

**Town of Basalt
Basalt, Colorado**

**Financial Statements
December 31, 2018**



**Town of Basalt
Comprehensive Annual Financial Report
December 31, 2018**

**Table of Contents
(continued)**

	Page
<u>Introductory Section:</u>	
Letter of Transmittal	i – iii
Organizational Chart	iv
<u>Financial Section:</u>	
Independent Auditor's Report	A1 – A2
Management's Discussion and Analysis	B1 – B10
<u>Basic Financial Statements:</u>	
Government-wide Financial Statements	
Statement of Net Position	C1
Statement of Activities	C2
Fund Financial Statements	
Balance Sheet – Governmental Funds	C3
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position	C4
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	C5
Reconciliation of Statement of Revenues, Expenditures, And Changes in Fund Balances of Governmental Funds to the Statement of Activities	C6
Statement of Net Position – Proprietary Funds	C7
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds	C8
Statement of Cash Flows – Proprietary Funds	C9
Notes to the Financial Statements	D1 – D27
<i>The accompanying notes are an integral part of the financial statements</i>	

**Town of Basalt
Comprehensive Annual Financial Report
December 31, 2018**

**Table of Contents
(continued)**

Page

Required Supplementary Information:

Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual:

General Fund	E1 - E2
Conservation Trust Fund	E3
Schedule of Employer's Proportionate Share of the Net Pension Liability/(Asset) - Statewide Defined Benefit Plan	E4
Schedule of District Contributions - Statewide Defined Benefit Plan	E5
Notes to the Required Supplementary Information	E6 - E7
Statement of Changes in Net Pension Liability and Related Ratios	E8
Schedule of Contributions	E9

Supplementary Information:

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (GAAP Basis) and Actual – Debt Service Fund	F1
Schedule of Revenues and Expenditures – Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis – Proprietary Funds:	
Water Fund	F2
Annual Schedule of Revenues and Expenditures for Roads, Bridges, and Streets	F3 - F7

Statistical Section:

Net Position by Component – Last Ten Years	G1
Changes in Net Position – Last Ten Years	G2 - G3
Fund Balances, Governmental Funds – Last Ten Years	G4
Changes in Fund Balances, Governmental Funds – Last Ten Years	G5 - G6

**Town of Basalt
Comprehensive Annual Financial Report
December 31, 2018**

**Table of Contents
(continued)**

<u>Statistical Section:</u>	Page
History of Revenues, Expenditures, and Changes in Fund Balance – Last Ten Years	
General Fund	G7
History of Revenues, Expenditures, and Changes in Net Position – Last Ten Years	
Water Fund	G8
Assessed Value and Actual Value of Taxable Property – Last Ten Years	G9
Property Tax Levies and Collections – Last Ten Years	G10
Principal Property Tax Payers – Current Year and Nine Years Ago	G11
Sales, Lodging, & Cigarette Tax Receipts – Last Ten Years	G12
Taxable Retail Sales by Industry – Last Ten Years	G13
Real Estate Transfer Assessment Receipts – Last Ten Years	G14
Parks and Open Space Sales Tax Receipts by Month – Last Ten Years	G15
Major Revenue Sources – Governmental Funds – Last Ten Years	G16
Outstanding Debt by Type – Last Ten Years	G17
Debt Service Requirements – Current Year through Final Maturity	G18
Operating Indicators by Function/Program – Last Ten Years	G19



INTRODUCTORY SECTION



July 12, 2019

To the Citizens of the Town of Basalt, Colorado;

The Town of Basalt is pleased to submit the 2018 audited financial statements for the fiscal year ending December 31, 2018. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Town. To the best of our knowledge and belief, the enclosed data is accurate in all material respects of operations of the various funds of the Town. All disclosures necessary to enable the reader to gain an understanding of the Town's financial activities have been included.

This report includes all funds of the Town. The Town provides a range of services including public safety, water utilities, construction and maintenance of streets and infrastructure, health and welfare, affordable housing, and recreational and cultural activities. Educational, fire protection, sanitary sewer, trash services, and portions of the water services in the Town are provided by separate entities.

The Management Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative and graphical introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

ECONOMIC CONDITION AND OUTLOOK

The Town of Basalt is located in the middle of the Roaring Fork Valley and is split between Eagle and Pitkin Counties. Eagle and Pitkin County are major winter and summer tourist destinations in the United States and also attract visitors from throughout the world.

The Town, incorporated in 1901, operates under a Home Rule Charter that was adopted during 1991. The Town is managed based on the Town Manager – Council form of government. The governing body is made up of six councilmembers, who serve four-year staggered terms. Councilmembers are limited to two consecutive four-year terms. The Mayor is elected to a four-year term and also is limited to the two consecutive four-year terms. The Town Manager serves as the Chief Executive Officer of the Town.

The Town's 2017 population is 4,170 with a current total annual expenditure budget of \$16,035,917 for all funds. The Town covers two square miles and approximately 90% of the privately-owned land has been developed. Because of its location in the Roaring Fork Valley, the tourism trade found in the Town of Snowmass Village (TOSV) and Aspen areas drives much of Basalt's business activity.

There are two primary commercial hubs in the Town. The "Old" downtown anchors the commercial area on the south and east side of town and the newer Willits mixed-used development anchors the commercial area on the north and west side of town. Other businesses within the Town include health care facilities, several schools, Basalt Regional Library, US Post Office, Woody Creek Distillery and many other support/service businesses for the area.

The Town has traditionally been viewed as a bedroom community to Aspen, offering convenient services, a small town atmosphere, comfortable living conditions, a family environment, and a variety of outdoor recreational opportunities.

The Town is home to two gold medal trout streams (Frying Pan and Roaring Fork Rivers) that are both a source of pride and are significant tourist attractions. The Town Council proactively addresses quality of life issues to ensure that the current standard of living is not only maintained, but ultimately enhanced. The Town, in cooperation with the Basalt Chamber of Commerce, hosts summer events that build on the area's strong tourism industry and bring guests and visitors to our two commercial centers.

MAJOR TOWN INITIATIVES

The Town continues to facilitate and encourage both the improvement and redevelopment of the Pan & Fork Trailer Park. This redevelopment effort supports the continued implementation of the Town's River Master Plan. In August of 2011, the Town and the Roaring Fork Community Development Corporation (RFCDC) jointly entered into an agreement for the purchase and eventual redevelopment of the Pan and Fork Trailer Park.

During 2018 and through to the date of this letter, the Town continued implementation of the Town's River Master Plan. This included improvements to the Town's River Park and continued discussions and agreements that are facilitating the occurrence of developing the River Park. Additionally, an accounting from 2011 through present was given to Council and the public regarding expenditures to date associated with the River Master Plan.

The Town is currently working on flood mitigation projects to prevent flooding due to the Lake Christine Fire that occurred in July, 2018. These projects are mostly funded through federal and state grants, and involve a partnership with Eagle County, Colorado Parks and Wildlife, and the Town of Basalt. These flood mitigation projects, on both public and private land, are budgeted at \$1.3 million in construction and planning costs.

The Town is in the process of updating the Town's master plan document. This undertaking has included feedback from the community, Council and staff to update the Town's plan to create a vision for the Town's future.

Additionally, the Town is currently researching a potential TABOR violation regarding the collection and setting of mill levies for property tax. The Town is, as of the date of this letter, working towards resolution of this issue.

FINANCIAL INFORMATION

Town management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Town are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of the control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

BUDGETARY & FINANCIAL CONTROLS

The Town maintains various budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Town's governing body. Activities in the General Fund, Special Revenue Fund, Debt Service Fund, and Water Fund are included in the annual appropriated budget. The legal level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is at the fund level. The Town also has worked to segregate duties between the two accounting staff members. For example, the Finance Director reconciles the bank statements, while the Senior Finance position runs payroll, accounts payable, and cash receipts systems day-to-day. Additionally, there is a dual control feature on our bank accounts that require two signors to approve any outgoing wires or transfers (an example is payroll).

The Town is planning to submit its audited financials for 2019 to Government Finance Officers Association for an excellence in reporting award. This is a prestigious and rigorous standard to meet, which we are hopeful will continue to build the public's trust that the Town is headed in the right direction with finances and accountability.

OTHER INFORMATION

Independent Audit

Colorado statutes require an annual audit of the Town's financial statements. The audit for 2018 was conducted by McMahan and Associates, Certified Public Accountants and their report on the financial statements is included in the financial section of this report.

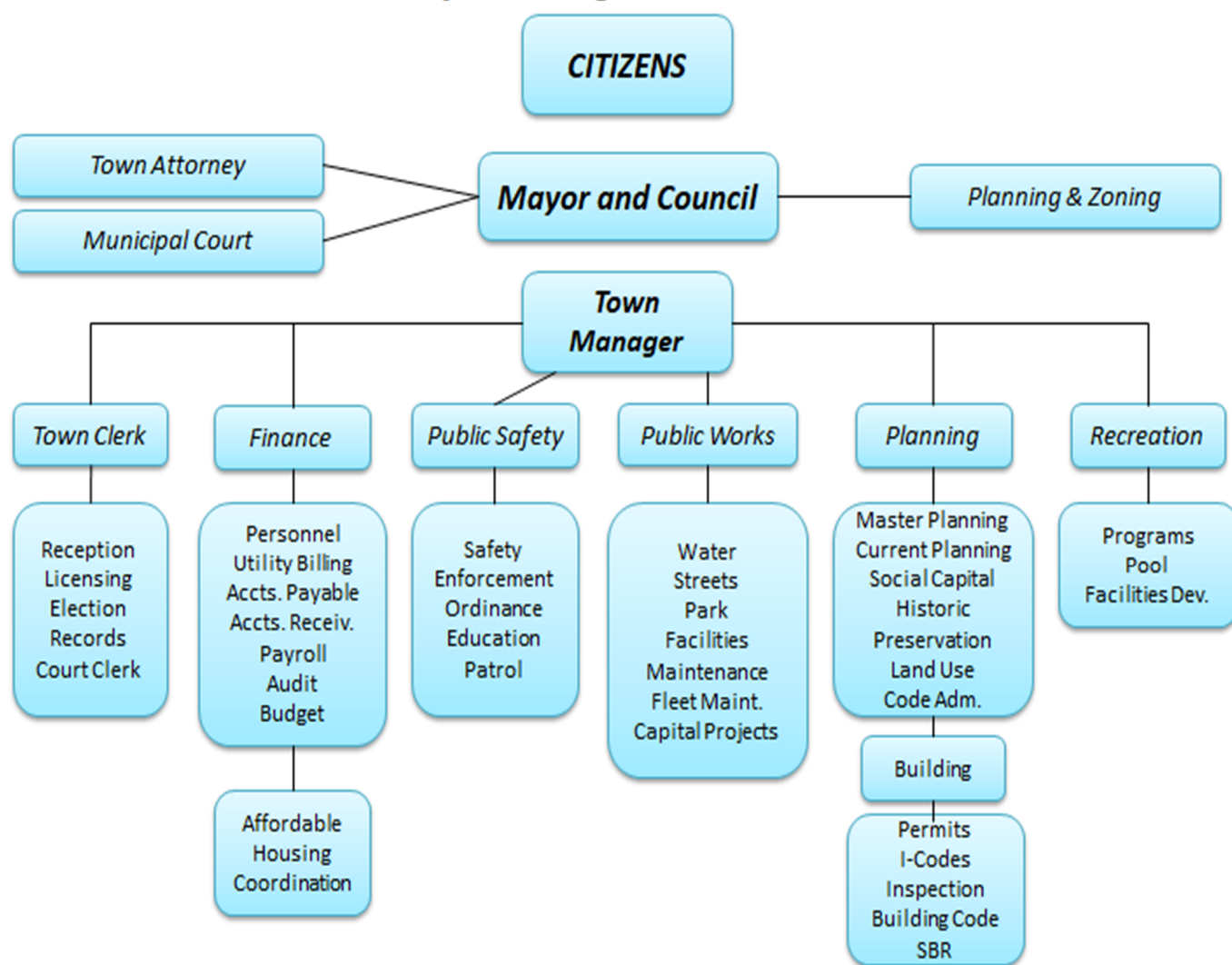
ACKNOWLEDGEMENTS

The preparation of this report was made possible by the dedicated services of the Town Council, the Town's new auditors, McMahan and Associates and the Town's finance department. Thank you to all for your diligence and pursuit of excellence in the preparation of this report.

Respectfully submitted,

Ryan Mahoney, Town Manager

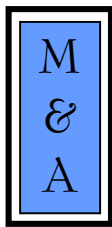
Town of Basalt Organizational Structure





FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT



McMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

CHAPEL SQUARE, BLDG C
245 CHAPEL PLACE, SUITE 300
P.O. Box 5850, AVON, CO 81620

WEB SITE: WWW.MCMAHANCPA.COM
MAIN OFFICE: (970) 845-8800
FACSIMILE: (970) 845-8108
E-MAIL: MCMAHAN@MCMAHANCPA.COM

INDEPENDENT AUDITOR'S REPORT

**To the Mayor and Town Council
Town of Basalt**

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Basalt (the "Town"), as of and for the year ended December 31, 2018, which collectively comprise the Town's basic financial statements as listed in the table of contents, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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 Basalt as of December 31, 2018, 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.

Member: American Institute of Certified Public Accountants

PAUL J. BACKES, CPA, CGMA
MICHAEL N. JENKINS, CA, CPA, CGMA
DANIEL R. CUDAHY, CPA, CGMA

AVON: (970) 845-8800
ASPEN: (970) 544-3996
FRISCO: (970) 668-3481

Other Matters

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis in Section B and the Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual, the Schedule of Proportion Share of the Net Pension Asset (Liability), Schedule of District Contributions, Notes to the Required information, Statement of Changes in Net Pension Liability and Related Ratios, and the Schedule of Contributions in Section E be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Management's Discussion and Analysis in Section B and information in Section E 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.

The budgetary comparison information in section F is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's financial statements as a whole. The *Local Highway Finance Report* in Section F are presented for purposes of additional analysis and are not a required part of the financial statements. The *Local Highway Finance Report* are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The introductory section and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



**McMahan and Associates, L.L.C.
July 10, 2019**

Town of Basalt, Colorado

Management's Discussion and Analysis December 31, 2018

As management of the Town of Basalt ("Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended December 31, 2018.

Background Information

The predominant fund approach for the Town is comprised of four basic funds, including: 1. General Fund; 2. Debt Service Fund; 3. Enterprise Fund, and 4. Special Revenue Fund.

Financial Highlights

- On the Town's Statement of Revenues, Expenditures and Changes in Fund Balances, the Town's fund balance increased in 2018 by \$1,937,574 for all governmental funds. This was attributable to \$1,476,255 increase in restricted balances in the General Fund, and \$424,713 increase in unrestricted balances.
- The Town's Debt Service Fund increased \$16,692 for 2018. The ending 2018 Fund Balance in the Debt Service Fund totals \$23,633.
- The Town's Conservation Trust Fund, a Special Revenue Fund, showed an increase in net position totaling \$19,913, with a current fund balance totaling \$183,902.
- The Town's Water Fund increased in Net Position for 2018 by \$294,940, with an ending fund balance as of 12/31/18 of \$4,222,797. The Net Invested in Capital Assets portion of the fund balance for the Water fund totals \$3,955,070, and \$267,727 in unrestricted fund balance.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements include 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.

Government-wide financial statements: The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all Town 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 the financial position of the Town 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 related 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 (i.e. uncollected taxes and earned but unused vacation leave.)

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the Town include general government, public safety, public works, culture and recreation, affordable housing, and health and welfare. The business-type activities of the Town are water services provided by the Town.

Overview of the Financial Statements (continued)

The government-wide financial statements can be found on pages C1 and C2 of this report.

Fund financial statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into three categories: governmental, proprietary and fiduciary 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 funds with similar 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 expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town adopts an annual appropriated budget for all funds to demonstrate compliance with the State budget statutes.

Proprietary funds: The Town reports one category of proprietary funds, which is known as Enterprise. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses enterprise funds to account for its water operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the business-type service provided by the Town, which is considered to be a major fund of the Town.

The basic proprietary fund financial statements can be found on pages C7 through C9 of this report. The Town also presents a budgetary comparison for its proprietary fund.

Notes to the 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. The Notes to the Financial Statements can be found on pages D1 through D27 of this report.

Overview of the Financial Statements (continued)

Government-wide Financial Analysis: The largest portion of the Town's assets is reflected in the investment in capital assets (i.e. land, buildings, improvements, and equipment). Capital assets account for 75.8% of the total assets. The Town uses these assets to provide services to its citizens.

Accordingly, these assets are not an available source for payment of future spending. Of the remaining net position, the Town's restricted net position has changed as follows:

The following graphs show the Town's net position for 2017 and 2018:

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Assets:						
Current and other assets	\$ 13,495,305	\$ 11,230,207	\$ 494,557	\$ 324,120	\$ 13,989,862	\$ 11,554,327
Capital assets	41,503,851	41,349,527	4,015,671	3,934,230	45,519,522	45,283,757
Total Assets	<u>54,999,156</u>	<u>52,579,734</u>	<u>4,510,228</u>	<u>4,258,350</u>	<u>59,509,384</u>	<u>56,838,084</u>
Liabilities:						
Other liabilities	5,630,492	5,701,551	29,939	1,885	5,660,431	5,703,436
Long-term liabilities	3,399,637	4,033,000	257,492	328,608	3,657,129	4,361,608
Total Liabilities	<u>9,030,129</u>	<u>9,734,551</u>	<u>287,431</u>	<u>330,493</u>	<u>9,317,560</u>	<u>10,065,044</u>
Deferred Inflow of Resources:						
Unavailable property tax revenue	1,963,720	1,931,026	-	-	1,963,720	1,931,026
Unavailable revenue - Other	66,984	2,512	-	-	66,984	2,512
Total deferred inflow of resources	<u>2,030,704</u>	<u>1,933,538</u>	<u>-</u>	<u>-</u>	<u>2,030,704</u>	<u>1,933,538</u>
Net position:						
Net investment in capital assets	38,288,851	37,316,464	3,758,179	3,605,622	42,047,030	40,922,086
Restricted	4,383,049	2,910,758	-	-	4,383,049	2,910,758
Unrestricted	1,266,423	684,423	464,618	322,235	1,731,041	1,006,658
Total Net Position	<u>\$43,938,323</u>	<u>\$ 40,911,645</u>	<u>\$ 4,222,797</u>	<u>\$ 3,927,857</u>	<u>\$48,161,120</u>	<u>\$44,839,502</u>

Overview of the Financial Statements (continued)

At the end of the current fiscal year, the Town reported positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same report can be made for the prior year.

The following chart is a summary of the Town's Change in Net Position:

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for services	\$ 1,281,388	\$ 1,225,455	\$ 885,481	\$ 671,421	\$ 2,166,869	\$ 1,896,876
Operating grants & contributions	935,110	256,710	14,768	-	949,878	256,710
Capital grants & contributions	1,097,708	4,656,011	273,706	19,390	1,371,414	4,675,401
General revenues:						
Property taxes	1,901,051	1,653,296	-	-	1,901,051	1,653,296
Sales and use taxes	6,086,425	5,925,043	-	-	6,086,425	5,925,043
Other taxes	886,114	599,960	-	-	886,114	599,960
Investment earnings & other revenue	136,698	441,591	7,180	3,802	143,878	445,393
Total Revenues	12,324,494	14,758,066	1,181,135	694,613	13,505,629	15,452,679
Expenses:						
General government	2,651,745	4,421,145	-	-	2,651,745	4,421,145
Public safety	2,033,117	2,406,660	-	-	2,033,117	2,406,660
Culture & recreation	1,020,129	791,106	-	-	1,020,129	791,106
Public works	1,617,148	1,413,368	-	-	1,617,148	1,413,368
Affordable housing	239,209	182,502	-	-	239,209	182,502
Health & welfare	19,206	-	-	-	19,206	-
Water	-	-	658,689	727,911	658,689	727,911
Interest (Included in 2017 under progr	96,507	-	-	-	96,507	-
Total Expenses	7,677,061	9,214,781	658,689	727,911	8,335,750	9,942,692
Change in Net Position before transfers	4,647,433	5,543,285	522,446	(33,298)	5,169,879	5,509,987
Transfers	227,506	225,910	(227,506)	(225,910)	-	-
Other 2017 Restatements	-	2,639,285	-	-	-	2,639,285
Special Items - TABOR Refund	(1,848,261)	-	-	-	(1,848,261)	-
Change in Net Position	3,026,678	8,408,480	294,940	(259,208)	3,321,618	8,149,272
Net Position - Beginning	40,911,645	32,503,165	3,927,857	4,187,065	44,839,502	36,690,230
Net Position - Ending	\$43,938,323	\$40,911,645	\$4,222,797	\$3,927,857	\$48,161,120	\$44,839,502

Governmental activities: Governmental activities increased the Town's net position by \$3,026,678.

