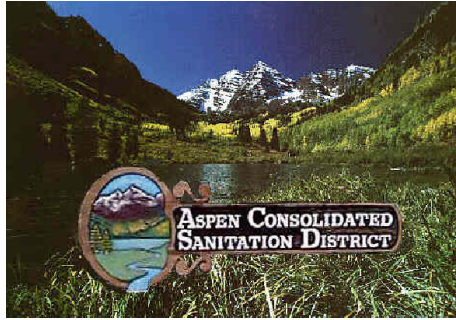


**Aspen Consolidated Sanitation District
Aspen, Colorado**

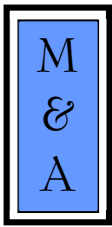
**Financial Statements
December 31, 2022 and 2021**



**Aspen Consolidated Sanitation District
Financial Statements
December 31, 2022 and 2021**

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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, 2022, 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, 2022 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
MATTHEW D. MILLER, CPA

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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

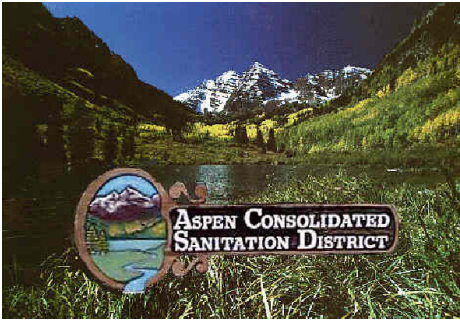
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Aspen Consolidated Sanitation District's basic financial statements. The individual fund budgetary comparisons in Section E are presented for purposes of additional analysis and are not 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
May 12th, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS



Aspen Consolidated Sanitation District Management's Discussion and Analysis December 31, 2022 and 2021

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, 2022 and 2021.

Financial Highlights

- The District had net income of \$1,129,566 in 2022 as compared to a net income of \$1,121,779 in 2021. District assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$39,877,141 in 2022, while assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$38,747,575 in 2021.
- 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 \$1,374,363 in 2022 and \$2,006,314 in 2021.
- The District contributed \$1,600,000 to Holy Cross Electric Association to build a Solar Farm Array in 2021. In the agreement, Holy Cross will credit the District's monthly electric bill. The District also receives rent income. The District received credits of \$100,333 and \$35,700 in rental payments in 2022. The credits and rent 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 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Assets:		
Current assets	\$ 14,668,127	\$ 11,766,493
Capital assets	<u>29,025,201</u>	<u>30,944,532</u>
Total Assets	<u>43,693,328</u>	<u>42,711,025</u>
Liabilities:		
Other liabilities	267,777	296,683
Long - term liabilities	<u>132,253</u>	<u>132,906</u>
Total Liabilities	<u>400,030</u>	<u>429,589</u>
Deferred Inflows of Resources	<u>3,416,157</u>	<u>3,533,861</u>
Net Position:		
Net invested in capital assets	29,025,201	30,944,532
Unrestricted	<u>10,851,940</u>	<u>7,803,043</u>
Total Net Position	<u>\$ 39,877,141</u>	<u>\$ 38,747,575</u>

In 2022, the District's total net position increased by \$1,129,566. 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.

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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:

