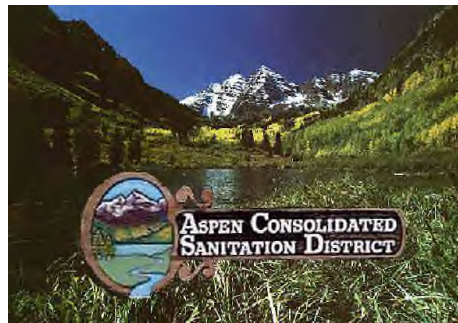


**Aspen Consolidated Sanitation District
Aspen, Colorado**

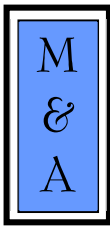
**Financial Statements
December 31, 2021 and 2020**



**Aspen Consolidated Sanitation District
Financial Statements
December 31, 2021 and 2020**

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MCMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

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INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors
Aspen Consolidated Sanitation District
Aspen, Colorado**

Opinion

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Aspen Consolidated Sanitation District (the "District"), as of and for the year ended December 31, 2021, which collectively comprise the District's basic financial statements as listed in the Table of Contents, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Aspen Consolidated Sanitation District, as of December 31, 2021 and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("U.S. GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Aspen Consolidated Sanitation District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Aspen Consolidated Sanitation District's management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for one year after the date that the financial statements are issued.

Member: American Institute of Certified Public Accountants

PAUL J. BACKES, CPA, CGMA
MICHAEL N. JENKINS, CA, CPA, CGMA
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INDEPENDENT AUDITORS REPORT
To the Board of Directors
Aspen Consolidated Sanitation District
Aspen, Colorado

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with U.S. GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

U.S. GAAP require that the Management's Discussion and Analysis in Section B be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. GAAS, 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.

INDEPENDENT AUDITORS REPORT
To the Board of Directors
Aspen Consolidated Sanitation District
Aspen, Colorado

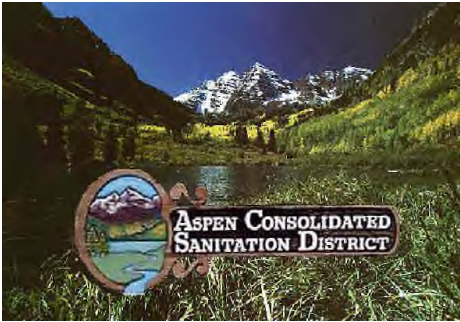
Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Aspen Consolidated Sanitation District's basic financial statements. The individual fund budgetary comparisons in Section E are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund budgetary comparisons is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. GAAS. In our opinion, the information in Section E is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

McMahan and Associates, L.L.C.
McMahan and Associates, L.L.C.
Avon, Colorado
July 5, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS



Aspen Consolidated Sanitation District Management's Discussion and Analysis December 31, 2021 and 2020

We, the financial managers of Aspen Consolidated Sanitation District (the "District"), offer readers of the District's financial statements this narrative summary of the financial activities of the District for the fiscal years ended December 31, 2021 and 2020.

Financial Highlights

- The District had net income of \$1,121,779 in 2021 as compared to a net income of \$557,554 in 2020. District assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$38,747,575 in 2021, while assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$37,625,796 in 2020.
- The District received significant contributions relating to development within the District. The District received line improvement fees, developer fees, plant capacity fees and initial fees totaling \$2,006,314 in 2021 and \$1,433,069 in 2020.
- The District paid off their revenue bonds of \$3,495,000 during 2021, ahead of the May 2026 due date. These prepayments saved the District approximately \$295,585.
- The District contributed \$1,600,000 to Holy Cross Electric Association to build a Solar Farm Array. In the agreement, Holy Cross will credit the Districts monthly electric bill. Beginning in November, the District received credits of \$8,333. The credits will increase by 2% annually

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of two components: 1) financial statements; and 2) notes to the financial statements. These components are discussed below.

Financial Statements: The financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all the District's assets, liabilities and deferred inflows/outflows of resources with the difference 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 District is improving or deteriorating.

The Statement of Revenues, Expenses and Changes in Fund Net Position shows how the District's net position changed during the years presented. 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 (e.g., earned but unused vacation leave).

The Statement of Cash Flows shows the District's sources of cash inflows and outflows for the years presented. Cash flows are categorized among operating, non-capital financing, capital and related financing and investing activities and unlike items reported in the Statement of Revenues, Expenses and Changes in Fund Net Position, these amounts are reported on the cash basis of accounting.

The business-type activity of the District relates to water resource recovery services. There are currently no governmental-type activities occurring at the District.

The District's financial statements can be found in Section C of this report.

Proprietary Funds: The District maintains a proprietary fund commonly known as an enterprise fund. Enterprise funds are used to report business-type activities. The District uses an enterprise fund to account for its sanitation services.

Overview of the Financial Statements (continued)

Notes to the Financial Statements: The notes provide a background of the entity, certain required statutes and accounting policies utilized by the District. They also provide additional information that will aid in the interpretation of the financial statements. The Notes to the Financial Statements can be found in Section D of this report.

Other Information: In addition to the basic financial statements and accompanying notes, this report also conveys certain supplementary information. The Schedule of Revenues and Expenditures - Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis provides a detailed comparison of the District's actual revenues and expenditures to budgeted amounts. As the District's budget was adopted in a manner that is not consistent with Generally Accepted Accounting Principles ("GAAP"), this statement is presented on a non-GAAP basis with reconciliation to GAAP basis. Supplementary information can be found in Section E of this report.