Key elements of this increase are as follows:

- An increase in restricted funding net position of \$1,472,291, which is the change in the Town's remaining balance from 2018 operations of restricted revenues, less restricted expenses;
- An increase in net position due to Capital Assets, net of related debt, totaling \$972,387;
- An increase in fund balance due to operations totaling \$582,000.
- There was an operating grants and contribution increase primarily relating to Willits and Roaring Fork Club real estate transfer assessments.

Overview of the Financial Statements (continued)

Business-type activities: Business-type activities increased the Town's net position by \$294,940. Key elements of this change are as follows:

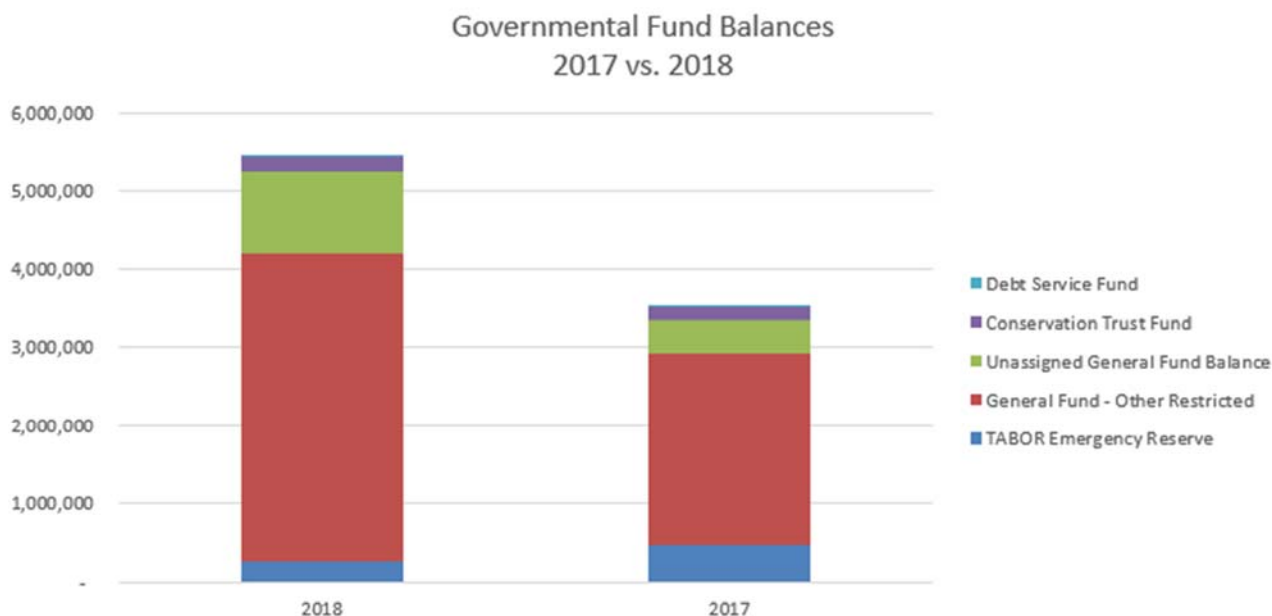
- Increase of investment in capital assets, net, totaling \$152,557. The net capital assets increased because the Town refurbished the 1 million gallon water tank in 2018, increasing capital assets by \$342,293.
- Increase in unrestricted operations totaling \$142,383.

Financial Analysis of the Town's Funds

As mentioned on page B1 of this analysis, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds: The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$5,457,388. However, the total unrestricted fund balance for the general fund as of the end of 2018 totals \$1,068,201, with the remaining \$4,389,187 in ending governmental fund balance for various restricted funding. Note the difference between restricted fund balance and unrestricted fund balance on the below graph. The Town's fund balances for past two years are presented in the graph below.

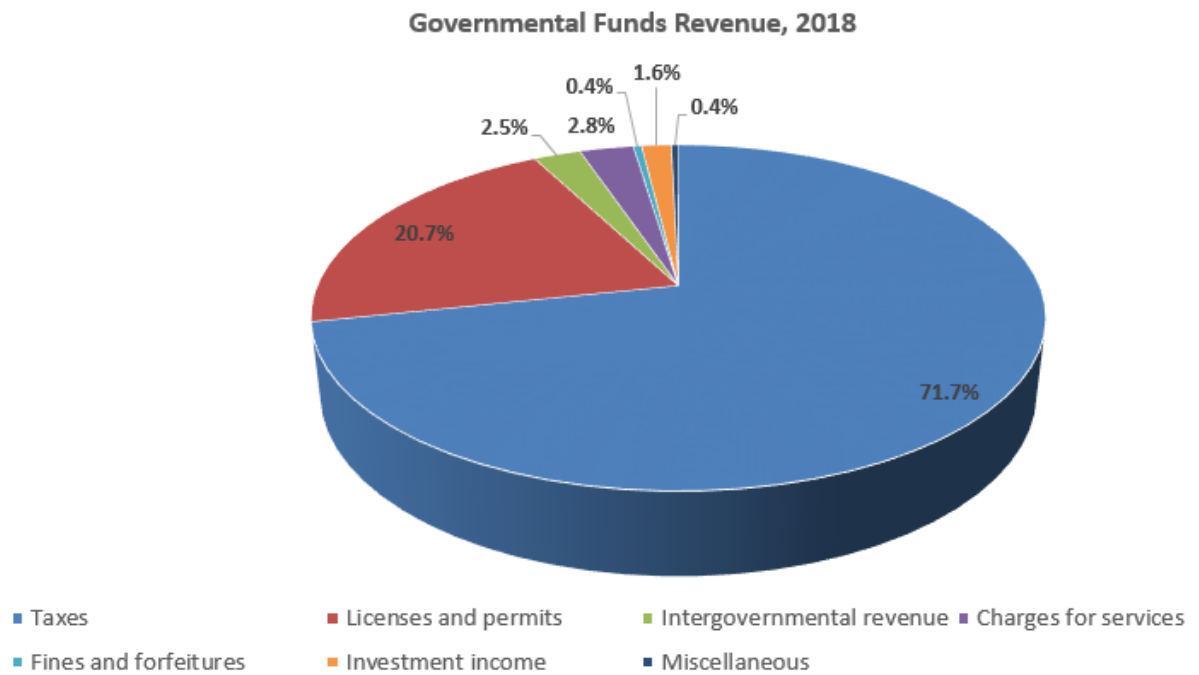
Fund balance is a useful indicator of whether the Town's financial position is improving or deteriorating. The improvement in the fund balance from 2017 to 2018 is a good indicator that the Town improved its financial position during 2018. However, the Town's \$1,068,201 unrestricted fund balance does not meet the Town's fund balance policy of 33% of unrestricted expenses in reserves for the general fund. The 33% expenditures fund balance policy would require \$2,614,927 in unrestricted fund balance, not including the expenditure booked in 2018 for the TABOR emergency reserve.



Financial Analysis of the Town's Funds (continued)

Governmental funds (continued):

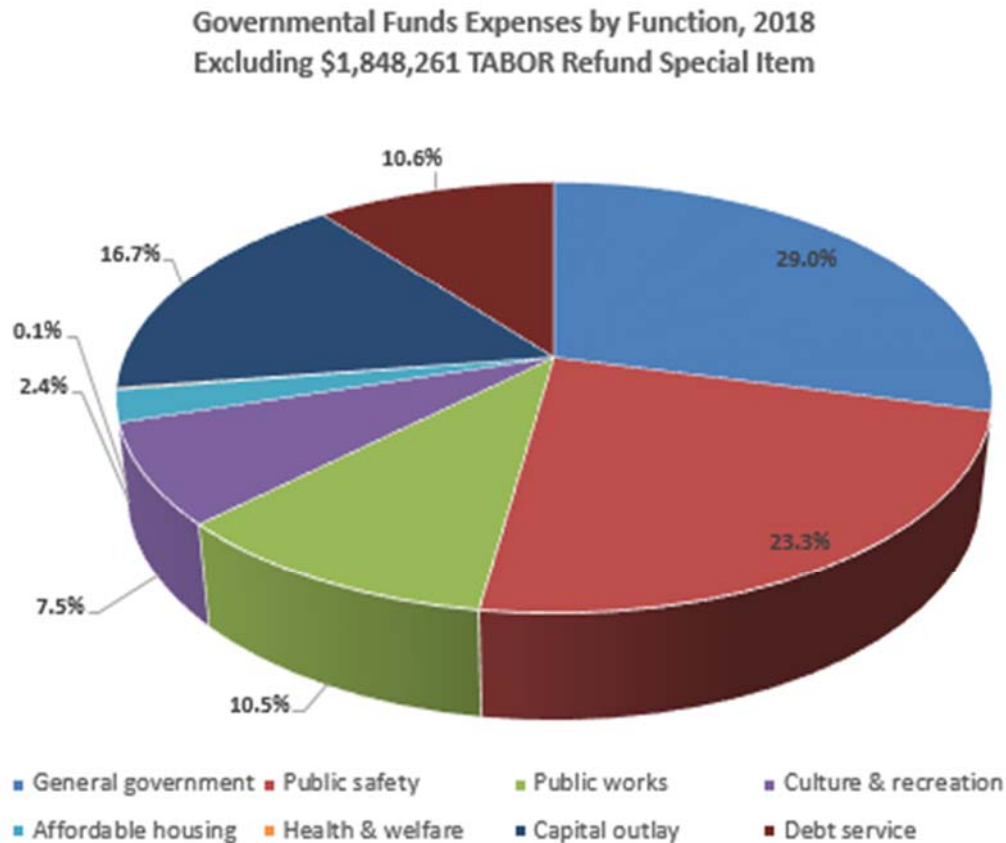
The Town's total \$12,381,842 in governmental funds' revenues were from the following sources:



Financial Analysis of the Town's Funds (continued)

Governmental funds (continued):

The following is a graph of the Town's governmental funds' expenditures by function for 2018:



Proprietary funds: The Town's proprietary fund financial statements, which is the Water Fund, provide the same type of information found in the government-wide financial statements, but in more detail. In addition to a Statement of Net Position and Statement of Revenues, Expenses, and Changes in Fund Net Position, there is also a Statement of Cash Flows. This information can be found on pages C7 – C9 of the financial statements.

Financial Analysis of the Town's Funds (continued)

Budget variances in the General Fund: The Town's significant General Fund budget variances are detailed as follows:

	Final Budget	Actual	Variance	Reason
Revenues:				
Sales and use taxes	\$ 6,225,000	\$ 6,086,425	\$ (138,575)	Did not make sales tax projections.
Other taxes	1,549,166	1,836,311	287,145	\$200k due to new cigarette tax, restricted.
Licenses & permits	1,169,600	2,557,021	1,387,421	economy good - building permits, mostly restricted.
Intergovernmental revenue	246,102	286,919	40,817	mostly due to favorable Highway User Tax Fee
Charges for services	150,000	351,124	201,124	additional park dedication fees received, restricted.
Traffic fines and contributions	25,350	53,946	28,596	VALE and Police Officer Training Fund restricted sources
Investment earnings	65,000	191,980	126,980	Increase in interest rate due to market conditions
Other revenue	77,700	45,417	(32,283)	Miscellaneous/various sources.
Total Revenues	9,507,918	11,409,143	1,901,225	Mostly restricted revenue increases
Expenses:				
General government	2,730,145	2,565,678	(164,467)	
Public safety	2,117,362	2,065,646	(51,716)	
Culture & recreation	855,839	664,395	(191,444)	
Public works	1,335,631	926,655	(408,976)	
Affordable housing	275,000	209,209	(65,791)	
Health & welfare	-	12,378	12,378	
Capital outlay & repairs	4,171,663	1,480,061	(2,691,602)	Mostly restricted funding capital items delayed.
Principal	3,800,000	-	(3,800,000)	Change in accounting, Lines of Credit.
Total Expenses	15,285,640	7,924,022	(7,361,618)	
Change in Net Position before transfers	(5,777,722)	3,485,121	9,262,843	
Transfers	604,006	227,506	(376,500)	Change in accounting methodology.
Sale of Assets	10,000	36,602	26,602	
Special Items - TABOR Refund	-	(1,848,261)	(1,848,261)	Discovered potential TABOR violation.
Change in Net Position	(5,163,716)	1,900,968	7,064,684	

Capital assets: The Town's government-wide capital assets, net of accumulated depreciation, increased from \$41,349,478 to \$41,503,851 in the current year. Additional information as well as a detailed classification of the Town's net capital assets can be found in the Notes to the Financial Statements on pages D13 and D14 of this report.

Long-term debts: As of the end of the current fiscal year, the Town had \$3,657,129 in total long-term debts. The amount of long-term debt repayments in 2018 totals \$889,116, less a \$16,500 increase in compensated absences. The Town's current debt will be fully paid in 2023. Additional information regarding the Town's debt is on pages D15 through D17 of this report.

Sales and Use Tax: The Town's current sales and use tax rate is 3%. 1% of that tax funds Parks, Open Space & Trails, and 2% funds governmental operations. The increase in sales tax from 2017 was \$161.382 or 2.7%.

Financial Analysis of the Town's Funds (continued)

General Fund Restricted Funding Sources: The Town has many funding sources received that are restricted for a specific purpose. Restrictions can occur through ballot language, town ordinance, or contractual requirements. The below information summarizes the restricted revenue and expenses for 2018:

Name	2017 Ending Balance	2018 Revenue	2018 Expenses	12/31/18 Restricted Balance
Willits LaneDevelop	\$ 2,489	\$ 17,856	\$ -	\$ 20,345
Southside - Ped. Trans	\$ 750	\$ 2,836	\$ -	\$ 3,586
REMP (Energy Conservation)	\$ 104,600	\$ 14,000	\$ 16,881	\$ 101,719
Real Estate Transfer Roaring Fork Conservancy	\$ 98,813	\$ 520,230	\$ 43,186	\$ 575,858
Affordable Housing	\$ -	\$ 309,738	\$ 309,738	\$ -
RETA Willits (Town Portion)	\$ 407,802	\$ 345,729	\$ 455,136	\$ 298,395
Victims Assistance Law Enforcement (VALE)	\$ 61,077	\$ 3,467	\$ -	\$ 64,544
Two Rivers Road	\$ 330,997	\$ -	\$ 155,386	\$ 175,611
Police Training	\$ -	\$ 3,699	\$ -	\$ 3,699
Southside Roundabout	\$ -	\$ 14,551	\$ -	\$ 14,551
Parking Fees/Traffic	\$ 113,422	\$ -	\$ -	\$ 113,422
RETA Willits ARTS 50%	\$ 796,451	\$ 145,729	\$ -	\$ 942,180
Climate Action Plan	\$ 15,244	\$ 20,116	\$ -	\$ 35,359
Child Care	\$ -	\$ 82,092	\$ -	\$ 82,092
Cigarette tax	\$ -	\$ 175,568	\$ 12,378	\$ 163,190
Southside traffic calming	\$ -	\$ 5,500	\$ -	\$ 5,500
Lodging tax	\$ -	\$ 241,847	\$ 188,921	\$ 52,926
VALE Donations	\$ -	\$ 31,325	\$ -	\$ 31,325
Park Dedication	\$ 274,928	\$ 215,618	\$ -	\$ 490,546
Energy Review Fees	\$ -	\$ 9,041	\$ -	\$ 9,041
Parks Open Space & Trails	\$ -	\$ 1,795,377	\$ 1,473,954	\$ 321,423
Community Gardens	\$ 3,291	\$ 3,737	\$ 4,000	\$ 3,028
Community Enhancement	\$ 35,057	\$ 37,693	\$ 40,000	\$ 32,750
Sopris Meadows	\$ 53,853	\$ 86,020	\$ 1,015	\$ 138,858
Transportation Fees	\$ 150,484	\$ 95,084	\$ -	\$ 245,568
	<u>\$ 2,449,258</u>	<u>\$ 4,176,850</u>	<u>\$ 2,700,595</u>	<u>\$ 3,925,514</u>

Financial Analysis of the Town's Funds (continued)

Next year's budget and rates: The Town's General Fund balance at the end of the current fiscal year was \$5,249,843, comprised of 1,068,201 in unrestricted funds and \$4,181,642 in restricted funds. The Town budgeted \$200,000 in unrestricted use of fund balance to update the Town's master plan during 2019. Other than the master plan, no use of unrestricted funds were included in the 2019 Original Budget.

The Town is planning to increase its general fund balance through repayment of the line of credit. Beginning 2019 line of credit balances total \$3,150,000. As the lines of credit are repaid, the Town's general fund balance will increase.

The Town is currently reviewing the TABOR issue to determine how that issue is best resolved. The outcome of this issue will have an impact on the Town's general fund balance. The TABOR liability is included in the 2018 financial statements.

Request for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town Finance Director, 101 Midland Avenue, Basalt CO 81621.

