

TOWN OF WALDEN, COLORADO

ANNUAL FINANCIAL REPORT

December 31, 2023

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HAMBLIN AND ASSOCIATES, LLC

Certified Public Accountants

Member of the American Institute of Certified Public Accountants

23720 Pondview Place
Golden, CO 80401

(303) 981-7059

Independent Auditor's Report

To the Mayor and Board of Trustees
Town of Walden, 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 Walden, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Town of Walden'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 Walden, 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 Walden, 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 Walden'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 Walden'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 about the Town of Walden's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Walden'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 combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Hamblin and Associates, LLC

Golden, Colorado
July 22, 2024

Basic Financial Statements

TOWN OF WALDEN, COLORADO

STATEMENT OF NET POSITION

December 31, 2023

	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL
ASSETS			
CURRENT ASSETS			
Cash and equivalents	\$ 655,720	\$ 964,707	\$ 1,620,427
Restricted cash	1,892	207,079	208,971
Investments	20,010	-	20,010
Receivables:			
Accounts	4,333	206,801	211,134
Accrued interest	44	-	44
Property taxes	87,753	-	87,753
Due from other governments	66,616	-	66,616
Inventories	4,412	179,448	183,860
TOTAL CURRENT ASSETS	840,780	1,558,035	2,398,815
CAPITAL ASSETS, NET	439,996	3,808,591	4,248,587
TOTAL ASSETS	1,280,776	5,366,626	6,647,402
DEFERRED OUTFLOWS OF RESOURCES			
Loss on refunding	-	17,916	17,916
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	8,919	108,130	117,049
NONCURRENT LIABILITIES			
Due within one year	-	192,272	192,272
Due in more than one year	-	1,074,599	1,074,599
TOTAL NONCURRENT LIABILITIES	-	1,266,871	1,266,871
TOTAL LIABILITIES	8,919	1,375,001	1,383,920
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	87,753	-	87,753
NET POSTION			
Net investment in capital assets	439,996	2,541,720	2,981,716
Restricted for			
Debt services	-	207,079	207,079
Emergencies	38,000	-	38,000
Parks and capital asset acquisitions	464,789	-	464,789
Unrestricted	241,319	1,260,742	1,502,061
TOTAL NET POSITION	\$ 1,184,104	\$ 4,009,541	\$ 5,193,645

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

TOWN OF WALDEN, COLORADO

STATEMENT OF ACTIVITIES
Year Ended December 31, 2023

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

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		PRIMARY GOVERNMENT		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS - TYPE ACTIVITIES	TOTAL
GOVERNMENTAL ACTIVITIES						
General government	\$ 982,236	\$ 356,000	\$ 9	\$ (626,227)	\$ -	\$ (626,227)
Public safety	189,454	-	-	(189,454)	-	(189,454)
Streets and highways	104,665	-	30,354	(74,311)	-	(74,311)
Culture and recreation	31,368	-	8,338	(23,030)	-	(23,030)
TOTAL GOVERNMENTAL ACTIVITIES	1,307,723	356,000	38,701	(913,022)	-	(913,022)
BUSINESS-TYPE ACTIVITIES						
Water and Sewer	695,996	461,708	-	-	(234,288)	(234,288)
Gas	1,157,454	1,300,686	-	-	143,232	143,232
TOTAL BUSINESS-TYPE ACTIVITIES	1,853,450	1,762,394	-	-	(91,056)	(91,056)
GENERAL REVENUES						
Property taxes				82,051	-	82,051
Specific ownership taxes				23,429	-	23,429
Sales tax				663,653	-	663,653
Franchise taxes				15,836	-	15,836
Other taxes				108,071	-	108,071
License and permits				11,007	-	11,007
Other miscellaneous revenue				30,055	57,247	87,302
Unrestricted interest income				7,110	-	7,110
Transfers				(94,253)	94,253	-
TOTAL GENERAL REVENUES				848,942	151,500	1,000,442
CHANGE IN NET POSITION				(64,082)	60,444	(3,638)
NET POSITION - Beginning				1,248,186	3,949,097	5,197,283
NET POSITION - Ending				\$ 1,184,104	\$ 4,009,541	\$ 5,193,645

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

TOWN OF WALDEN, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
 December 31, 2023

	<u>General</u>	<u>Streets And Alleys</u>	<u>Conservation Trust</u>	<u>Sales Tax Capital Improvement</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and equivalents	\$ 170,893	\$ 37,055	\$ 39,092	\$ 335,292	\$ 73,388	\$ 655,720
Restricted cash	1,892	-	-	-	-	1,892
Investments	20,010	-	-	-	-	20,010
Receivables:						
Property taxes	78,267	-	-	-	9,486	87,753
Accrued interest	44	-	-	-	-	44
Due from other governments	49,599	-	-	17,017	0	66,616
Inventories	-	4,412	-	-	-	4,412
Total Assets	\$ 325,038	\$ 41,467	\$ 39,092	\$ 352,309	\$ 82,874	\$ 840,780
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES						
Accounts Payable, accrued liabilities and other	\$ 8,068	\$ 851	\$ -	\$ -	\$ -	\$ 8,919
TOTAL LIABILITIES	8,068	851	-	-	-	8,919
DEFERRED INFLOWS OF RESOURCES						
Unearned revenue - property taxes	78,267	-	-	-	9,486	87,753
FUND BALANCES						
Nonspendable						
Inventories	-	4,412	-	-	-	4,412
Restricted						
Parks	-	-	39,092	-	-	39,092
Capital asset acquisition	-	-	-	352,309	73,388	425,697
Emergencies	35,500	2,500	-	-	-	38,000
Assigned						
Streets and alleys maintenance	-	33,704	-	-	-	33,704
Unassigned	203,203	-	-	-	-	203,203
TOTAL FUND BALANCES	238,703	40,616	39,092	352,309	73,388	744,108
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	\$ 325,038	\$ 41,467	\$ 39,092	\$ 352,309	\$ 82,874	\$ 840,780
TOTAL FUND BALANCE - GOVERNMENTAL FUNDS						\$ 744,108
Amounts reported for governmental activities in the Statement of Net Position are different because:						
Capital assets used in governmental activities are not current resources and therefore are not reported in the funds:						
						<u>439,996</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES						<u>\$ 1,184,104</u>

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

TOWN OF WALDEN, COLORADO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

Year Ended December 31, 2023

	General	Streets And Alleys	Conservation Trust	Sales Tax Capital Improvement	Capital Projects	Total Governmental Funds
REVENUES						
Taxes	\$ 546,606	\$ -	\$ -	\$ 215,840	\$ 14,005	\$ 776,451
Licenses and Permits	11,007	-	-	-	-	11,007
Intergovernmental Revenue	108,071	38,872	8,338	-	-	155,281
Charges for Services	356,000	-	-	-	-	356,000
Fines and forfeits	1,983	-	-	-	-	1,983
Investment Income	7,110	-	-	-	-	7,110
Miscellaneous	30,012	50	-	-	-	30,062
TOTAL REVENUES	1,060,789	38,922	8,338	215,840	14,005	1,337,894
EXPENDITURES						
Current						
General Government	913,049	-	-	-	-	913,049
Public Safety	187,305	-	-	-	-	187,305
Streets and Highways	10,914	84,697	43,266	-	-	138,877
Health and Welfare	47,795	-	-	-	-	47,795
Culture and Recreation	23,620	-	-	-	-	23,620
TOTAL EXPENDITURES	1,182,683	84,697	43,266	-	-	1,310,646
REVENUE OVER (UNDER) EXPENDITURES	(121,894)	(45,775)	(34,928)	215,840	14,005	27,248
OTHER FINANCING SOURCES (USES)						
Transfers In (out)	37,588	72,564	-	(204,405)	-	(94,253)
NET CHANGE IN FUND BALANCES	(84,306)	26,789	(34,928)	11,435	14,005	(67,005)
FUND BALANCES - Beginning	323,009	13,827	74,020	340,874	59,383	811,113
FUND BALANCE - Ending	\$ 238,703	\$ 40,616	\$ 39,092	\$ 352,309	\$ 73,388	\$ 744,108

Net Change in Fund Balances - Total Governmental Funds

\$ (67,005)

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures.