Financial Analysis of the District:

The following table shows the District's assets, liabilities and net position at the end of 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Assets:		
Current assets	\$ 8,459,085	\$ 10,403,024
Capital assets	30,944,532	31,436,280
Total Assets	<u>39,403,617</u>	<u>41,839,304</u>
Deferred Outflows of Resources	<u>-</u>	<u>1,019</u>
Liabilities:		
Other liabilities	296,683	851,757
Long - term liabilities	132,906	3,139,162
Total Liabilities	<u>429,589</u>	<u>3,990,919</u>
Deferred Inflows of Resources	<u>226,453</u>	<u>223,608</u>
Net Position:		
Net invested in capital assets	30,944,532	27,871,733
Unrestricted	7,803,043	9,754,063
Total Net Position	<u>\$ 38,747,575</u>	<u>\$ 37,625,796</u>

In 2021, the District's total net position increased by \$1,121,779. The District has a significant portion of its net position invested in capital assets. The capital assets are used to provide services to the District's customers.

Overview of the Financial Statements (continued)

Financial Analysis of the District (continued):

The following table summarizes information relating to the District's Statement of Revenues, Expenses and Changes in Net Position:

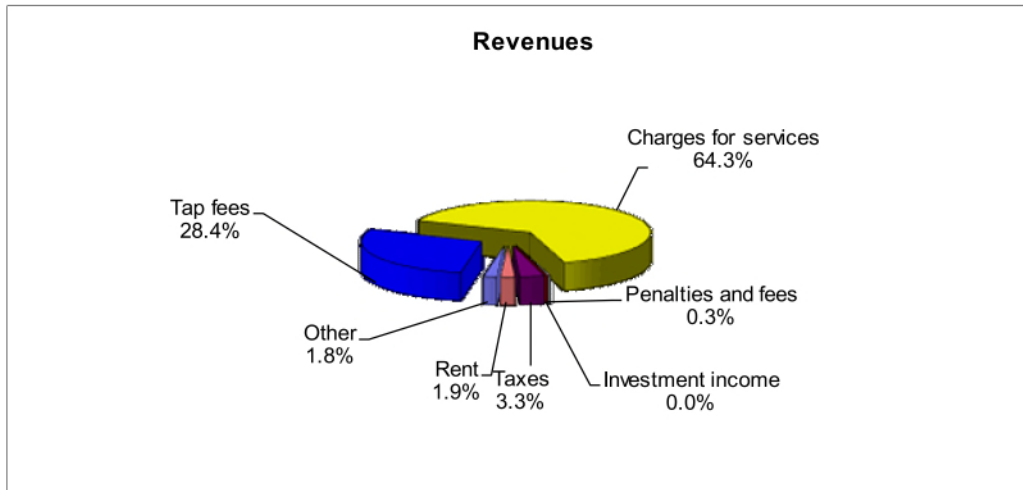
	<u>2021</u>	<u>2020</u>
Revenues:		
Program revenues:		
Charges for services	\$ 4,567,989	\$ 4,511,610
General revenues:		
Property taxes	223,436	221,332
Specific ownership taxes	8,156	7,295
Investment income	1,896	65,562
Rent income	137,773	132,418
Gain (loss) on sale of asset	-	13,604
Miscellaneous	125,249	17,440
Tap fees	2,006,314	1,433,069
Total Revenues	<u>7,070,813</u>	<u>6,402,330</u>
Expenses:		
Administration	707,467	616,198
Collection system	708,120	671,891
Treatment plant	1,765,361	1,715,895
Depreciation	2,675,506	2,719,824
Interest expense	81,206	109,718
Treasurer's fees	11,374	11,250
Total Expenses	<u>5,949,034</u>	<u>5,844,776</u>
Change in Net Position	1,121,779	557,554
Net Position - Beginning of Year	<u>37,625,796</u>	<u>37,068,242</u>
Net Position - End of Year	<u>\$ 38,747,575</u>	<u>\$ 37,625,796</u>

The District's total 2021 revenues increased from the prior year due to several reasons. Primarily, the increase in charges for services related to new customers and a rate increase, and the significant increase in tap fees due to development in 2021.

Overview of the Financial Statements (continued)

Financial Analysis of the District (continued):

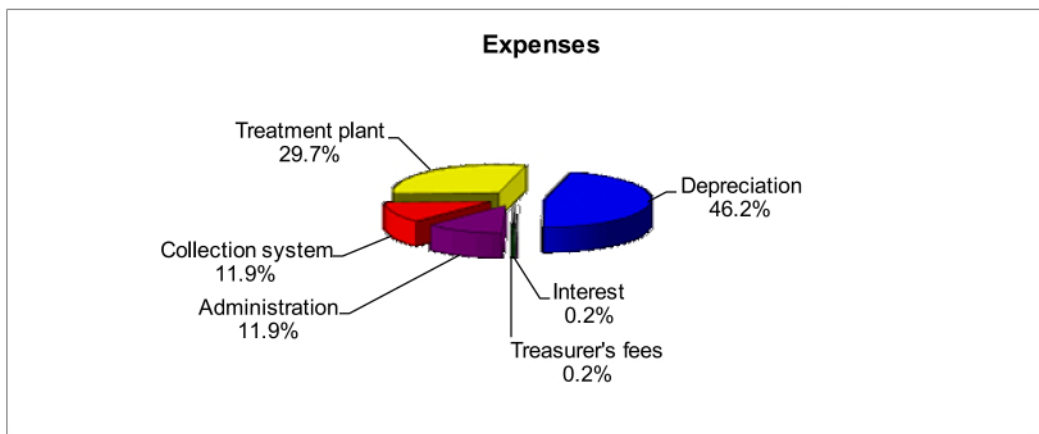
The following chart summarizes the District's revenue sources during 2021:



Total expenses increased, mainly due to an increase in depreciation expense. 2021 expenses were higher by \$104,258 as compared to 2020 expenses.

As in the previous years, the aggregate of administration, sewage collection and treatment plant costs comprised the highest percentage of the District's costs for the year ended December 31, 2021. All costs, in total and expressed as a percentage of total costs, remained relatively consistent between years.

The following chart summarizes the District's expenses, by natural classification, during 2021:



Budget Variances in the Enterprise Fund

The District's budget was amended for the 2021 fiscal year to account for additional principal payments on debt; the actual expenditures for the District were lower than budgeted amounts by \$1,588,815.