BASIC FINANCIAL STATEMENTS

Town of Basalt, Colorado
Statement of Net Position
December 31, 2018

	Governmental Activities	Business type Activities	Total
Assets:			
Current assets:			
Cash and investments - Unrestricted	6,285,577	310,469	6,596,046
Cash and investments - Restricted	3,925,514	-	3,925,514
Cash with Treasurer	-	-	-
Accounts, taxes, and interest receivable	2,338,637	184,088	2,522,725
Due from other governments	490,325	-	490,325
Prepaid expenses	6,138	-	6,138
Net pension assets	179,725	-	179,725
Capital assets not being depreciated:			
Water rights	-	1,551,040	1,551,040
Land	17,966,931	256,235	18,223,166
Capital assets being depreciated:			
Buildings	6,646,104	7,107,285	13,753,389
Improvements	3,003,589	-	3,003,589
Machinery and equipment	2,337,612	281,089	2,618,701
Infrastructure	19,370,642	-	19,370,642
Less accumulated depreciation	(7,821,027)	(5,179,978)	(13,001,005)
Total assets	<u>54,729,767</u>	<u>4,510,228</u>	<u>59,239,995</u>
Deferred Outflow of Resources:			
Deferred outflow relating to pensions	<u>269,389</u>	<u>-</u>	<u>269,389</u>
Total deferred outflow of resources	<u>269,389</u>	<u>-</u>	<u>269,389</u>
Liabilities:			
Current liabilities:			
Accounts payable	336,610	25,822	362,432
Accrued payroll	1,019	-	1,019
Accrued expenses	5,089,884	1,717	5,091,601
Accrued interest	6,656	-	6,656
Deposits	196,323	2,400	198,723
Noncurrent liabilities:			
Compensated absences	184,637	-	184,637
Due within one year	831,000	60,601	891,601
Due in more than one year	<u>2,384,000</u>	<u>196,891</u>	<u>2,580,891</u>
Total liabilities	<u>9,030,129</u>	<u>287,431</u>	<u>9,317,560</u>
Deferred Inflow of Resources:			
Deferred inflow relating to pensions	65,736	-	65,736
Unavailable property tax revenue	1,963,720	-	1,963,720
Unavailable revenue - Other	<u>1,248</u>	<u>-</u>	<u>1,248</u>
Total deferred inflow of resources	<u>2,030,704</u>	<u>-</u>	<u>2,030,704</u>
Net Position:			
Net Investment in capital assets	38,288,851	3,758,179	42,047,030
Restricted	4,383,049	-	4,383,049
Unrestricted	<u>1,266,423</u>	<u>464,618</u>	<u>1,731,041</u>
Total Net Position	<u><u>43,938,323</u></u>	<u><u>4,222,797</u></u>	<u><u>48,161,120</u></u>

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

Town of Basalt, Colorado
Statement of Activities
December 31, 2018

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	2,651,745	85,775	96,392	-	(2,469,578)	-	(2,469,578)
Public safety	2,033,117	651,560	82,464	-	(1,299,093)	-	(1,299,093)
Culture and recreation	1,020,129	328,928	57,572	-	(633,629)	-	(633,629)
Public works	1,617,148	215,125	381,219	1,097,708	76,904	-	76,904
Affordable housing	239,209	-	-	-	(239,209)	-	(239,209)
Health and welfare	19,206	-	-	-	(19,206)	-	(19,206)
Interest	96,507	-	-	-	(96,507)	-	(96,507)
Total Governmental Activities	<u>7,677,061</u>	<u>1,281,388</u>	<u>617,647</u>	<u>1,097,708</u>	<u>(4,680,318)</u>	<u>-</u>	<u>(4,680,318)</u>
Business-type activities:							
Water	658,689	885,481	14,768	273,706	-	515,266	515,266
Total Business-type Activities	<u>658,689</u>	<u>885,481</u>	<u>14,768</u>	<u>273,706</u>	<u>-</u>	<u>515,266</u>	<u>515,266</u>
Total Primary Government	<u><u>8,335,750</u></u>	<u><u>2,166,869</u></u>	<u><u>632,415</u></u>	<u><u>1,371,414</u></u>	<u><u>(4,680,318)</u></u>	<u><u>515,266</u></u>	<u><u>(4,165,052)</u></u>
General Revenues:							
Property tax, levied for general purposes					950,197	-	950,197
Property tax, levied for debt service					950,854	-	950,854
Specific ownership tax					90,462	-	90,462
General sales and use tax					6,086,425	-	6,086,425
Franchise tax					375,809	-	375,809
Other miscellaneous taxes					419,843	-	419,843
Investment earnings					194,044	7,180	201,224
Grants and contributions not restricted to any program					317,463	-	317,463
Gain (loss) on disposal of assets					(57,346)	-	(57,346)
Transfers					227,506	(227,506)	-
Special Items - TABOR refund					(1,848,261)	-	(1,848,261)
Total General Revenues, Special Items, and Transfers					<u>7,706,996</u>	<u>(220,326)</u>	<u>7,486,670</u>
Change in Net Position					<u>3,026,678</u>	<u>294,940</u>	<u>3,321,618</u>
Net Position - Beginning (as restated)					<u>40,911,645</u>	<u>3,927,857</u>	<u>44,839,502</u>
Net Position - Ending					<u><u>43,938,323</u></u>	<u><u>4,222,797</u></u>	<u><u>48,161,120</u></u>

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

Town of Basalt, Colorado
Balance Sheet
Governmental Funds
December 31, 2018

	General	Conservation Trust Fund	Debt Service Fund	Total Governmental Funds
Assets:				
Cash and investments - Unrestricted	6,078,045	183,902	23,633	6,285,580
Cash and investments - Restricted	3,925,514	-	-	3,925,514
Receivables, net of allowance for uncollectible accounts	365,419	-	-	365,419
Property tax receivable	1,023,218	-	950,000	1,973,218
Due from other governments	490,325	-	-	490,325
Prepaid expenses	6,138	-	-	6,138
Total Assets	<u>11,888,659</u>	<u>183,902</u>	<u>973,633</u>	<u>13,046,194</u>
Liabilities and Fund Equity:				
Liabilities:				
Accounts payable	336,612	-	-	336,612
Accrued payroll	1,019	-	-	1,019
Accrued expenses	5,089,884	-	-	5,089,884
Deposits	196,323	-	-	196,323
Total Liabilities	<u>5,623,838</u>	<u>-</u>	<u>-</u>	<u>5,623,838</u>
Deferred inflow of resources:				
Unavailable property tax revenue	1,013,720	-	950,000	1,963,720
Unavailable revenue - other	1,248	-	-	1,248
Total deferred inflow of resources	<u>1,014,968</u>	<u>-</u>	<u>950,000</u>	<u>1,964,968</u>
Fund Balances:				
Unspendable	6,138	-	-	6,138
Spendable:				
Restricted for emergencies	250,000	-	-	250,000
Restricted for recreation	-	183,902	-	183,902
Restricted for debt service	-	-	23,633	23,633
Restricted for other items	3,925,514	-	-	3,925,514
Unassigned	1,068,201	-	-	1,068,201
Total Fund Balances	<u>5,249,853</u>	<u>183,902</u>	<u>23,633</u>	<u>5,457,388</u>
Total Liabilities, Deferred Inflow of Resources and Fund Balances	<u>11,888,659</u>	<u>183,902</u>	<u>973,633</u>	<u>13,046,194</u>

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

Town of Basalt
Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position
December 31, 2018

Governmental Funds Total Fund Balance	\$ 5,457,388
Add:	
Capital assets used in governmental activities (excluding internal service fund) are not considered current financial resources and, therefore, not reported in the governmental funds.	49,324,878
Deferred charges are capitalized and amortized over the life of the bond issue.	269,389
The Town's proportionate share of the net pension asset is not a current financial resource	179,725
Less:	
Accumulated depreciation (excluding internal service fund) is not recognized in the governmental funds because capital assets are expensed at the time of acquisition.	(7,821,027)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
	Compensated absences (184,637)
	Bonds payable <u>(3,215,000)</u>
	(3,399,637)
Accrued interest is not due and payable in the current period and not reported in the fund. This represents accrued interest on the Town's debt.	(6,657)
Deferred inflows for pensions	<u>(65,736)</u>
Governmental Activities Net Position	<u><u>\$ 43,938,323</u></u>

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

Town of Basalt, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2018

	General	Conservation Trust Fund	Debt Service Fund	Total Governmental Funds
Revenues:				
Taxes	7,922,736	-	950,854	8,873,590
Licenses and permits	2,557,021	-	-	2,557,021
Intergovernmental revenue	286,920	19,780	-	306,700
Charges for services	351,124	-	-	351,124
Fines and forfeitures	53,946	-	-	53,946
Investment income	191,980	133	1,931	194,044
Miscellaneous	45,417	-	-	45,417
Total Revenues	11,409,144	19,913	952,785	12,381,842
Expenditures:				
General government	2,565,678	-	-	2,565,678
Public safety	2,065,646	-	-	2,065,646
Public works	926,655	-	-	926,655
Culture and recreation	664,395	-	-	664,395
Affordable housing	209,209	-	-	209,209
Health and welfare	12,378	-	-	12,378
Capital outlay	1,480,061	-	-	1,480,061
Debt service	-	-	936,093	936,093
Total Expenditures	7,924,022	-	936,093	8,860,115
Excess (Deficiency) of Revenues Over Expenditures	3,485,122	19,913	16,692	3,521,727
Other Financing Sources (Uses):				
Sale of asset	36,601	-	-	36,601
Transfers in	227,506	-	-	227,506
Total Other Financing Sources (Uses)	264,107	-	-	264,107
Special Item:				
TABOR refund	(1,848,261)	-	-	(1,848,261)
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	1,900,968	19,913	16,692	1,937,573
Fund Balances - Beginning (as restated)	3,348,885	163,989	6,941	3,519,815
Fund Balances - Ending	5,249,853	183,902	23,633	5,457,388

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

Town of Basalt
Reconciliation of Revenues, Expenditures and Changes in Fund
Balances (Deficit) of Governmental Fund to the Statement of Activities
For the Year Ended December 31, 2018

Governmental Funds Changes in Fund Balances	\$ 1,937,573
Add:	
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 depreciation expense. This is the amount of capitalized assets during the year.	1,414,911
Retirement of lease principal and bonds outstanding on the Town's debt result in a reduction of accumulated resources on the fund financial statements. The government-wide statements show these as reduction against the long-term liabilities.	818,000
Less:	
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 depreciation expense. This is the depreciation expense for the year.	(1,182,472)
Changes in the Town employees' accrued compensated absences are considered changes in long-term liabilities. This is the change in accrued compensated absences decreased.	(16,500)
The Town's net pension asset is a non-current asset. This represents the change in the net pension asset for the year.	147,585
Assets disposed of prior to being fully depreciated are charged off upon disposition. This represents the assets disposed of during the year.	(93,947)
Interest on long term liabilities is based upon when it due in the Statement of Activities as compared to when paid in the Governmental Fund financial statements.	1,528
Governmental Activities Change in Net Position	<u>\$ 3,026,678</u>

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

**Statement of Net Position
Proprietary Funds
December 31, 2018**

	Water Fund
Assets:	
Current assets:	
Cash and investments	310,469
Accounts receivables, net of allowance for uncollectibles	184,088
Total current assets	<u>494,557</u>
Non-current assets:	
Land	256,235
Buildings and improvements	7,107,285
Water rights	1,551,040
Machinery and equipment	281,089
Less: Accumulated depreciation	<u>(5,179,978)</u>
Total non-current assets	<u>4,015,671</u>
Total Assets	<u>4,510,228</u>
Liabilities:	
Current liabilities:	
Accounts payable	25,822
Accrued expenses	1,717
Deposits held	2,400
Non-current liabilities due within one year:	
Loans	<u>60,601</u>
Total current liabilities	<u>90,540</u>
Non-current liabilities:	
Non-Current Liabilities - due longer than one year:	
Loans	<u>196,891</u>
Total non-current liabilities	<u>196,891</u>
Total Liabilities	<u>287,431</u>
Net Position:	
Net Investment in capital assets	3,955,070
Unrestricted	<u>267,727</u>
Total Net Position	<u>4,222,797</u>

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

Town of Basalt
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2018

	Water Fund
Operating Revenue:	
Utility sales	884,541
Other revenue	15,707
Operating Revenue	<u>900,248</u>
Operating Expenses:	
Water administration	222,596
Water supply	36,708
Water treatment and transmission	96,776
Depreciation & amortization	289,007
Operating Expenses	<u>645,087</u>
Operating income (loss)	255,161
Non-Operating Revenues (Expenses):	
Interest revenue	7,180
Interest expense	(13,601)
Total Non-Operating Revenues (Expenses)	<u>(6,421)</u>
Income (Loss) Before Contributions and Transfers	248,740
Capital contributions	273,706
Transfers (out)	(227,506)
Change in Net Position	<u>294,940</u>
Total Net Position - Beginning (Restated)	<u>3,927,857</u>
Total Net Position - Ending	<u><u>4,222,797</u></u>

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

Town of Basalt
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2018

	Water Fund
Cash Flows From Operating Activities:	
Cash received from customers for services	848,060
Other cash received	16,907
Cash paid for goods and services	(184,174)
Cash paid for employment services	(143,451)
Net Cash Provided (Used) by Operating Activities	<u>537,342</u>
Cash Flows From Non-Capital Financing Activities:	
Transfers (out)	(227,506)
Net Cash Provided by Non-Capital Financing Activities	<u>(227,506)</u>
Cash Flows From Capital Financing Activities:	
Tap fees and meter sales received	273,706
Purchase of fixed assets	(370,445)
Interest paid	(13,601)
Principal paid	(71,116)
Net Cash (Used) by Capital Financing Activities	<u>(181,456)</u>
Cash Flows From Investing Activities:	
Interest received	7,180
Net Cash Provided by Investing Activities	<u>7,180</u>
Net Increase (Decrease) in Cash and Cash Equivalents	135,560
Cash and Cash Equivalents - Beginning	174,909
Cash and Cash Equivalents - Ending	<u><u>310,469</u></u>
Reconciliation of Operating (Loss) to	
Net Cash Provided (Used) by Operating Activities:	
Operating (loss)	<u>255,161</u>
Adjustments to reconcile operating (loss)	
to net cash provided (used) by operating activities:	
Depreciation	289,007
(Increase) decrease in accounts receivable	(36,481)
(Increase) decrease in inventories	12,870
Increase (decrease) in accounts payable	26,855
Increase (decrease) in deposits	1,200
Increase (decrease) in other items	(11,270)
Total Adjustments	<u>282,181</u>
Net Cash Provided (Used) by Operating Activities	<u><u>537,342</u></u>

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

Town of Basalt
Notes to the Financial Statements
December 31, 2018

I. Summary of Significant Accounting Policies

The Town of Basalt began as a railroad town and was known as Aspen Junction until 1895, when the name was changed to Basalt. Basalt was officially incorporated during the summer of 1901 and adopted its Home Rule Charter during 1991. The Town operates under a Council-Manager form of government. An elected Mayor and Town Council are responsible for setting policy, appointing administrative personnel and adopting an annual budget in accordance with the Town Charter.

The Town's major operations include public safety (police and building inspection); public works (engineering and streets); culture and recreation (swimming pool, recreation department and open space); affordable housing and general administrative services.

The Town's financial statements are prepared in accordance with generally accepted accounting principles ("GAAP"). The Governmental Accounting Standards Board ("GASB") is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established by GAAP used by the Town are discussed below.

A. Reporting Entity

The reporting entity consists of (a) the primary government; i.e., the Town, and (b) organizations for which the Town is financially accountable. The Town is considered financially accountable for legally separate organizations if it is able to appoint a voting majority of an organization's governing body and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits, to, or to impose specific financial burdens on, the Town. Consideration is also given to other organizations that are fiscally dependent; i.e., unable to adopt a budget, levy taxes, or issue debt without approval by the Town. Organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete are also included in the reporting entity.

Based upon the above criteria, the Town is not financially accountable for any other organization with material operations, nor is the Town a component unit of any other primary governmental entity.

B. Government-wide and Fund Financial Statements

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The Town's public safety; public works; culture and recreation; affordable housing and general administrative services are classified as governmental activities. The Town's water utility is classified as a business-type activity.

1. Government-wide Financial Statements

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Town's net position is reported in three parts—net investment in capital assets; restricted; and unrestricted.

Town of Basalt
Notes to the Financial Statements
December 31, 2018
(continued)

I. Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements (continued)

1. Government-wide Financial Statements (continued)

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functions and business-type activities (public safety, public works, water utility, etc.). The functions are also supported by general government revenues (property and sales taxes, intergovernmental revenue, fines and permits, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (police, roads, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. The net costs (by function or business-type activity) are normally covered by general revenue (property and sales taxes, interest income, etc.).

The government-wide focus is on the sustainability of the Town as an entity and the change in the Town's net position resulting from the current year's activities.

2. Fund Financial Statements

The financial transactions of the Town are reported in individual funds in the fund's financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues and expenditures/expenses.

The fund focus is on current available resources and budget compliance. The Town reports the following governmental funds:

- **General Fund**

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 Fund**

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The term "proceeds of specific revenue sources" establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund. The Town reports the following special revenue fund:

The *Conservation Trust Fund* accounts for revenues derived from state lottery revenues or other earmarked revenue sources which finance specific activities as required by law or administrative action.

Town of Basalt
Notes to the Financial Statements
December 31, 2018

I. Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements (continued)

2. Fund Financial Statements (continued)

- **Debt Service Fund**

The Debt Service Fund accounts for the collection of taxes and related payment of principal and interest on debt relating to governmental activities.

The Town reports the following proprietary or business-type funds:

- **Water Fund**

The Water Fund accounts for the production and sale of water to Town residents.

3. Categories and Classification of Fund Balance

Governmental accounting standards establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications, include Non-spendable, Restricted, Committed, Assigned, and Unassigned. These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance. Fund Balance can have different levels of restraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the general fund. The general fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance. For further details of the various fund balance classifications refer to Note I (C) (3) below.

4. Fund Balance Disclosure

The Town classifies governmental fund balances as follows:

Unspendable - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements.

Spendable Fund Balance:

Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

**Town of Basalt
Notes to the Financial Statements
December 31, 2018**

I. Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements (continued)

4. Fund Balance Disclosure

Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority which is Town Council. The Town's original budget legislation begins with combining historical data, assessment of needs for the upcoming year and the Town Council platform to review, and/or make changes to each department's budget. Before year end, a budgetary committee will meet again with each department for final review and approval of preliminary budget. The Budget is then formally presented to Town Council via an advertised public process for their review, revisions and final approval by year end. All subsequent budget requests made during the year, after Town Council approval, must be presented via a public process and again approval by Town Council.

Assigned – includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Town Council or its management designee.

Unassigned - includes residual positive fund balance within the General Fund which has not been classified within the other above-mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The Town uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the Town would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The Town's formal minimum fund balance policy requires that the budget anticipate fund balance equal to at least thirty-three percent (33%) of budgeted unrestricted General Fund revenues for that same budget.

Town of Basalt
Notes to the Financial Statements
December 31, 2018

I. Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Measurement focus refers to whether financial statements measure changes in current resources only (current financial focus) or changes in both current and long-term resources (long-term economic focus). Basis of accounting refers to the point at which revenues, expenditures, or expenses are recognized in the accounts and reported in the financial statements. Financial statement presentation refers to classification of revenues by source and expenses by function.

1. Long-term Economic Focus and Accrual Basis

Both governmental and business-type activities in the government-wide financial statements and the proprietary fund financial statements use the long-term economic focus and are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flows.

2. Current Financial Focus and Modified Accrual Basis

The governmental fund financial statements use the current financial focus and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized when the related liability is incurred. The exception to this general rule is that principal and interest on general long-term debt, if any, is recognized when due.

3. Financial Statement Presentation

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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

D. Financial Statement Accounts

1. Cash, Cash Equivalents and Investments

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within 3 months of the date acquired by the Town.

Town of Basalt
Notes to the Financial Statements
December 31, 2018

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

1. Cash, Cash Equivalents and Investments (continued)

Investments are stated at fair value. The change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

The Town's investment policy permits investments in the following type of obligations which corresponds with state statutes:

- U.S. Treasury Obligations (maximum maturity of 60 months)
- Federal Instrumentality Securities (maximum maturity of 60 months)
- FDIC-insured Certificates of Deposit (maximum maturity of 18 months)
- Corporate Bonds (maximum maturity of 36 months)
- Prime Commercial Paper (maximum maturity of 9 months)
- Eligible Bankers Acceptances
- Repurchase Agreements
- General Obligations and Revenue Obligations
- Local Government Investment Pools
- Certain Money Market Mutual Funds

2. Receivables

Receivables are reported net of an allowance for uncollectible accounts.

3. Prepaid expenses

Payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in both government-wide and fund financial statements.

4. Inventories

Inventories are valued at cost, using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased on the fund financial statements.

5. Property Taxes

Property taxes are assessed in one year as a lien on the property, but not collected by the governmental units until the subsequent year. In accordance with generally accepted accounting principles, the assessed but uncollected property taxes have been recorded as a receivable and as deferred inflow of resources.

Town of Basalt
Notes to the Financial Statements
December 31, 2018

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

6. Capital Assets

Capital assets, which include land, buildings and other improvements, machinery and equipment, infrastructure and vehicle assets, are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. The Town defines capital assets as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date of donation.

Capital outlay for projects is capitalized as projects are constructed. Infrastructure, buildings, and equipment are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Infrastructure	15 - 50
Buildings and improvements	15 - 40
Land improvements	15 - 25
Machinery and equipment	3 - 10
Licensed vehicles	5 - 8

7. Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Financial Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The Town doesn't have any items that qualify for reporting in this category at December 31, 2018. In addition to liabilities, the Statement of Financial Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town has only one type of item that qualifies for reporting in this category. Accordingly, the item, property tax revenue, is deferred and recognized as an inflow of resources in the period that the amounts become available and earned.

8. Compensated Absences

Earned but unused vacation benefits are accrued when incurred in the government-wide and proprietary fund financial statements. The liability for the amounts is reported in governmental funds.

Town of Basalt
Notes to the Financial Statements
December 31, 2018

II. Reconciliation of Government-wide and Fund Financial Statements

A. Explanation of certain differences between the governmental fund Balance Sheet and the government-wide Statement of Net Position

The governmental fund Balance Sheet includes reconciliation between *fund balance – total governmental funds* and *net position of governmental activities* as reported in the government-wide Statement of Net Position. One element of that reconciliation explains that capital assets are recorded as assets when purchased and depreciated over the life of the assets. Net capital assets of \$41,503,851 represents capitalized costs of \$49,324,878 and accumulated depreciation of \$7,821,027.

Another element of that reconciliation states that "Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds." The amount of compensated absences payable is \$184,637.

B. Explanation of certain differences between the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance and the government-wide Statement of Activities

The governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance includes reconciliation between *net change in fund balances of governmental funds* and *changes in net position of governmental activities* as reported in the government-wide Statement of Activities. One element of that reconciliation explains that "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 as depreciation expense". The Town had depreciation expense of \$1,182,472.