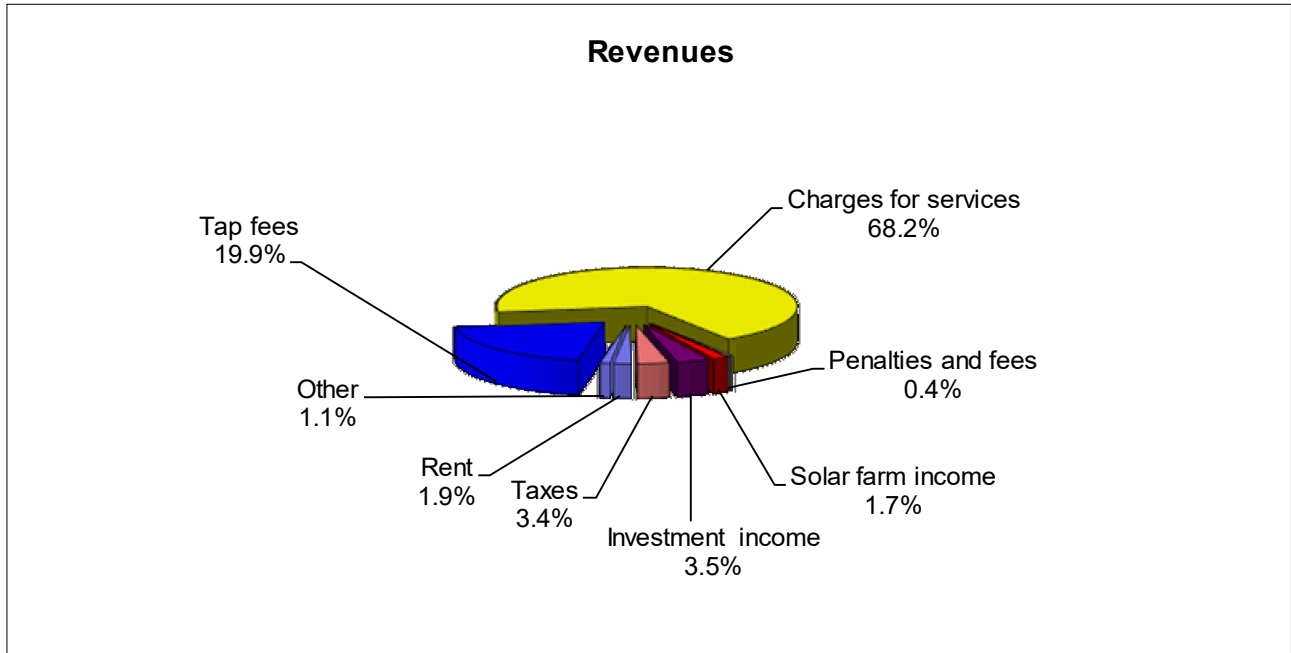
	<u>2022</u>	<u>2021</u>
Revenues:		
Program revenues:		
Charges for services	\$ 4,734,836	\$ 4,567,989
General revenues:		
Property taxes	225,999	223,436
Specific ownership taxes	8,071	8,156
Investment income	238,225	1,896
Solar farm lease income	116,658	-
Rent income	129,586	137,773
Gain (loss) on disposal of asset	(11,916)	-
Miscellaneous	86,107	125,249
Tap fees	1,374,363	2,006,314
Total Revenues	<u>6,901,929</u>	<u>7,070,813</u>
Expenses:		
Administration	713,503	707,467
Collection system	704,152	708,120
Treatment plant	1,855,237	1,765,361
Depreciation	2,488,059	2,675,506
Interest expense	-	81,206
Treasurer's fees	11,412	11,374
Total Expenses	<u>5,772,363</u>	<u>5,949,034</u>
Change in Net Position	1,129,566	1,121,779
Net Position - Beginning of Year	<u>38,747,575</u>	<u>37,625,796</u>
Net Position - End of Year	<u>\$ 39,877,141</u>	<u>\$ 38,747,575</u>

The District's total 2022 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 2022.

Overview of the Financial Statements (continued)

Financial Analysis of the District (continued):

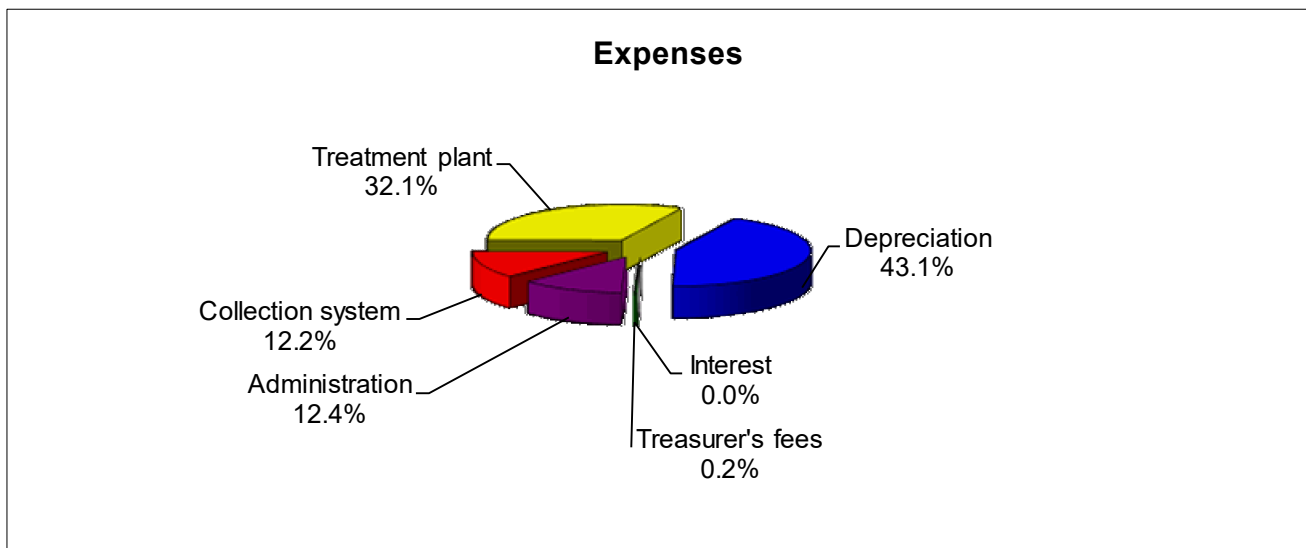
The following chart summarizes the District's revenue sources during 2022:



Total expenses decreased, mainly due to decreases in interest expense and depreciation expense. 2022 expenses were lower by \$176,671 as compared to 2021 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, 2022. 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 2022:



Budget Variances in the Enterprise Fund

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	\$ 4,649,780	4,708,078	58,298	Conservative budgeting
Penalties and interest	20,000	26,758	6,758	Conservative budgeting
Investment income	155,863	238,225	82,362	Increased yields on investment accounts
Solar farm lease income	-	116,658	116,658	Lease income from GASB 87 implementation
Miscellaneous	15,466	86,107	70,641	Large payout from Western Slopes Healthcare
Capital Contributions	950,000	1,374,363	424,363	Conservative budgeting
<u>Expenditures:</u>				
Administration	752,832	713,503	39,329	Conservative budgeting and spending
Collection system	754,269	704,152	50,117	Conservative budgeting and few line repairs needed
Treatment plant	2,050,678	1,855,237	195,441	Conservative budgeting
Capital outlay	2,136,731	594,199	1,542,532	Project delays and difficulties finding contractors

Capital Asset and Debt Administration

Capital Assets: The District's net capital assets decreased by \$1,919,331 in 2022 as compared to an decrease of \$461,608 in 2021. 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 District had no outstanding debt at the end of the fiscal year.

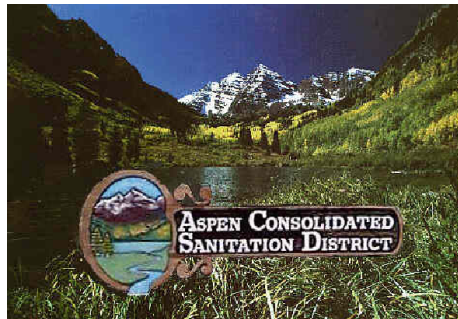
Next Year's Budget and Rates

The District's net position at the end of 2022 was \$39,877,141 as compared to \$38,747,575 in 2021. The District's 2023 budget anticipates a 4% increase in charges for services to reflect rate increases, a 4% increase in operating revenue and a 6% increase in operating expenses. Furthermore, the budget projects \$5,413,500 in capital projects during 2023.

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, 2022 and 2021

	2022	2021 (Restated)
Assets:		
Current Assets:		
Cash and cash equivalents - Unrestricted	10,979,098	8,088,900
Receivables, net:		
Property taxes	225,407	226,453
Service receivables	85,727	56,710
Other governments	526	499
Leases receivable	3,270,115	3,307,408
Other	8,601	3,660
Prepaid expenses	15,432	15,728
Inventory	83,221	67,135
Total Current Assets	14,668,127	11,766,493
Non-current Assets:		
Capital assets:		
Capital assets	80,913,095	80,380,291
Less: Accumulated depreciation and amortization	(51,887,894)	(49,435,759)
Capital assets, net of depreciation and amortization	29,025,201	30,944,532
Total Non-current Assets	29,025,201	30,944,532
Total Assets	43,693,328	42,711,025
Liabilities:		
Current Liabilities:		
Accounts payable:		
Trade	100,780	73,525
Retainage	30,834	30,834
Other payroll liabilities	-	4,855
Other unearned revenue	112,450	154,019
Lease payable - current portion	-	14,451
Deposits	23,713	18,999
Total Current Liabilities	267,777	296,683
Non-current Liabilities:		
Accrued compensated absences - due in more than one year	132,253	132,906
Total Non-current Liabilities	132,253	132,906
Total Liabilities	400,030	429,589
Deferred Inflows of Resources		
Unavailable property tax revenue	225,407	226,453
Deferred lease revenue	3,190,750	3,307,408
Total Deferred Inflows of Resources	3,416,157	3,533,861
Net Position:		
Net invested in capital assets	29,025,201	30,944,532
Unrestricted	10,851,940	7,803,043
Total Net Position	39,877,141	38,747,575