Significant budget variances were as follows:

<u>Account</u>	<u>Budget</u>	<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>	<u>Reason</u>
<u>Revenues:</u>				
Charges for services	\$ 4,460,000	4,544,347	84,347	Conservative budgeting, and slight growth in revenue
Capital Contributions	1,200,000	2,006,314	806,314	Conservative budgeting
<u>Expenditures:</u>				
Treatment plant	1,959,524	1,765,361	194,163	Conservative utility budgeting
Principal on debt	575,000	3,495,000	(2,920,000)	Paid off remainder of debt
Capital outlay	6,727,150	2,459,713	4,267,437	Capital projects delayed

Capital Asset and Debt Administration

Capital Assets: The District's net capital assets decreased by \$491,748 in 2021 as compared to an decrease of \$222,513 in 2020. The decrease is primarily due to depreciation. A detailed classification of the District's capital assets can be found in the Notes to Financial Statements in Section D of this report.

Long-term Debts: The outstanding principal on the District's bonds as of the fiscal year end was \$0 with \$0 of principal payment coming due during the next fiscal year. Additional information can be found in Section D of this report.

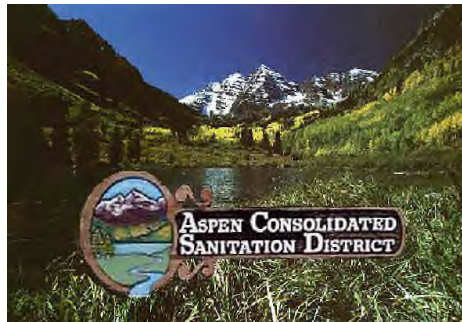
Next Year's Budget and Rates

The District's net position at the end of 2021 was \$38,747,575 as compared to \$37,625,796 in 2020. The District's 2022 budget anticipates a 3.2% increase in charges for services to reflect rate increases, a 1.9% increase in operating revenue and a 1.6% decrease in operating expenses. Furthermore, the budget projects \$2,136,731 in capital projects during 2022.

Request for Information

This financial report is designed to provide a general overview of the District's finances for all interested parties. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: Aspen Consolidated Sanitation District, 565 N. Mill Street, Aspen, Colorado 81611.

FINANCIAL STATEMENTS



Aspen Consolidated Sanitation District
Statement of Net Position
December 31, 2021 and 2020

	2021	2020
Assets:		
Current Assets:		
Cash and cash equivalents - Unrestricted	8,088,900	9,255,099
Cash and cash equivalents - Restricted	-	349,500
Investments	-	441,959
Receivables, net:		
Property taxes	226,453	223,608
Service receivables	56,710	78,169
Other governments	499	602
Other	3,660	9,589
Prepaid expenses	15,728	19,748
Inventory	67,135	24,750
Total Current Assets	8,459,085	10,403,024
Non-current Assets:		
Capital and leased assets:		
Capital and leased assets	80,380,291	78,125,967
Less: Accumulated depreciation and amortization	(49,435,759)	(46,689,687)
Capital assets and leases, net of depreciation and amortization	30,944,532	31,436,280
Total Non-current Assets	30,944,532	31,436,280
Total Assets	39,403,617	41,839,304
Deferred Outflows of Resources		
Deferred charge on refunding	-	1,019
Total Deferred Outflows of Resources	-	1,019
Liabilities:		
Current Liabilities:		
Accounts payable:		
Trade	73,525	66,084
Retainage	30,834	19,182
Other payroll liabilities	4,855	3,000
Other unearned revenue	154,019	137,440
Lease payable - current portion	14,451	16,014
Revenue bonds payable - due within one year	-	575,000
Interest payable	-	16,038
Deposits	18,999	18,999
Total Current Liabilities	296,683	851,757
Non-current Liabilities:		
Accrued compensated absences - due in more than one year	132,906	134,145
Lease payable - long term	-	14,451
Revenue bonds payable - due in more than one year	-	2,990,566
Total Non-current Liabilities	132,906	3,139,162
Total Liabilities	429,589	3,990,919
Deferred Inflows of Resources		
Unavailable property tax revenue	226,453	223,608
Total Deferred Inflows of Resources	226,453	223,608
Net Position:		
Net invested in capital assets	30,944,532	27,871,733
Unrestricted	7,803,043	9,754,063
Total Net Position	38,747,575	37,625,796

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

Aspen Consolidated Sanitation District
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Operating Revenues:		
Charges for services	4,544,347	4,469,188
Penalties and interest	23,642	42,422
	<u>4,567,989</u>	<u>4,511,610</u>
Operating Expenses:		
Administration	707,467	616,198
Collection system	708,120	671,891
Treatment plant	1,765,361	1,715,895
Depreciation and amortization	2,675,506	2,719,824
	<u>5,856,454</u>	<u>5,723,808</u>
Operating (Loss)	<u>(1,288,465)</u>	<u>(1,212,198)</u>
Non-operating Revenues (Expenses):		
Property taxes	223,436	221,332
Specific ownership taxes	8,156	7,295
Investment income	1,896	65,562
Rent income	137,773	132,418
Gain on sale of asset	-	13,604
Interest expense	(81,206)	(109,718)
Treasurer's fees	(11,374)	(11,250)
Miscellaneous	125,249	17,440
	<u>403,930</u>	<u>336,683</u>
(Loss) Before Capital Contributions	<u>(884,535)</u>	<u>(875,515)</u>
Capital Contributions:		
Line improvement fee	431,894	315,626
Developer	5,601	11,389
Plant capacity fee	1,568,819	1,027,156
Initial fee	-	78,898
	<u>2,006,314</u>	<u>1,433,069</u>
Change in Net Position	1,121,779	557,554
Net Position - Beginning of Year	<u>37,625,796</u>	<u>37,068,242</u>
Net Position - End of Year	<u><u>38,747,575</u></u>	<u><u>37,625,796</u></u>

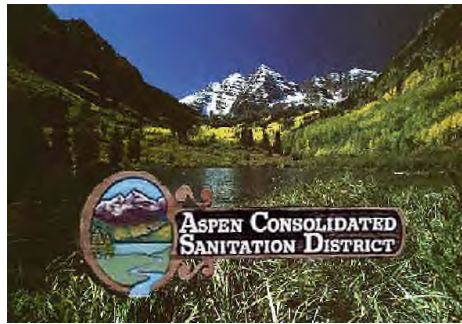
The accompanying notes are an integral part of these financial statements.