III. Stewardship, Compliance, and Accountability

A. Budgetary Information

Budgets are adopted on a basis consistent with generally accepted accounting principles, except for the proprietary funds. Annual appropriations are adopted for all funds. Expenditures may not legally exceed appropriations at the fund level. All appropriations lapse at year end.

As required by Colorado Statutes and the Town Charter, the Town followed the required timetable noted below in preparing, approving, and enacting its budget for 2018.

1. For the 2018 budget year, prior to August 25, 2017 (revised November 30), the County Assessor sent to the Town an assessed valuation of all taxable property within the Town's boundaries.
2. The Town Finance Director annually prepares a proposed budget, which is submitted to the Council by October 15 of each year. The proposed budget provides a complete financial plan for all Town funds and activities for the ensuing fiscal year. In organizing the budget, the Budget Officer shall utilize the most feasible combination of expenditure classification by fund, organization unit, program, purpose or activity and object. The recommended budget detailed the necessary property taxes needed along with other available revenues to meet the Town's operating requirements.

**Town of Basalt
Notes to the Financial Statements
December 31, 2018**

III. Stewardship, Compliance, and Accountability (continued)

A. Budgetary Information (continued)

3. Prior to December 15, 2017, a public hearing was held for the budget, the Council certified to the County Commissioners a levy rate that derived the necessary property taxes as computed in the proposed budget, and the Council adopted the proposed budget and an appropriating resolution that legally appropriated expenditures for the upcoming year.
4. After adoption of the budget resolution, the Town may make the following changes: a) it may transfer appropriated money between funds; b) approve supplemental appropriations to the extent of revenues in excess of estimated revenues in the budget; c) approve emergency appropriations; and d) reduce appropriations for which originally estimated revenues are insufficient.

Taxes levied in one year are collected in the succeeding year. Thus, taxes certified in 2017 were collected in 2018 and taxes certified in 2018 will be collected in 2019. Taxes are due on January 1st in the year of collection; however, they may be paid in either one installment (no later than April 30th) or two equal installments (not later than February 28th and June 15th) without interest or penalty. Taxes that are not paid within the prescribed time bear interest at the rate of one percent (1%) per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 16th.

During the year the Town had no budget amendments.

B. TABOR Amendment

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20; commonly known as the Taxpayer's Bill of Rights ("TABOR). TABOR contains revenue, spending, tax and debt limitations that apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of any expiring tax, or tax policy change directly causing a net tax revenue gain to any local government.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future fiscal years.

Town of Basalt
Notes to the Financial Statements
December 31, 2018

III. Stewardship, Compliance, and Accountability (continued)

B. TABOR Amendment (continued)

TABOR also requires local governments to establish an emergency reserve to be used for declared emergencies only. The reserve is calculated at 3% of fiscal year spending. Fiscal year spending excludes bonded debt service and enterprise spending. The Town has reserved \$250,000, which is the approximate required reserve at December 31, 2018.

On April 5, 1994 the Town's electorate approved to allow the Town to *collect and expend the full revenues generated during 1994 and each subsequent year (and to receive and expend state grants) and to receive and expend all sales tax and property tax revenues for capital projects and municipal operations without limiting in any year the amount of other revenues that may be collected and spent by the Town. Nothing herein shall permit any increase in the property tax mill levy and sales and use tax rates imposed by the Town of Basalt.*

As disclosed in the following notes, the Town discovered a potential violation of TABOR due to an over collection of property taxes in prior years. The Town's management believes, including the TABOR liability included in these financial statements, that it is in compliance with the financial provisions of TABOR as of December 31, 2018. However, TABOR is complex and subject to interpretation. Many of its provisions, including the interpretation of how to calculate fiscal year spending limits, will require judicial interpretation.

IV. Detailed Notes on All Funds

A. Deposits and Investments

The Town's deposits are entirely covered by federal depository insurance ("FDIC") or by collateral held under Colorado's Public Deposit Protection Act ("PDPA"). The FDIC insures the first \$250,000 of the Town's deposits at each financial institution. Deposit balances over \$250,000 are collateralized as required by PDPA.

Fair Value of Investments

The Town measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than quoted market prices; and,
- *Level 3:* Unobservable inputs.

Town of Basalt
Notes to the Financial Statements
December 31, 2018

IV. Detailed Notes on All Funds

A. Deposits and Investments

At December 31, 2018, the Town had the following recurring fair value measurements:

<u>Investments Measured at Net Asset Value</u>	
Colotrust	<u>\$ 8,650,655</u>
	<u>8,650,655</u>
 Total Investments	 <u>\$ 8,650,655</u>

Any items classified in Level 1 are valued using prices quoted in active markets for those securities. Any debt and equity securities classified in Level 2 are valued using the following approaches:

- U.S. Treasuries and U.S. Agencies: quoted prices for identical securities in markets that are not active;
- Certificates of Deposit, and Collateralized Debt Obligations: matrix pricing based on the securities' relationship to benchmark quoted prices.

The Investment Pool represents investments in COLOTRUST. The fair value of the pool is determined by the pool's share price. The Town has no regulatory oversight for the pool.

Interest Rate Risk. As a means of limiting its exposure to interest rate risk, the Town diversifies its investments by security type and institution, and limits holdings in any one type of investment with any one issuer. The Town coordinates its investment maturities to closely match cash flow needs and restricts the maximum investment term to less than five years from the purchase date. As a result of the limited length of maturities the Town has limited its interest rate risk.

Credit Risk. State law and Town policy limit investments to those authorized by State statutes including U.S. Agencies and 2a7-like pools. The Town's general investment policy is to apply the prudent-person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments.

Concentration of Credit Risk. The Town diversifies its investments by security type and institution. Investments may only be made in those financial institutions which are insured by the Federal Deposit Insurance Corporation, the Federal Home Mortgage Association, the Federal Savings and Loan Insurance Corporation, Congressionally authorized mortgage lenders and investments that are federally guaranteed. Financial institutions holding Town funds must provide the Town with a statement of collateral in the form of a listing of securities pledged, and a copy of the certificate from the Banking Authority that states that the institution is an eligible public depository.

Town of Basalt
Notes to the Financial Statements
December 31, 2018

IV. Detailed Notes on All Funds

A. Deposits and Investments

At year end, the Town had the following cash and investments with the following maturities:

	Standard & Poors Rating	Carrying Amounts	Maturities	
			Less than one year	One to five years
<i>Petty cash:</i>	Not Rated	\$ 988	\$ 988	\$ -
<i>Demand Deposits:</i>				
Checking	Not Rated	1,869,917	1,869,917	-
<i>Investments:</i>				
Investment Pools	AAAm	8,650,655	8,650,655	-
 Total Cash and Investments		<u>\$ 10,521,560</u>	<u>\$ 10,521,560</u>	<u>\$ -</u>
 <i>Reconciliation to Statement of Net Position:</i>				
Cash and investments - Unrestricted		\$ 6,596,046		
Cash and investments - Restricted		<u>3,925,514</u>		
 Total Cash and Investments		<u>\$ 10,521,560</u>		

B. Receivables

Receivables as of year-end for the Town's governmental funds, including applicable allowances for uncollectible accounts, are as follows:

	Governmental Funds			Enterprise Water Fund
	General	Conservation Trust Fund	Debt Service Fund	Total
Receivables:				
Taxes	\$ 1,023,218	\$ -	\$ 950,000	\$ 1,973,218
Accounts and other receivable	365,419	-	-	365,419
Due from other governments	490,325	-	-	490,325
Gross receivables	1,878,962	-	950,000	2,828,962
Less: allowance for uncollectible	-	-	-	-
Net Receivables	<u>\$ 1,878,962</u>	<u>\$ -</u>	<u>\$ 950,000</u>	<u>\$ 2,828,962</u>

Governmental funds report *unavailable revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. This includes property taxes levied in 2018 but not available until 2019.

Town of Basalt
Notes to the Financial Statements
December 31, 2018

IV. Detailed Notes on All Funds (continued)

C. Capital Assets

Capital asset activity for governmental activities for the year ended December 31, 2018 was as follows:

	<u>Balance (Restated)</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	17,830,421	136,510	-	17,966,931
Capital assets, being depreciated:				
Buildings	6,646,104	-	-	6,646,104
Improvements	2,744,554	259,035	-	3,003,589
Vehicles and equipment	2,324,571	266,072	-	2,337,612
Infrastructure	18,617,346	753,296	(253,030)	19,370,642
Total capital assets being depreciated	<u>48,162,996</u>	<u>1,414,913</u>	<u>(253,030)</u>	<u>49,324,878</u>
Less accumulated depreciation for:				
Buildings	(1,275,463)	(180,086)	-	(1,455,549)
Improvements	(900,280)	(191,490)	-	(1,091,770)
Machinery and equipment	(3,198,414)	(520,903)	174,962	(1,554,392)
Infrastructure	(1,439,361)	(289,993)	-	(3,719,316)
Total accumulated depreciation	<u>(6,813,518)</u>	<u>(1,182,472)</u>	<u>174,962</u>	<u>(7,821,027)</u>
Governmental Activities Capital Assets, Net	<u>\$ 41,349,478</u>	<u>\$ 232,441</u>	<u>\$ (78,068)</u>	<u>\$ 41,503,851</u>

Capital asset activity for business-type activities was as follows:

	<u>Beginning Balance (Restated)</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 256,235	\$ -	\$ -	\$ 256,235
Water rights	54,634	-	-	54,634
Total Capital Assets, Not Depreciated	<u>310,869</u>	<u>-</u>	<u>-</u>	<u>310,869</u>
Capital assets, being depreciated:				
Depreciable water rights	1,139,900	356,506	-	1,496,406
Plant and system	7,098,849	8,439	-	7,107,288
Machinery and equipment	275,587	5,500	-	281,087
Total Capital Assets Being Depreciated	<u>8,514,336</u>	<u>370,445</u>	<u>-</u>	<u>8,884,781</u>
Less accumulated depreciation for:				
Depreciable water rights	(693,408)	(54,147)	-	(747,555)
Plant and system	(4,079,674)	(216,736)	-	(4,296,410)
Machinery and equipment	(117,890)	(18,124)	-	(136,014)
Total Accumulated Depreciation	<u>(4,890,972)</u>	<u>(289,007)</u>	<u>-</u>	<u>(5,179,979)</u>
Business-type activities capital assets, net	<u>\$ 3,934,233</u>	<u>\$ 81,438</u>	<u>\$ -</u>	<u>\$ 4,015,671</u>

Town of Basalt
Notes to the Financial Statements
December 31, 2018

IV. Detailed Notes on All Funds (continued)

C. Capital Assets (continued)

The Town had the following capital outlay and depreciation expense for the following functions:

	<u>Depreciation Expense</u>	<u>Capital Outlay</u>
Governmental activities:		
General government	\$ 124,566	\$ 55,403
Public safety	111,882	15,899
Culture and recreation	229,445	239,898
Public works	679,751	1,103,713
Affordable housing	30,000	-
Health and welfare	6,828	-
Total - Governmental Activities	<u><u>\$ 1,182,472</u></u>	<u><u>\$ 1,414,913</u></u>
Business-type activities:		
Water Fund	289,007	370,445
Total - Business-type Activities	<u><u>\$ 289,007</u></u>	<u><u>\$ 370,445</u></u>

D. Transfers

Transfers were as follows:

	<u>In</u>	<u>Out</u>	<u>Reason</u>
<i>Governmental Funds:</i>			
General Fund	\$ 227,506	\$ -	Administration support
<i>Proprietary Funds:</i>			
Water Fund	-	(227,506)	Administration support
Total	<u><u>\$ 227,506</u></u>	<u><u>\$ (227,506)</u></u>	

E. Non-GAAP Basis

The water fund budgets on a modified accrual budgetary basis. The following schedule represents a reconciliation of expenditures on the budgetary basis to GAAP Basis:

Change in Net Position - Budgetary Basis	\$ 155,255
Reconciliation to GAAP Basis:	
Adjustments:	
Depreciation	(289,007)
Capital outlay	370,445
Debt service - Principal	58,247
Total Adjustments	<u>139,685</u>
Change in Net Position - GAAP Basis	<u><u>\$ 294,940</u></u>

Town of Basalt
Notes to the Financial Statements
December 31, 2018
(Continued)

IV. Detailed Notes on All Funds (continued)

F. Lines of Credit

- 1. Underpass Construction** – The Town has undertaken an unsecured line of credit with Alpine Bank for \$1,800,000 to finance construction costs relating to a Town underpass. The line of credit matures at December 31, 2018 and bears interest at a fixed rate of 3.25%. The balance on the line of credit at December 31, 2018 was \$1,353,778 and is recorded as an accrued expense on the Town's General Fund. The Town has negotiated a \$1,350,000 renewal for the line of credit with a maturity date of December 31, 2019.
- 2. Affordable Housing** – The Town has undertaken an unsecured line of credit with Alpine Bank for \$2,000,000 to finance acquisition relating to affordable housing units. The line of credit matures at December 31, 2018 and bears interest at a fixed rate of 3.25%. The balance on the line of credit at December 31, 2018 was \$1,805,038 and is recorded as an accrued expense on the Town's General Fund. The Town has negotiated a \$1,650,000 renewal for the line of credit with a maturity date of December 31, 2019.

G. General Obligation Improvement and Refunding Bonds, Series 2013

At the 2013 Election, Town voters approved the issuance of \$5,000,000 of general obligation debt for the purpose of financing certain capital improvements. The issuance utilized \$3,070,000 to be used to primarily finance redeveloping the Pan and Fork Trailer Park area, including river restoration, floodplain mitigation, construction of park and street improvements, and site redevelopment. The remaining portion of the authorized issuance occurred with the Taxable General Obligation Bond, Series 2014.

The Town's 2013 issue also included \$2,330,000, which was used to refund the Town's outstanding Series 2011 Bonds. The Bonds bear interest at a rate of 2% to 3%, depending upon the maturity date. The bonds require interest payments semiannually and annual principal payments through December 1, 2023. The Bonds maturing on and after December 1, 2021 are subject to redemption prior to maturity at the option of the Town.

H. Taxable General Obligation Bonds, Series 2014

In 2014, the issued \$1,888,000 of taxable general obligation bonds to complete the aforementioned Pan and Fork Trailer Park area restoration project. The Bonds mature on December 1, 2021 and bear interest in at the rate of 2.7%. The bonds are subject to redemption prior to maturity at the at any time requested by the Town.

Town of Basalt
Notes to the Financial Statements
December 31, 2018

IV. Detailed Notes on All Funds (continued)

I. Colorado Water Resources and Power Development Authority Loan

On December 19, 2002 the Town entered into a loan agreement for \$948,246 with the Colorado Water Resources and Power Development Authority for the construction of a micro-filtration water treatment plant. The term of the loan requires semi-annual payments of \$35,150 for 20 years at an annual interest rate of 4%. The Loan is secured by water user rates, fees, including connection fees, and other charges from the operation of the System, after the payment of operations and maintenance expenses of the System. The Loan includes a rate covenant requiring the Town to establish, levy and collect, rents, rates and other charges sufficient, after meeting the operation and maintenance expenses of its System, to pay 110% of the debt service coming due.

The Town can prepay the Loan, in whole or in part, upon prior written notice of not less than ninety (90) days to the Authority.

J. Accrued Compensated Absences

Earned but unused compensated absence (e.g. paid time off) benefits amounted to \$184,637 at December 31, 2018. The Town determined that accrued vacation and holiday leave was not expected to be paid with General Fund currently available resources, therefore, the accrual relating to those compensated absences is reported on the Statement of Net Position.

K. Debt Schedules

The following payments relating to governmental activity debt are required:

Year	<u>Governmental Activities Debt</u>		Total
	Principal	Interest	
2019	831,000	79,765	910,765
2020	855,000	61,178	916,178
2021	874,000	39,223	913,223
2022	325,000	19,650	344,650
2023	330,000	9,900	339,900
Total	<u>\$ 3,215,000</u>	<u>\$ 209,716</u>	<u>\$ 3,424,716</u>

Town of Basalt
Notes to the Financial Statements
December 31, 2018

IV. Detailed Notes on All Funds (continued)

K. Debt Schedules (continued)

The following payments relating to business-type activity debt are required:

Year	Business-Type Activities Debt		Total
	Principal	Interest	
2019	60,601	9,699	70,300
2020	63,049	7,251	70,300
2021	65,596	4,704	70,300
2022	68,246	2,054	70,300
Total	\$ 257,492	\$ 23,708	\$ 281,200

The Town had the following changes in debt for the year ended December 31, 2018:

	1/1/18	Additions	Deletions	12/31/18	Due within one year
Governmental Activities Debt:					
2013 G.O. Bonds	\$ 2,890,000	\$ -	\$ (545,000)	\$ 2,345,000	\$ 550,000
2014 G.O. Taxable Bonds	1,143,000	-	(273,000)	870,000	281,000
Compensated absences	168,137	16,500	-	184,637	-
Business Type Activities Debt:					
Ruedi Loan	12,869	-	(12,869)	-	-
CWRPD Loan	315,739	-	(58,247)	257,492	60,601
Total	\$ 4,529,745	\$ 16,500	\$ (889,116)	\$ 3,657,129	\$ 891,601

Town of Basalt
Notes to the Financial Statements
December 31, 2018

IV. Detailed Notes on All Funds (continued)

L. Fund Balance Designations and Restrictions

The Town had the following designations and restrictions on fund balances at December 31, 2018:

	<u>General Fund</u>	<u>Conservation Trust Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
Non-Spendable:				
Prepaid expenses	\$ 6,138	\$ -	\$ -	\$ 6,138
Restricted for:				
Emergencies	250,000	-	-	250,000
Recreation	-	183,902	-	183,902
Debt service	-	-	23,633	23,633
Other:				
Development infrastructure	1,207,267	-	-	1,207,267
Renewable energy mitigation	146,119	-	-	146,119
Affordable housing	-	-	-	-
Police officer training	3,699	-	-	3,699
Victims & Police (VALE)	95,869	-	-	95,869
Arts	1,081,037	-	-	1,081,037
Child care	82,092	-	-	82,092
Tobacco education	163,190	-	-	163,190
Park dedication	490,546	-	-	490,546
Open space & trails	321,423	-	-	321,423
Community gardens	3,028	-	-	3,028
Community promotions	52,926	-	-	52,926
Community enhancement	32,750	-	-	32,750
Transportation	245,568	-	-	245,568
Total	<u>\$ 4,181,652</u>	<u>\$ 183,902</u>	<u>\$ 23,633</u>	<u>\$ 4,389,187</u>

Town of Basalt
Notes to the Financial Statements
December 31, 2018
(Continued)

IV. Detailed Notes on All Funds (continued)

M. Pension Asset (Liability), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - FPPA Statewide Defined Benefit Plan (SDBP)

The Town's police officers participate in a Fire and Police Pension Association statewide defined benefit plan. The following provides details regarding this plan:

Plan Description - The Plan is a cost-sharing multiple-employer defined benefit pension plan covering substantially all full-time employees of participating fire or police departments in Colorado hired on or after April 8, 1978 (New Hires), provided they are not already covered by a statutorily exempt plan. As of August 1, 2003, the SDBP may include clerical and other personnel from fire Towns whose services are auxiliary to fire protection.

Contributions - Determined by state statute or by election of the members, contributions are set at a level that enables all benefits to be fully funded at the retirement date of all members. Employees and employers are contributing at a rate of 8% and 9.5%, respectively, of base salary for a total contribution rate of 17.5% through 2017. In 2014, the members elected to increase the member contribution rate 0.5% annually from 2015 through 2022 to a total of 12% of base salary. Employer contributions will remain at 8% resulting in a combined contribution rate of 20% in 2022.

Contributions from members and employers of plans re-entering the system are established by resolution and approved by the FPPA Board of Directors. The reentry group has a combined contribution rate of 20.5% of base salary through 2015. It is a local decision on who pays the additional 4% contribution. Per the 2014 member election, the reentry group will also have their required member contribution rate increase 0.5% annually beginning in 2015 through 2022 for a total combined member and employer contribution rate of 24% in 2022.