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, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Operating Revenues:		
Charges for services	4,708,078	4,544,347
Penalties and interest	26,758	23,642
	<u>4,734,836</u>	<u>4,567,989</u>
Operating Expenses:		
Administration	713,503	707,467
Collection system	704,152	708,120
Treatment plant	1,855,237	1,765,361
Depreciation and amortization	2,488,059	2,675,506
	<u>5,760,951</u>	<u>5,856,454</u>
Operating (Loss)	<u>(1,026,115)</u>	<u>(1,288,465)</u>
Non-operating Revenues (Expenses):		
Property taxes	225,999	223,436
Specific ownership taxes	8,071	8,156
Investment income	238,225	1,896
Solar farm lease income	116,658	-
Rent income	129,586	137,773
Gain (loss) on disposal of asset	(11,916)	-
Interest expense	-	(81,206)
Treasurer's fees	(11,412)	(11,374)
Miscellaneous	86,107	125,249
	<u>781,318</u>	<u>403,930</u>
(Loss) Before Capital Contributions	<u>(244,797)</u>	<u>(884,535)</u>
Capital Contributions:		
Line improvement fee	294,373	431,894
Developer	9,422	5,601
Plant capacity fee	1,046,656	1,568,819
Initial fee	23,912	-
	<u>1,374,363</u>	<u>2,006,314</u>
Change in Net Position	1,129,566	1,121,779
Net Position - Beginning of Year	<u>38,747,575</u>	<u>37,625,796</u>
Net Position - End of Year	<u><u>39,877,141</u></u>	<u><u>38,747,575</u></u>

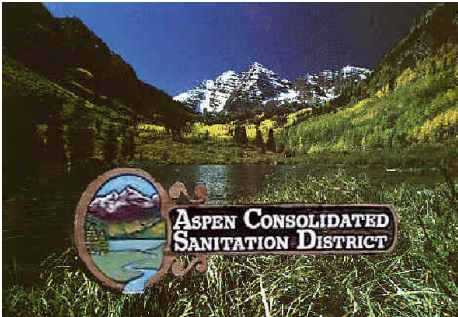
The accompanying notes are an integral part of these financial statements.