However, for governmental activities, those costs are shown in the statement of net position and allocated over the useful lives as annual depreciation expense.

Capitalized Assets - Purchased	43,988
Capitalized Assets - Adjustments	(4,980)
Depreciation expense	(36,085)
Change in Net Position - Governmental Activities	\$ (64,082)

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

TOWN OF WALDEN, COLORADO

STATEMENT OF NET POSITION
BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS
December 31, 2023

	Public Utility Fund	Gas Utility Fund	Total
ASSETS			
CURRENT ASSETS			
Cash and equivalents	\$ 73,110	\$ 891,597	\$ 964,707
Cash restricted with fiscal agent	-	207,079	207,079
Receivables			
Accounts	46,338	160,463	206,801
Inventories	144,919	34,529	179,448
TOTAL CURRENT ASSETS	264,367	1,293,668	1,558,035
CAPITAL ASSETS			
Property, plant and equipment	7,630,453	3,700,748	11,331,201
Accumulated depreciation	(4,954,828)	(2,567,782)	(7,522,610)
TOTAL CAPITAL ASSETS	2,675,625	1,132,966	3,808,591
TOTAL ASSETS	2,939,992	2,426,634	5,366,626
DEFERRED OUTFLOWS OF RESOURCES			
Loss on refunding	-	17,916	17,916
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable, accrued expenses and other	21,152	86,978	108,130
Notes payable	-	93,303	93,303
Bonds payable	38,969	60,000	98,969
TOTAL CURRENT LIABILITIES	60,121	240,281	300,402
NONCURRENT LIABILITIES			
Notes payable	-	92,349	92,349
Bonds payable	292,647	689,603	982,250
TOTAL NONCURRENT LIABILITIES	292,647	781,952	1,074,599
TOTAL LIABILITIES	352,768	1,022,233	1,375,001
NET POSITION			
Net investment in capital assets	2,344,009	197,711	2,541,720
Restricted for debt services	-	207,079	207,079
Unrestricted	243,215	1,017,527	1,260,742
TOTAL NET POSITION	\$ 2,587,224	\$ 1,422,317	\$ 4,009,541

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

TOWN OF WALDEN, COLORADO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS

Year Ended December 31, 2023

	<u>Public Utility Fund</u>	<u>Gas Utility Fund</u>	<u>Total</u>
OPERATING REVENUES			
Charges for services	\$ 461,708	\$ 1,300,686	\$ 1,762,394
Other operating	-	-	-
	<u>461,708</u>	<u>1,300,686</u>	<u>1,762,394</u>
TOTAL OPERATING REVENUES			
OPERATING EXPENSES			
General and administrative	228,410	-	228,410
Water plant operations	205,159	-	205,159
Sewer plant operations	55,282	-	55,282
Cost of gas purchased	-	519,379	519,379
Gas utility operations	-	523,325	523,325
Depreciation	194,645	94,512	289,157
	<u>683,496</u>	<u>1,137,216</u>	<u>1,820,712</u>
TOTAL OPERATING EXPENSES			
NET OPERATING INCOME (LOSS)	<u>(221,788)</u>	<u>163,470</u>	<u>(58,318)</u>
NONOPERATING REVENUE (EXPENSES)			
Transfers in (out)	94,253	-	94,253
Other nonoperating income	6,613	43,634	50,247
Tap fees	7,000	-	7,000
Grant expense	(6,436)	-	(6,436)
Interest Expense	(6,064)	(20,238)	(26,302)
	<u>95,366</u>	<u>23,396</u>	<u>118,762</u>
TOTAL NONOPERATING REVENUES (EXPENSES)			
NET INCOME (LOSS)	(126,422)	186,866	60,444
CHANGE IN NET POSITION	(126,422)	186,866	60,444
NET POSITION - Beginning	<u>2,713,646</u>	<u>1,235,451</u>	<u>3,949,097</u>
NET POSITION - Ending	<u>\$ 2,587,224</u>	<u>\$ 1,422,317</u>	<u>\$ 4,009,541</u>

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

TOWN OF WALDEN, COLORADO

STATEMENT OF CASH FLOWS
BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS
Year Ended December 31, 2023

	<u>Public Utility Fund</u>	<u>Gas Utility Fund</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers and users	\$ 390,879	\$ 1,375,022	\$ 1,765,901
Payments to suppliers	(511,000)	(1,064,635)	(1,575,635)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>(120,121)</u>	<u>310,387</u>	<u>190,266</u>
Cash Flows From Noncapital Financing Activities:			
Tap fees and other non-operating income	<u>13,613</u>	<u>43,634</u>	<u>57,247</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Principal paid on long-term obligations	(38,356)	(183,706)	(222,062)
Interest paid on long-term obligations	(6,064)	(20,238)	(26,302)
NET CASH (USED IN) PROVIDED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(44,420)</u>	<u>(203,944)</u>	<u>(248,364)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	(56,675)	150,077	93,402
CASH AND CASH EQUIVALENTS, Beginning	<u>129,785</u>	<u>948,599</u>	<u>1,078,384</u>
CASH AND CASH EQUIVALENTS, Ending	<u>\$ 73,110</u>	<u>\$ 1,098,676</u>	<u>\$ 1,171,786</u>
RECONCILIATION OF OPERATING INCOME(LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ (221,788)	\$ 163,470	\$ (58,318)
Adjustments to Reconcile Operating Income (Loss) to net cash provided (used) by operating activities:			
Depreciation	194,645	94,512	289,157
Changes in assets and liabilities:			
(Increase) Decrease in accounts receivable	(2,284)	74,336	72,052
(Increase) Decrease in inventory	(68,545)	-	(68,545)
Increase (decrease) in accounts payable	(22,149)	(21,931)	(44,080)
Total Adjustments	<u>101,667</u>	<u>146,917</u>	<u>248,584</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ (120,121)</u>	<u>\$ 310,387</u>	<u>\$ 190,266</u>

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

TOWN OF WALDEN, COLORADO

FIREMAN'S PENSION FUND
STATEMENT OF FIDUCIARY NET POSITION

December 31, 2023

ASSETS

Cash and cash equivalents	\$ 40,782
Receivables	
Property taxes	2,370
Due from other governments	<u>3,277</u>
TOTAL ASSETS	<u>\$ 46,429</u>

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND PLAN NET POSITION

LIABILITIES

Accounts Payable	\$ -
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DEFERRED INFLOW OF RESOURCES

Unearned revenue - property taxes	2,370
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PLAN NET POSITION

Held in trust for pension benefits	<u>44,060</u>
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TOTAL LIABILITES, DEFERRED INFLOWS OF RESOURCES AND PLAN NET POSTION	<u>\$ 46,430</u>
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The accompanying notes are an integral part of the financial statements.