Benefits - On May 23, 1983, the Colorado Revised Statutes were amended to allow the Trustees of the Plan to change the retirement age on an annual basis, depending upon the results of the actuarial valuation and other circumstances. The amended statutes state that retirement age should not be less than age 55 or more than age 60. The Trustees subsequently elected to amend the retirement provisions, effective July 1, 1983, such that any member with at least 25 years of service may retire at any time after age 55 and shall be eligible for a normal retirement pension.

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. Benefits paid to retired members are evaluated and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index.

Town of Basalt
Notes to the Financial Statements
December 31, 2018
(Continued)

IV. Detailed Notes on All Funds (continued)

M. Pension asset (liability), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - FPPA Statewide Defined Benefit Plan (SDBP) (continued)

In addition, upon retirement a member may receive additional benefits credited to the member's "Separate Retirement Account" each year after January 1, 1988. These are attributable to contributions in excess of the actuarially determined pension cost and the allocation of the net Fire & Police Members' Benefit Investment Fund earnings and losses thereon. Members do not vest in amounts credited to their Separate Retirement Account until retirement, and the Plan may use such stabilization reserve amounts to reduce pension cost in the event such cost exceeds contributions. It was previously mentioned that reentry members have a higher contribution rate. As a result, their Separate Retirement Account (SRA) has two components; the standard SRA and the reentry SRA.

The component of a member's SRA attributable to the higher contribution rate is considered the reentry SRA. The reentry SRA cannot be used to subsidize the costs for the non-reentry members. Effective July 1, 2014, the standard Separate Retirement Account contribution rate for members of the Statewide Defined Benefit Plan was set at 0 percent. The reentry Separate Retirement Account contribution rate was set at 3.60 percent.

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

Net Pension asset (liability): At December 31, 2018, the Town reported an asset (liability) of \$179,725 for its proportionate share of the net pension asset (liability). The Plan's fiduciary net position currently is exceeded by the total pension asset, resulting in an asset reported by the Town. The net pension asset was measured at of December 31 2017, and the total pension asset was determined by an actuarial valuation as of January 1, 2018. The Town's proportion of the net pension asset was based on the Town's contributions to the Plan for calendar year 2017, relative to the total contributions of participating employers to the Plan.

Town of Basalt
Notes to the Financial Statements
December 31, 2018
(Continued)

IV. Detailed Notes on All Funds (continued)

M. Pension asset (liability), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - FPPA Statewide Defined Benefit Plan (continued)

At December 31, 2017, the Town's proportion was 0.12496%, as compared to 0.13671% at December 31, 2016. For the year ended December 31, 2018, the Town recognized pension (revenues) expense of \$(147,585). At December 31, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 129,607	\$ 1,991
Changes of assumptions or other inputs	(6,666)	-
Net difference between projected and actual earnings on pension plan investments	(1)	61,023
Changes in proportion share	46,437	
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	2,722
Contributions subsequent to the measurement date	100,012	-
Total	<u>\$ 269,389</u>	<u>\$ 65,736</u>

Contributions subsequent to the measurement date of December 31, 2017, which are reported as deferred outflows of resources related to pensions, will be recognized as an adjustment against the net pension asset (liability) in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending December 31:	
2019	\$ 22,455
2020	19,676
2021	(6,261)
2022	(15,880)
2023	20,253
Thereafter	63,398
	<u>\$ 103,641</u>

Town of Basalt
Notes to the Financial Statements
December 31, 2018
(Continued)

IV. Detailed Notes on All Funds (continued)

M. Pension asset (liability), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - FPPA Statewide Defined Benefit Plan (continued)

Actuarial assumptions. The collective total pension asset (liability) and actuarially determined contributions in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs:

	Total Pension Liability	Actuarially Determined Contributions
Actuarial Valuation Date	January 1, 2018	January 1, 2017
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	Level % of Payroll, Open	Level % of Payroll, Open
Amortization Period	30 Years	30 Years
Long-term investment Rate of Return *	7.5%	7.5%
Projected Salary Increases	4.0% to 14.0%	4.0% - 14.0%
Cost of Living Adjustments	0.0%	0.0%
* Includes Inflation at	2.5%	2.5%

Effective January 1, 2016, the post-retirement mortality tables for non-disabled retirees is a blend of the Annuitant and Employee RP-2014 generational mortality tables with blue collar adjustment projected with Scale BB. The occupationally disabled post-retirement mortality assumption uses the same table as used for healthy annuitants, except that is a three year set-forward, meaning a disabled member age 70 will be valued as if they were a 73-year-old healthy retiree. The totally disabled post-retirement mortality assumption uses the RP-2014 generational mortality tables for disabled annuitants, except an additional provision to apply a minimum 3% mortality probability to males and 2% mortality probability for females is included to reflect substantial impairment for this population. The pre-retirement off-duty mortality tables are adjusted to 55% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00020.

At least every five years the Fire & Police Pension Association's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2015 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the Fire & Police Pension Association's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future.

The assumption changes were effective for actuarial valuations beginning January 1, 2016 and were used in the roll forward calculation of total pension asset (liability) as of December 31, 2015. Actuarial assumptions effective for actuarial valuations prior to January 1, 2016 were used in the determination of the actuarially determined contributions as of December 31, 2015. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

Town of Basalt
Notes to the Financial Statements
December 31, 2018
(Continued)

IV. Detailed Notes on All Funds (continued)

M. Pension asset (liability), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - FPPA Statewide Defined Benefit Plan (continued)

Actuarial Assumptions (continued). The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Global Equity	37%	8.3%
Equity Long/Short	9%	7.2%
Illiquid Alternatives	24%	9.7%
Fixed Income	15%	3.0%
Absolute Return	9%	6.5%
Managed Futures	4%	6.9%
Cash	2%	2.3%
Total	100%	

The discount rate used to measure the total pension asset (liability) was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWDB plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset (liability).

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.31% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.50%.

Town of Basalt
Notes to the Financial Statements
December 31, 2018
(Continued)

IV. Detailed Notes on All Funds (continued)

M. Pension asset (liability), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - FPPA Statewide Defined Benefit Plan (continued)

Sensitivity of the Town's proportionate share of the net pension asset (liability) to changes in the discount rate. The following presents the proportionate share of the net pension asset (liability) calculated using the discount rate of 7.50 percent, as well as what the proportionate share of the net pension asset (liability) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Collective pension asset (liability)	\$ (156,626,967)	\$ 143,865,763	\$ 393,386,428
Proportionate share of net pension asset (liability)	\$ (195,724)	\$ 179,725	\$ 491,584

pension plan fiduciary net position. Detailed information about the Plan's fiduciary net position is available in FPPA's comprehensive annual financial report which can be obtained at http://www.fppaco.org/annual_reports.htm.

P

N. Section 457 Deferred Compensation Plan

The Town offers all its employees a deferred compensation plan created in accordance with internal revenue code Section 457. Participants may defer up to the lesser of \$11,000 or 100% of the participant's includable compensation. Participants over age 50 are eligible to contribute more than the \$11,000 limit due to a catch up provision in the plan. The Town is neither the trustee nor the administrator and has no liability under the plan. The deferred compensation is not available to employees until termination, retirement, death, or unforeseen non-reimbursed emergency.

O. Retirement Plan

The Town participates in the Hunter Benefits Consulting Group, Inc. (HBCG), which is a qualified plan as defined by IRS Code Section 401(a). The plan provides retirement benefits through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings.

There are no unfunded past service liabilities. All full-time employees are required to participate in the plan upon the first day of the payroll period following the employee's date of hire. The Town is required to contribute 5% of employee compensation excluding overtime. The employee is required to contribute an amount equal to the Town's contribution. Employees are immediately vested in their participant contributions and become vested in employer contributions to the plan over a six-year period.

Town of Basalt
Notes to the Financial Statements
December 31, 2018

V. Other Information

A. Risk Management

The Town is exposed to various risks of loss related to workers' compensation and general liability. The Town has acquired commercial coverage for these risks and any settled claims are not expected to exceed the commercial insurance coverage. The Town is also exposed to the risks of loss related to torts; theft of, damage to, and destruction of assets; and errors and omissions. To address such risks, the Town is a participant in a public entity risk pool administered by Colorado Intergovernmental Risk Sharing Agency ("CIRSA").

CIRSA's operations are funded by contributions from member governments. Coverage is provided in the amount of \$250,000 per claim or occurrence for property, \$1,000,000 per claim or occurrence for liability, and \$150,000 per claim or occurrence for crime. CIRSA has also acquired additional excess coverage from outside sources. While the Town may be liable for any losses in excess of this coverage, the Town does not anticipate such losses at December 31, 2018. Surpluses or deficits realized by CIRSA for any given year are subject to change for such reasons as interest earnings on invested amounts for those years and funds, re-estimation of losses for those years and funds, and credits or distributions from surplus for those years and funds.

The Town's share of CIRSA's fund equity as of December 31, 2018, is:

<u>Property and Casualty Pool:</u>	<u>Town Share</u>
2018 Loss Fund	\$ 566
Cumulative Operating Fund	(288.00)
Cumulative Excess Fund	(2,950.00)
Cumulative Reserve Fund	2,198.00
Total	<u>\$ (474)</u>

CIRSA's combined financial information for the year ended December 31, 2018, is summarized as follows:

Assets:	
Cash and investments	\$ 18,424,010
Other assets	65,235,436
Total Assets	<u>\$ 83,659,446</u>
Total liabilities	<u>\$ 33,114,953</u>
Net position	<u>\$ 50,544,493</u>
Total Revenues	\$ 27,433,840
Total Expenses	(30,680,054)
Change in Net Position	<u>\$ (3,246,214)</u>

Town of Basalt
Notes to the Financial Statements
December 31, 2018

V. Other Information (continued)

B. Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

C. Subsequent Events

Management has evaluated subsequent events through July 10, 2019, the date these financial statements were available to be issued.

D. Tabor Refund

In 2019 the Town discovered a potential violation of TABOR due to an over collection of property taxes in prior years. The Town has calculated and accrued a liability on the General Fund of \$1,848,261 at December 31, 2018. This is also shown as a special item on the financial statements.

E. Restatement of 2017 Audited Financial Statements

The Town's 2017 financial statements have been restated as follows:

- The Town's governmental and business-type capital assets were restated to correct various errors.
- The Town's Water Fund capital assets was restated to correct various errors.
- The Town's General Fund was restated to show the aforementioned lines of credit as an accrued expense of the General Fund.
- The Town's beginning restricted fund balance was restated in the General Fund to correct various errors.

The accumulation of these changes resulted a reduction of the General Fund balance of \$ 4,007,554, primarily due to the lines of credit being shown as a fund liability. The Water Fund's beginning net position was increased by \$100,551 due to the restatement of capital assets. The governmental activities and business-type activities beginning net position was changed by (\$2,639,285) and \$100,551, respectively, due to the restatement of capital assets.

Town of Basalt
Notes to the Financial Statements
December 31, 2018
(Continued)

V. Other Information (continued)

F. Expenditure in Excess of Appropriations

The noted funds had expenditures in excess of appropriations which may be a violation of state statute:

<u>Fund</u>	<u>Final Budget</u>	<u>Actual Expenditures</u>	<u>(Over) Budget</u>
Debt Service Fund	\$ 922,688	\$ 936,093	\$ (13,405)

REQUIRED SUPPLEMENTARY INFORMATION

GENERAL FUND

The General Fund is the primary fund of the Town and is used to account for activities that are not accounted for in other funds.

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

The *Conservation Trust Fund* accounts for lottery proceeds received from the State of Colorado that is required to be used for recreation.

PENSION INFORMATION

The Town provides additional information regarding their participation in Colorado's Fire and Police Pension Administration.

Town of Basalt
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund
For the Year Ended December 31, 2018
(With Comparative Actual Amounts For the Year Ended 2017)

	2018				2017
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Taxes:					
General property taxes	965,166	965,166	950,197	(14,969)	737,438
Specific ownership tax	55,000	55,000	90,462	35,462	88,470
Sales & use tax	6,225,000	6,225,000	6,086,425	(138,575)	5,925,043
Franchise tax	318,000	318,000	375,809	57,809	316,301
Other taxes	211,000	211,000	419,843	208,843	195,189
Total Taxes	7,774,166	7,774,166	7,922,736	148,570	7,262,441
Licenses and Permits:					
Other licenses and permits	1,169,600	1,169,600	2,557,021	1,387,421	918,045
Intergovernmental Revenue:					
Grant revenue	17,000	17,000	28,618	11,618	16,500
State highway users tax	124,302	124,302	157,598	33,296	127,067
County road and bridge	90,000	90,000	82,896	(7,104)	78,140
Other intergovernmental revenue	14,800	14,800	17,807	3,007	15,421
Total Intergovernmental Revenue	246,102	246,102	286,919	40,817	237,128
Charges for Services:					
Zoning and subdivision fees	25,000	25,000	7,783	(17,217)	36,663
Recreation revenue	111,500	111,500	107,849	(3,651)	75,666
Park dedication fees	500	500	215,618	215,118	12,200
Other charges for services	13,000	13,000	19,874	6,874	14,438
Rents	-	-	-	-	-
Total Charges for Services	150,000	150,000	351,124	201,124	138,967
Fines and Forfeitures:					
Traffic fines	25,350	25,350	53,946	28,596	27,367
Miscellaneous Revenue:					
Investment income	65,000	65,000	191,980	126,980	96,209
Other income	77,700	77,700	45,417	(32,283)	53,928
Total Miscellaneous Revenue	142,700	142,700	237,397	94,697	150,137
Total Revenues	9,507,918	9,507,918	11,409,143	1,901,225	8,734,085
Expenditures:					
General Government:					
Legislative	578,920	578,920	508,338	70,582	946,368
Judicial	26,020	26,020	25,908	112	21,594
Finance and administration	1,197,609	1,197,609	1,048,565	149,044	1,208,206
Elections	12,500	12,500	13,622	(1,122)	2,786
Planning	594,256	594,256	530,910	63,346	464,716
Municipal building facilities	320,840	320,840	304,433	16,407	306,374
Lodging	-	-	133,902	(133,902)	-
Total General Government	2,730,145	2,730,145	2,565,678	164,467	2,950,044

(continued on E2)

Town of Basalt
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund
For the Year Ended December 31, 2018
(With Comparative Actual Amounts For the Year Ended 2017)

	2018			2017
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative) Actual
Expenditures: (continued)				
Public Safety:				
Police	1,942,393	1,942,393	1,907,307	35,086
Building Inspection	174,969	174,969	158,339	16,630
Total Public Safety	<u>2,117,362</u>	<u>2,117,362</u>	<u>2,065,646</u>	<u>51,716</u>
Public Works:				
Engineering	65,000	65,000	37,445	27,555
Streets	1,186,395	1,186,395	601,746	584,649
Motor pool / fleet	(235,000)	(235,000)	-	(235,000)
Public works administration	319,236	319,236	286,675	32,561
Grants	-	-	789	(789)
Total Public Works	<u>1,335,631</u>	<u>1,335,631</u>	<u>926,655</u>	<u>408,976</u>
Culture and Recreation:				
Cemetery	10,000	10,000	189	9,811
Recreation	191,033	191,033	171,680	19,353
Swimming pool	186,385	186,385	154,035	32,350
Town sharing	35,000	35,000	31,000	4,000
Parks, open space and trails	433,421	433,421	307,491	125,930
Total Culture and Recreation	<u>855,839</u>	<u>855,839</u>	<u>664,395</u>	<u>191,444</u>
Affordable Housing:				
Affordable housing	275,000	275,000	209,209	65,791
Total Affordable Housing	<u>275,000</u>	<u>275,000</u>	<u>209,209</u>	<u>65,791</u>
Health and Welfare:				
Cigarette tax expense	-	-	12,378	(12,378)
Total Health and Welfare	<u>-</u>	<u>-</u>	<u>12,378</u>	<u>(12,378)</u>
Capital Outlay:				
Capital outlay and repairs	4,171,663	4,171,663	1,480,061	2,691,602
Debt Service:				
Interest	-	-	-	-
Principal	3,800,000	3,800,000	-	3,800,000
Total Debt Service	<u>3,800,000</u>	<u>3,800,000</u>	<u>-</u>	<u>3,800,000</u>
Total Expenditures	<u>15,285,640</u>	<u>15,285,640</u>	<u>7,924,022</u>	<u>7,361,618</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(5,777,722)</u>	<u>(5,777,722)</u>	<u>3,485,121</u>	<u>9,262,843</u>
Other Financing Sources (Uses):				
Transfer in	604,006	604,006	227,506	(376,500)
Bond proceeds	-	-	-	-
Sale of assets	10,000	10,000	36,602	26,602
Total Other Financing Sources (Uses)	<u>614,006</u>	<u>614,006</u>	<u>264,108</u>	<u>(349,898)</u>
Special Item:				
TABOR refund	-	-	(1,848,261)	(1,848,261)
Net Change in Fund Balance	<u>(5,163,716)</u>	<u>(5,163,716)</u>	<u>1,900,968</u>	<u>7,064,684</u>
Fund Balance - Beginning (as restated)			<u>3,348,885</u>	<u>1,695,018</u>
Fund Balance - Ending			<u><u>5,249,853</u></u>	<u><u>3,348,885</u></u>

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

Town of Basalt
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Conservation Trust Fund
For the Year Ended December 31, 2018
(With Comparative Actual Amounts For the Year Ended 2017)

	2018				2017
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Intergovernmental revenue:					
State grants	18,000	18,000	19,780	1,780	19,582
Investment income	50	50	133	83	70
Total Revenues	<u>18,050</u>	<u>18,050</u>	<u>19,913</u>	<u>1,863</u>	<u>19,652</u>
Net Change in Fund Balance	<u>18,050</u>	<u>18,050</u>	<u>19,913</u>	<u>1,863</u>	<u>19,652</u>
Fund Balance - Beginning			<u>163,989</u>		<u>144,337</u>
Fund Balance - Ending			<u>183,902</u>		<u>163,989</u>

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

Town of Basalt, Colorado
Schedule of Town's Proportionate Share of Net Pension Asset / Liability
Fire and Police Association of Colorado
Last 10 Fiscal Years *

Defined Benefit:	2017	2016	2015
Town's portion of the net pension asset	0.124962%	0.136713%	0.125920%
Town's proportionate share of the net pension asset (liability)	\$ 179,725	\$ (49,400)	\$ 2,220
Town's covered payroll	\$ 1,358,470	\$ 1,153,907	\$ 574,530
Town's proportionate share of the net pension asset (liability) as a percentage of its covered payroll	13.23%	-4.28%	0.39%
Plan fiduciary net position as a percentage of the total pension asset/(liability)	106.30%	106.80%	100.10%

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred one year prior. Information is only available beginning in fiscal year 2014.

** Includes both plan sponsor and State of Colorado Supplemental Discretionary Payment

Town of Basalt
Schedule of District Contributions
Fire and Police Pension Association of Colorado
Last 10 Fiscal Years *

Defined Benefit:	2018	2017	2016	2015
Statutorily required contribution	\$ 58,458	\$ 76,513	\$ 48,835	\$ 42,802
Contributions in relation to the statutorily required contribution	<u>(58,458)</u>	<u>(76,513)</u>	<u>(48,835)</u>	<u>(42,802)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 974,836	\$ 878,335	\$ 839,587	\$ 743,301
Contributions as a percentage of covered payroll	8.0%	8.0%	8.0%	8.0%

* Information is only available beginning in fiscal year 2014.

** Includes both plan sponsor and State of Colorado Supplemental Discretionary Payment

**Town of Basalt
Notes to the Required Supplementary Information
December 31, 2018**

**I. Schedule of Employer's Proportionate Share of the Net Pension Liability/(Asset)
Statewide Defined Benefit Plan and Hybrid Plan**

A. Changes to assumptions or other inputs

1. Changes Since the January 1, 2016 Actuarial Valuation are as Follows:

- No changes.

2. Changes Since the January 1, 2015 Actuarial Valuation are as Follows:

- Effective January 1, 2016, the post-retirement mortality tables for non-disabled retirees is a blend of the Annuitant and Employee RP-2014 generational mortality tables with blue collar adjustment projected with Scale BB. The occupationally disabled post-retirement mortality assumption uses the same table as used for healthy annuitants, except that is a three year set-forward, meaning a disabled member age 70 will be valued as if they were a 73 year old healthy retiree. The totally disabled post-retirement mortality assumption uses the RP-2014 generational mortality tables for disabled annuitants, except an additional provision to apply a minimum 3% mortality probability to males and 2% mortality probability for females is included to reflect substantial impairment for this population. The pre-retirement off-duty mortality tables are adjusted to 55% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00020.