Aspen Consolidated Sanitation District
Statement of Cash Flows
For the Years Ended December 31, 2021 and 2020

	2021	2020
Cash Flows From Operating Activities:		
Cash received from customers and others	4,874,978	4,667,917
Cash received (payments) from (for) goods and services	(970,920)	(986,141)
Cash payments to employees and for benefits	<u>(2,251,708)</u>	<u>(2,097,452)</u>
Net Cash Provided (Used) by Operating Activities	<u>1,652,350</u>	<u>1,584,324</u>
Cash Flows From Non-capital Financing Activities:		
Cash received from property and specific ownership taxes, net	<u>231,695</u>	<u>228,626</u>
Net Cash Provided (Used) by Non-capital Financing Activities	<u>231,695</u>	<u>228,626</u>
Cash Flows From Capital and Related Financing Activities:		
Cash received from tap fees	2,006,314	1,433,069
Cash received from sale of assets	-	13,604
Cash paid for principal on debt	(3,495,000)	(565,000)
Cash paid for interest on debt	(96,178)	(111,683)
Cash paid for capital acquisitions	<u>(2,258,735)</u>	<u>(2,496,823)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(3,843,599)</u>	<u>(1,726,833)</u>
Cash Flows From Investing Activities:		
Interest income received	<u>443,855</u>	<u>64,898</u>
Net Cash Provided (Used) by Investing Activities	<u>443,855</u>	<u>64,898</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(1,515,699)	151,015
Cash and Cash Equivalents - Beginning of Year	<u>9,604,599</u>	<u>9,453,584</u>
Cash and Cash Equivalents - End of Year	<u>8,088,900</u>	<u>9,604,599</u>
Represented by Balance Sheet captions:		
Cash and cash equivalents - Unrestricted	8,088,900	9,255,099
Cash and cash equivalents - Restricted	-	349,500
Cash and Cash Equivalents - End of Year	<u>8,088,900</u>	<u>9,604,599</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating income (loss)	<u>(1,288,465)</u>	<u>(1,212,198)</u>
Adjustments:		
Depreciation and amortization	2,675,506	2,719,824
Rent income	137,773	132,418
Treasurer's fees	(11,374)	(11,250)
Miscellaneous	125,250	17,441
(Increase) decrease in accounts receivable	27,388	(12,009)
(Increase) decrease in prepaid expenses	4,020	(19,748)
(Increase) decrease in inventory	(42,385)	(1,000)
Increase (decrease) in accounts payable	7,442	(46,748)
Increase (decrease) in payroll liabilities	1,855	-
Increase (decrease) in unearned revenue	16,579	18,458
Increase (decrease) in accrued compensated absences	<u>(1,239)</u>	<u>(864)</u>
Total Adjustments	<u>2,940,815</u>	<u>2,796,522</u>
Net Cash Provided (Used) by Operating Activities	<u>1,652,350</u>	<u>1,584,324</u>

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

NOTES TO THE FINANCIAL STATEMENTS



Aspen Consolidated Sanitation District
Notes to the Financial Statements
December 31, 2021 and 2020

I. Summary of Significant Accounting Policies

Aspen Consolidated Sanitation District (the "District") is a quasi-municipal corporation and a political subdivision of the State of Colorado. It was formed under Colorado statutes as a special district in 1983. The District was formed as a result of the consolidation of the Aspen Sanitation District, Aspen Metropolitan Sanitation District and the Aspen Highlands Water and Sanitation District. The District provides sanitary sewer service for the inhabitants of the District's service area which includes the City of Aspen and surrounding developed areas located in Pitkin County, Colorado. Five elected board members govern the District.

The District'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 District are discussed below.

A. Reporting Entity

The reporting entity consists of (a) the primary government; i.e., the District, and (b) organizations for which the District is financially accountable. The District 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 District. Consideration is also given to other organizations, which are fiscally dependent; i.e., unable to adopt a budget, levy taxes or issue debt without approval by the District. Organizations for which the nature and significance of their relationship with the District 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 on the criteria above, the District is not financially accountable for any other entity nor is the District a component unit of any other government.

B. Accounting Policies

The District uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions and activities. A fund is a separate accounting entity with a self-balancing set of accounts.

The District uses a proprietary fund-type, an enterprise fund, to account for its sole activity, providing wastewater treatment services to taxpayers within the District's boundaries. Enterprise funds are used to account for operations (a) which are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Aspen Consolidated Sanitation District
Notes to the Financial Statements
December 31, 2021 and 2020
(Continued)

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

Proprietary funds 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. Financial Statement Presentation

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 District's enterprise fund 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 District.

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.

Colorado statutes specify instruments in which local governments may invest, including:

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

Aspen Consolidated Sanitation District
Notes to the Financial Statements
December 31, 2021 and 2020
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

2. Receivables

Receivables are reported net of an allowance for uncollectible accounts. However, no allowance for uncollectible accounts has been established at December 31, 2021 and 2020, as the District considers all accounts to be collectible.

3. Inventory

Inventory consists largely of equipment, parts, supplies, fuel and oil, and is recorded at the lower of cost or market.

4. Property Taxes

Property taxes are assessed in one year as a lien on the property, but not collected by governmental units until the subsequent year. In accordance with GAAP, the assessed but uncollected property taxes have been recorded as a receivable and as unavailable revenue.

5. Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are shown as prepaid expenses on the financial statements.

