state statute for local government entities in Colorado to pool surplus funds for investment purposes. The State Securities Commission administers and enforces all state statutes governing public investment pools. The investment is an external investment pool that reports at the fair value per share of the pool's underlying portfolio. The unit of account is each share held, and the value of the position is the fair value of the pool's share price multiplied by the number of shares held. For pricing and redeeming share COLOTRUST maintains a stable net asset value (NAV) of $1 per share, which approximates fair value. The government-investor does not "look through" the pool to report a pro rata share of the pool's investments, receivables and payables. All COLOTRUST investments are reported at NAV and do not have any unfunded commitments, redemption restrictions or redemption notice periods. COLOTRUST offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+, which are both rated AAAm by Standard & Poor's. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. Financial statements and information about the pool for COLOTRUST may be obtained through its website at www.colotrust.com. COLOTRUST may, without the necessity of a formal meeting of their Board, temporarily suspend the right of redemption or postpone the date of payment for redeemed shares under certain specific conditions described in their trust indenture and during any financial emergency when it is not reasonably practicable because of substantial losses which might be incurred.

Note 6 - Risk Management

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

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

Note 7 - Retirement Plans

Defined Contribution Plan

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

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

Employees are immediately vested in their participant contributions and become vested in employer contributions to the plan over a five-year period. For the year ended December 31, 2023, the Town's total payroll was $504,583, the total covered payroll by the retirement plan was $441,525. During 2023, the Town and employees each made their respectively required contribution of $18,225, for a total of $36,450. Complete financial statements for the retirement plans may be obtained from CRA, 4949 S. Syracuse St., Suite 400, Denver, Colorado, 80237.

Note 8 - Capital Assets

Capital asset activities for the year ended December 31, 2023, was as follows:

	Balance 1/1/2023	Additions	Deletions	Balance 12/31/2023
Governmental Activities				
Capital assets not being depreciated				
Land	$ 322,258	$ -	$ -	$ 322,258
Capital assets being depreciated				
Buildings	1,162,018	-	-	1,162,018
Equipment and furniture	507,046	-	-	507,046
Infrastructure	1,966,308	-	-	1,966,308
Ball fields and parks	825,938	-	-	825,938
Less: Accumulated depreciation	(1,943,105)	(134,580)	-	(2,077,685)
	2,518,205	(134,580)	-	2,383,625
Governmental Activities				
Capital assets, net	$ 2,840,463	$ (134,580)	$ -	$ 2,705,883

Note 8 - Capital Assets- (continued)

	Balance 1/1/2022	Additions	Deletions	Balance 12/31/2022
Business-Type Activities				
Capital assets not being depreciated				
Construction in progress	$ 171,544	$ -	$ (95,403)	$ 76,141
Land and water rights	1,535,000	-	-	1,535,000
	1,706,544	-	(95,403)	1,611,141
Capital assets being depreciated				
Buildings and improvements	181,461	-	-	181,461
Equipment and furniture	357,921	-	-	357,921
Distribution system	12,866,239	474,767	-	13,341,006
Less: Accumulated depreciation	(4,463,638)	(339,765)	-	(4,803,403)
	6,419,469	135,002	-	9,076,985
Business-Type Activities				
Capital assets, net	$ 7,954,469	$ 135,002	$ (95,403)	$ 10,688,126

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

General government	$ 21,594
Public works	85,254
Culture and recreation	27,732
	$ 134,580
Water Fund	$ 339,765

Note 9 - Long-Term Liabilities

Governmental Activities	Balance January 1, 2021	Additions	Reductions	Balance December 31, 2021	Due Within One Year
Accrued compensated absences	$ 32,675	$ 35,025	$ (32,675)	$ 35,025	$ 35,025
Total	$ 32,675	$ 35,025	$ (32,675)	$ 35,025	$ 35,025
Enterprise Activities					
Loan payable - SRF	$ 1,572,399	$ -	$ (76,704)	$ 1,495,695	$ 77,859
Total	$ 1,572,399	$ -	$ (76,704)	$ 1,495,695	$ 77,859