TOWN OF WALDEN, COLORADO

FIREMEN'S PENSION FUND
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
Year Ended December 31, 2023

ADDITIONS	
Investment earnings and other	\$ 377
General property taxes	2,865
Specific ownership taxes	535
State contribution	6,322
Jackson County contribution	3,600
Town contribution	5,000
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TOTAL ADDITIONS	18,699
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DEDUCTIONS	
Retirement	19,200
Treasurer's fees and other	279
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TOTAL DEDUCTIONS	19,479
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NET DECREASE	(780)
NET POSITION - Beginning	44,840
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NET POSITION - Ending	\$ 44,060
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The accompanying notes are an integral part of the financial statements.

TOWN OF WALDEN, COLORADO
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2023

1. Summary Of Significant Accounting Policies

The Town of Walden, Colorado (the Town), operates as a statutory town under Colorado law. The Town is governed by a Board of Trustees consisting of six elected trustees and an elected mayor. The Town provides for the following services as authorized by law: public safety (police and fire), streets and highways, water, sewer, gas, health and welfare, culture and recreation, public improvements, planning and general administrative services.

The accounting policies of the Town conform to generally accepted accounting principles (GAAP). The following is a summary of the Town's significant policies:

Reporting Entity

The Town is considered a primary government for financial reporting purposes since it is a general purpose local government. A primary government consists of all funds, organizations, departments, and offices that are part of the municipal corporation and not legally separate.

The financial statements include those of the Town (primary government) and organizations for which the Town is financially accountable (component units). Together, these organizations comprise the Town's reporting entity. The reporting entity includes only the financial statements of the primary government, since there are no component units.

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 nonfiduciary activities of the Town. Governmental activities, which are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely for the most part on fees and charges for services.

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

TOWN OF WALDEN, COLORADO
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2023

1. Summary of Significant Accounting Policies (Continued)

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 governmental funds and major individual enterprise 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 and fiduciary 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.

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 collectible 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. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, franchise taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available when cash is received.

The Town reports the following major governmental funds:

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

TOWN OF WALDEN, COLORADO
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2023

1. Summary of Significant Accounting Policies (Continued)

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than capital projects) that are legally restricted or committed to expenditures for specified purposes. The Town has three major special revenue funds: (1) the Street and Alley Fund, which is funded primarily by highway user taxes and motor vehicle special assessments; (2) the Conservation Trust Fund to account for state-shared revenues from the Colorado State Lottery and (3) the Sales Tax Capital Improvement Fund to account for a voter-approved sales tax to be used for capital improvements.

Capital Projects Fund - The Capital Projects Fund is used to account for the acquisition or construction of major capital assets (other than those financed by proprietary funds). The principal funding sources are property taxes and transfers from the General Fund. The Town maintains only one capital projects fund.

The Town reports the following major proprietary funds:

Enterprise Funds - The Town has two major enterprise funds: (1) the Public Utilities Fund, which is used to account for the furnishing of water, sewer and waste disposal services and (2) the Gas Utility Fund, which is used to separately account for the operations of the gas utility owned and operated by the Town.

The Town reports the following fiduciary fund:

Pension Trust Fund - The Firemen's Pension Fund is used to account for assets held by the Town in a trustee capacity for pension benefits to qualified personnel.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. The major exception to this rule is administrative charges between the general governmental and water and sewer functions. Elimination of these charges would distort the direct costs and program revenues reported for these functions.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's enterprise funds are charges to customers for sales and services.

TOWN OF WALDEN, COLORADO
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2023

1. Summary of Significant Accounting Policies (Continued)

Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Property taxes are levied by the Board of Trustees in accordance with the Town's budget development procedures. Property assessments are performed by the Jackson County Assessor, while property taxes are collected by the Jackson County Treasurer. Property taxes are collected in the year after the property is assessed and the taxes levied.

The property taxes are an ad valorem (according to value) tax levied on taxable real and personal property on the basis of assessed valuation. Real property consists of land and associated improvements. Personal property includes any portable property used to generate income (inventories, equipment, etc.). Two factors account for the income derived from property taxes: (1) the calculation of assessed valuation and (2) the mill levy.

	Tax Year
Beginning of fiscal year for taxes	January 1
Assessed valuation certified by County Assessor	August 25
Property tax levy by Board of Trustees	December 15
Tax levy certified to County Commissioners	December 15
County Commissioners certify levy to County Assessor	December 22
	Ensuing Collection Year
Taxes attach as an enforceable lien on property	January 1
County Assessor delivers tax warrant to County Treasurer	January 10
Tax notices rendered	January 10
First installment due date (one-half of taxes due)	February 28
Taxes due in full (unless installments elected by taxpayer)	April 30
Second installment due date (second half due)	June 15

Stewardship, Compliance and Accountability

Annual budgets are established for all funds of the Town. Budgetary comparisons are included in the appropriate financial statements and schedules as required by law. The legal level of budgetary control for all funds is at the individual fund level. All appropriations unexpended at the end of the year lapse to the applicable fund. Encumbrance accounting is not used by the Town for budget or financial reporting purposes.

TOWN OF WALDEN, COLORADO
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2023

1. Summary of Significant Accounting Policies (Continued)

The following is a summary of the procedures used in establishing budgetary data reflected in the financial statements:

1. On or before October 15, the Town Clerk submits to the Board of Trustees a proposed budget for the next year.
2. A public hearing is conducted to obtain taxpayer comments.
3. Prior to December 1, the Board adopts the budget and passes the appropriation and mill levy ordinances.
4. After commencement of the fiscal year, the appropriation ordinance is non-repealable. However, the Board may adopt supplemental appropriations by ordinance or resolution due to circumstances which could not be foreseen at the time of adoption of the original budget.

Investments

The Town has stated its investments at fair value in accordance with Governmental Accounting Standards Board (GASB) Statement No. 31. Investments in money market funds, U.S. Treasury funds and local government investment pools are at fair value, which is determined by the fund trustee using quoted market prices. The fair value of the Town's position in the pool is the same as the value of the pool shares.

Receivables

Accounts and loans receivable are expressed net of allowances for doubtful accounts.

Inventory

Inventories are valued at cost using the first-in, first-out method and are expensed as they are used.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), 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 two years.

TOWN OF WALDEN, COLORADO
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2023

1. Summary of Significant Accounting Policies (Continued)

In the case of capitalization of general *infrastructure* capital assets (i.e., those reported by governmental activities) at transition, the Town chose to include such assets *prospectively* beginning at the effective date of GASB Statement No. 34. As a Phase 3 government, the Town is not required to, and therefore has chosen not to, report major general infrastructure assets retroactively.

Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

<u>Capital Asset Type</u>	<u>Years</u>
Buildings	40 - 50
Building improvements	15 - 20
Public domain infrastructure	10 - 50
Water and sewer system infrastructure	15 - 50
Gas system infrastructure	40
Machinery and equipment	5 - 20

Compensated Absences

Vacation and sick pay are expensed when paid. Accumulated unpaid vacation is not accrued at December 31 since it is considered immaterial. Accumulated unpaid sick leave is not accrued since it does not meet the criteria for accrual.

Statement of Cash Flows

For purposes of the statement of cash flows, the Town considers highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Time deposits are not considered cash equivalents for the statement of cash flows.

Refundings of Long-Term Debt

For refunding resulting in defeasance of debt in proprietary funds, the difference between the reacquisition price and the net carrying amount of the refunded debt is deferred and amortized using the straight-line method to interest expense over the life of the new debt or the refunded debt, whichever is shorter.

TOWN OF WALDEN, COLORADO
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2023

1. Summary of Significant Accounting Policies (Continued)

Deferred Outflows and Inflows of Resource

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that period. The Town has a deferred loss on refunding, which is recorded as a deferred outflow. The deferred loss results from the difference in the carrying value of refunded debt and its reacquisition price. The amount is reported in the statement of net position and is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Property tax revenue that is related to a future period is 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.

Net Position

Net position is comprised of the various net earnings from operating income, nonoperating revenues and expenses and capital contributions. Net position is classified into the following three components:

Net investment in capital assets - This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any borrowings that are attributable to the acquisition, construction or improvement of those assets. If there are significant unspent related debt proceeds at year end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

Restricted - This component of net position consists of constraints imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted - This component of net position consists of amounts that do not meet the definition of "restricted" or "net investment in capital assets."

TOWN OF WALDEN, COLORADO
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2023

1. Summary of Significant Accounting Policies (Continued)

If both restricted and unrestricted resources are available to use for the same purpose, it is the Town's policy to use restricted resources first, and then unrestricted resources as they are needed.

Fund Balance

In the fund financial statements, governmental funds report fund balances based on GASB reporting standards that establish criteria for classifying fund balances into specifically defined classifications to make the nature and extent of constraints both useful and understandable. The classifications comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified in the financial statements as follows:

Nonspendable fund balance - those amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact, such as inventories or revolving loans.

Restricted fund balance - those amounts that are restricted for specific purposes due to externally imposed constraints imposed by creditors, grantors, constitutional provisions, laws or regulations of other governments or enabling legislation of the Town that is legally enforceable, such as Conservation Trust Fund balances or TABOR emergency reserves.

Committed - includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Trustees, the Town's highest level of decision-making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Trustees.

Assigned fund balance - those amounts that are constrained by the Town's intent to use for specific purposes, but are neither restricted nor committed, such as capital projects. Only the Board of Trustees has authority to assign funds.

Unassigned fund balance - those amounts that are remaining after amounts are set aside using the above classifications.

TOWN OF WALDEN, COLORADO
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2023

1. Summary of Significant Accounting Policies (Continued)

Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates that affect amounts reported in the financial statements during the reporting period. Actual results could differ from such estimates.

2. Cash and Investments

The Town's pooled cash checking account is available for use by all funds of the Town. Each fund type's portion of this pooled account is reflected on the balance sheet. Investments held separately by several of the Town's funds included Certificates of Deposit.

Cash Deposits

Colorado statutes require protection of public moneys in banks and savings and loans beyond that provided by federal depository insurance. The Public Deposit Protection Act (PDPA) in Section 11-10.5-107(5), C.R.S., requires all units of local government to deposit cash in eligible public depositories. Eligible public depositories are required to pledge designated eligible collateral that has a market value equal to at least 102% of the deposits exceeding those amounts insured by federal insurance. Upon liquidation of a defaulting eligible depository, the statute requires the State Banking Board to seize the eligible collateral, liquidate the collateral and repay the public deposits to the depositing government.

PDPA allows financial institutions to create a single collateral pool for all public funds. The pool for all the uninsured deposits is to be maintained by a third-party custodian. The custodian is required to hold the securities in the name of the collateral pool (that is, collectively for the governments secured by the collateral). The eligible collateral is defined by PDPA. The State Division of Banking monitors the naming of eligible public depositories and the reporting of uninsured deposits and assets maintained in the collateral pools. Under PDPA, the local government's responsibility is to ensure that the bank is a PDPA-eligible depository, register with the Division of Banking to obtain an Official Custodian Identification Number and provide the bank with the assigned number before funds are deposited.

TOWN OF WALDEN, COLORADO
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2023

2. Cash and Investments (Continued)

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover collateral securities that are in the possession of a third party. Pursuant to Statement No. 40 of GASB, deposits are exposed to custodial credit risk if they are not covered by federal depository insurance and the deposits are:

(1) Uncollateralized, (2) collateralized with securities held by the pledging financial institution or (3) collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor - government's name. If a government has deposits at the end of the fiscal year that are exposed to custodial credit risk, the amount of those deposits must be disclosed.

Since the Town's deposits are in an eligible public depository and its deposits are recognized by the custodian as one of the governments covered by the financial institution's collateral pool, the Town's deposits are fully collateralized, and there is no custodial credit risk.

At December 31, 2023, the carrying value of the Town's deposits was \$1,890,190, and the bank balances were \$1,293,567. Of the bank balances, \$270,010 was covered by federal deposit insurance, and the remainder was collateralized under PDPA.

Certificates of Deposit held by the Town are subject to penalties for early withdrawal.

Investment policies are governed by Colorado statute and the Town's own investment policies. Investments of the Town may include the following (certain limitations apply):

- Obligations of the United States and its agencies
- Obligations which are guaranteed by the United States government
- Obligations of the World Bank, Inter-American Development Bank and African Development Bank
- General obligation bonds of any state, District of Columbia, U.S. territory or any of their subdivisions
- Revenue bonds of any state, District of Columbia, U.S. territory or any of their subdivisions
- Bankers acceptances issued by state or national banks
- Commercial paper
- The Town's own obligations
- Repurchase agreements in U.S. government and U.S. government agency securities
- Money market funds
- Guaranteed investment contracts
- Designated local government investment pools

TOWN OF WALDEN, COLORADO
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2023

2. Cash and Investments (Continued)

Custodial Credit Risk - Investments

Investments of the Town are exposed to custodial credit risk if the securities are uninsured, are not registered in the Town's name and are held by either the counterparty to the investment purchase or the counterparty's trust department or agent but not in the Town's name. As of December 31, 2023, the Town's investments are limited to local government investment pools.

Credit Quality Risk

Credit quality risk is the risk that the issuer or other counterparty to a debt security will not fulfill its obligations. This risk is assessed by national rating agencies which assign a credit quality rating for many investments. Credit quality ratings for obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not reported; however, credit quality ratings are reported for obligations of U.S. government agencies that are not explicitly guaranteed by the U.S. government. As of December 31, 2023, the Town invested funds in COLOTRUST, which are rated AAAM by the Standard and Poor's Corporation, with market and book value of \$430,482.

Concentration of Credit Risk

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

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.

Foreign Currency Risk

The Town's investments were not subject to foreign currency risk.

