

Annual Comprehensive Financial Report

Town of Basalt

Colorado

For the Year Ended

December 31, 2022



Prepared by the Finance Department of the Town of Basalt
Doug Pattison, Director of Finance

Town of Basalt

2022 Annual Comprehensive Financial Report

For the Year Ending December 31, 2022

Finance Department
101 Midland Ave
Basalt, CO 81621



**Town of Basalt, Colorado
Annual Comprehensive Financial Report
December 31, 2022**

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INTRODUCTORY SECTION





June 14, 2023

To the Citizens of the Town of Basalt, Colorado.

The Town of Basalt is pleased to submit the 2022 audited financial statements for the fiscal year ending December 31, 2022. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Town. To the best of our knowledge and belief, the enclosed data is accurate in all material respects regarding the operations of the various funds of the Town. All disclosures necessary to enable the reader to gain an understanding of the Town's financial activities have been included.

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

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

ECONOMIC CONDITION AND OUTLOOK

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

The Town, incorporated in 1901, operates under a Home Rule Charter that was adopted by Basalt residents in November of 2002. The Town is managed based on the Town Manager – Council form of government. The governing body is made up of six councilmembers, who serve four-year staggered terms. Council members are limited to two consecutive four-year terms. The Mayor is elected to a four-year term and is also limited to two consecutive four-year terms. The Town Manager serves as the Chief Executive Officer of the Town.

The Town's 2022 population is 4,257 with a Fiscal Year 2022 total annual expenditure budget of \$21,482,913 for the general and restricted funds. The Town covers two square miles and approximately 90% of the privately-owned land has been developed. Because of its location in the Roaring Fork Valley, the tourism trade found in the Town of Snowmass Village (TOSV) and Aspen areas drives much of Basalt's business activity. However, due to the recent building and anticipated growth in the Town over the next 10 years, we are anticipating that the affect of tourism compared to local purchases will continue to decline.

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

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

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

MAJOR TOWN INITIATIVES

The Town implemented a strategic work plan for 2021 that outlines the major initiatives of the Town. The Town adopted its Strategic Framework in March of 2019, and the 2022 Strategic work Plan directly relates to that framework. The Strategic Framework includes the following areas of focus:

Community – We value our citizens and represent their interests for the benefit of the entire community. Specific work objectives are as follows: to be responsive to community needs, recruit and retain qualified and motivated staff, and to work with non-profit partners and community leaders to provide improved services and outreach to better engage the Latinx community.

Built Environment – Basalt's built environment is well-planned, considerate of our history, and reflects the cultural, environmental, and economic values of the community. Specific work objectives are as follows: advance ideas for affordable housing that meets the community's needs while respecting the Town's values regarding growth, advance and support development that fosters social and economic vitality in Basalt's core, prioritize maintenance and improvements of Town's assets.

Local Economy – Our existing businesses provide the foundation for Basalt's economy. We support responsible, knowledge, and ideas based economic growth that encourages green technologies and well-paid jobs across sectors. Specific work objectives are as follows: improve business opportunities in Basalt through strategic investment and partnership, continue to improve upon fiscal transparency and accountability, continue to build upon the arts and organizations and BPAC to ensure a consistent offering of visual and performing arts.

Environment – We support common sense investment in green technologies and support new ideas that reduce our impact on the environment. Specific work objectives are as follows: reduce greenhouse gas emissions, focus on building industry to meet climate goals.

Additionally, the strategic Framework is based upon the values of the Town, including the following:

- Teamwork
- Communication
- Customer Service
- Commitment
- Respect
- Safety

The Town continues to work on improvements at the Basalt River Park. In August of 2011, the Town and the Roaring Fork Community Development Corporation (RFCDC) jointly entered into an agreement for the purchase and eventual redevelopment of the Pan and Fork Trailer Park. The Town is currently underway with those improvements, and is building a new bus stop, restroom area, bandshell, and water feature, as well as the addition of trails and sidewalks in the park. During 2022, the Town also acquired real property to be used as the new location for the Town's police department. In connection with this acquisition a certificate of participation was issued in the amount of \$1,337,000

In November 2021, the Town's electorate passed a bond issue that included a "main street" revitalization in the historic downtown, investment in green projects, and affordable housing. This bond issuance closed in January of 2022. The Town has commenced work on the downtown revitalization project and will be working on this project for approximately two years. The green project is underway with the installation of a half-megawatt solar array which is scheduled to be completed in late 2023. Finally, the Town purchased land for affordable housing in 2022, which included four lots in the new Stotts Mill subdivision. These lots are part of the affordable housing initiative funded by the bond issue.

FINANCIAL INFORMATION

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

BUDGETARY & FINANCIAL CONTROLS

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

The Town and the Town's auditors have prepared the 2022 audited financials to submit to Government Finance Officers Association for the Certificate of Achievement for Excellence in Financial Reporting award. This is a prestigious and rigorous standard to meet, which we are hopeful will continue to build the public's trust that the Town is headed in the right direction with finances and accountability.