Note 9 - Long-Term Liabilities- (continued)

Loan Payable-Colorado Water Resources and Power Development Authority

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

Year	Principal	Interest	Total
2024	$ 77,859	$ 22,145	$ 100,004
2025	79,032	20,972	100,004
2026	80,221	19,782	100,003
2027	81,429	18,575	100,004
2028	82,655	17,349	100,004
2029-2033	432,323	67,696	500,019
2034-2038	465,863	34,156	500,019
2039-2040	196,313	3,695	200,008
	$ 1,495,695	$ 204,370	$ 1,700,065

Town of Orchard City
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund
For the Year Ended December 31, 2023

Revenues	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
Taxes:				
Franchise	$ 86,000	$ 86,000	$ 95,749	$ 9,749
	86,000	86,000	95,749	9,749
Intergovernmental				
Other taxes	1,000	1,000	2,156	1,156
Sales tax	250,000	250,000	370,475	120,475
Severance tax	2,000	2,000	13,426	11,426
Mineral leasing	3,000	3,000	35,177	32,177
Planning commission	500	500	1,057	557
Total intergovernmental	256,500	256,500	422,291	165,791
License and permits	15,500	15,500	24,946	9,446
Miscellaneous				
Interest on deposits	2,000	2,000	207,693	205,693
Rent	100	100	1,630	1,530
Other	100	100	5,135	5,035
Total revenues	360,200	360,200	757,444	397,244
Expenditures				
Salaries and benefits	101,863	101,863	86,389	15,474
Utilities	3,500	3,500	3,405	95
Telephone	1,300	1,300	656	644
Office supplies	4,000	4,000	4,246	(246)
Postage	1,000	1,000	614	386
Computer support	10,000	10,000	4,801	5,199
Building repairs and supplies	6,000	6,000	10,598	(4,598)
Trash removal	1,475	1,475	1,028	447
Janitorial services	11,970	11,970	11,970	-
Insurance	9,693	9,693	9,693	-
Town clothing	1,000	1,000	232	768
Dues and subscriptions	1,150	1,150	-	1,150
Newsletter	7,000	7,000	-	7,000
Website	2,600	2,600	2,609	(9)
Trustee fees and other	22,500	22,500	14,486	8,014
Conference and schools	5,000	5,000	1,816	3,184
Town picnic and other	10,000	10,000	9,565	435
Miscellaneous	1,487	1,487	1,471	16
Board meeting and supplies	5,000	5,000	2,668	2,332
Community room help	1,000	1,000	230	770
Planning commission	2,200	2,200	1,506	694
Public notices and ads	1,700	1,700	732	968
Professional fees	14,500	14,500	5,651	8,849
Records management	3,000	3,000	-	3,000
GIS update mapping	1,500	1,500	1,620	(120)
Treasurer's fees	250	250	243	7
Total general government	$ 230,688	$ 230,688	$ 176,229	$ 54,459

See accompanying notes to the basic financial statements.

Town of Orchard City
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund
For the Year Ended December 31, 2023

Building department				
Supplies	$ 1,300	$ 1,300	$ 686	$ 614
Training and meetings	700	700	125	575
Vehicle expense	3,000	3,000	-	3,000
Total Building department	5,000	5,000	1,845	3,155
Public safety				
Mosquito control	11,700	11,700	22	11,678
Juvenile diversion	2,000	2,000	-	2,000
Total public safety	88,700	88,700	67,376	21,324
Donations				
Dolphin House	-	-	1,500	(1,500)
All points transportation	2,869	2,869	2,869	-
Animal control	2,000	2,000	2,000	-
Food bank	2,000	2,000	2,000	-
Student of the month	900	900	500	400
Hospice	1,500	1,500	2,000	(500)
Other	17,461	17,461	5,403	12,058
Total donations	28,730	28,730	16,272	12,458
Contingency	10,000	10,000	-	10,000
Reserve	11,845	11,845	-	11,845
Total expenditures	374,963	374,963	261,722	113,241
Excess of revenues over (under) expenditures	(14,763)	(14,763)	495,722	510,485
Other Financing sources (uses)				
Transfer out	(31,697)	(31,697)	(31,697)	-
Excess of revenues and sources over and (under) expenditures and use	(46,460)	(46,460)	464,025	510,485
Fund balance - January 1	3,779,952	3,779,952	3,910,071	130,119
Fund balance - December 31	$ 3,733,492	$ 3,733,492	$ 4,374,096	$ 640,604

See accompanying notes to the basic financial statements.