Restricted Cash

Restricted cash consists of certificates of deposit pledged as collateral to secure funds for the revolving loan program.

TOWN OF WALDEN, COLORADO
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2023

3. Capital Assets

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

	<u>Balance</u> <u>01/01/23</u>	<u>Additions</u>	<u>Adjustments/</u> <u>Deletions</u>	<u>Balance</u> <u>12/31/23</u>
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 45,114	\$ -	\$ -	\$ 45,114
Capital assets being depreciated:				
Buildings	218,038	-	-	218,038
Improvements other than buildings	1,040,668	-	-	1,040,668
Infrastructure	66,275	-	-	66,275
Vehicles and equipment	255,698	43,988	-	299,686
Total Capital Assets Being Depreciated	<u>1,580,679</u>	<u>43,988</u>	<u>-</u>	<u>1,624,667</u>
Less accumulated depreciation:				
Buildings	(157,309)	(3,324)	4,978	(165,611)
Improvements other than buildings	(730,277)	(22,893)	-	(753,170)
Infrastructure	(63,093)	(397)	-	(63,490)
Vehicles and equipment	(238,043)	(9,471)	-	(247,514)
Total accumulated depreciation	<u>(1,188,722)</u>	<u>(36,085)</u>	<u>4,978</u>	<u>(1,229,785)</u>
Net Capital Assets Being Depreciated	<u>391,957</u>	<u>7,903</u>	<u>4,978</u>	<u>394,882</u>
Net Governmental Activities Capital Assets	<u>\$ 437,071</u>	<u>\$ 7,903</u>	<u>\$ 4,978</u>	<u>\$ 439,996</u>
 Business-Type Activities				
Capital assets not being depreciated:				
Land	\$ 99,839	\$ -	\$ -	\$ 99,839
Water rights	60,220	-	-	60,220
Total Capital Assets Not Being Depreciated	<u>160,059</u>	<u>-</u>	<u>-</u>	<u>160,059</u>
Capital assets being depreciated:				
Water plant and system	4,855,199	-	-	4,855,199
Sewer plant and system	2,120,473	-	-	2,120,473
Water and Sewer Equipment	474,423	-	-	474,423
Gas plant and system	3,559,840	-	-	3,559,840
Gas vehicles and equipment	140,908	-	-	140,908
Total Capital Assets Being Depreciated	<u>11,150,843</u>	<u>-</u>	<u>-</u>	<u>11,150,843</u>
Less accumulated depreciation:				
Water plant and system	(3,468,694)	(121,100)	-	(3,589,794)
Sewer plant and system	(1,141,679)	(53,442)	-	(1,195,121)
Water and Sewer Equipment	(149,810)	(20,103)	-	(169,913)
Gas plant and system	(2,346,034)	(88,998)	-	(2,435,032)
Gas vehicles and equipment	(127,236)	(5,514)	-	(132,750)
Total accumulated depreciation	<u>(7,233,453)</u>	<u>(289,157)</u>	<u>-</u>	<u>(7,522,610)</u>
Net Capital Assets Being Depreciated	<u>3,917,390</u>	<u>(289,157)</u>	<u>-</u>	<u>3,628,233</u>
Net Business-Type Activities Capital Assets	<u>\$ 4,077,449</u>	<u>\$ (289,157)</u>	<u>\$ -</u>	<u>\$ 3,788,292</u>

TOWN OF WALDEN, COLORADO
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2023

3. Capital Assets (Continued)

Depreciation expense was charged to functions as follows:

General government	\$ 21,392
Public safety	2,149
Streets and alleys	4,796
Culture and recreation	7,748
Governmental Activities Total	\$ 36,085
Business-Type Activities	
Public Utilities (Water & Sewer)	\$ 194,645
Gas Utilities	94,512
Business-type Activities Total	\$ 289,157

4. Interfund Balances

At December 31, 2023, there are no Due To or Due From balances because the amounts are settled in pooled cash.

5. Long-Term Debt

Bonds Payable

During 2006, the Town issued its Public Utility Enterprise Water Revenue Bond, Series 2006, in the amount of \$900,000 to help pay for upgrades to the Town's water treatment facilities. As part of the transaction, the Town entered into a loan agreement with the Colorado Water Resources and Power Development Authority (CWRPDA). Under the terms of the loan agreement, the Town is obligated to repay the loan plus interest at 1.75% in annual installments of \$44,602. The Town pledged its net revenue from the operation of the water utility for repayment of the loan and is required to provide rates and charges in order to maintain coverage of 110% on its Public Utility Enterprise obligations. The loan is payable from and collateralized by the Town's water and sewer revenues in the amount of \$758,386 through 2031. Principal and interest paid for the current year and pledged revenue received was \$44,602. The proportion of the pledged revenue to total water revenues is not estimable because annual fees and usage fluctuate. The balance of the bond at December 31, 2023 is \$331,616.

TOWN OF WALDEN, COLORADO
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2023

5. Long-Term Debt (Continued)

The requirements to amortize the bond payable to maturity are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 38,969	\$ 5,634	\$ 44,602
2025	39,654	4,949	44,602
2026	40,351	4,252	44,602
2027	41,060	3,542	44,602
2028	41,781	2,821	44,602
2029-2032	129,802	4,015	133,818
	<u>\$ 331,616</u>	<u>\$ 25,212</u>	<u>\$ 356,828</u>

The Town's Gas Utility Fund obligations at December 31, 2023, consist of the following:

\$1,005,000 Gas Revenue Refunding Bonds, Series 2019 - These bonds were issued for the purpose of refinancing the 1996A bonds. The 2019 bonds bear interest of 2.597% and are payable annually on June 1 from 2020 through 2034. Interest is payable each June 1 and December 1 as long as the bonds are outstanding.

Debt service requirements for the Series 2019 gas utility revenue bonds are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 60,000	\$ 19,038	\$ 79,038
2025	60,000	17,688	77,688
2026	65,000	16,125	81,125
2027	65,000	14,500	79,500
2028	65,000	12,875	77,875
2029-2033	365,000	36,419	401,419
2034	80,000	1,100	81,100
	<u>\$ 760,000</u>	<u>\$ 117,744</u>	<u>\$ 877,744</u>

The carrying amount of the Town's gas utility revenue bonds consists of \$60,000 current portion and \$749,603 long-term portion (long-term portion of principal of \$760,000 plus \$3,958 unamortized bond premium, less \$14,355 unamortized bond discount).

TOWN OF WALDEN, COLORADO
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2023

5. Long-Term Debt (Continued)

Jackson County \$830,000 promissory note for a loan on January 18, 2015 - This note bears interest at 3.5% and is payable annually on January 18th from 2016 through 2025. Note proceeds were used to pay off the 2002 bonds, repay monies borrowed from other funds of the Town, and repay the 1996 bond reserve.

The requirements to amortize the note payable to maturity are as follows:

Year	Principal	Interest	Total
2024	\$ 93,303	\$ 6,498	\$ 99,800
2025	92,350	3,232	95,582
	\$ 185,652	\$ 9,730	\$ 195,382

Interest expense of \$20,238 and \$6,064 was incurred by the Gas Utility and Public Utilities Funds, respectively, in 2023, all of which was charged to expense.