6. Capital Assets

Capital assets, which include land, buildings and improvements, sewer collection systems and related improvements and equipment, are reported in the financial statements. The District defines capital assets as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of two years. 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. Interest incurred during the construction phase is capitalized as part of the value of the assets constructed.

Buildings and improvements, sewer collection systems and improvements, equipment and lagoons are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings & improvements	5 - 40
Collection system	3 - 40
Plant	3 - 40
Vehicles & equipment	3 - 15

7. Compensated Absences

Earned but unused vacation and sick leave benefits are accrued when incurred in the financial statements.

Aspen Consolidated Sanitation District
Notes to the Financial Statements
December 31, 2021 and 2020
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

8. Deferred Inflows and Outflows 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 a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The District has only one type of item that qualifies for reporting in this category. It is the deferred charge on refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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 a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has only one type of item that qualifies for reporting in this category. Accordingly, the item, unavailable property tax revenue, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

E. Significant Accounting Policies

1. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the District's management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

2. Restricted and Unrestricted Resources

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

II. Stewardship, Compliance and Accountability

A. Budgetary Information

In the fall of each year, the District's Board of Directors formally adopts a budget with appropriations for the ensuing year pursuant to the Colorado Local Budget Law. The proprietary fund budget was adopted on a non-GAAP basis and has been reconciled to a GAAP basis below for both 2021 and 2020:

**Aspen Consolidated Sanitation District
Notes to the Financial Statements
December 31, 2021 and 2020
(Continued)**

II. Stewardship, Compliance and Accountability

A. Budgetary Information (continued):

	2021	2020
Change in Net Position - Budget Basis	\$ (2,157,428)	\$ 229,805
<i>add (less):</i>		
Gain on sale of asset	-	13,604
Principal on debt	3,495,000	565,000
Capital outlay	2,459,713	2,468,969
Amortization of bond premium interest	70,566	29,152
Depreciation	(2,746,072)	(2,748,976)
Change in Net Position - GAAP Basis	\$ 1,121,779	\$ 557,554

Annual appropriations are adopted for all funds. Expenditures may not legally exceed appropriations at the fund level and all appropriations lapse at year-end.

As required by Colorado statutes, the District followed the required timetable noted below in preparing, approving and enacting its budget for 2021.

1. For the 2021 budget year, prior to August 25, 2020, the County Assessor sent to the District an assessed valuation of all taxable property within the District's boundaries. The County Assessor may change the assessed valuation on or before December 10 only once by a single notification to the District.
2. The Manager of the District submitted, on or before October 15, 2020, a recommended budget that detailed the necessary property taxes needed along with other available revenues to meet the District's operating requirements.
3. Prior to December 15, 2020, after a required publication of "Notice of Proposed Budget" and a public hearing, the District certified to the County Commissioners a levy rate that derived the necessary property taxes as computed in the proposed budget, and the District adopted the proposed budget and an appropriating resolution that legally appropriated expenditures for the upcoming year.
4. After adoption of the budget resolution, the District may make the following changes: a) approve supplemental appropriations to the extent of revenues in excess of estimated revenues in the budget; b) approve emergency appropriations; and c) reduce appropriations for which originally estimated revenues are insufficient.

Taxes levied in one year are collected in the succeeding year. Thus, taxes certified in 2020 were collected in 2021 and taxes certified in 2021 will be collected in 2022. Taxes are due on January 1 in the year of collection; however, they may be paid in either one installment (no later than April 30) or two equal installments (not later than February 28 and June 15) 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 16.

**Aspen Consolidated Sanitation District
Notes to the Financial Statements
December 31, 2021 and 2020
(Continued)**

II. Stewardship, Compliance and Accountability (continued)

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.

The District believes it is in compliance with the financial provisions of TABOR as allowed for enterprises. 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.

III. Detailed Notes on All Funds

A. Deposits and Investments

The District'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 District's deposits at each financial institution. Deposit balances over \$250,000 are collateralized as required by PDPA. The carrying amounts of the District's petty cash, demand deposits and investments were \$8,088,900 and \$10,046,557 as of the fiscal year ended 2021 and 2020, respectively.

Fair Value of Investments

The District 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.

At December 31, 2021, the District had the following recurring net asset values measurements:

December 31, 2021	
Investments Measured at Net Asset Value	Total
Colotrust investment pool	7,282,845
Total	7,282,845

**Aspen Consolidated Sanitation District
Notes to the Financial Statements
December 31, 2021 and 2020
(Continued)**

III. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

At December 31, 2020, the District had the following recurring net asset values measurements:

December 31, 2020	
Investments Measured at	
Net Asset Value	Total
Colotrust investment pool	9,059,839
Total	9,059,839

The ColoTrust investment pool represents investments in the Colorado Government Liquid Asset Trust (“COLOTRUST”). The district invests in both the ColoTrust Edge and ColoTrust Plus+, both are measured at net asset value. ColoTrust Plus+ offers same-day liquidity and a rating of AAAM. At year end December 31, 2021, the District held \$2,285,291 in ColoTrust Plus+. ColoTrust Edge offers weekly liquidity and a rating of AAAf. At year end December 31, 2021, the District held \$4,997,554 in ColoTrust Edge.

The District did not have any fair value measurements at December 31, 2021. At year end December 31, 2020, the District had the following recurring fair value measurements:

Investments Measured at Fair Value	December 31, 2020			
	Total	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Certificates of deposit	\$ 441,959	\$ -	\$ 441,959	\$ -
Total	\$ 441,959	\$ -	\$ 441,959	\$ -

Investments classified in Level 1 are valued using prices quoted in active markets for those securities. Investments classified in Level 2 are valued using the following approaches

- U.S. Treasuries, U.S. Agencies and Commercial Paper: quoted prices for identical securities in markets that are not active;
- Repurchase Agreements, Negotiable Certificates of Deposit and Collateralized Debt Obligations: matrix pricing based on the securities’ relationship to benchmark quoted prices;
- Money Market, Bond and Equity Mutual Funds: published fair value per share (unit) for each fund.