OTHER INFORMATION

Independent Audit

Colorado statutes require an annual audit of the Town's financial statements. The audit for 2022 was conducted by McMahan and Associates, Certified Public Accountants and their report on the financial statements is included in the financial section of this report.

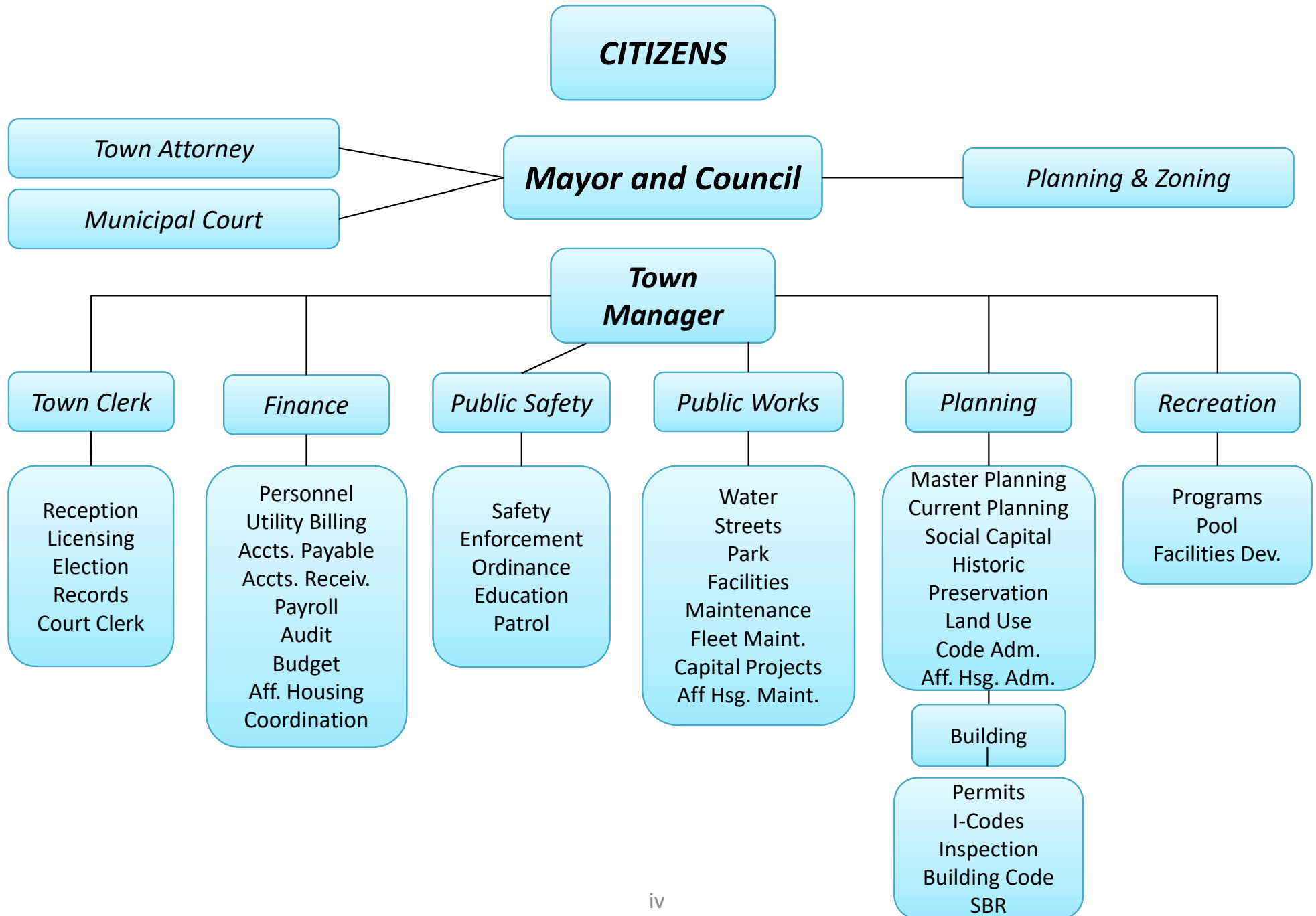
ACKNOWLEDGEMENTS

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

Respectfully submitted,

Doug Pattison, Town Finance Director

Town of Basalt Organizational Structure



Town of Basalt, Colorado
List of Elected and Administrative Officials
December 31, 2022

Elected Officials

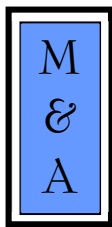
Bill Kane – Mayor
David Knight – Mayor Pro-tem
Ryan Slack – Council Member
Glen Drummond – Council Member
Elyse Hottel – Council Member
Dieter Schindler – Council Member
Angela Anderson – Council Member

Administrative Officials

Ryan Mahoney – Town Manager
Doug Pattison – Director of Finance
Michelle Bonfils Thibeault – Planning Director
Mitch Miller – Chief Building Official
Greg Knott – Chief of Police
Boyd Bierbaum – Public Works Director
Matt Koenigsknecht – Recreation Director