3. Changes Since the January 1, 2014 Actuarial Valuation are as Follows:

- For determining the total pension liability, the RP-2014 Mortality Tables for Blue Collar Employees, projected with Scale BB, 55 percent multiplier for off-duty mortality is used in the valuation for off-duty mortality of active members. On-duty related mortality is assumed to be 0.00020 per year for all members of post-retirement benefits for members under age 55. For post-retirement members ages 65 and older, the RP-2014 Mortality Tables for Blue Collar Healthy Annuitants, projected with Scale BB are used.

B. Changes of benefit terms

No changes during the years presented.

C. Changes of size or composition of population covered by benefit terms

No changes during the years presented.

**II. Schedule of Employer's Proportionate Share of the Net Pension Liability/(Asset) –
Volunteer Pension Fund**

A. Changes of assumptions or other inputs

No changes during the years presented.

B. Changes of benefit terms

No changes during the years presented.

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

Town of Basalt
Notes to the Required Supplementary Information
December 31, 2018

II. Schedule of Employer's Proportionate Share of the Net Pension Liability/(Asset) – Volunteer Pension Fund (continued)

C. Changes of size or composition of population covered by benefit terms

No changes during the years presented.

III. Notes to the Schedule of District Contributions – Statewide Defined Benefit Plan

A. Changes to assumptions or other inputs

No changes during the years presented.

B. Changes of benefit terms.

No changes during the years presented.

C. Changes of size or composition of population covered by benefit terms.

No changes during the years presented.

D. Notes to the Schedule of District Contributions – Volunteer Pension Fund

D. Changes to assumptions or other inputs

No changes during the years presented.

E. Changes of benefit terms.

No changes during the years presented.

F. Changes of size or composition of population covered by benefit terms.

No changes during the years presented.

SUPPLEMENTARY INFORMATION

DEBT SERVICE FUND

The *Debt Service Fund* accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

PROPRIETARY FUNDS

ENTERPRISE FUNDS

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The intent of the Town is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges.

Major Enterprise Funds:

The *Water Fund* accounts for the activities of the water utility owned by the Town for the delivery of water service to the residents of Basalt. The major sources of revenue are from water user fees, which are used for operations, and from tap fees, which are used for capital improvements and are charged to new or expanded water services in the Town.

Town of Basalt
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Debt Service Fund
For the Year Ended December 31, 2018
(With Comparative Actual Amounts For the Year Ended 2017)

	2018			2017
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative) Actual
Revenues:				
Taxes:				
Property taxes	965,860	965,860	950,854	(15,006)
Investment income	-	-	1,931	1,931
Total Revenues	<u>965,860</u>	<u>965,860</u>	<u>952,785</u>	<u>(13,075)</u>
Expenditures:				
Debt Service:				
Interest	98,038	98,038	98,036	2
Principal	818,000	818,000	818,000	-
Other	6,650	6,650	20,057	(13,407)
Total Expenditures	<u>922,688</u>	<u>922,688</u>	<u>936,093</u>	<u>(13,405)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	<u>43,172</u>	<u>43,172</u>	16,692	<u>(26,480)</u>
Fund Balance - Beginning			6,941	28,550
Fund Balance - Ending			<u>23,633</u>	<u>6,941</u>

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

Town of Basalt
Schedule of Revenues and Expenditures Budget (Non-GAAP Basis)
and Actual With Reconciliation to GAAP Basis
Proprietary Funds
Water Fund
For the Year Ended December 31, 2018
(With Comparative Actual Amounts For the Year Ended 2017)

	2018				2017
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Operating Revenue:					
Sales	848,250	848,250	884,541	36,291	671,421
Other revenue	21,000	21,000	15,707	(5,293)	16,692
Operating Revenue	<u>869,250</u>	<u>869,250</u>	<u>900,248</u>	<u>30,998</u>	<u>688,113</u>
Operating Expenses:					
Water administration	240,826	240,826	222,596	18,230	271,436
Water supply	366,500	366,500	407,153	(40,653)	23,213
Water treatment and transmission	154,000	154,000	96,776	57,224	67,120
Operating Expenses	<u>761,326</u>	<u>761,326</u>	<u>726,525</u>	<u>34,801</u>	<u>361,769</u>
Operating income (loss)	107,924	107,924	173,723	65,799	326,344
Non-Operating Revenues (Expenses):					
Interest Revenue	2,000	2,000	7,180	5,180	3,802
Debt service - principal	(68,109)	(68,109)	(58,247)	9,862	-
Interest expense	(15,483)	(15,483)	(13,601)	1,882	(15,087)
Total Non-Operating Revenues (Expenses)	<u>(81,592)</u>	<u>(81,592)</u>	<u>(64,668)</u>	<u>16,924</u>	<u>(11,285)</u>
Income (Loss) Before Contributions and Transfers	26,332	26,332	109,055	82,723	315,059
Capital contributions	7,000	7,000	273,706	266,706	19,390
Transfers (out)	(227,506)	(227,506)	(227,506)	-	(225,910)
Change in Net Position - Budgetary Basis	<u>(194,174)</u>	<u>(194,174)</u>	<u>155,255</u>	<u>349,429</u>	<u>108,539</u>
Reconciliation to GAAP Basis:					
Adjustments:					
Depreciation			(289,007)		(267,195)
Capital outlay			370,445		-
Debt service - Principal			58,247		-
Total Adjustments			<u>139,685</u>		<u>(267,195)</u>
Total Net Position - Beginning			<u>3,927,857</u>		<u>4,086,513</u>
Total Net Position - Ending			<u><u>4,222,797</u></u>		<u><u>3,927,857</u></u>

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

**ANNUAL SCHEDULE OF REVENUES AND EXPENDITURES
FOR ROADS, BRIDGES, AND STREETS**

Steps for printing your content and returning to 'Edit Mode'

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 - CY18

Email address: jenny.aragon@basalt.net

City/County: Basalt

II - RECEIPTS FOR ROAD AND STREET PURPOSES

Please no commas or dollar signs for the input

A. Receipts from local sources

2. General Fund Appropriations:	\$	2,137,973.00
3. Other local imposts: <i>from A.3. 'Total' below</i>	\$	90,462.00
4. Miscellaneous local receipts: <i>from A.4. 'Total' below</i>	\$	98,351.00
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: \$ 2,326,786.00

B. Private Contributions

\$ 0.00

II - RECEIPTS FOR ROAD AND STREET PURPOSES (Detail)

Please no commas or dollar signs for the input

A.3. Other local imposts

a. Property Taxes and 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:	\$	90,462.00
Total: (a + b) carried to 'Other local imposts' above	\$	90,462.00

A.4. Miscellaneous local receipts

Please no commas or dollar signs for the input

a. Interest on Investments:	\$	0.00
b. Traffic fines & Penalties:	\$	15,455.00
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:	\$	82,896.00
h. Other:	\$	0.00
Total: (a through h) carried to 'Misc local receipts' above	\$	98,351.00

C. Receipts from State Government

Please no commas or dollar signs for the input

1. Highway User Taxes:	\$	157,598.00
3. Other State funds:		
c. Motor Vehicle Registrations:	\$	17,807.00
d. Other (Specify):		
Comments: undefined	\$	0.00
e. Other (Specify):		
Comments: undefined	\$	0.00
Total: (1+3c,d,e)	\$	175,405.00

D. Receipts from Federal Government

Please no commas or dollar signs for the input

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

III - DISBURSEMENTS FOR ROAD AND STREET PURPOSES

Please no commas or dollar signs for the input

A. Local highway disbursements

1. Capital outlay: (from A.1.d. 'Total Capital Outlay' below)	\$	1,092,872.00
2. Maintenance:	\$	171,636.00
3. Road and street services		
a. Traffic control operations:	\$	0.00
b. Snow and ice removal:	\$	86,214.00
c. Other:	\$	0.00
4. General administration & miscellaneous	\$	11,179.00
5. Highway law enforcement and safety	\$	1,140,290.00
Total: (A.1-5)		\$ 2,502,191.00

Please no commas or dollar signs for the input

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

Please no commas or dollar signs for the input

C. Payments to State for Highways:	\$	0.00
------------------------------------	----	------

D. Payments to Toll Facilities:

\$ 0.00

Total Disbursements: *(A+B+C+D)* \$ 2,502,191.00**Please no commas or dollar signs for the input****III - DISBURSEMENTS FOR ROAD AND STREET PURPOSES - (Detail)****Please no commas or dollar signs for the input**

	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	\$ 272,114.00	\$ 272,114.00
c. Construction			
1. New Facilities:	\$ 0.00	\$ 820,758.00	\$ 820,758.00
2. Capacity Improvements:	\$ 0.00	\$ 0.00	\$ 0.00
3. System Preservation:	\$ 0.00	\$ 0.00	\$ 0.00
4. System Enhancement:	\$ 0.00	\$ 0.00	\$ 0.00
5. Total Construction:			\$ 820,758.00
d. Total Capital Outlay: <i>(Lines A.1.a. + 1.b. + 1.c.5)</i>			\$ 1,092,872.00

IV. LOCAL HIGHWAY DEBT STATUS

Please no commas or dollar signs for the input

	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

V - LOCAL ROAD AND STREET FUND BALANCE

Please no commas or dollar signs for the input

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
\$ 0.00	\$ 2,502,191.00	\$ 2,502,191.00	\$ 0.00	\$ 0.00

Notes & Comments:

undefined

Please enter your name: undefined

Please provide a telephone number where you may be reached: undefined

Save

Print Mode

Edit Mode

Please click on the "Save" button before viewing the data in a print format.



STATISTICAL SECTION

This section of the Town of Basalt's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Town's overall financial position.

Contents	Page
<u>Financial Trends</u>	
These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.	G1
<u>Revenue Capacity</u>	
These schedules contain information to help the reader assess the Town's most significant local revenue sources; property tax and sales tax.	G10
<u>Debt Capacity</u>	
These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.	G17
<u>Operating Information</u>	
These schedules contain service and capital asset data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	G19

Town of Basalt, Colorado
Net Position by Component
Last Ten Years

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities										
Net investment in capital assets	\$ 17,781,272	\$ 19,368,810	\$ 20,994,949	\$ 21,819,133	\$ 19,463,556	\$ 18,436,209	\$ 30,729,660	\$ 26,536,086	\$ 37,316,464	\$ 38,288,851
Restricted	958,843	908,627	2,590,994	2,840,041	3,088,704	3,696,394	2,153,843	2,258,330	2,910,758	4,383,049
Unrestricted	5,319,600	5,359,703	3,409,646	3,403,790	7,074,020	5,157,470	4,101,995	3,708,751	684,423	1,266,423
Total governmental activities net position	24,059,715	25,637,140	26,995,589	28,062,964	29,626,280	27,290,073	36,985,498	32,503,167	40,911,645	43,938,323
Business-type activities										
Net investment in capital assets	2,911,807	2,685,263	4,330,189	4,259,817	4,186,468	4,106,749	3,965,225	3,881,505	3,605,622	3,758,179
Restricted	-	65,500	-	-	-	-	-	-	-	-
Unrestricted	2,152,213	2,251,811	405,509	555,022	474,660	413,036	231,970	285,730	322,235	464,618
Total business-type activities net position	5,064,020	5,002,574	4,735,698	4,814,839	4,661,128	4,519,785	4,197,195	4,167,235	3,927,857	4,222,797
Primary government										
Net investment in capital assets	20,693,079	22,054,073	25,325,138	26,078,950	23,650,024	22,542,958	34,694,885	30,417,591	40,922,086	42,047,030
Restricted	958,843	974,127	2,590,994	2,840,041	3,088,704	3,696,394	2,153,843	2,258,330	2,910,758	4,383,049
Unrestricted	7,471,813	7,611,514	3,815,155	3,958,812	7,548,680	5,570,506	4,333,965	3,994,481	1,006,658	1,731,041
Total primary government net position	\$ 29,123,735	\$ 30,639,714	\$ 31,731,287	\$ 32,877,803	\$ 34,287,408	\$ 31,809,858	\$ 41,182,693	\$ 36,670,402	\$ 44,839,502	\$ 48,161,120

SOURCE: 2017 and 2018 audited financial statements for the Town of Basalt.

Town of Basalt, Colorado
Changes in Net Position
Last Ten Years

	2009	2010	2011	2012	2013	2014	2015	2016	2017 (NOTE A)	2018
Expenses:										
Governmental Activities:										
General government	\$ 2,384,176	\$ 1,870,866	\$ 2,050,593	\$ 2,345,304	\$ 2,870,421	\$ 3,075,790	\$ 2,586,990	\$ 3,052,082	\$ 4,421,145	\$ 2,651,745
Public safety	1,517,178	1,300,935	1,405,174	1,200,108	1,375,878	1,630,753	1,893,125	2,005,598	2,406,660	2,033,117
Culture and recreation	730,278	639,315	614,361	792,321	853,533	973,478	896,584	803,778	791,106	1,020,129
Public works	851,598	856,179	673,729	785,963	748,985	4,184,009	973,619	1,456,788	1,413,368	1,617,148
Affordable housing (NOTE B)	-	-	-	-	-	-	-	-	182,502	239,209
Health & welfare	-	-	-	-	-	-	-	-	-	19,206
Interest (Included before 2018 under programs)	-	-	-	-	-	-	-	-	-	96,507
Total Governmental Activities	5,483,230	4,667,295	4,743,857	5,123,696	5,848,817	9,864,030	6,350,318	7,318,246	9,214,781	7,677,061
Business-type Activities:										
Water	793,706	470,130	687,776	625,654	621,517	580,130	736,885	679,690	727,911	658,689
Total Business-type Activities	793,706	470,130	687,776	625,654	621,517	580,130	736,885	679,690	727,911	658,689
Total Primary Government Expenses	6,276,936	5,137,425	5,431,633	5,749,350	6,470,334	10,444,160	7,087,203	7,997,936	9,942,692	8,335,750
Program Revenues:										
Governmental Activities:										
Charges for services:										
General government	71,926	33,900	31,215	42,545	119,807	34,484	(3,024)	58,463	489,022	85,775
Public safety	28,175	23,132	27,165	19,967	38,311	80,696	72,817	48,610	27,367	651,560
Culture and recreation	135,970	117,238	120,918	120,890	129,101	110,058	103,589	204,296	87,866	328,928
Public works	101,009	123,191	315,221	257,388	527,065	842,516	312,155	1,412,932	621,200	215,125
Operating grants and contributions	353,556	567,203	292,863	247,105	252,187	248,582	252,631	282,115	256,710	617,647
Capital grants and contributions	-	-	-	-	-	-	-	-	4,656,011	1,097,708
Total Governmental Activities Program Revenues	690,636	864,664	787,382	687,895	1,066,471	1,316,336	738,168	2,006,416	6,138,176	2,996,743
Business-type Activities:										
Charges for services:										
Water	566,440	621,270	556,267	769,254	607,562	596,664	571,347	680,241	671,421	885,481
Operating & Capital grants	24,624	3,913	49,797	97,921	31,459	21,964	14,034	193,186	19,390	288,474
Total Business-Type Activities Program Revenues	591,064	625,183	606,064	867,175	639,021	618,628	585,381	873,427	690,811	1,173,955
Total Primary Government Program Revenues	1,281,700	1,489,847	1,393,446	1,555,070	1,705,492	1,934,964	1,323,549	2,879,843	6,828,987	4,170,698
Net (Expense)/Revenue										
Governmental activities	(4,792,594)	(3,802,631)	(3,956,475)	(4,435,801)	(4,782,346)	(8,547,694)	(5,612,150)	(5,311,830)	(3,076,605)	(4,680,318)
Business-type activities	(202,642)	155,053	(81,712)	241,521	17,504	38,498	(151,504)	193,737	(37,100)	515,266
Total Primary Government Net Expense	\$ (4,995,236)	\$ (3,647,578)	\$ (4,038,187)	\$ (4,194,280)	\$ (4,764,842)	\$ (8,509,196)	\$ (5,763,654)	\$ (5,118,093)	\$ (3,113,705)	\$ (4,165,052)

NOTE A: The 2017 audited financial statements were restated during the 2018 audited. That restatement is reflected in this page of data.

Town of Basalt, Colorado
Changes in Net Position
Last Ten Years

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Taxes:										
Property taxes	\$ 841,878	\$ 885,718	\$ 913,882	\$ 935,876	\$ 969,753	\$ 1,018,535	\$ 1,134,619	\$ 1,409,317	\$ 1,653,296	\$ 1,901,051
Specific ownership taxes	32,235	29,783	26,106	28,532	37,833	36,866	62,327	53,323	88,470	90,462
Sales and use and miscellaneous taxes	3,790,983	3,767,485	3,749,352	3,962,863	4,633,629	4,860,077	5,544,258	5,552,073	6,120,232	6,506,268
Franchise and business taxes	263,859	274,488	281,290	268,704	298,270	295,321	303,208	296,818	316,301	375,809
Miscellaneous	97,121	179,760	141,896	127,057	223,462	89,348	258,776	305,622	345,289	-
Unrestricted investment earnings	61,420	24,779	16,030	17,016	11,070	11,230	3,736	46,365	96,302	194,044
Grants and contributions not restricted to specific programs										317,463
Sale of capital assets	7,468	2,107	-	-	-	-	630,395	-	-	(57,346)
Transfers	186,050	190,000	186,368	163,128	171,645	180,227	171,645	225,910	225,910	227,506
TABOR Refund, Special Item	-	-	-	-	-	-	-	-	-	(1,848,261)
2017 Audit Other restatements (NOTE A)	-	-	-	-	-	-	-	-	2,639,285	-
Total General Revenues and Transfers	<u>\$ 5,281,014</u>	<u>\$ 5,354,120</u>	<u>\$ 5,314,924</u>	<u>\$ 5,503,176</u>	<u>\$ 6,345,662</u>	<u>\$ 6,491,604</u>	<u>\$ 8,108,964</u>	<u>\$ 7,889,428</u>	<u>\$ 11,485,085</u>	<u>\$ 7,706,996</u>
Business-type Activities:										
Unrestricted investment earnings	7,834	3,501	1,204	748	430	386	589	2,183	3,802	7,180
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers	(186,050)	(190,000)	(186,368)	(163,128)	(171,645)	(180,227)	(171,645)	(225,910)	(225,910)	(227,506)
Total Business-type Activities	<u>(178,216)</u>	<u>(186,499)</u>	<u>(185,164)</u>	<u>(162,380)</u>	<u>(171,215)</u>	<u>(179,841)</u>	<u>(171,056)</u>	<u>(223,727)</u>	<u>(222,108)</u>	<u>(220,326)</u>
Total Primary Government Revenues	<u>5,102,798</u>	<u>5,167,621</u>	<u>5,129,760</u>	<u>5,340,796</u>	<u>6,174,447</u>	<u>6,311,763</u>	<u>7,937,908</u>	<u>7,665,701</u>	<u>11,262,977</u>	<u>7,486,670</u>
Change in Net Position										
Governmental activities	488,420	1,551,489	1,358,449	1,067,375	1,563,316	(2,056,090)	2,496,814	2,577,598	8,408,480	3,026,678
Business-type activities	(194,808)	(31,446)	(266,876)	79,141	(153,711)	(141,343)	(322,560)	(29,990)	(259,208)	294,940
Total Change in Net Position	<u>\$ 293,612</u>	<u>\$ 1,520,043</u>	<u>\$ 1,091,573</u>	<u>\$ 1,146,516</u>	<u>\$ 1,409,605</u>	<u>\$ (2,197,433)</u>	<u>\$ 2,174,254</u>	<u>\$ 2,547,608</u>	<u>\$ 8,149,272</u>	<u>\$ 3,321,618</u>

NOTE A: The 2017 audited financial statements were restated as a part of the 2018 audit. However, the Statement of Activities was not fully rerun for that year, which is why most of the restated are listed on one line.

SOURCE: 2017 and 2018 audited financial statements.