Long-term debt activity for the year ended December 31, 2023, was as follows:

	Balance January 1, 2023	Additions	Reductions	Balance December 31, 2023	Due Within One Year
Business-Type Activities					
Gas revenue bond payable -2019	\$ 820,000	\$ -	\$ (60,000)	\$ 760,000	\$ 60,000
Gas revenue bond premium	4,326	-	(368)	3,958	-
Gas revenue bond discount	(15,690)	-	1,335	(14,355)	-
Jackson County note payable - Gas	275,800	-	(90,147)	185,652	93,303
Water bond payable - CWRPDA	369,972	-	(38,355)	331,616	38,969
Total Business-Type Activities	\$ 1,454,407	\$ -	\$ (187,536)	\$ 1,266,871	\$ 192,272

TOWN OF WALDEN, COLORADO
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2023

6. Pension Plan - Volunteer Firemen's Pension Plan

The Town has a Volunteer Firemen's Pension Plan (the Plan) which has characteristics of both a defined benefit plan and a defined contribution plan. The Town accounts for the plan as a defined benefit plan. The Plan is noncontributory regarding participants. Under state statutes, the Town has no obligation to keep the Plan actuarially sound.

The Plan was established pursuant to the authority of the Colorado statutes in effect at the time of inception of the Plan. The Plan is governed by the Pension Board of the North Park Volunteer Fire Department and is accounted for in the Firemen's Pension Fund.

The Plan is a defined benefit plan covering volunteer firefighters of the North Park Fire Department. The Plan provides \$100 of monthly retirement payments to volunteer firemen after they have completed 20 years of service. The Fund also provides death and disability payments to members of the volunteer fire department injured or killed in the line of duty.

Funding is provided through property taxes levied by the Town, contributions from the State of Colorado and Jackson County, when available, and interest earned on investments. None of these entities are obligated to provide funding for the Plan. Eighteen retired volunteers are currently vested members of the Plan.

TOWN OF WALDEN, COLORADO
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2023

6. Pension Plan - Volunteer Firemen's Pension Plan (Continued)

Plan net assets of \$40,782 are held in cash and certificates of deposit at Mountain Valley Bank. Cash and certificates of deposit are fully insured by the Federal Deposit Insurance Corporation. Retirement payments are recognized as an expense when current benefits are paid to retirees.

Information that meets the parameters of GASB Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and GASB Statement No. 27, *Accounting for Pensions by State and Local Government Employers*, regarding the annual required contributions was not available for disclosure for the years 2009 through 2023 for the Plan since an actuarial study has not been prepared.

Statewide Pension Plan

The Town contributes to the Colorado Retirement Association (CRA) pension plan on behalf of all full-time nonuniformed employees. Employees are required to participate in the plan upon full-time employment.

The plan is a defined contribution plan through which contributions of employers are combined with contributions of employees and invested in income-earning instruments for the benefit of plan participants. Any county, municipality or special district of the State of Colorado may, with the consent of CRA, become a member and participate in the plan by adopting it for its officers and employees. During 2023, the Town and participating employees each contributed amounts equal to 3% of compensation to the plan. The total contribution in 2023 was \$4,480. Employee contributions must match employer contributions; however, employees may make additional voluntary contributions not to exceed 10% of compensation. Participants are immediately vested 100% in their own contributions and earnings. Vesting in employer contributions and earnings occurs at the rate of 20% per year. Copies of the plan's financial statements may be obtained from CRA.

TOWN OF WALDEN, COLORADO
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2023

7. Risk Management

The Town is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA). CIRSA is an organization created by intergovernmental agreement in 1982 solely to provide property and casualty coverage to its members. In 1987, CIRSA/WC was formed as a separate pool by intergovernmental agreement to provide coverage to members under the Colorado Workmen's Compensation Act. Both organizations have a legal obligation for claims against members to the extent that funds are available in annually established loss funds and amounts are available from insurance providers under excess specific and aggregate insurance contracts. Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members. CIRSA has indicated that the amount of any excess losses would be billed to members in proportion to their contributions in the year such excess occurs, although it is not legally required to do so. Settled claims have not exceeded coverage in any of the past three fiscal years.

8. Tax, Spending and Debt Limitations

Colorado voters passed an amendment (the Amendment) to the State Constitution, Article X, Section 20, also known as the Taxpayer Bill of Rights or TABOR, which has several limitations, including those for revenue, expenditures, property taxes and issuance of debt. The Amendment is complex and subject to judicial interpretation. In the opinion of management, the Town is in compliance with the provisions of the Amendment.

In accordance with the Amendment, an emergency reserve has been established for the Town to use for declared emergencies. The reserve is reflected as net position/fund balance "restricted/reserved for emergencies" in the financial statements.

On November 2, 1999, voters of the Town affirmed a "Debrucing measure" passed by the Board of Trustees, which exempts the Town from the revenue and spending limits of the Amendment. The measure allowed the Town to retain excess revenue in 1998 and any derived in future years.

9. Regulatory Matters

The Town operates a public utility in Colorado but has been ruled as exempt from the jurisdiction of the Colorado Public Utilities Commission. The Town also operates a public utility in Wyoming. As such, the Town is subject to the jurisdiction of the Wyoming Public Service Commission.

TOWN OF WALDEN, COLORADO
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2023

10. Revolving Loan Program

Several years ago, the Town received a grant for the purpose of establishing a "revolving loan" program. The Town pledges collateral as security for a local bank to make low-interest loans to local businesses in accordance with the program's guidelines. At December 31, 2023, the Town had \$86,155 available for this purpose.

11. Related-Party Transactions

The Board of Trustees receive minimal compensation for attending monthly meetings. For 2023, the Board voted that they receive zero compensation for 2023. There were no Trustees with relationships with local businesses that received financial compensation in 2023.

12. Jointly Governed Organization

The Town, through an intergovernmental agreement with Jackson County, created a fire authority (the Authority), which provides firefighting services to the citizens of both participating governments. The Authority is an independent legal entity organized under state statutes, and the Town has no equity interest in it. The Authority's governing board is comprised of two members from each of the participating governments.

13. Subsequent Events

The Town has evaluated subsequent events through the date on which the financial statements were available to be issued. There were not items to report.

Required Supplementary Information

TOWN OF WALDEN, COLORADO

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Year Ended December 31, 2023

	<u>ORIGINAL & FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES			
Taxes	\$ 462,546	\$ 546,606	\$ 84,060
Licences and permits	12,750	11,007	(1,743)
Intergovernmental	58,400	108,071	49,671
Charges for Services	356,000	356,000	-
Fines and forfeits	400	1,983	1,583
Investment earnings	1,500	7,110	5,610
Miscellaneous	45,050	30,012	(15,038)
TOTAL REVENUES	<u>936,646</u>	<u>1,060,789</u>	<u>124,143</u>
EXPENDITURES			
General government	920,200	913,049	7,151
Public safety	192,700	187,305	5,395
Streets and highways	13,000	10,914	2,086
Health and welfare	46,000	47,795	(1,795)
Culture and recreation	18,000	23,620	(5,620)
TOTAL EXPENDITURES	<u>1,189,900</u>	<u>1,182,683</u>	<u>7,217</u>
OTHER FINANCING SOURCES (USES)			
TRANSFERS IN (OUT)	65,000	37,588	27,412
NET CHANGE IN FUND BALANCE	(188,254)	(84,306)	103,948
FUND BALANCE - BEGINNING	<u>323,009</u>	<u>323,009</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 134,755</u>	<u>\$ 238,703</u>	<u>\$ 103,948</u>

See the accompanying Independent Auditor's Report.