FINANCIAL SECTION





McMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

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INDEPENDENT AUDITOR'S REPORT

**To the Members of Town Council
Town of Basalt
Basalt, Colorado**

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Basalt, Colorado (the "Town"), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Town as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Basis for Opinions

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 the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. GAAP; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town'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 AUDITOR'S REPORT
To the Members of Town Council
Town of Basalt, 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 Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town'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 requires Management's Discussion and Analysis in section B and the Schedule of the Town's Employer's Proportionate Share of the Net Pension Asset / Liability and the Schedule of Town Contributions in Section E 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 section B 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 AUDITOR'S REPORT
To the Members of Town Council
Town of Basalt, Colorado**

Required Supplementary Information (continued)

The budgetary comparison information in section E is not a required part of the basic financial statements but is supplementary information required by U.S. GAAP. The budgetary comparison information in section E is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The individual fund budgetary information, the Local Highway Finance Report, and the Schedule of Expenditures of Federal Awards as required by *Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* included in the Single Audit Section listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund budgetary information, the Local Highway Finance Report, and the Schedule of Expenditures of Federal Awards included in the Single Audit Section listed in the accompanying table of contents 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 introductory section, individual fund budgetary information, the Local Highway Finance Report, the statistical section, and the Schedule of Expenditures of Federal Awards included in the Single Audit Section listed in the accompanying table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

INDEPENDENT AUDITOR'S REPORT
To the Members of Town Council
Town of Basalt, Colorado

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated **June 29, 2023** on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and on compliance.

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
Avon, Colorado
June 29, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS



Town of Basalt, Colorado
Management Discussion and Analysis
December 31, 2022

As management of the Town of Basalt (the "Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended December 31, 2022.

Financial Highlights

- On the Town's Statement of Revenues, Expenditures and Changes in Fund Balances, the Town's fund balance increased in 2022 by \$20,694,369 for all governmental funds.
- At the end of the current fiscal year, unassigned fund balance for the General Fund is \$5,642,613 or 42.89% of total General Fund expenditures and transfers.
- Total general fund revenues (including transfers in) in 2022 were \$13,513,989, a \$3,379,779, or 25.01% increase compared to 2021 total general fund revenues (including transfers in) of \$10,134,210. The increase is primarily attributed to strong sales tax collections, unanticipated grants, and an increase in investment income yields.
- The fund balance for the Town's Restricted Fund increased by \$1,476,638 for 2022. The ending fund balance in the Restricted Fund totals \$7,502,608. The increase was primarily attributed to strong sales tax collections.
- The fund balance for the Town's Debt Service Fund decreased by \$12,127 for 2022. The ending Fund Balance in the Debt Service Fund totals \$61,658. The decrease is due to debt service payments exceeding collected property taxes, as a result of County fees on property tax collections.
- The Town's Conservation Trust Fund, a Special Revenue Fund, showed an increase in net position totaling \$16,626, with a current fund balance totaling \$271,217.
- The Town's Capital Construction Fund showed an increase in net position totaling \$17,295,463, with a current fund balance totaling \$17,278,483.
- The Town's Water Fund increased in Net Position for 2022 by \$516,597, with an ending fund balance of \$5,579,564.

Overview of the Financial Statements

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

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

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

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

Town of Basalt, Colorado
Management Discussion and Analysis
December 31, 2022

Overview of the Financial Statements (continued)

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

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. The Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town adopts an annual appropriated budget for all governmental funds. A budgetary comparison statement has been provided for all funds to demonstrate compliance with state budget statute.

The basic major governmental fund financial statements can be found in Section C.

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

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

The basic Proprietary Fund financial statements can be found in Section C of this report.

Notes to the Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found in Section D of this report.

Town of Basalt, Colorado
Management Discussion and Analysis
December 31, 2022

Government-wide Financial Analysis: The largest portion of the Town's assets is reflected in the investment in capital assets (i.e. land, buildings, improvements, and equipment). Net investment in capital assets account for 73% of the total net position. The Town uses these assets to provide services to its citizens. Accordingly, these assets are not an available source for payment of future spending. Of the remaining net position, the Town's restricted net position has changed as follows:

Restricted for:	2022	2021	Change
Emergencies	\$ 520,000	\$ 520,000	-
Recreation	271,217	254,591	16,626
Debt service	16,488,808	73,785	16,415,023
Pensions	541,104	201,091	340,013
Other restrictions:			-
Willits Lane	35,952	35,952	-
South pedestrian	74,501	44,649	29,852
Energy REMP	141,766	87,276	54,490
RETA RFA	73,352	56,703	16,649
Affordable housing	80,242	29,849	50,393
RETA Willits - 50% Public amenities,			
50% Arts	719,394	716,547	2,847
VALE	62,236	60,865	1,371
Two Rivers	175,611	175,611	-
Police Training	16,960	12,592	4,368
Southbound Roundabout	149,242	105,157	44,085
Downtown parking reserve	113,422	113,422	-
RETA Arts	562,406	381,487	180,919
Green initiatives climate action	38,010	62,121	(24,111)
Child care	120,384	144,140	(23,756)
Tobacco Tax	1,038,926	1,049,797	(10,871)
Southside traffic calming	39,607	31,500	8,107
Lodging tax	249,178	176,467	72,711
VALE donations	24,437	23,187	1,250
Park dedication	249,640	201,039	48,601
Energy review fees	10,310	4,970	5,340
POST	2,313,410	1,699,227	614,183
Community gardens	2,234	2,634	(400)
Community Enhancement Fund	27,524	8,468	19,056
RETA Sopris Meadow	549,959	444,156	105,803
Willits Transportation fee	48,573	45,109	3,464
RETA 2 Willits	178,484	178,484	-
Stotts Mill	121,250	77,720	43,530
RETA BRP non-profit visual arts	28,610	-	28,610
RETA BRP green initiatives	28,610	-	28,610
RETA BRP affordable housing	171,537	-	171,537
Total	<u>\$25,266,896</u>	<u>\$ 7,018,596</u>	<u>\$18,248,300</u>

Town of Basalt, Colorado
Management Discussion and Analysis
December 31, 2022

Government-wide Financial Analysis (continued): An analysis of net position may serve as a useful indicator of a government's financial health of the Town. For December 31, 2022 the total assets and deferred outflows were \$104,329,468, total liabilities and deferred inflows were \$26,796,290, the Town's net position \$77,533,178. The following graphs show the Town's net position for 2021 and 2022:

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Assets:						
Current and other assets	\$ 39,844,793	\$ 19,936,144	\$ 1,098,707	\$ 764,714	\$40,943,500	\$20,700,858
Capital assets, net	58,452,407	52,222,836	4,540,876	4,423,826	62,993,283	56,646,662
Total Assets	98,297,200	72,158,980	5,639,583	5,188,540	103,936,783	77,347,520
Deferred Outflows of Resources:	392,685	438,070	-	-	392,685	438,070
Liabilities:						
Current liabilities	1,339,206	2,512,219	60,019	125,573	1,399,225	2,637,792
Long-term liabilities	22,727,983	4,775,897	-	-	22,727,983	4,775,897
Total Liabilities	24,067,189	7,288,116	60,019	125,573	24,127,208	7,413,689
Deferred Inflows of Resources:	2,669,082	2,439,050	-	-	2,669,082	2,439,050
Net Position:						
Net investment in capital assets	51,863,454	49,451,835	4,540,876	4,355,580	56,404,330	53,807,415
Restricted	25,266,896	7,068,523	-	-	25,266,896	7,068,523
Unrestricted	(5,176,736)	6,349,526	1,038,688	707,387	(4,138,048)	7,056,913
Total Net Position	\$ 71,953,614	\$ 62,869,884	\$ 5,579,564	\$ 5,062,967	\$77,533,178	\$67,932,851

Traditionally, the largest portion of any municipality's investments is in its capital assets. Land, buildings, equipment, machinery, and specialized tools are necessary in order to deliver and/or provide services to the Town's residents and visitors. The Town's net investment in capital and leased assets account for 73% of its net position; these assets are not an available source for payment of future spending.

At the end of the 2022 fiscal year, the Town is able to report positive balances in all three categories of net position, first for the government as a whole, and then as separate governmental and business-type activities.

The Town's net position increased by \$9,600,327 during the current fiscal year from \$67,932,851 to \$77,533,178. Governmental activities continued to increase as the Town contributed to ongoing capital projects, which were partially funded with the issuance of general obligation bonds and certificates of participation in 2022.

Town of Basalt, Colorado
Management Discussion and Analysis
December 31, 2022

Government-wide Financial Analysis (continued):

Town of Basalt's Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2022	2021 (as restated)	2022	2021	2022	2021 (as restated)
Revenues:						
Program revenues:						
Charges for services	\$ 1,807,189	\$ 2,162,250	\$ 1,159,835	\$ 1,058,152	\$ 2,967,024	\$ 3,220,402
Grants and contributions:						
Operating	1,282,256	380,897	13,868	14,663	1,296,124	395,560
Capital	-	-	222,972	205,189	222,972	205,189
General revenues:						
Property taxes	2,224,987	2,076,815	-	-	2,224,987	2,076,815
Sales and use taxes	10,494,363	9,066,223	-	-	10,494,363	9,066,223
Other taxes	1,690,548	1,533,856	-	-	1,690,548	1,533,856
Real estate transfer taxes	812,888	922,715	-	-	812,888	922,715
Coronavirus State and Local Fiscal Recovery Funds	1,007,201	-	37,660	-	1,044,861	-
Investment earnings and other revenue	852,957	57,257	5,070	48	858,027	57,305
Total Revenues	20,172,389	16,200,013	1,439,405	1,278,052	21,611,794	17,478,065
Expenses:						
General government	4,333,497	3,600,895	-	-	4,333,497	3,600,895
Public safety	2,293,126	2,308,464	-	-	2,293,126	2,308,464
Public works	1,861,526	1,579,436	-	-	1,861,526	1,579,436
Culture and recreation	1,423,700	1,039,308	-	-	1,423,700	1,039,308
Affordable housing	293,991	271,758	-	-	293,991	271,758
Interest	367,524	36,976	-	-	367,524	36,976
Water	-	-	696,898	680,484	696,898	680,484
Health and welfare	741,205	377,226	-	-	741,205	377,226
Total Expenses	11,314,569	9,214,063	696,898	680,484	12,011,467	9,894,547
Change in Net Position before transfers	8,857,820	6,985,950	742,507	597,568	9,600,327	7,583,518
Transfers	225,910	166,441	(225,910)	(166,441)	-	-
Change in Net Position	9,083,730	7,152,391	516,597	431,127	9,600,327	7,583,518
Net Position - Beginning	62,869,884	55,717,493	5,062,967	4,631,840	67,932,851	60,349,333
Net Position - Ending	\$ 71,953,614	\$ 62,869,884	\$ 5,579,564	\$ 5,062,967	\$77,533,178	\$67,932,851