Town of Orchard City
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Road Maintenance Fund
For the Year Ended December 31, 2023

Revenues	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
Intergovernmental				
State shared				
HUTF	$ 145,642	$ 145,642	$ 148,959	$ 3,317
Motor vehicle fees	16,000	16,000	16,217	217
Motor vehicle - sales tax	2,500	2,500	5,993	3,493
County road and bridge	11,000	11,000	12,187	1,187
Total intergovernmental	175,142	175,142	183,356	8,214
Miscellaneous				
Interest on deposits	300	300	48,330	48,030
Other	-	-	2,040	2,040
Total revenues	175,442	175,442	233,726	58,284
Expenditures				
Public Works:				
Salaries and benefits	42,202	42,202	40,189	2,013
Snow removal	5,000	5,000	180	4,820
Travel and training	2,000	2,000	50	1,950
Vehicle expense	9,000	9,000	4,144	4,856
Improvement projects	225,000	225,000	158,456	66,544
Street sign	2,000	2,000	1,011	989
Miscellaneous	2,000	2,000	1,494	506
Utilities and telephone	3,800	3,800	2,716	1,084
Insurance	4,847	4,847	4,851	(4)
Professional fees	2,000	2,000	1,875	125
Weed Control	1,000	1,000	515	485
Repairs and maintenance	16,000	16,000	2,888	13,112
Supplies and materials-streets	6,000	6,000	5,483	517
Capital Outlay	45,000	45,000	10,935	34,065
Reserves	10,975	10,975	-	10,975
Total Expenditures	376,824	376,824	234,787	142,037
Excess (deficiency) of revenues over expenditures	(201,382)	(201,382)	(1,061)	200,321
Fund balance - January 1	944,958	944,958	974,247	29,289
Fund balance - December 31	$ 743,576	$ 743,576	$ 973,186	$ 229,610

See accompanying notes to the basic financial statements.

Town of Orchard City
Park and Recreation Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
Revenues				
Franchise taxes	$ 2,600	$ 2,600	$ 2,801	$ 201
Lease income	1,500	1,500	500	(1,000)
Miscellaneous	1,500	1,500	3,440	1,940
Total Revenues	5,600	5,600	6,741	1,141
Expenditures				
Salaries and benefits	21,250	21,250	20,791	459
Utilities and telephone	8,500	8,500	6,474	2,026
Vehicle Expenses	6,000	6,000	2,575	3,425
Building maintenance	1,000	1,000	116	884
Landscaping	500	500	-	500
Insurance	4,847	4,847	4,846	1
Equipment maintenance	2,000	2,000	96	1,904
Park maintenance	12,500	12,500	2,634	9,866
Miscellaneous	2,600	2,600	5,620	(3,020)
Audit and budget	2,000	2,000	1,875	125
Tabor reserve	1,836	1,836	-	1,836
Total expenditures	63,033	63,033	45,027	18,006
Excess (deficiency) of revenues over expenditures	(57,433)	(57,433)	(38,286)	19,147
Other Financing Sources (Uses)				
Transfer in (out)	31,697	31,697	31,697	-
Total other financing sources (uses)	31,697	31,697	31,697	-
Net change to fund balance	(25,736)	(25,736)	(6,589)	19,147
Fund balance, January 1	25,736	25,736	27,131	1,395
Fund balance, December 31	$ -	$ -	$ 20,542	$ 20,542

See accompanying notes to the basic financial statements.