TOWN OF WALDEN, COLORADO

BUDGETARY COMPARISON SCHEDULE

STREETS AND ALLEYS FUND

Year Ended December 31, 2023

	ORIGINAL & FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES			
Intergovernmental	\$ 37,250	\$ 38,872	\$ 1,622
TOTAL REVENUES	987,250	38,922	(948,328)
EXPENDITURES			
Streets and highways	1,095,000	84,697	1,010,303
NET CHANGE IN FUND BALANCE	(107,750)	(45,775)	61,975
OTHER FINANCING SOURCES (USES)			
Transfers In	120,000	72,564	(47,436)
REVENUE AND OTHER SOURCES IN EXCESS (DEFICIENCY) OF EXPENDITURES AND OTHER USES	12,250	26,789	14,539
FUND BALANCE - Beginning	13,827	13,827	-
FUND BALANCE - Ending	\$ 26,077	\$ 40,616	\$ 61,975

See the accompanying Independent Auditor's Report.

TOWN OF WALDEN, COLORADO

BUDGETARY COMPARISON SCHEDULE
CONSERVATION TRUST FUND
Year Ended December 31, 2023

	<u>ORIGINAL & FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES			
Intergovernmental	\$ 7,000	\$ 8,338	\$ 1,338
TOTAL REVENUES	<u>7,000</u>	<u>8,338</u>	<u>1,338</u>
EXPENDITURES			
Culture and Recreation	45,000	43,266	1,734
TOTAL EXPENDITURES	<u>45,000</u>	<u>43,266</u>	<u>1,734</u>
NET CHANGE IN FUND BALANCE	(38,000)	(34,928)	3,072
FUND BALANCE - Beginning	<u>74,020</u>	<u>74,020</u>	<u>-</u>
FUND BALANCE - Ending	<u><u>\$ 36,020</u></u>	<u><u>\$ 39,092</u></u>	<u><u>\$ 3,072</u></u>

See the accompanying Independent Auditor's Report.

TOWN OF WALDEN, COLORADO

BUDGETARY COMPARISON SCHEDULE
SALES TAX CAPITAL IMPROVEMENT FUND
Year Ended December 31, 2023

	<u>ORIGINAL & FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES			
Sales Taxes	\$ 155,000	\$ 215,840	\$ 60,840
Other Revenues	-	-	-
TOTAL REVENUES	<u>155,000</u>	<u>215,840</u>	<u>60,840</u>
OTHER FINANCING (USES)			
Transfers in (out)	<u>(250,000)</u>	<u>(204,405)</u>	<u>45,595</u>
NET CHANGE IN FUND BALANCE	(250,000)	11,435	261,435
FUND BALANCE - Beginning	<u>172,340</u>	<u>340,874</u>	<u>168,534</u>
FUND BALANCE - Ending	<u><u>\$ (77,660)</u></u>	<u><u>\$ 352,309</u></u>	<u><u>\$ 429,969</u></u>

See the accompanying Independent Auditor's Report.

Other Supplementary Information

TOWN OF WALDEN, COLORADO

BUDGETARY COMPARISON SCHEDULE

CAPITAL PROJECTS FUND

Year Ended December 31, 2023

	<u>ORIGINAL & FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES			
Taxes	\$ 13,731	\$ 14,005	\$ 274
TOTAL REVENUES	<u>13,731</u>	<u>14,005</u>	<u>274</u>
EXPENDITURES			
General Government	300	-	300
Capital Outlay	<u>20,000</u>	<u>-</u>	<u>20,000</u>
TOTAL EXPENDITURES	<u>20,300</u>	<u>-</u>	<u>20,300</u>
NET CHANGE IN FUND BALANCE	(6,569)	14,005	(20,026)
FUND BALANCE - Beginning	<u>59,383</u>	<u>59,383</u>	<u>-</u>
FUND BALANCE - Ending	<u>\$ 52,814</u>	<u>\$ 73,388</u>	<u>\$ (20,026)</u>

See the accompanying Independent Auditor's Report.

TOWN OF WALDEN, COLORADO

BUDGETARY COMPARISON SCHEDULE

FIREMAN FUND

Year Ended December 31, 2023

	ORIGINAL & FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
ADDITIONS			
Investment earnings and other	\$ 40	\$ 377	\$ 337
General Property taxes	2,927	2,865	(62)
Specific ownership taxes	350	535	185
State contribution	2,500	6,322	3,822
Jackson County contribution	3,600	3,600	-
Town contribution	5,000	5,000	-
TOTAL ADDITIONS	14,417	18,699	4,282
DEDUCTIONS			
Retirement	21,000	19,200	1,800
Treasurer's fees and other	825	279	546
TOTAL DEDUCTIONS	21,825	19,479	2,346
NET DECREASE	(7,408)	(780)	6,628
NET POSITION - BEGINNING	44,840	44,840	-
NET POSITION - ENDING	\$ 37,432	\$ 44,060	\$ 6,628

See the accompanying Independent Auditor's Report.

TOWN OF WALDEN, COLORADO

BUDGETARY COMPARISON SCHEDULE
PUBLIC UTILITY (WATER & SEWER) FUND
Year Ended December 31, 2023

	ORIGINAL & FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES			
Water	\$ 308,000	\$ 316,420	\$ 8,420
Sewer	145,000	145,288	288
Other	6,400	5,964	(436)
Tap fees	7,000	7,000	-
Transfers in	-	94,253	94,253
Interest	250	649	399
	646,650	569,574	(77,076)
EXPENDITURES			
Operating expenses	230,200	228,410	1,790
Other expenditures - water	209,800	205,159	4,641
Other expenditures - sewer	101,000	55,282	45,718
Interest expense	6,307	6,064	243
Payment on CWRPDA loan	38,296	38,356	(60)
Capital outlay	90,000	6,436	83,564
	675,603	539,707	135,896
EXCESS OF REVENUES OVER (UNDER)			
EXPENDITURES - BUDGET BASIS	<u>\$ (28,953)</u>	29,867	<u>\$ 58,820</u>
GAAP BASIS ADJUSTMENTS:			
		(194,645)	
Depreciation expense		38,356	
Payments on long-term debt		(156,289)	
TOTAL GAAP BASIS ADJUSTMENTS:			
		(126,422)	
NET INCOME - GAAP BASIS			
		2,713,646	
NET POSITION - Beginning			
		<u>\$ 2,587,224</u>	
NET POSITION - Ending			

See the accompanying Independent Auditor's Report.