Governmental activities: Governmental activities increased the Town's net position by \$9,083,730, after transfers. Significantly impacting the 2022 results was a general increase in grant revenues, much of which related to COVID-19 grants and strong sales tax revenues. In addition, due to the issuance of debt, the Town carried significant balances in investment and savings accounts, and that, combined with a higher yield than 2022, increased net investment income significantly from 2021.

Town of Basalt, Colorado
Management Discussion and Analysis
December 31, 2022

Government-wide Financial Analysis (continued):

Other key elements of this increase are as follows:

- Current year excess of revenue over expenditures totaled approximately \$1,235,000, principally driven by increase in sales tax collections, grants, and interest income.
- The majority of the increase in net position is due to the issuance of 2022 long-term debt of \$19,212,000 in excess of capitalized completed project expenditures of \$7,671,891, less 2022 depreciation and amortization expenses of \$1,548,417. The remaining bond proceeds are mostly expected to be deployed in 2023.

Business-type Activities: Business-type activities increased \$516,597, after transfers. Key elements of this increase are as follows:

- Added revenue as water sales increased in 2022. This additional revenue was offset by a modest increase in expenses.
- The Town was awarded a federal grant, \$37,660 of which was utilized for Water Fund capital projects.

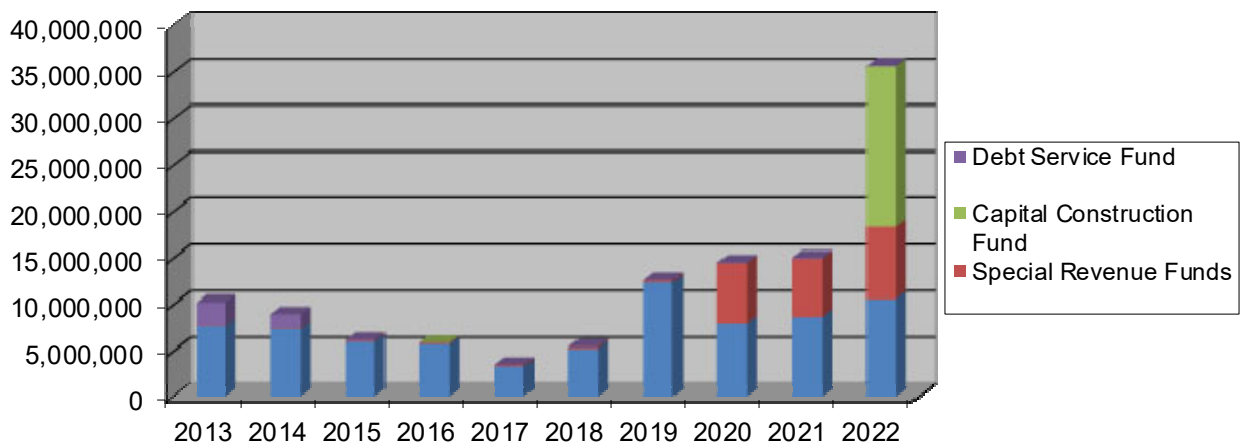
Financial Analysis of the Town's Funds

As mentioned earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds: The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unreserved fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$35,695,650, an increase of \$20,694,369 from the prior year ending fund balances. The increase is primarily due to the debt issued by the Town during 2022, for capital projects that have started in 2022, and will continue and/or be completed in 2023. The following graph provides a view of the Town's ending fund balances:

Schedule of Year End Resources

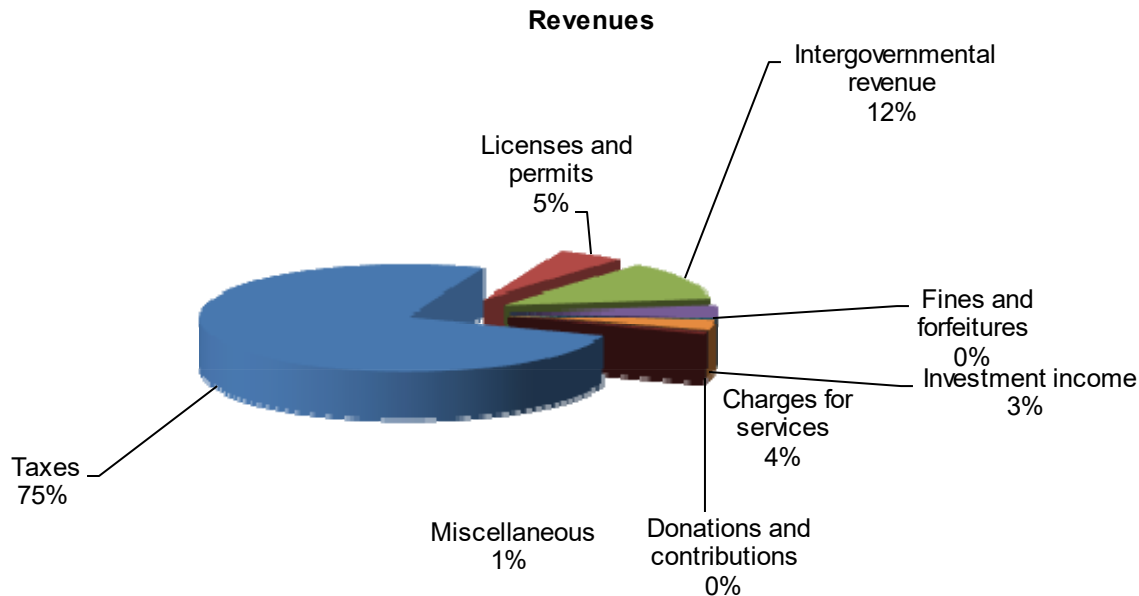


Town of Basalt, Colorado
Management Discussion and Analysis
December 31, 2022

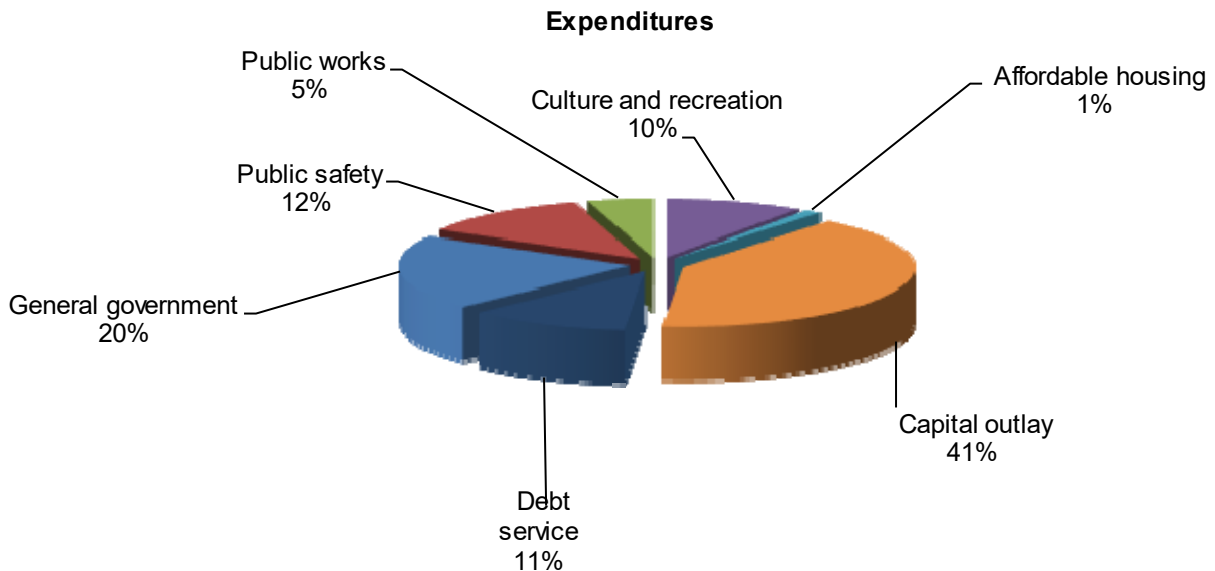
Financial Analysis of the Town's Funds (continued)

For 2022, the Town met its reserve fund balance policy of 40% of unrestricted General Fund revenues in reserves. Due to the improved financial position for 2022, the Town now exceeds its reserve fund balance policy by \$5,642,613.

The Town's total \$20,151,077 in governmental fund revenues were from the following sources:



The following is a graph of the Town's governmental funds' expenditures by function for 2022:



Proprietary funds: The Town's proprietary fund financial statements, which is the Water Fund, provide the same type of information found in the government-wide financial statements, but in more detail.