Town of Orchard City
Conservation Trust Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
Revenues				
State Lottery Funds	$ 28,000	$ 28,000	$ 45,066	$ 17,066
Contributions-County	20,000	20,000	-	(20,000)
Interest earnings	100	100	392	292
Total revenues	48,100	48,100	45,458	(2,642)
Expenditures				
Culture and recreation				
Capital Outlay	85,000	85,000	54,879	30,121
Total expenditures	85,000	85,000	54,879	30,121
Excess of revenues over (under) expenditures	(36,900)	(36,900)	(9,421)	27,479
Fund balance, January 1	168,880	168,880	179,785	10,905
Fund balance, December 31	$ 131,980	$ 131,980	$ 170,364	$ 38,384

Town of Orchard City
Water Fund
Schedule of Revenues, Expenditures and Changes in Available Resources-Budget and Actual
(Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
Revenues				
Charges for services	$ 950,000	$ 950,000	$ 1,036,565	$ 86,565
Water station vending	3,500	3,500	12,512	9,012
Supplies and repairs	1,000	1,000	11,829	10,829
Interest on earnings	1,000	1,000	128,113	127,113
Miscellaneous	-	-	2,223	2,223
Total revenues	955,500	955,500	1,191,242	235,742
Expenditures				
Salaries and benefits	613,950	613,950	585,313	28,637
Purchased services, supplies and materials	54,000	54,000	50,201	3,799
Repairs and maintenance	366,000	366,000	95,629	270,371
Capital outlay	16,000	16,000	4,996	11,004
Miscellaneous	16,500	16,500	1,749	14,751
Utilities	23,700	23,700	24,049	(349)
Telephone	8,200	8,200	5,282	2,918
Insurance	19,386	19,386	19,390	(4)
Professional services	27,000	27,000	8,718	18,282
Office expenses	31,690	31,690	25,677	6,013
Training and travel	5,000	5,000	2,443	2,557
Vehicle expense	22,600	22,600	17,267	5,333
Water assessments	9,000	9,000	9,820	(820)
Safety equipment	3,000	3,000	2,729	271
Reserves	95,000	95,000	-	95,000
Total expenditures	1,311,026	1,311,026	853,263	457,763
Excess of revenues over (under) expenditures	(355,526)	(355,526)	337,979	693,505
Available resources-January 1	2,359,189	2,359,189	2,473,653	114,464
Accruals: Long Term Debt	-	-	76,704	76,704
Available resources-December 31	$ 2,003,663	$ 2,003,663	$ 2,888,336	$ 884,673

Town of Orchard City
Water Capital Construction Fund
Schedule of Revenues, Expenditures and Changes in Available Resources-Budget and Actual
(Non-GAAP Budgetary Basis)
Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
Revenues				
Charges for services	$ 200,000	$ 200,000	$ 215,602	$ 15,602
Tap fees	6,500	6,500	50,400	43,900
Interest	3,500	3,500	79,310	75,810
Total revenues	210,000	210,000	345,312	135,312
Expenditures				
Loan processing fees	-	-	50	(50)
Capital outlay- Waterline replacement	775,000	775,000	412,712	362,288
Repairs and maintenance	10,000	10,000	600	9,400
SRF loan payment	100,050	100,050	100,004	46
Total expenditures	885,050	885,050	513,366	371,684
Excess of revenues over (under) expenditures	(675,050)	(675,050)	(168,054)	506,996
Available resources-January 1	2,354,040	2,354,040	729,752	(1,624,288)
Available resources-December 31	$ 1,678,990	$ 1,678,990	$ 561,698	$ (1,117,292)

Town of Orchard City
Water Acquisition Fund
Schedule of Revenues, Expenditures and Changes in Available Resources-Budget and Actual
(Non-GAAP Budgetary Basis)
Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
Revenues				
Water Conveyance Fee	$ -	$ -	$ 16,000	$ 16,000
Interest income	100	100	13,483	13,383
Total revenues	100	100	29,483	29,383
Expenditures				
Water shares	50,000	50,000	9,287	40,713
Total expenditures	50,000	50,000	9,287	40,713
Excess of revenues over (under) expenditures	(49,900)	(49,900)	20,196	70,096
Available resources-January 1	336,934	336,934	341,427	4,493
Available resources-December 31	$ 287,034	$ 287,034	$ 361,623	$ 74,589