Aspen Consolidated Sanitation District
Statement of Cash Flows
For the Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash Flows From Operating Activities:		
Cash received from customers and others	4,763,058	4,874,978
Cash received (payments) from (for) goods and services	(963,328)	(970,920)
Cash payments to employees and for benefits	<u>(2,214,685)</u>	<u>(2,251,708)</u>
Net Cash Provided (Used) by Operating Activities	<u>1,585,045</u>	<u>1,652,350</u>
Cash Flows From Non-capital Financing Activities:		
Cash received from property and specific ownership taxes, net	<u>234,043</u>	<u>231,695</u>
Net Cash Provided (Used) by Non-capital Financing Activities	<u>234,043</u>	<u>231,695</u>
Cash Flows From Capital and Related Financing Activities:		
Cash received from tap fees	1,374,363	2,006,314
Cash received from solar farm lease	152,358	-
Cash paid for principal on debt	-	(3,495,000)
Cash paid for interest on debt	-	(96,178)
Cash paid for capital acquisitions	<u>(595,095)</u>	<u>(2,258,735)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>931,626</u>	<u>(3,843,599)</u>
Cash Flows From Investing Activities:		
Interest income received	<u>139,484</u>	<u>443,855</u>
Net Cash Provided (Used) by Investing Activities	<u>139,484</u>	<u>443,855</u>
Net Increase (Decrease) in Cash and Cash Equivalents	2,890,198	(1,515,699)
Cash and Cash Equivalents - Beginning of Year	<u>8,088,900</u>	<u>9,604,599</u>
Cash and Cash Equivalents - End of Year	<u>10,979,098</u>	<u>8,088,900</u>
Represented by Balance Sheet captions:		
Cash and cash equivalents - Unrestricted	<u>10,979,098</u>	<u>8,088,900</u>
Cash and Cash Equivalents - End of Year	<u>10,979,098</u>	<u>8,088,900</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating income (loss)	<u>(1,026,115)</u>	<u>(1,288,465)</u>
Adjustments:		
Depreciation and amortization	2,488,059	2,675,506
Rent income	113,261	137,773
Treasurer's fees	(11,412)	(11,374)
Miscellaneous	86,110	125,250
(Increase) decrease in accounts receivable	(33,958)	27,388
(Increase) decrease in prepaid expenses	296	4,020
(Increase) decrease in inventory	(16,086)	(42,385)
Increase (decrease) in accounts payable	27,253	7,442
Increase (decrease) in payroll liabilities	(4,855)	1,855
Increase (decrease) in unearned revenue	(41,569)	16,579
Increase (decrease) in deposits	4,714	-
Increase (decrease) in accrued compensated absences	<u>(653)</u>	<u>(1,239)</u>
Total Adjustments	<u>2,611,160</u>	<u>2,940,815</u>
Net Cash Provided (Used) by Operating Activities	<u>1,585,045</u>	<u>1,652,350</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, 2022 and 2021

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, 2022 and 2021
(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, 2022 and 2021
(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, 2022 and 2021, 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, 2022 and 2021
(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.

9. Leases

District as Lessor:

The District is lessor in a Solar Farm array as further described in Note III.D. In such arrangements, the District recognizes a lease receivable and a deferred inflow of resources on the Statement of Net Position.

At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received.

The deferred inflow of resources is initially measured as the initial of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the lease term.

Key estimates and judgments include how the District determines the following

Discount Rate: The District uses the maximum interest rate disclosed for its outstanding debt at the time of the lease commencement as the discount rate to discount the expected lease receipts to present value.

Lease Term: The lease term includes the non-cancellable period of the lease and extended term(s) that the District is reasonably certain the lessee will exercise.

Lease Receipts: Lease receipts included in the measurement of the lease receivable are composed of fixed payments and minimum guaranteed payments from the lessee.

Aspen Consolidated Sanitation District
Notes to the Financial Statements
December 31, 2022 and 2021
(Continued)

Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

9. Leases (continued)

District as Lessor (continued)

The District monitors changes in circumstances that would require a re-measurement of its leases, and will re-measure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

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 2022 and 2021:

Aspen Consolidated Sanitation District
Notes to the Financial Statements
December 31, 2022 and 2021
(Continued)

II. Stewardship, Compliance and Accountability (continued)

A. Budgetary Information (continued):

	2022	2021
Change in Net Position - Budget Basis	\$ 3,035,342	\$ (2,157,428)
<i>add (less):</i>		
Gain (loss) on asset disposal	(11,916)	-
Principal on debt	-	3,495,000
Capital outlay	594,199	2,459,713
Amortization of bond premium interest	-	70,566
Depreciation	(2,488,059)	(2,746,072)
Change in Net Position - GAAP Basis	\$ 1,129,566	\$ 1,121,779

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 2022.

1. For the 2022 budget year, prior to August 25, 2021, 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, 2021, 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, 2021, 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 2021 were collected in 2022 and taxes certified in 2022 will be collected in 2023. 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, 2022 and 2021
(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 \$10,979,098 and \$8,088,900 as of the fiscal year ended 2022 and 2021, 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, 2022, the District had the following recurring net asset values measurements:

December 31, 2022	
Investments Measured at Net Asset Value	Total
Colotrust investment pool	10,272,329
Total	10,272,329

Aspen Consolidated Sanitation District
Notes to the Financial Statements
December 31, 2022 and 2021
(Continued)

III. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

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

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

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. ColoTrust Edge offers weekly liquidity and a rating of AAAf.

The District did not have any fair value measurements at December 31, 2022 or at December 31, 2021.