Town of Basalt
Fund Balance of Governmental Funds
Last Ten Years

	2009	2010	2011	2012	2013	2014	2015	2016	2017 (NOTE A)	2018
General Fund										
Restricted:										
Emergency Reserves	198,645	148,429	148,429	148,429	397,092	247,100	324,000	324,000	461,500	250,000
Committed:										
Open space and trails	-	-	737,157	1,202,542	1,202,542	1,887,449	2,021,027	1,171,514	-	321,423
Parks	-	-	262,228	254,728	254,728	266,488	166,488	262,728	274,928	490,546
Transportation	-	-	108,778	108,778	108,778	21,433	23,238	135,224	150,484	245,568
Willits RETAs	-	-	744,576	567,114	567,114	666,995	713,640	1,130,973	1,204,253	1,240,575
Highway and streets	-	-	330,997	330,997	330,997	330,997	330,997	343,431	447,658	327,513
Traffic enforcement	-	-	112,672	112,672	112,672	-	-	-	-	-
Other Projects	-	-	146,157	114,781	114,781	275,932	(1,425,547)	(1,109,540)	371,935	1,299,889
Reserved/Assigned	760,198	760,198	-	-	-	-	-	-	-	6,138
Unreserved/ Unassigned	5,176,356	5,168,692	3,134,031	3,156,977	4,598,842	3,714,368	3,820,722	3,444,244	438,127	1,068,201
Total General Fund	6,135,199	6,077,319	5,725,025	5,997,018	7,687,546	7,410,762	5,974,565	5,702,574	3,348,885	5,249,853
Bond Fund										
Restricted	-	-	-	-	-	-	-	-	-	-
Debt service payments	-	-	290,218	259,072	2,471,956	1,428,914	60,121	(3,424)	6,941	23,633
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	247,526	266,807	-	-	-	-	-	-	-	-
Total Bond Fund	247,526	266,807	290,218	259,072	2,471,956	1,428,914	60,121	(3,424)	6,941	23,633
All other Governmental Funds										
Restricted	-	-	-	-	-	-	-	-	-	-
Parks and recreation	-	-	45,317	64,649	85,370	103,930	122,449	144,337	163,989	183,902
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	2,801	29,850	-	-	-	-	-	-	-	-
Total All other Governmental Funds	2,801	29,850	45,317	64,649	85,370	103,930	122,449	144,337	163,989	183,902
Total Governmental Funds										
Restricted	198,645	148,429	483,964	472,150	2,954,418	1,779,944	506,570	464,913	632,430	457,535
Committed	-	-	2,442,565	2,691,612	2,691,612	3,449,294	1,829,843	1,934,330	2,449,258	3,931,652
Assigned	760,198	760,198	-	-	-	-	-	-	-	-
Unassigned	5,426,683	5,465,349	3,134,031	3,156,977	4,598,842	3,714,368	3,820,722	3,444,244	438,127	1,068,201
Total Governmental Fund Balance	6,385,526	6,373,976	6,060,560	6,320,739	10,244,872	8,943,606	6,157,135	5,843,487	3,519,815	5,457,388

Beginning with Fiscal year 2011, the Town Implemented GASB Statement 54 "Fund Balance Reporting and Governmental Fund Type Definitions".

NOTE A: The 2017 audit was restated to record the lines of credit as short-term liabilities, which had an affect on the balances for 2017. Additionally, other restatements were made to various committed accounts for this year.

SOURCE: 2017 and 2018 Audited Financial Statements for the Town of Basalt.

Town Of Basalt
Changes in Fund Balances, Governmental and Water Funds
Last Ten Years

	2009	2010	2011	2012	2013	2014	2015	2016	2017 (NOTE A)	2018
Governmental Funds										
Revenues										
Taxes	\$ 4,928,955	\$ 4,957,474	\$ 4,970,630	\$ 5,195,975	\$ 5,939,485	\$ 6,210,799	\$ 6,569,424	\$ 7,311,531	\$ 8,178,299	\$ 8,873,590
Intergovernmental revenues	353,556	567,203	292,863	247,105	252,187	248,582	252,631	282,115	4,912,721	306,700
Licenses and permits	171,125	170,514	365,893	302,729	630,175	895,861	493,146	1,670,294	918,045	2,557,021
Charges for Services	178,464	142,579	142,282	159,932	251,590	130,071	98,337	250,170	546,430	351,124
Fines & forfeitures	25,972	23,132	27,165	19,967	38,311	80,696	72,817	48,610	27,367	53,946
Miscellaneous revenue	120,061	165,775	117,105	102,235	128,739	61,704	83,745	107,214	175,204	239,461
Total revenues	5,778,133	6,026,677	5,915,938	6,027,943	7,240,487	7,627,713	7,570,100	9,669,934	14,758,066	12,381,842
Expenditures										
General government	2,005,161	2,120,610	1,698,894	2,018,205	2,736,883	2,912,037	5,363,659	3,057,908	3,596,204	2,565,678
Public Safety	2,257,530	1,364,724	1,329,082	1,136,145	1,330,287	1,782,516	1,985,952	1,914,639	2,306,109	2,065,646
Culture and recreation	715,710	624,747	659,287	687,756	836,798	942,847	808,732	772,061	752,753	664,395
Public works	915,456	743,386	1,085,327	1,150,286	1,469,874	4,023,144	1,403,356	1,186,992	1,076,748	926,655
Affordable housing (NOTE B)	-	-	-	-	-	-	-	-	182,502	209,209
Health and welfare	-	-	-	-	-	-	-	-	-	12,378
Capital Outlay	733,186	918,240	1,222,916	588,537	31,388	555,582	888,265	2,159,802	8,348,287	1,480,061
Debt service payments	419,410	458,627	420,214	349,963	276,154	671,897	249,735	1,118,090	962,402	936,093
Total expenditures	7,046,453	6,230,334	6,415,720	5,930,892	6,681,384	10,888,023	10,699,699	10,209,492	17,225,005	8,860,115
Excess (deficiency) of revenues over expenditures	(1,268,320)	(203,657)	(499,782)	97,051	559,103	(3,260,310)	(3,129,599)	(539,558)	(2,466,939)	3,521,727
Other financing sources (uses)										
Bond proceeds	-	-	-	-	-	1,888,000	(1,968,793)	-	-	-
Underwriter discount	-	-	-	-	-	(6,891)	-	-	-	-
Lease proceeds	-	-	-	-	-	177,825	-	-	-	-
Sale of Assets	7,468	2,107	-	-	-	-	640,276	-	-	36,601
Loan proceeds	242,291	-	-	-	3,193,386	-	1,500,000	-	3,892,936	-
Other 2017 Restatements										-
TABOR Refund									-	(1,848,261)
Operating Transfers in (out)	186,050	190,000	186,368	163,128	171,645	180,227	171,645	225,910	225,910	227,506
Total other financing sources (uses)	435,809	192,107	186,368	163,128	3,365,031	2,239,161	343,128	225,910	4,118,846	(1,584,154)
Net Change to Fund Balance	(832,511)	(11,550)	(313,414)	260,179	3,924,134	(1,021,149)	(2,786,471)	(313,648)	1,651,907	1,937,573

NOTE A: The 2017 financial information has not been restated in this analysis.

SOURCE: 2017 and 2018 Audited Financial Statements.

Town Of Basalt
Changes in Fund Balances, Governmental and Water Funds
Last Ten Years

	2009	2010	2011	2012	2013	2014	2015	2016	2017 (NOTE A)	2018
Enterprise Funds - Water										
Revenue										
User Charges	563,022	590,374	554,198	624,979	584,749	575,891	542,502	660,189	669,309	885,481
Other Revenue	3,418	30,896	2,069	144,275	22,813	20,773	28,845	20,052	19,204	273,706
Total Revenues	566,440	621,270	556,267	769,254	607,562	596,664	571,347	680,241	688,513	1,159,187
Expenses										
Operating	-	-	-	-	-	-	-	-	-	-
Administration	-	-	-	-	-	-	-	-	-	-
Personnel Services	311,073	103,553	167,673	180,026	176,367	136,737	181,136	191,480	195,008	171,449
Contractual services	59,384	53,425	41,093	39,622	40,474	58,646	60,528	45,406	69,391	40,294
Utilities	27,224	23,455	22,115	26,709	28,882	25,445	34,462	29,344	29,552	25,291
Repairs and Maintenance	16,136	15,813	13,377	32,290	29,921	4,617	88,667	54,699	21,196	66,289
Other supplies and expenses	158,609	45,111	155,084	43,512	48,261	63,941	71,211	74,974	46,623	52,758
Depreciation	188,034	197,607	259,139	275,630	275,095	262,960	270,630	265,798	267,195	289,007
Total Expenses	760,460	438,964	658,481	597,789	599,000	552,346	706,634	661,701	628,965	645,088
Net income (loss) from operations	(194,020)	182,306	(102,214)	171,465	8,562	44,318	(135,287)	18,540	59,548	514,099
Non-operating revenue (expense)										
Interest revenue	7,834	3,501	1,204	748	430	386	589	2,183	3,802	7,180
Interest expense	(33,246)	(31,166)	(29,295)	(27,865)	(22,517)	(27,784)	(30,251)	(17,989)	(15,087)	(13,601)
Gain (loss) on sale of assets	-	-	-	-	-	-	-	-	-	-
Grants	-	-	48,180	70,845	-	-	-	-	-	-
Total non-operating revenue (expense)	(25,412)	(27,665)	20,089	43,728	(22,087)	(27,398)	(29,662)	(15,806)	(11,285)	(6,421)
Transfer from (to) other funds	-	-	-	-	-	-	-	-	-	-
General Fund	-	(190,000)	(186,368)	(163,128)	(171,645)	(180,227)	(171,645)	(225,910)	(225,910)	(227,506)
Capital Contributions Tap Fees	24,624	3,913	1,617	27,076	31,459	21,964	14,034	193,186	18,990	14,768
Change in Net Position	\$ (194,808)	\$ (31,446)	\$ (266,876)	\$ 79,141	\$ (153,711)	\$ (141,343)	\$ (322,560)	\$ (29,990)	\$ (158,657)	\$ 294,940

NOTE A: The 2017 financial information has not been restated in this analysis.

NOTE B: Affordable housing started to be broken out separately in this schedule for 2017.

SOURCE: 2017 and 2018 Audited Financial Statements.

Town of Basalt, Colorado
History of General Fund Revenues, Expenditures, and Changes in Fund Balance
Last Ten Years

	2009	2010	2011 (NOTE A)	2012	2013	2014	2015	2016	2017	2018
Revenues:										
Taxes	\$ 4,626,263	\$ 4,656,617	\$ 4,678,057	\$ 4,915,828	\$ 5,663,331	\$ 5,928,181	\$ 6,569,424	\$ 6,749,096	\$ 7,262,441	\$ 7,922,736
Licenses, permits, & fees	171,125	170,514	365,893	302,729	630,175	895,861	493,146	1,670,294	918,045	2,557,021
Intergovernmental	338,246	552,691	277,402	227,787	231,471	230,029	234,123	260,268	237,128	286,919
Charges for services	178,464	142,579	142,282	159,932	251,590	130,071	98,337	250,170	138,967	351,124
Fines & forfeitures	25,972	23,132	27,165	19,967	38,311	80,696	72,817	48,610	27,367	53,946
Miscellaneous	99,072	145,782	97,515	82,264	108,929	55,094	83,734	107,160	150,137	237,397
Total Revenues	5,439,142	5,691,315	5,588,314	5,708,507	6,923,807	7,319,932	7,551,581	9,085,598	8,734,085	11,409,143
Expenditures:										
General government	1,995,757	2,110,829	1,687,148	2,009,123	2,472,536	2,866,239	5,363,659	3,048,490	2,983,427	2,565,678
Public safety	2,257,530	1,364,724	1,329,082	1,136,145	1,330,287	1,782,516	1,985,952	1,914,639	2,302,419	2,065,646
Public works	915,456	743,386	1,085,327	1,108,265	733,915	1,122,417	1,403,356	1,188,992	1,018,637	926,655
Culture and recreation	715,710	624,747	659,287	687,756	836,798	942,847	808,732	772,061	698,310	664,395
Affordable Housing (NOTE B)									149,120	209,209
Health & welfare (NOTE C)										12,378
Debt service payments	125,952	166,852	143,215	69,816		405,050	249,735	499,515	-	-
Capital Outlay	733,186	918,240	1,222,916	588,537	31,388	555,582	888,265	2,159,802	4,479,592	1,480,061
Total Expenditures	6,743,591	5,928,778	6,126,975	5,599,642	5,404,924	7,674,651	10,699,699	9,583,499	11,631,505	7,924,022
Excess (Deficiency) of Revenues Over Expenditures	(1,304,449)	(237,463)	(538,661)	108,865	1,518,883	(354,719)	(3,148,118)	(497,901)	(2,897,420)	3,485,121
Other Financing Sources (Uses):										
Proceeds from sale of assets	7,468	2,107	-	-	-	-	-	-	24,975	36,602
Loan proceeds/lines of credit and trade-ins	242,291	-	-	-	-	177,825	1,540,276	-	3,892,937	-
TABOR refund (special item)	-	-	-	-	-	-	-	-	-	-
Transfers in	186,050	177,476	186,367	163,128	171,645	180,227	171,645	225,910	633,374	227,506
Transfers out	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	435,809	179,583	186,367	163,128	171,645	358,052	1,711,921	225,910	4,551,286	264,108
Net Change in Fund Balances	(868,640)	(57,880)	(352,294)	271,993	1,690,528	3,333	(1,436,197)	(271,991)	1,653,866	3,749,229
Fund Balances - Beginning	6,885,632	6,135,199	6,077,319	5,725,025	5,997,018	7,687,546	7,410,762	5,974,565	5,702,574	3,348,885
TABOR refund (special item)	-	-	-	-	-	-	-	-	-	(1,848,261)
Residual transfer/Restatements	118,207	-	-	-	-	(280,117)	-	-	(4,007,555)	-
Fund Balances - Ending	\$ 6,135,199	\$ 6,077,319	\$ 5,725,025	\$ 5,997,018	\$ 7,687,546	\$ 7,410,762	\$ 5,974,565	\$ 5,702,574	\$ 3,348,885	\$ 5,249,853

NOTE A: The Town's beginning fund balance for the year ended December 31, 2011, was restated to reflect a change in accounting practice pursuant to GASB 54.

NOTE B: Affordable housing was added to this schedule for 2017. Prior to that, it was not broken out separately.

NOTE C: Health & welfare was added to this schedule for 2018, which is the year that the Town approved a cigarette tax restricted for health and welfare.

2017 financial information was restated in this analysis for fund balance comparison purposes.

SOURCE: Town of Basalt Audited Financial Statements.

Town of Basalt, Colorado
History of Water Enterprise Fund Revenues, Expenses, and Changes in Fund Net Position
Last Ten Years

	2009	2010	2011 (NOTE A)	2012	2013	2014	2015	2016	2017 (NOTE B)	2018
Revenues:										
User charges	\$ 563,022	\$ 590,374	\$ 554,198	\$ 624,979	\$ 584,749	\$ 575,891	\$ 542,502	\$ 660,189	\$ 671,421	\$ 884,542
Grants	-	-	48,180	70,845	-	-	-	-	-	-
Other revenues	3,418	30,896	2,069	144,275	22,813	20,773	28,845	20,052	16,692	15,707
Investment earnings (losses)	7,834	3,501	1,204	748	430	386	589	2,183	3,802	7,180
Total Revenues	574,274	624,771	605,651	840,847	607,992	597,050	571,936	682,424	691,915	907,429
Expenses:										
Operating:										
Personnel services	123,140	103,553	167,673	180,026	176,367	136,737	181,136	191,480	195,008	171,449
General operations	74,404	59,385	39,225	50,550	51,974	67,620	72,933	60,800	76,429	51,182
Water line expenses	32,105	33,279	33,311	34,992	29,819	17,296	67,801	36,545	40,116	45,999
Water rights & utilities for source of water	106,606	22,647	12,716	9,437	10,036	12,165	10,081	40,272	23,213	36,674
Water treatment expenses	27,102	22,493	21,709	29,598	39,860	24,027	58,843	63,238	27,004	50,777
Capital expenses:										
Property, plant, and equipment	663,018	565,896	1,974,507	166,136	29,813	147,107	111,209	120,043	-	370,445
Debt service:										
Debt service	83,562	83,420	83,562	84,542	70,300	98,771	93,388	83,562	83,562	71,848
Total Expenses	1,109,937	890,673	2,332,703	555,281	408,169	503,723	595,391	595,940	445,332	798,374
Income (Loss) Before Contributions and Transfers	(535,663)	(265,902)	(1,727,052)	285,566	199,823	93,327	(23,455)	86,484	246,583	109,055
Capital contributions	24,624	3,913	1,617	27,076	31,459	21,964	14,034	193,186	19,390	273,706
Proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
Other per audit	-	-	(124,708)	(17,556)	(15,848)	(31,542)	(45,210)	(3,568)	(12,246)	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	(186,050)	(190,000)	(186,368)	(163,128)	(171,645)	(180,227)	(171,645)	(225,910)	(225,910)	(227,506)
Change in Net Position - Budget Basis	(697,089)	(451,989)	(2,036,511)	131,958	43,789	(96,478)	(226,276)	50,192	27,817	155,255
Reconciliation to GAAP Basis:										
Debt principal payments	50,316	52,254	54,267	56,677	47,783	70,987	63,137	65,573	-	58,247
Debt accrued interest										
Capitalized expenses	663,018	565,896	1,974,507	166,136	29,813	147,107	111,209	120,043	-	370,445
Change in compensated absences										
Change in OPEB obligation										
Loss on disposition of assets										
Contributions of assets from other funds										
Depreciation	(188,034)	(197,607)	(259,139)	(275,630)	(275,095)	(262,960)	(270,630)	(265,798)	(267,195)	(289,007)
Change in Net Position - GAAP Basis	(171,789)	(31,446)	(266,876)	79,141	(153,710)	(141,344)	(322,560)	(29,990)	(239,378)	294,940
Net Position - Beginning	5,258,828	5,064,020	5,032,574	4,735,698	4,814,839	4,661,129	4,519,785	4,197,225	4,167,235	3,927,857
Residual transfer/Restatements (NOTE C)	(23,019)		(30,000)							
Net Position - Ending	\$ 5,064,020	\$ 5,032,574	\$ 4,735,698	\$ 4,814,839	\$ 4,661,129	\$ 4,519,785	\$ 4,197,225	\$ 4,167,235	\$ 3,927,857	\$ 4,222,797

NOTE A: The Town's beginning fund balance for the year ended December 31, 2011, was restated to reflect a change in accounting practice pursuant to GASB 54.

NOTE B: The audit for 2017 was restated due to the start of new auditors hired by the Town. The "reconciliation GAAP basis" was also added to the financials at that time.

NOTE C: These numbers reflect the difference that was due to a change in reporting/inconsistencies in records. Starting in 2017, the financial information was put in a different format.

SOURCE: Town of Basalt Audited Financial Statements & Caselle Financial Records.

TOWN OF BASALT
Assessed and Actual Property Values For 2013 - 2017
(Town Assessed Valuation Includes Eagle and Pitkin Counties)

	2013	2015	2017
Vacant Assessed	\$ 6,198,720	\$ 5,831,035	\$ 5,463,350
Vacant Actual	21,374,897	20,107,144	18,839,390
Residential Assessed	61,782,250	72,899,025	84,015,800
Residential Actual	776,158,920	971,595,585	1,167,032,250
Commercial Assessed	64,328,130	70,669,065	77,010,000
Commercial Actual	221,821,138	243,686,344	265,551,550
Industrial Assessed	710,940	695,930	680,920
Industrial Actual	2,451,517	2,689,029	2,926,540
Agricultural Assessed	113,390	118,865	124,340
Agricultural Actual	391,000	409,850	428,700
Natural Resources Assessed	-	-	-
Natural Resources Actual	-	-	-
State Assessed	1,684,080	1,658,740	1,633,400
State Actual	5,807,172	5,556,116	5,305,060
Total Taxable Assessed	134,817,510	151,872,660	168,927,810
Total Taxable Actual	\$ 1,028,004,644	\$ 1,244,044,067	\$ 1,460,083,490
Exempt Property Assessed		\$ 160,105,990	\$ 23,167,430
Exempt Property Actual		\$ 176,847,580	\$ 93,759,040

SOURCE: 2017 Audited Financial Statements

1) All property other than residential improved property assessed at 29% of Actual Value, except oil and gas production which is assessed at 87.5% of Actual Value.