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

Aspen Consolidated Sanitation District
Notes to the Financial Statements
December 31, 2021 and 2020
(Continued)

III. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

Credit Risk. The District's investment policy limits investments to those authorized by State statutes as listed in note I.D.1. The District'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 District diversifies its investments by security type and institution. Financial institutions holding District funds must provide the District a copy of the certificate from the Banking Authority that states that the institution is an eligible public depository.

At December 31, 2021 and 2020, the District had the following cash and investments with the following maturities:

December 31, 2021				
	Standard & Poors Rating	Carrying Amounts	Maturities	
			Less than one year	Less than five years
<i>Petty cash</i>	Not rated	\$ 1,194	\$ 1,194	\$ -
<i>Deposits:</i>				
Checking	Not rated	173,295	173,295	-
Money market	Not rated	631,566	631,566	-
<i>Investments:</i>				
Investment pools	AAAm/AAAf	7,282,845	7,282,845	-
		<u>\$ 8,088,900</u>	<u>\$ 8,088,900</u>	<u>\$ -</u>
December 31, 2020				
	Standard & Poors Rating	Carrying Amounts	Maturities	
			Less than one year	Less than five years
<i>Petty cash</i>	Not rated	\$ 279	\$ 279	\$ -
<i>Deposits:</i>				
Checking	Not rated	529,907	529,907	-
Money market	Not rated	14,574	14,574	-
<i>Investments:</i>				
Certificates of deposit	Not rated	441,959	441,959	-
Investment pools	AAAm	9,059,839	9,059,839	-
		<u>\$ 10,046,558</u>	<u>\$ 10,046,558</u>	<u>\$ -</u>

The Investment Pool represents investments in COLOTRUST. The fair value of the pool is determined by the pool's share price. The District has no regulatory oversight for the pool. As of December 31, 2021 and 2020, the District's investments in COLOTRUST were 90.04% and 90.18%, respectively, of the District's investment portfolio.

Aspen Consolidated Sanitation District
Notes to the Financial Statements
December 31, 2021 and 2020
(Continued)

III. Detailed Notes on All Funds (continued)

B. Capital Assets

Capital asset activity for 2021 was as follows:

	1/1/21 Beginning Balance	Additions	Disposals	12/31/21 Ending Balance
Capital assets, not being depreciated:				
Land	\$ 454,479	\$ -	\$ -	\$ 454,479
Construction in progress	33,814	5,760	-	39,574
Total capital assets, not being depreciated	<u>488,293</u>	<u>5,760</u>	<u>-</u>	<u>494,053</u>
Capital or leased assets, being depreciated or amortized:				
Buildings and improvements	7,322,667	-	-	7,322,667
Collection system	31,018,949	311,209	-	31,330,158
Plant	37,273,808	289,555	-	37,563,363
Vehicles and equipment	1,972,153	1,647,800	-	3,619,953
Leased vehicles and equipment	50,096	-	-	50,096
Total capital or leased assets being depreciated or amortized	<u>77,637,673</u>	<u>2,248,564</u>	<u>-</u>	<u>79,886,237</u>
Less accumulated depreciation and amortization for:				
Buildings and improvements	(4,013,349)	(268,333)	-	(4,281,682)
Collection system	(13,888,931)	(675,975)	-	(14,564,906)
Plant	(26,740,389)	(1,663,986)	-	(28,404,375)
Vehicles and equipment	(2,027,060)	(121,812)	-	(2,148,872)
Leased Vehicles and equipment	(19,957)	(15,966)	-	(35,923)
Total accumulated depreciation and amortization	<u>(46,689,686)</u>	<u>(2,746,072)</u>	<u>-</u>	<u>(49,435,758)</u>
Total capital and leased assets, being depreciated or amortized, net	<u>30,947,987</u>	<u>(497,508)</u>	<u>-</u>	<u>30,450,479</u>
Total capital assets, net	<u><u>\$ 31,436,280</u></u>	<u><u>\$ (491,748)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 30,944,532</u></u>

Aspen Consolidated Sanitation District
Notes to the Financial Statements
December 31, 2021 and 2020
(Continued)

III. Detailed Notes on All Funds (continued)

B. Capital Assets (continued)

Capital asset activity for 2020 was as follows:

	1/1/20 Beginning Balance	Additions	Disposals	12/31/20 Ending Balance
Capital assets, not being depreciated:				
Land	\$ 454,479	\$ -	\$ -	\$ 454,479
Construction in progress	22,425	11,389	-	33,814
Total capital assets, not being depreciated	<u>476,904</u>	<u>11,389</u>	<u>-</u>	<u>488,293</u>
Capital or leased assets, being depreciated or amortized:				
Buildings and improvements	7,311,838	11,243	(414)	7,322,667
Collection system	30,088,449	958,909	(28,409)	31,018,949
Plant	36,282,077	1,107,945	(116,214)	37,273,808
Vehicles and equipment	1,641,632	390,872	(60,351)	1,972,153
Leased vehicles and equipment	50,096	-	-	50,096
Total capital or leased assets being depreciated or amortized	<u>75,374,092</u>	<u>2,468,969</u>	<u>(205,388)</u>	<u>77,637,673</u>
Less accumulated depreciation and amortization for:				
Buildings and improvements	(3,756,030)	(257,733)	414	(4,013,349)
Collection system	(13,247,792)	(669,548)	28,409	(13,888,931)
Plant	(25,156,187)	(1,700,416)	116,214	(26,740,389)
Vehicles and equipment	(1,982,098)	(105,313)	60,351	(2,027,060)
Leased vehicles and equipment	(3,991)	(15,966)	-	(19,957)
Total accumulated depreciation and amortization	<u>(44,146,098)</u>	<u>(2,748,976)</u>	<u>205,388</u>	<u>(46,689,686)</u>
Total capital and leased assets, being depreciated or amortized, net	<u>31,227,994</u>	<u>(280,007)</u>	<u>-</u>	<u>30,947,987</u>
Total capital assets, net	<u><u>\$ 31,704,898</u></u>	<u><u>\$ (268,618)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 31,436,280</u></u>

**Aspen Consolidated Sanitation District
Notes to the Financial Statements
December 31, 2021 and 2020
(Continued)**

III. Detailed Notes on All Funds (continued)

C. Leased Assets

The following leased assets are included in the capital asset schedule:

Volkswagen Tiguan: On October 15, 2019, the District entered into a 39 month lease agreement for a Volkswagen Tiguan. The fixed monthly payments are \$375 and has an implicit interest rate of 1.74%. The total payments are \$14,641 and the residual value is \$15,821 at the end of the lease.