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, 2022 and 2021
(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, 2022 and 2021, the District had the following cash and investments with the following maturities:

December 31, 2022			
	Standard & Poors Rating	Carrying Amounts	Maturities Less than one year
<i>Petty cash</i>	Not rated	\$ 857	\$ 857
<i>Deposits:</i>			
Checking	Not rated	484,479	484,479
Money market	Not rated	221,433	221,433
<i>Investments:</i>			
Investment pools	AAAm/AAAf	10,272,329	10,272,329
		\$ 10,979,098	\$ 10,979,098
December 31, 2021			
	Standard & Poors Rating	Carrying Amounts	Maturities Less than one year
<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	7,282,845	7,282,845
		\$ 8,088,900	\$ 8,088,900

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, 2022 and 2021, the District's investments in COLOTRUST were 93.56% and 90.04%, respectively, of the District's investment portfolio.

Aspen Consolidated Sanitation District
Notes to the Financial Statements
December 31, 2022 and 2021
(Continued)

III. Detailed Notes on All Funds (continued)

B. Capital Assets

Capital asset activity for 2022 was as follows:

	1/1/22 Beginning Balance	Additions	Disposals	12/31/22 Ending Balance
Capital assets, not being depreciated:				
Land	\$ 454,479	\$ -	\$ -	\$ 454,479
Construction in progress	39,574	-	(11,298)	28,276
Total capital assets, not being depreciated	<u>494,053</u>	<u>-</u>	<u>(11,298)</u>	<u>482,755</u>
Capital or leased assets, being depreciated or amortized:				
Buildings and improvements	7,322,667	-	-	7,322,667
Collection system	31,330,158	63,391	-	31,393,549
Plant	37,563,363	469,016	-	38,032,379
Vehicles and equipment	3,619,953	61,792	-	3,681,745
Leased vehicles and equipment	50,096	-	(50,096)	-
Total capital or leased assets being depreciated or amortized	<u>79,886,237</u>	<u>594,199</u>	<u>(50,096)</u>	<u>80,430,340</u>
Less accumulated depreciation and amortization for:				
Buildings and improvements	(4,281,682)	(291,785)	-	(4,573,467)
Collection system	(14,564,906)	(677,337)	-	(15,242,243)
Plant	(28,404,375)	(1,385,974)	-	(29,790,349)
Vehicles and equipment	(2,148,872)	(132,963)	-	(2,281,835)
Leased vehicles and equipment	(35,923)	-	35,923	-
Total accumulated depreciation and amortization	<u>(49,435,758)</u>	<u>(2,488,059)</u>	<u>35,923</u>	<u>(51,887,894)</u>
Total capital and leased assets, being depreciated or amortized, net	<u>30,450,479</u>	<u>(1,893,860)</u>	<u>(14,173)</u>	<u>28,542,446</u>
Total capital assets, net	<u>\$ 30,944,532</u>	<u>\$ (1,893,860)</u>	<u>\$ (25,471)</u>	<u>\$ 29,025,201</u>

Aspen Consolidated Sanitation District
Notes to the Financial Statements
December 31, 2022 and 2021
(Continued)

III. Detailed Notes on All Funds (continued)

B. Capital Assets (continued)

Capital asset activity for 2021 was as follows:

	<u>1/1/21 Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>12/31/21 Ending Balance</u>
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, 2022 and 2021
(Continued)**

III. Detailed Notes on All Funds (continued)

C. Long-term Liabilities

1. Accrued Compensated Absences

Earned but unused vacation benefits and sick leave amounted to \$132,253 and \$132,906 at December 31, 2022 and 2021, respectively.

2. Long-term Liability Activity Schedule

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

	<u>1/1/22</u> Balance	<u>Additions</u>	<u>Reductions</u>	<u>12/31/22</u> Balance	Current Portion
Compensated absences	132,906	-	(653)	132,253	33,063
Total	<u>\$ 132,906</u>	<u>\$ -</u>	<u>\$ (653)</u>	<u>\$ 132,253</u>	<u>\$ 33,063</u>

	<u>1/1/21</u> Balance	<u>Additions</u>	<u>Reductions</u>	<u>12/31/21</u> Balance	Current Portion
Debt obligations	\$ 3,565,566	\$ -	\$ (3,565,566)	\$ -	\$ -
Compensated absences	134,145	-	(14,662)	132,906	33,227
Total	<u>\$ 3,699,711</u>	<u>\$ -</u>	<u>\$ (3,580,228)</u>	<u>\$ 132,906</u>	<u>\$ 33,227</u>

D. Leases Receivable

The District leases a solar farm to Holy Cross Electric. The non-cancelable terms of the lease agreement, including options to extend which the District believes will be exercised by the lessee, are between 25 and 40 years. Per the terms of the lease agreement, the District receives a monthly credit on its electric bill and annual rent payments. Both the monthly credits (25 year term) and annual payments (40 year term) increase by 2% each year.