Town of Basalt, Colorado
Management Discussion and Analysis
December 31, 2022

Financial Analysis of the Town's Funds (continued)

Budget Variances in the General Fund: The following significant variances were noted in the General Fund:

	Final Budget	Actual	Variance	Reason
<u>Revenues:</u>				
Taxes:				
Sales and use tax	\$6,509,196	\$7,511,306	\$1,002,110	Strong sales in Town
Other licenses and permits	490,000	916,761	426,761	More projects materialized over what was initially contemplated
Intergovernmental:				
Grants	475,714	2,064,961	1,589,247	Awarded grants not initially budgeted for, specifically the American Rescue Plan Act grant for \$1,007,201
Charges for Services:				
Recreation revenue	203,750	275,241	71,491	Conservatively budgeted due to prior year pool construction that delayed opening. The completed remodel aided in more revenue
Miscellaneous Revenue:				
Net investment income	10,000	310,916	300,916	Town budgeted conservatively. In 2022, the Town held significantly more in interest yielding accounts due to bond issuances, in addition to increases in interest rates
Other income	2,550	96,024	93,474	Due to special reimbursements
<u>Expenditures:</u>				
General government	4,064,410	3,349,365	715,045	Conservatively budgeted based on 2021

Capital Assets: The Town's capitalization policy pertains to assets with a purchase value of \$5,000 or greater. Assets of lesser value are treated as operational expenditures. As of December 31, 2022, the Town's investment in capital and leased right-of-use assets (less accumulated depreciation and amortization) for governmental activities was \$58,452,407. The investment in capital assets (less accumulated depreciation) for business-type activities was \$4,540,876 .

During 2022, the major capital expenditures included:

- General Fund
 - Town hall kitchen remodel \$20,648
 - Dump truck lease \$195,000
 - Public Works facility \$887,748
 - Police building \$1,768,330
 - Chip seal and mill and overlay projects \$244,616
 - Two Rivers Road escrow \$774,397
 - Bobcat Toolcat and snow blade \$77,989
 - F250 Superduty \$56,235
 -
- Restricted Fund
 - Arbaney Park pool improvements and equipment \$14,605
 - Basalt River Park improvements \$961,851
 - 2 electric charging stations \$13,255
 - Park irrigation project \$211,407

**Town of Basalt, Colorado
Management Discussion and Analysis
December 31, 2022**

Financial Analysis of the Town's Funds (continued)

Capital Assets (continued):

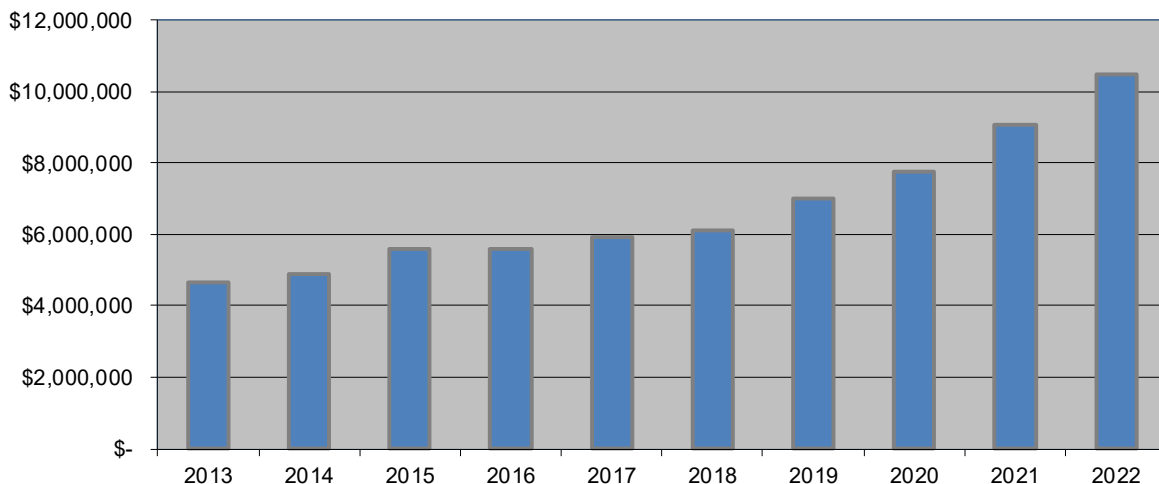
- Capital Construction Fund
 - Midland Avenue Streetscapes \$1,112,140
 - Stotts Mill lots and related closing costs for affordable housing development \$808,078
- Water Fund
 - Water tank upgrades \$318,982
 - Back up pump \$37,660

For the year ended December 31, 2022, the Town has governmental activities depreciation and amortization of \$1,548,418 and business-type activities depreciation of \$239,592.

Long-term and short-term liabilities: As of the end of the current fiscal year, the Town's long-term liabilities totaled \$22,727,983. During 2022, the Town issued: Certificates of Participation in the amount of \$1,337,000 to finance a land purchase for a future police facility, Taxable General Obligation bonds in the amount of \$8,135,000, Tax-Exempt General Obligation bonds in the amount of \$9,545,000, and a long-term lease for a dump truck in the amount of \$195,000. The General Obligation bonds were issued to provide financing for various projects including streetscapes, green energy and climate initiatives, and affordable housing projects. During 2022, the Town governmental funds had principal payments totaling \$1,390,962. In addition to the Town bond activity, the Town's compensated absence liabilities decreased \$29,443.