Volkswagen Tiguan: On October 15, 2019, the District entered into a 39 month lease agreement for a Volkswagen Tiguan. The fixed monthly payments are \$379 and has an implicit interest rate of 1.74%. The total payments are \$14,765 and the residual value is \$16,055 at the end of the lease.

Chevrolet Colorado: On October 10, 2019, the District entered into a 36 month agreement for a Chevrolet Colorado. The fixed monthly payments are \$582 and has an implicit interest rate of 1.74%. The total payments are \$20,952 and the residual value is \$27,875 at the end of the lease.

Annual leased asset payment requirements to maturity are as follows:

Year	Lease Principal	Interest	Total
2022	14,451	124	14,575
Total	\$ 14,451	\$ 124	\$ 14,575

D. Long-term Liabilities

1. Accrued Compensated Absences

Earned but unused vacation benefits and sick leave amounted to \$132,906 and \$134,145 at December 31, 2021 and 2020, respectively.

III. Detailed Notes on All Funds (continued)

D. Long-term Liabilities (continued)

2. Long-Term Debt

Wastewater Revenue Refunding Bonds, Series 2015

In February 2015, the District issued \$6,170,000 of revenue bonds to finance the refunding of the District's outstanding Water Revenue Bonds Series 2007 and to pay the cost of issuing the bonds. The interest rates range from 1.75% to 3.00% payable on May 1 and November 1. The principal is payable on May 1 and matures in various increments through 2026. The Bonds maturing on and after May 1, 2021 are subject to redemption prior to maturity at the option of the District, at a redemption price equal to the principal amount thereof, plus accrued interest to the redemption date. The District realized a present value savings on the refunding of \$759,044.

The revenue bonds were paid in full during 2021.

Aspen Consolidated Sanitation District
Notes to the Financial Statements
December 31, 2021 and 2020
(Continued)

III. Detailed Notes on All Funds (continued)

D. Long-term Liabilities (continued)

3. Long-term Liability Activity Schedule

Long-term liability activity for the past two years was as follows:

	<u>1/1/21</u>			<u>12/31/21</u>	<u>Current</u>
	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>	<u>Portion</u>
Debt obligations	\$ 3,565,566	\$ -	\$ (3,565,566)	\$ -	\$ -
Compensated absences	134,145	-	(1,239)	132,906	33,227
Total	<u>\$ 3,699,711</u>	<u>\$ -</u>	<u>\$ (3,566,805)</u>	<u>\$ 132,906</u>	<u>\$ 33,227</u>

	<u>1/1/20</u>			<u>12/31/20</u>	<u>Current</u>
	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>	<u>Portion</u>
Debt obligations	\$ 4,159,718	\$ -	\$ (594,152)	\$ 3,565,566	\$ 575,000
Compensated absences	135,009	-	(14,662)	134,145	33,536
Total	<u>\$ 4,294,727</u>	<u>\$ -</u>	<u>\$ (608,814)</u>	<u>\$ 3,699,711</u>	<u>\$ 608,536</u>

IV. Other Information

A. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has joined together with other special districts in the State to form the Colorado Special Districts Property and Liability Pool ("the Pool"), a public entity risk pool currently operating as a common risk management and insurance program for member special districts. The District pays an annual premium to the Pool for its general insurance coverage. The Pool is to be self-sustaining through member premiums and reinsures through commercial companies for claims in excess of certain limits for each insured event.

The District continues to carry commercial insurance for all other risks of loss, including workers' compensation. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The District participates in the Public Sector Health Group for employee health and accident coverage. The District's plan administrator is United Healthcare. The plan provides coverage up to a maximum of \$25,000 for each claim, with commercial insurance providing coverage in excess of this limit.

Aspen Consolidated Sanitation District
Notes to the Financial Statements
December 31, 2021 and 2020
(Continued)

IV. Other Information

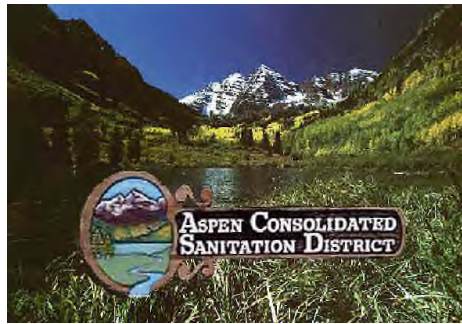
B. Deferred Compensation Plan - Section 401(k)

The District adopted the Aspen Consolidated Sanitation District 401(k) Profit Sharing Plan ("the Plan"). Empower Retirement administers the Plan. Benefits depend solely on amounts contributed plus investment earnings. All contributions are vested 100% when they are made.

All full-time employees are eligible to participate in the Plan after one year of service. The District matches up to 6% of total earnings of participants. Participants may contribute from 1% to the annual IRS contribution and catch-up contribution limits. Participants have immediate vesting.

The District's expense for the Plan was \$98,266 and \$87,126 for 2021 and 2020, respectively. There was no liability outstanding at the of December 31, 2021 and 2020.