During 2022, the District recognized 116,658 in lease revenue and 98,741 in interest revenue.

At December 31, 2022, the District's receivable for lease payments was 3,270,115 and the deferred inflow of resources associated with these leases, which will be recognized as revenue over the lease term, was 3,190,750. At December 31, 2021, the District's receivable for lease payments was 3,307,408 and the deferred inflow of resources associated with these leases was 3,307,408.

The following is a schedule of future principal and interest lease payments due under the terms of these leases at December 31, 2022:

**Aspen Consolidated Sanitation District
Notes to the Financial Statements
December 31, 2022 and 2021
(Continued)**

III. Detailed Notes on All Funds (continued)

D. Leases Receivable (continued)

<u>Year</u>	<u>Lease Principal</u>	<u>Interest</u>	<u>Total</u>
2023	41,174	97,580	138,754
2024	45,229	96,300	141,529
2025	49,463	94,897	144,360
2026	53,882	93,365	147,247
2027	58,494	91,698	150,192
2028-2032	368,880	428,356	797,236
2033-2037	517,346	362,867	880,213
2038-2042	698,993	272,833	971,826
2043-2047	725,039	155,985	881,024
2048-2052	216,388	94,506	310,895
2053-2057	285,172	58,081	343,253
2058-2060	210,056	12,814	222,871
<u>Total</u>	<u>\$ 3,270,115</u>	<u>\$ 1,859,284</u>	<u>\$ 5,129,399</u>

E. New Accounting Standard

Effective January 1, 2022, the District implemented Statement No. 87, *Leases* (“GASB 87”), issued by the Governmental Accounting Standards Board. GASB 87 requires that the District report certain lease assets and liabilities for leases that previously were classified as operating leases, and recognize inflows or outflows of resources based on the payment provisions of each such contract. The implementation of GASB 87 has been applied retrospectively to all periods presented. Effects and changes thereto as reported in the District’s previously-issued financial statements include the addition of leases receivable of \$3,307,408 and deferred inflows of resources for lease revenue of \$3,307,408 as of December 31, 2021.

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, 2022 and 2021
(Continued)

IV. Other Information (continued)

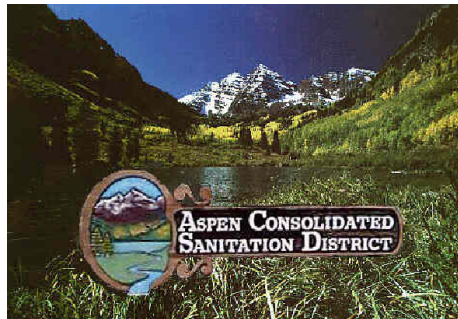
B. Deferred Compensation Plan - Section 401(k)

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 above the age of 21 are eligible to participate in the Plan on the first day of the month following commencement of employment. 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 \$94,910 and \$98,266 for 2022 and 2021, respectively. There was no liability outstanding at the of December 31, 2022 and 2021.

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, 2022
(With Comparative Totals for For the Year Ended 2021)