2) Residential property assessed at varying percentages of Actual Value under Colorado Constitutional Amendment as follows: 2004-2015: 7.96%, 2017: 7.2%.

http://dola.colorado.gov/dptipublications/docs/2013_Annual_Report/CitiesTownsbyClass.pdf

TOWN OF BASALT
Property Tax Levies and Collections
Last Ten Years

	Mill Levy	Net Assessed Value	Total Tax Levied	Property Tax Collected	Percent of Levy Collected
2009	5.181	165,113,470	855,453	841,878	98.41%
2010	5.391	154,497,940	832,898	885,718	106.34%
2011	6.139	152,397,560	935,569	913,882	97.68%
2012	6.386	152,508,770	973,921	935,876	96.09%
2013	7.560	134,852,500	1,019,485	969,753	95.12%
2014	7.560	136,294,037	1,030,383	1,018,535	98.85%
2015	9.881	134,852,500	1,332,531	1,323,152	99.30%
2016	9.158	152,960,490	1,400,524	1,409,316	100.63%
2017 (NOTE A)	11.592	157,827,260	1,827,126	1,653,296	90.49%
2018	11.588	166,639,020	1,931,013	1,901,051	98.45%

Tax lien sale in November for any property taxes not paid in the current year.

SOURCE for 2017 audit data: [http://dola.colorado.gov/dpt/publications/docs/2015 Annual Report/EagleCert.pdf](http://dola.colorado.gov/dpt/publications/docs/2015%20Annual%20Report/EagleCert.pdf)

SOURCE for 2018: Town of Basalt staff records.

NOTE A: 2017 property tax collected has not been restated.

**Top Fifteen Assessed Properties in Basalt by Owner
EAGLE COUNTY**

2016			2017			2018		
OWNER NAME	ACTUAL	ASSESSED	OWNER NAME	ACTUAL	ASSESSED	OWNER NAME	ACTUAL	ASSESSED
TKG WILLITS TOWN CENTER LLC	\$ 15,556,570	\$ 4,511,400	TKG WILLITS TOWN CENTER LLC	\$ 15,556,570	\$ 4,511,400	WILLITS TOWN CENTER LLC	\$ 27,811,640	\$ 5,476,420
WILLITS BLOCK 12 LLC	9,165,440	2,657,970	WILLITS TOWN CENTER	13,307,450	3,757,350	WILLITS BLOCK 12 LLC	16,779,170	4,865,960
DILLON REALESTATE CO INC	8,654,230	2,509,730	WILLITS BLOCK 12 LLC	9,165,440	2,657,970	TKG WILLITS TOWN CENTER LLC	16,038,050	4,651,020
RMI INNOVATION CENTER LLC	7,920,760	2,297,020	DILLON REAL ESTATE CO INC	8,654,230	2,509,730	DILLON REAL ESTATE CO INC	11,050,790	3,204,730
TKG-STORAGEMART PTNRS PORTF. LLC	7,836,850	2,272,690	RMI INNOVATION CENTER LLC	7,920,760	2,297,020	TKG-STORAGEMART PTNRS PORTF. LLC	9,226,570	2,675,710
ASPEN SKIING COMPANY LLC	6,559,980	1,902,390	TKG-STORAGEMART PTNRS PORTF. LLC	7,836,850	2,272,690	ASPEN SKIING COMPANY LLC	7,350,430	2,131,630
WILLITS TOWN CENTER LLC	6,113,730	1,772,990	ASPEN SKIING COMPANY LLC	6,559,980	1,902,390	VALLEY VIEW HOSPITAL ASSOCIATION	6,512,820	1,888,720
VALLEY VIEW HOSPITAL ASSOCIATION	6,105,390	1,770,560	VALLEY VIEW HOSPITAL ASSOCIATION	6,105,390	1,770,560	BASALT TRADE ASSOCIATES LLC	6,451,960	1,871,060
STUTSMAN TRI-ALLIANCE LTD	6,339,450	1,600,620	STUTSMAN TRI-ALLIANCE LTD	6,339,450	1,600,620	DISCOVERY PLACE INVESTMENTS LTD	4,378,080	1,269,650
BASALT TRADE ASSOCIATES LLC	4,951,570	1,435,940	BASALT TRADE ASSOCIATES LLC	4,951,570	1,435,940	KEELTY DEV LLC	4,538,330	975,340
DONNINGTON INVESTMENTS LLC	4,824,560	1,399,120	WILLITS TOWN CENTER LLC	4,509,340	1,280,660	ALPINE BANK	3,314,850	961,310
WILLITS TOWN CENTER LLC	4,509,340	1,280,660	DONNINGTON INVESTMENTS LLC	4,271,590	1,238,760	MICHAEL P. KNAPP FAMILY TRUST	3,204,180	929,210
MICHAEL P. KNAPP TRUST	4,371,000	1,267,590	QWEST CORP	3,537,760	1,025,950	MS CROSSINGS INVESTMENT GROUP LLC	3,022,100	876,410
QWEST CORP	3,577,170	1,037,380	KEELTY DEV LLC	4,221,620	895,480	SOPHIECO LLC	3,001,230	870,340
KEELTY DEV LLC	4,221,620	895,480	ALPINE BANK	3,074,410	891,580	DB COOPER LLC	4,092,290	867,570

**Top Fifteen Assessed Properties in Basalt by Owner
PITKIN COUNTY**

2016			2017			2018		
OWNER NAME	ACTUAL	ASSESSED	OWNER NAME	ACTUAL	ASSESSED	OWNER NAME	ACTUAL	ASSESSED
ROARING FORK CLUB CABIN OPER.	\$ 48,048,800	\$ 3,931,420	ROARING FORK CLUB CABIN OPER.	\$ 48,645,600	\$ 3,626,750	ROARING FORK CLUB CABIN OPER.	\$ 48,863,100	\$ 3,650,590
ROARING FOR CLUB LLC	11,303,400	3,277,990	ROARING FOR CLUB LLC	11,074,800	3,211,680	ROARING FOR CLUB LLC	11,074,800	3,211,680
NORTHFORK LLC	5,008,000	1,452,320	NORTHFORK LLC	5,500,000	1,595,000	NORTHFORK LLC	5,964,000	1,729,560
MYERS & ASSOC PROPERTIES LLC	3,454,900	1,001,930	MYERS & ASSOC PROPERTIES LLC	3,434,300	995,940	MYERS & ASSOC PROPERTIES LLC	3,434,300	995,940
BASALT CENTER LLC	2,442,400	708,300	DD BUILDINGS LLC	3,238,000	762,280	DD BUILDINGS LLC	3,238,000	762,280
DD BUILDINGS LLC	2,961,000	700,840	BASALT CENTER LLC	2,570,100	745,330	BASALT CENTER LLC	2,570,100	745,330
RFC TWO EAGLES PARTNERS LLC	2,000,000	580,000	SOUTHSIDE DRIVE LLC	2,008,000	582,320	SOUTHSIDE DRIVE LLC	2,008,000	582,320
EXCHANGE BANK	1,796,100	520,870	EXCHANGE BANK	1,720,900	499,060	ISBERIAN S. G & H. REV TRUST	1,712,100	496,510
SOUTH SIDE DRIVE LLC	1,700,000	493,000	ISBERIAN S. G & H. REV TRUST	1,712,100	496,510	DAVIDCO LLC	1,845,400	495,950
ISBERIAN S. G & H. REV TRUST	1,574,600	456,640	DA TRUST	1,695,900	491,800	DA TRUST	1,695,900	491,800
MONUMENT REAL ESTATE GROUP LLC	1,570,000	417,430	MONUMENT REAL ESTATE GROUP LLC	1,718,700	456,800	RFC TWO EAGLES PARTNERS LLC	6,400,000	460,800
DA TRUST	1,435,400	416,260	SURVIVORS TRUST BOWLIN	4,815,700	346,730	MONUMENT REAL ESTATE GROUP LLC	1,718,700	456,800
PITKIN COUNTY	1,414,600	410,230	JO NET INC	2,062,600	343,550	SURVIVORS TRUST BOWLIN	4,815,700	346,730
WATERMAN GAYLE C	4,979,200	396,340	WATERMAN GAYLE C	4,984,600	358,890	JO NET INC	2,062,600	343,550
SURVIVORS TRUST CREATED DEC 31 2006	4,815,700	383,330	HARRIMAN WILSON F	1,169,400	339,130	WATERMAN GAYLE C	4,984,600	358,890

SOURCE: 2016 and 2017 is the 2017 Audit, and 2018 is the Eagle County and Pitkin County Assessor's Office.

Town of Basalt, Colorado
Sales, Lodging, & Cigarette Tax Receipts
Last Ten Years

Year	1.0% Original Parks and Open Space Sales Tax Receipts	2.0% General Sales Tax Receipts	Other Sales Tax Receipts	Total Sales Tax Receipts	4% Lodging Tax Chamber, Parks, Capital & Marketing	Cigarette Tax (tax question approved in 2018)	Total Sales, Lodging, & Cigarette Tax Receipts
2009	\$ 1,176,656	\$ 1,098,562	\$ 1,462,689	\$ 3,737,907	\$ 28,703	\$ -	\$ 3,766,610
2010	1,042,991	1,051,164	1,623,650	3,717,805	30,152	-	3,747,957
2011	1,061,561	1,061,548	1,580,195	3,703,304	28,320	-	3,731,624
2012	1,144,888	1,144,889	1,627,287	3,917,064	29,401	-	3,946,465
2013	1,454,118	1,362,415	1,772,596	4,589,129	28,677	-	4,617,806
2014	1,416,771	1,407,512	1,988,515	4,812,798	31,619	-	4,844,417
2015	1,548,637	1,548,634	2,358,658	5,455,929	72,036	-	5,527,965
2016	1,606,975	1,607,309	2,206,086	5,420,370	115,356	-	5,535,726
2017	1,706,903	1,707,118	2,511,022	5,925,043	178,982	-	6,104,025
2018	1,795,375	1,795,377	2,495,673	6,086,425	241,847	175,568	6,503,840

Source: Town of Basalt Finance Department

NOTE: Lodging tax was increased from 2% to 4% through an election in November 2014. Prior to 2018, there were expenses that were netted against revenue.

TOWN OF BASALT
Taxable Retail Sales by Industry - Last Ten Years
2009 - 2018

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	% Change 2017 vs. 2018
Automotive	\$ 192,696	\$ 175,531	\$ 170,305	\$ 170,820	\$ 177,244	\$ 178,862	\$ 196,740	\$ 178,433	\$ 174,147	\$ 178,187	2.3%
Lodging	44,752	45,840	51,512	45,307	45,352	63,189	61,582	167,000	173,002	163,646	-5.4%
Restaurant Without Bar	112,190	90,936	95,625	97,267	99,395	122,299	121,771	134,195	120,978	136,231	12.6%
Restaurant With Bar	273,136	300,906	299,504	321,038	324,675	352,575	387,726	397,571	478,120	495,841	3.7%
Retail Sales	502,125	510,405	466,984	526,138	641,153	643,204	812,344	783,500	946,895	986,545	4.2%
Sporting Retail	109,908	116,854	132,198	143,509	174,225	195,905	216,476	232,332	231,884	218,454	-5.8%
Finance	8,030	6,659	8,119	7,028	7,541	8,692	5,545	5,863	6,529	25,174	285.6%
In-Home Sales	3,919	4,333	4,053	2,845	2,240	2,282	2,412	1,919	2,991	857	-71.3%
Retail Liquor	181,219	170,302	175,506	180,354	205,495	225,686	236,381	247,515	250,229	256,373	2.5%
Telecommunications	126,507	117,812	128,922	115,108	102,842	95,332	94,082	89,036	89,059	99,947	12.2%
Utilities	143,337	150,303	148,177	148,841	176,489	163,381	171,063	158,410	172,049	201,713	17.2%
Building	231,488	174,806	182,624	195,004	208,413	239,048	276,876	271,799	284,627	361,543	27.0%
Retail Food	1,366,379	1,288,804	1,321,114	1,481,407	1,922,181	1,932,081	2,062,905	2,154,353	2,190,843	2,261,619	3.2%
TOTAL, Broken out	\$ 3,295,686	\$ 3,153,491	\$ 3,184,644	\$ 3,434,666	\$ 4,087,245	\$ 4,222,536	\$ 4,645,903	\$ 4,821,926	\$ 5,121,353	\$ 5,386,130	5.2%
Other sales tax	442,221	564,314	518,660	482,398	501,884	590,262	810,026	598,444	803,690	700,295	-12.9%
Total, All Sales Tax	\$ 3,737,907	\$ 3,717,805	\$ 3,703,304	\$ 3,917,064	\$ 4,589,129	\$ 4,812,798	\$ 5,455,929	\$ 5,420,370	\$ 5,925,043	\$ 6,086,425	2.7%
% change vs. prior yr.		-0.5%	-0.4%	5.8%	17.2%	4.9%	13.4%	-0.7%	9.3%	2.7%	

SOURCE: Town of Basalt finance department.

2017 Financial information was not restated in this presentation.

Town of Basalt, Colorado
Real Estate Transfer Assessment Receipts
Last Ten Years

Fiscal Year	Willits RETA 1	RFC RETA	Sopris Meadows RETA	Total Real Estate Transfer Taxes
2009	34,358	14,280	-	48,638
2010	45,428	16,392	-	61,820
2011	66,635	12,395	-	79,030
2012	27,886	23,010	-	50,896
2013	7,278	9,065	-	16,343
2014	148,293	17,000	72,180	237,473
2015	104,041	11,864	25,614	141,519
2016	518,933	6,395	84,098	609,426
2017	207,238	12,015	76,747	296,000
2018	491,458	520,230	86,020	1,097,708

"RETA" is a "real estate transfer assessment" charged as an assessment to certain developments.

Town of Basalt, Colorado
Parks and Open Space Sales Tax Receipts by Month
Last Ten Years

	2009	2010	2011	2012	2013	2014	2015	2016	2017
January	\$ 137,331	\$ 128,171	\$ 114,701	\$ 128,481	\$ 144,682	\$ 132,404	\$ 134,046	\$ 140,632	150,543
February	89,375	76,552	86,972	73,693	110,041	96,605	124,946	116,957	125,577
March	80,755	76,076	80,829	80,805	95,997	98,302	105,520	116,265	115,204
April	87,710	84,901	73,938	77,728	101,633	102,328	114,654	120,373	130,990
May	76,192	73,603	75,056	81,767	89,590	94,123	107,771	111,517	115,873
June	79,685	76,040	71,887	80,916	183,409	107,349	111,115	121,008	130,805
July	88,726	86,696	91,100	96,142	119,839	122,990	133,289	137,049	156,847
August	100,543	108,268	110,436	110,454	131,528	142,639	151,163	159,486	168,152
September	105,137	94,449	99,848	115,035	143,654	157,928	167,912	188,103	219,147
October	87,831	88,459	98,710	115,261	110,235	147,467	164,179	162,895	147,146
November	87,183	79,402	81,284	93,807	125,083	107,318	111,139	119,307	127,055
December	156,188	70,374	76,800	90,799	98,427	107,318	122,903	113,383	119,564
Total	\$1,176,656	\$ 1,042,991	\$ 1,061,561	\$ 1,144,888	\$ 1,454,118	\$ 1,416,771	\$ 1,548,637	\$1,606,975	\$ 1,706,903

SOURCE: Town of Basalt finance department.

Town of Basalt, Colorado
Major Revenue Sources - Governmental Funds
Last Ten Years

	<u>Taxes¹</u>	<u>Licenses and Permits</u>	<u>Inter- governmental</u>	<u>Charges for Services²</u>	<u>Fines and Forfeits</u>	<u>Earnings on Investments</u>	<u>Other</u>	<u>Total</u>
2009	4,626,263	171,125	338,246	178,464	25,972	60,231	38,841	5,439,142
2010	4,656,617	170,514	552,691	142,579	23,132	24,586	121,196	5,691,315
2011	4,678,057	365,893	277,402	142,282	27,165	16,240	81,275	5,588,314
2012	4,915,828	302,729	227,787	159,932	19,967	16,845	65,419	5,708,507
2013	5,663,331	630,175	231,471	251,590	38,311	11,060	97,869	6,923,807
2014	5,928,181	895,861	230,029	130,071	80,696	11,220	43,874	7,319,932
2015	6,569,424	493,146	234,123	98,337	72,817	3,721	80,013	7,551,581
2016	6,749,096	1,670,294	260,268	250,170	48,610	46,311	60,849	9,085,598
2017	7,262,441	918,045	4,893,139	546,430	27,367	96,209	78,902	13,822,533
2018	7,922,736	2,557,021	286,919	351,124	53,946	191,980	45,417	11,409,143

¹ Includes, among other tax revenues, sales taxes, lodging taxes, property taxes, cigarette taxes & franchise fees.

² Charges for Services are those revenues derived from services provided that are deemed to be mission-related for each fund. Examples include, but are not limited to, fees for the use of recreational facilities, building permits and sprinkler fees.

SOURCE: 2017 and 2018 audited financial statements.

NOTE: 2017 financial information on this page has not been restated.

TOWN OF BASALT
Outstanding Debt by Type
Last Ten Years

Fiscal Year	<u>Governmental Activities</u>			<u>Business-Type Activities</u>		Total Primary Government
	General Obligation Bonds	Line of Credit (NOTE A)	Capital Leases	Ruedi Loan	CCWR Loan	
2009	2,610,000	-	375,381	112,625	707,258	3,805,264
2010	2,440,000	-	198,769	102,801	664,828	3,406,398
2011	2,330,000	-	67,683	92,678	620,683	3,111,044
2012	2,141,000	-	124,701	81,928	574,756	2,922,385
2013	5,010,000	-	124,071	81,928	526,973	5,742,972
2014	6,373,000	-	131,676	60,655	477,258	7,042,589
2015	5,615,000	1,250,265	88,885	49,241	425,536	7,428,927
2016	4,833,000	1,047,433	45,002	37,479	371,725	6,334,639
2017	4,033,000	4,940,371	-	12,869	315,739	9,301,979
2018	3,215,000	3,150,000	-	-	257,492	6,622,492

NOTE A: The lines of credit had been restated in the 2017 audit, and recorded in the 2018 audit, as a short-term debt.

SOURCE: 2017 audited financial statements and for 2018 Town of Basalt finance department.

Town of Basalt, Colorado
Debt Service Requirements
Current Year through Final Maturity

Year	General Obligation Governmental Activities Debt			Business-Type Activities Debt			Annual Total
	Principal	Interest	Total	Principal	Interest	Total	
2019	\$ 831,000	\$ 79,765	\$ 910,765	\$ 60,601	\$ 9,699	\$ 70,300	\$ 981,065
2020	855,000	61,178	916,178	63,049	7,251	70,300	986,478
2021	874,000	39,223	913,223	65,596	4,704	70,300	983,523
2022	325,000	19,650	344,650	68,246	2,054	70,300	414,950
2023	330,000	9,900	339,900	-	-	-	339,900
Total	<u>\$ 3,215,000</u>	<u>\$ 209,716</u>	<u>\$ 3,424,716</u>	<u>\$ 257,492</u>	<u>\$ 23,708</u>	<u>\$ 281,200</u>	<u>\$ 3,705,916</u>

Assumes no optional redemptions prior to maturity.
SOURCE: Town of Basalt finance department.

Town of Basalt, Colorado
Operating Indicators by Function/Program
Last Ten Years

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General Government									
Building permits issued									
Multi Family Units	0	0	0	0	10	8	17	131	14
Single Family Units	1	1	1	4	10	4	2	4	6
Commercial Buildings	0	0	1	1	3	2	7	1	7
TOTAL VALUE	\$ 350,000	\$ 300,000	\$ 6,710,397	\$ 2,217,782	\$ 19,699,200	\$ 26,079,602	\$ 7,412,000	\$ 27,658,768	\$ 13,076,297
Utility									
New taps issued	1	1	2	5	6	10	0	0	1
Population	3,303	3,496	3,828	3,849	3,831	3,836	3,857	3,893	3,919

SOURCE: 2017 Audit.