TOWN OF WALDEN, COLORADO

BUDGETARY COMPARISON SCHEDULE

GAS UTILITY FUND

Year Ended December 31, 2023

	ORIGINAL & FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES			
Gas sales	\$ 1,087,000	\$ 1,081,609	\$ (5,391)
Monthly charges	222,100	219,077	(3,023)
Interest	7,500	28,103	20,603
Other	<u>110,000</u>	<u>15,531</u>	<u>(94,469)</u>
TOTAL REVENUES	<u>1,426,600</u>	<u>1,344,320</u>	<u>(82,280)</u>
EXPENDITURES			
Cost of gas purchased	580,000	519,379	60,621
Other operating expenses	772,200	521,240	250,960
Other expenditures			
Interest	20,250	20,238	12
Principal	60,000	183,706	(123,706)
Contingency	50,000	-	50,000
Capital outlay	<u>100,000</u>	<u>2,085</u>	<u>97,915</u>
TOTAL EXPENDITURES	<u>1,582,450</u>	<u>1,246,648</u>	<u>335,802</u>
EXCESS OF REVENUES OVER (UNDER)			
EXPENDITURES - BUDGET AND GAAP BASIS	<u>\$ (155,850)</u>	97,672	<u>\$ 253,522</u>
GAAP BASIS ADJUSTMENTS			
Depreciation		(94,512)	
Principal paid		<u>183,706</u>	
TOTAL GAAP BASIS ADJUSTMENTS		<u>89,194</u>	
NET INCOME - GAAP BASIS		186,866	
NET POSITION - Beginning		<u>1,235,451</u>	
NET POSITION - Ending		<u>\$ 1,422,317</u>	

See the accompanying Independent Auditor's Report.

1. Click Ctrl + A on a Windows machine or Command + A on a Mac to select all data.
2. Right-click your mouse and select Print.
3. Confirm that print settings are correct - make sure "selection only" isn't checked.
4. Print hard copy or to PDF.
5. Click "Edit Mode" to return to modifying your data.
6. Remember to click "Save" to save any changes.

Annual Highway Finance Report - CY23

Email address: sherry.townofwalden@gmail.com

City/County: Walden

Receipts, Disbursements & Costs

II - Receipts for Road & Street Purposes

A. Receipts from local sources

2. General Fund Appropriations:	\$	0.00
3. Other local imposts: <i>(from A.3. Total below)</i>	\$	0.00
4. Miscellaneous local receipts: <i>(from A.4. Total below)</i>	\$	72,614.00
5. Transfers from toll facilities	\$	0.00
6. Proceeds of sale of bonds and notes		
a. Bonds - Original Issues:	\$	0.00
b. Bonds - Refunding Issues:	\$	0.00
c. Notes:	\$	0.00

SubTotal: \$ 72,614.00

B. Private Contributions \$ 0.00

Receipts, Disbursements & Costs

II - Receipts for Road & Street Purposes (Detail)

A.3. | Other local imposts

a. Property Taxes & Assessments	\$	0.00
b. Other Local Imposts		
1. Sales Taxes:	\$	0.00
2. Infrastructure and Impact Fees:	\$	0.00
3. Liens:	\$	0.00
4. Licenses:	\$	0.00
5. Specific Ownership and/or Other:	\$	0.00
	<hr/>	
Total: (a - b) carried to 'Other local imposts' above)	\$	0.00

A.4. | Miscellaneous local receipts

a. Interest on Investments:	\$	0.00
b. Traffic fines and Penalties:	\$	0.00
c. Parking Garage Fees:	\$	0.00
d. Parking Meter Fees:	\$	0.00
e. Sale of Surplus Property:	\$	0.00
f. Charges for Services:	\$	0.00
g. Other Misc. Receipts:	\$	50.00
h. Other:	\$	72,564.00
	<hr/>	
Total: (a through h) carried to 'Misc local receipts' above)	\$	72,614.00

C. Receipts from State Government

1. Highway User Taxes:	\$	30,354.42
3. Other State funds:		
c. Motor Vehicle Registrations:	\$	8,517.54
d. Other (Specify):		
Comments: <input type="text" value="undefined"/>	\$	0.00
e. Other (Specify):		
Comments: <input type="text" value="undefined"/>	\$	0.00

Total: (a through h) carried to 'Misc local receipts' above) \$ 72,614.00

C. Receipts from State Government

1. Highway User Taxes: \$ 30,354.42

3. Other State funds:

c. Motor Vehicle Registrations: \$ 8,517.54

d. Other (Specify):

Comments: undefined \$ 0.00

e. Other (Specify):

Comments: undefined \$ 0.00

Total: (1+3c,d,e) \$ 38,871.96

D. Receipts from Federal Government

2. Other Federal Agencies

a. Forest Service: \$ 0.00

b. FEMA: \$ 0.00

c. HUD: \$ 0.00

d. Federal Transit Administration: \$ 0.00

e. U.S. Corp of Engineers \$ 0.00

f. Other Federal: \$ 0.00

Total: (2a-f) \$ 0.00

Receipts, Disbursements & Costs

III - Disbursements for Road & Street Purposes

A. Local highway disbursements

1. Capital outlay: (from 4.1.d. 'Total Capital Outlay' below) \$ 28,576.00

2. Maintenance: \$ 7,499.32

3. Road and street services

Receipts, Disbursements & Costs

III - Disbursements for Road & Street Purposes

A. Local highway disbursements

1. Capital outlay: (from A.1.d. 'Total Capital Outlay' below)	\$	28,576.00
2. Maintenance:	\$	7,499.32
3. Road and street services		
a. Traffic control operations:	\$	883.80
b. Snow and ice removal:	\$	3,749.66
c. Other:	\$	43,988.00
4. General administration and miscellaneous	\$	0.00
5. Highway law enforcement and safety	\$	0.00
Total: (A.1-5)	\$	84,696.78

B. Debt service on local obligations

1. Bonds		
a. Interest	\$	0.00
b. Redemption	\$	0.00
2. Notes		
a. Interest	\$	0.00
b. Redemption	\$	0.00
SubTotal: (1-2)	\$	0.00

C. Payments to State for Highways:

\$ 0.00

D. Payments to Toll Facilities:

\$ 0.00

Total Disbursements: (A+B+C+D) \$ 84,696.78

Receipts, Disbursements & Costs

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

	A. ON NATIONAL HIGHWAY SYSTEM	B. OFF NATIONAL HIGHWAY SYSTEM	C. TOTAL
A.1. Capital Outlay			
a. Right-Of-Way Costs:	\$ 0.00	\$ 0.00	\$ 0.00
b. Engineering Costs:	\$ 0.00	\$ 0.00	\$ 0.00
c. Construction			
1. New Facilities:	\$ 0.00	\$ 0.00	\$ 0.00
2. Capacity Improvements:	\$ 0.00	\$ 0.00	\$ 0.00
3. System Preservation:	\$ 0.00	\$ 28,576.00	\$ 28,576.00
4. System Enhancement:	\$ 0.00	\$ 0.00	\$ 0.00
5. Total Construction:			\$ 28,576.00
d. Total Capital Outlay: (Lines A.1.a. + 1.b. + 1.c.5)			\$ 28,576.00

Receipts, Disbursements & Costs

IV. Local Highway Debt Status

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

Receipts, Disbursements & Costs

V - Local Road & Street Fund Balance

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
\$ 10,191.45	\$ 111,485.96	\$ 84,696.78	\$ 36,980.63	\$ 0.00

Notes and Comments:

undefined

Please enter your name: undefined

Please provide a telephone number where you may be reached: 970-723-4344

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