	<u>2022</u>		<u>2021</u>
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance Positive (Negative)</u>
			<u>Actual</u>
Revenues:			
Charges for services	4,649,780	4,708,078	58,298
Penalties and interest	20,000	26,758	6,758
Property taxes	226,453	225,999	(454)
Specific ownership taxes	6,500	8,071	1,571
Investment income	155,863	238,225	82,362
Solar farm lease income	-	116,658	116,658
Rent income	127,913	129,586	1,673
Miscellaneous	15,466	86,107	70,641
Capital contributions	950,000	1,374,363	424,363
Total Revenues	<u>6,151,975</u>	<u>6,913,845</u>	<u>761,870</u>
Expenditures:			
Administration	752,832	713,503	39,329
Collection system	754,269	704,152	50,117
Treatment plant	2,050,678	1,855,237	195,441
Treasurer's fees	12,000	11,412	588
Principal on debt	-	-	-
Interest	-	-	-
Capital outlay	2,136,731	594,199	1,542,532
Total Expenditures	<u>5,706,510</u>	<u>3,878,503</u>	<u>1,828,007</u>
Change in Net Position (Budget Basis)	<u>445,465</u>	<u>3,035,342</u>	<u>2,589,877</u>
Reconciliation to GAAP Basis:			
Loss on asset disposal		(11,916)	-
Principal on debt		-	3,495,000
Capitalized asset additions		594,199	2,459,713
Amortization of bond premium interest		-	70,566
Depreciation and amortization		(2,488,059)	(2,746,072)
Change in Net Position (GAAP Basis)		<u>1,129,566</u>	<u>1,121,779</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, 2022
(With Comparative Totals for For the Year Ended 2021)**

	2022		Final Budget Variance Positive (Negative)	2021
	Original and Final Budget	Actual		Actual
Salaries	409,163	409,235	(72)	399,750
Payroll taxes	31,539	31,480	59	31,164
Benefits	88,280	81,570	6,710	87,723
Office supplies	11,500	6,945	4,555	11,150
Postage	7,600	7,245	355	7,752
Publication and legal	1,000	109	891	256
Dues and subscriptions	10,000	9,107	893	9,154
Utilities	33,000	30,776	2,224	26,577
Telephone	13,750	16,233	(2,483)	13,933
Legal	20,000	2,917	17,083	6,575
Auditing	12,500	13,320	(820)	12,300
Other expense	40,000	21,562	18,438	18,428
Capital lease interest	-	118	(118)	403
Insurance	39,500	33,443	6,057	36,580
Ground maintenance	35,000	49,443	(14,443)	45,722
Total Administrative Expenditures	752,832	713,503	39,329	707,467

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, 2022
(With Comparative Totals for For the Year Ended 2021)**

	2022		Final Budget Variance Positive (Negative)	2021
	Original and Final Budget	Actual		Actual
Salaries	436,565	441,450	(4,885)	427,001
Payroll taxes	32,205	32,267	(62)	32,026
Benefits	159,299	148,175	11,124	143,350
Office supplies	4,500	2,199	2,301	1,897
Safety equipment	5,500	3,743	1,757	2,640
Oil and grease	9,200	5,633	3,567	(2,500)
Equipment parts	22,000	8,636	13,364	7,660
Line repairs	20,000	7,499	12,501	48,111
Tools	7,000	4,277	2,723	1,748
Shop supplies	11,000	11,541	(541)	11,034
Tuition	3,000	2,574	426	99
Miscellaneous	4,500	2,917	1,583	2,105
Insurance	39,500	33,241	6,259	32,949
Total Collection System Expenditures	754,269	704,152	50,117	708,120

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, 2022
(With Comparative Totals for For the Year Ended 2021)**

	2022		Final Budget Variance Positive (Negative)	2021
	Original and Final Budget	Actual		Actual
Salaries	825,989	759,738	66,251	804,157
Payroll taxes	61,792	56,862	4,930	61,371
Benefits	271,567	248,399	23,168	265,781
Office supplies	5,750	5,570	180	5,263
Chemicals	168,000	163,791	4,209	76,906
Lab supplies and tests	40,000	33,486	6,514	29,115
Janitorial supplies	7,000	8,062	(1,062)	4,363
Uniforms	6,000	3,535	2,465	3,210
Dump fees and trash	63,525	56,239	7,286	55,896
Oil and grease	8,000	12,962	(4,962)	4,863
Equipment parts	33,000	29,183	3,817	16,006
Electrical supplies	45,000	22,805	22,195	24,043
Utilities	360,205	330,611	29,594	297,067
Telephone	14,850	18,455	(3,605)	14,025
Other maintenance	40,000	28,467	11,533	18,978
Ground maintenance	12,000	6,417	5,583	11,425
Shop supplies	4,000	4,583	(583)	5,034
Tuition	9,000	1,705	7,295	1,513
Other expenses	4,000	4,157	(157)	3,855
Insurance	39,500	34,340	5,160	35,952
Permits	31,500	25,870	5,630	26,538
Total Treatment Plant Expenditures	2,050,678	1,855,237	195,441	1,765,361

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