SUPPLEMENTARY INFORMATION



Aspen Consolidated Sanitation District
Schedule of Revenues and Expenditures
Budget (Non-GAAP Basis) and Actual With Reconciliation to GAAP Basis
For the Year Ended December 31, 2021
(With Comparative Totals for For the Year Ended 2020)

	<u>2021</u>			Final Budget Variance Positive (Negative)	<u>2020</u>
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Charges for services	4,460,000	4,460,000	4,544,347	84,347	4,469,188
Penalties and interest	32,100	32,100	23,642	(8,458)	42,422
Property taxes	223,608	223,608	223,436	(172)	221,332
Specific ownership taxes	8,057	8,057	8,156	99	7,295
Investment income	192,000	192,000	1,896	(190,104)	65,562
Rent income	125,021	125,021	137,773	12,752	132,418
Miscellaneous	65,000	65,000	125,249	60,249	17,440
Capital contributions	1,200,000	1,200,000	2,006,314	806,314	1,433,069
Total Revenues	<u>6,305,786</u>	<u>6,305,786</u>	<u>7,070,813</u>	<u>765,027</u>	<u>6,388,726</u>
Expenditures:					
Administration	724,787	724,787	707,467	17,320	616,198
Collection system	722,470	722,470	708,120	14,350	671,891
Treatment plant	1,959,524	1,959,524	1,765,361	194,163	1,715,895
Treasurer's fees	11,900	11,900	11,374	526	11,250
Principal on debt	575,000	3,495,000	3,495,000	-	565,000
Interest	96,225	96,225	81,206	15,019	109,718
Capital outlay	3,232,150	3,232,150	2,459,713	772,437	2,468,969
Total Expenditures	<u>7,322,056</u>	<u>10,242,056</u>	<u>9,228,241</u>	<u>1,013,815</u>	<u>6,158,921</u>
Change in Net Position (Budget Basis)	<u>(1,016,270)</u>	<u>(3,936,270)</u>	(2,157,428)	<u>1,778,842</u>	229,805
Reconciliation to GAAP Basis:					
Gain on sale of asset			-		13,604
Principal on debt			3,495,000		565,000
Capitalized assets			2,459,713		2,468,969
Amortization of bond premium interest			70,566		29,152
Depreciation and amortization			(2,746,072)		(2,748,976)
Change in Net Position (GAAP Basis)			<u>1,121,779</u>		<u>557,554</u>

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

Aspen Consolidated Sanitation District
Schedule of Administrative Expenditures
Budget and Actual
For the Year Ended December 31, 2021
(With Comparative Totals for For the Year Ended 2020)

	2021		Final Budget Variance Positive (Negative)	2020
	Original and Final Budget	Actual		Actual
Salaries	393,725	399,750	(6,025)	329,510
Payroll taxes	30,314	31,164	(850)	25,397
Benefits	84,448	87,723	(3,275)	78,512
Office supplies	11,500	11,150	350	10,378
Postage	7,500	7,752	(252)	5,699
Publication and legal	1,000	256	744	750
Dues and subscriptions	8,800	9,154	(354)	5,901
Utilities	32,000	26,577	5,423	26,766
Telephone	13,500	13,933	(433)	15,668
Legal	20,000	6,575	13,425	21,502
Auditing	12,000	12,300	(300)	11,722
Other expense	40,000	18,428	21,572	14,801
Capital lease interest	-	403	(403)	679
Insurance	35,000	36,580	(1,580)	34,015
Ground maintenance	35,000	45,722	(10,722)	34,898
Total Administrative Expenditures	724,787	707,467	17,320	616,198

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

Aspen Consolidated Sanitation District
Schedule of Collection System Expenditures
Budget and Actual
For the Year Ended December 31, 2021
(With Comparative Totals for For the Year Ended 2020)

	2021		Final Budget Variance Positive (Negative)	2020
	Original and Final Budget	Actual		Actual
Salaries	427,144	427,001	143	395,248
Payroll taxes	32,187	32,026	161	31,166
Benefits	148,139	143,350	4,789	170,457
Office supplies	3,800	1,897	1,903	2,953
Safety equipment	5,000	2,640	2,360	3,797
Oil and grease	9,200	(2,500)	11,700	4,251
Equipment parts	22,000	7,660	14,340	11,267
Line repairs	18,000	48,111	(30,111)	7,094
Tools	7,000	1,748	5,252	5,079
Shop supplies	11,000	11,034	(34)	9,919
Tuition	3,000	99	2,901	99
Miscellaneous	4,500	2,105	2,395	-
Insurance	31,500	32,949	(1,449)	30,561
Total Collection System Expenditures	722,470	708,120	14,350	671,891

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

Aspen Consolidated Sanitation District
Schedule of Treatment Plant Expenditures
Budget and Actual
For the Year Ended December 31, 2021
(With Comparative Totals for For the Year Ended 2020)

	2021		Final Budget Variance Positive (Negative)	2020
	Original and Final Budget	Actual		Actual
Salaries	818,137	804,157	13,980	744,177
Payroll taxes	61,601	61,371	230	56,678
Benefits	268,831	265,781	3,050	265,443
Office supplies	5,500	5,263	237	3,852
Chemicals	120,000	76,906	43,094	95,140
Lab supplies and tests	40,000	29,115	10,885	36,282
Janitorial supplies	7,000	4,363	2,637	3,948
Uniforms	5,500	3,210	2,290	1,671
Dump fees and trash	57,750	55,896	1,854	56,984
Oil and grease	8,000	4,863	3,137	8,840
Equipment parts	33,000	16,006	16,994	17,612
Electrical supplies	45,000	24,043	20,957	42,771
Tools	-	-	-	641
Communications	-	-	-	99
Utilities	340,705	297,067	43,638	270,413
Telephone	13,350	14,025	(675)	7,517
Other maintenance	40,000	18,978	21,022	30,653
Ground maintenance	12,000	11,425	575	8,887
Shop supplies	3,500	5,034	(1,534)	1,862
Tuition	10,000	1,513	8,487	803
Other expenses	4,000	3,855	145	3,646
Insurance	34,150	35,952	(1,802)	33,859
Permits	31,500	26,538	4,962	24,117
Total Treatment Plant Expenditures	1,959,524	1,765,361	194,163	1,715,895

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