Sales and Use Tax: The Town's primary funding of governmental activities is sales and use tax. Current sales and use tax rate is 3.0%. 1% of the assessed 3% is to be used for capital project expenditures relating to parks, open space acquisition, and trail projects, with no more than 20% allowed to fund maintenance of parks, open space, and trails. The increase in sales tax from 2022 was \$1,428,140 or 15.8%. The following chart represents changes in the Town's sales and use tax revenues:

Sales and Use Tax



Town of Basalt, Colorado
Management Discussion and Analysis
December 31, 2022

General Fund Restricted Funding Sources: The Town has many funding sources received that are restricted for a specific purpose. Restrictions can occur through ballot language, town ordinance, or contractual requirements. The below information summarizes the restricted revenue and expenses for the Restricted Fund, as of December 31, 2022:

	January 1, 2022			December 31, 2022
	Restricted Fund Balance	2022 Revenues	2022 Expenditures	Restricted Fund Balance
Willits Lane	\$ 35,952	\$ -	\$ -	\$ 35,952
South pedestrian	44,649	29,852	-	74,501
Energy REMP	87,276	54,490	-	141,766
RETA RFA	56,703	30,253	13,604	73,352
Affordable housing	29,849	199,742	149,349	80,242
RETA Willits - 50% Public amenities,				
50% Arts	716,547	180,918	178,071	719,394
VALE	60,865	4,748	3,377	62,236
Two Rivers	175,611	-	-	175,611
Police Training	12,592	4,748	380	16,960
Southbound Roundabout	105,157	44,085	-	149,242
Downtown parking reserve	113,422	-	-	113,422
RETA Arts	381,487	180,918	-	562,405
Green initiatives climate action	62,121	8,500	32,611	38,010
Child care	144,140	-	23,756	120,384
Tobacco Tax	1,049,797	723,506	734,377	1,038,926
Southside traffic calming	31,500	8,107	-	39,607
Lodging tax	176,467	466,394	393,683	249,178
VALE donations	23,187	1,250	-	24,437
Park dedication	201,039	48,601	-	249,640
Energy review fees	4,970	55,980	50,640	10,310
POST	1,699,227	2,988,057	2,373,874	2,313,410
Community gardens	2,634	4,137	4,537	2,234
Community Enhancement Fund	8,468	44,619	25,563	27,524
RETA Sopris Meadow	444,156	146,750	40,947	549,959
Willits Transportation fee	45,109	3,464	-	48,573
RETA 2 Willits	178,484	-	-	178,484
Stotts Mill	77,720	45,170	1,640	121,250
RETA BRP non-profit visual arts	-	28,610	-	28,610
RETA BRP green initiatives	-	28,610	-	28,610
RETA BRP affordable housing	-	171,658	120	171,538
	<u>\$ 5,969,129</u>	<u>\$ 5,503,167</u>	<u>\$ 4,026,529</u>	<u>\$ 7,445,767</u>

Town of Basalt, Colorado
Management Discussion and Analysis
December 31, 2022

Next year's budget and rates: The Town's General Fund balance at the end of the current fiscal year was \$10,569,054, comprised of \$5,642,613 in unassigned, \$4,081,029 of committed, \$520,000 of restricted, and \$325,412 of unspendable funds. The original 2023 budget anticipates decreasing this balance by approximately \$1,735,857.

The Town has developed a strategic Framework, which drove the expenditures for the 2023 budget. The Framework is based upon the following values of the Town:

- Teamwork
- Communication
- Customer Service
- Commitment
- Respect
- Safety

Request for Information

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS



Town of Basalt, Colorado
Statement of Net Position
December 31, 2022

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets:			
Current Assets:			
Cash and investments - Unrestricted	18,571,689	841,663	19,413,352
Cash and investments - Restricted	16,427,150	-	16,427,150
Accounts, taxes, and interest receivable	2,889,024	256,984	3,146,008
Due from other governments	1,033,573	-	1,033,573
Prepaid items	382,253	60	382,313
Net pension asset	541,104	-	541,104
Total current assets	<u>39,844,793</u>	<u>1,098,707</u>	<u>40,943,500</u>
Capital assets not being depreciated	28,446,215	452,338	28,898,553
Capital assets being depreciated	41,188,776	10,321,000	51,509,776
Leased assets being amortized	303,207	-	303,207
Accumulated depreciation and amortization	<u>(11,485,791)</u>	<u>(6,232,462)</u>	<u>(17,718,253)</u>
Total Assets	<u>98,297,200</u>	<u>5,639,583</u>	<u>103,936,783</u>
Deferred Outflows of Resources:			
Deferred pension expenses	392,685	-	392,685
Total Deferred Outflows of Resources	<u>392,685</u>	<u>-</u>	<u>392,685</u>
Liabilities:			
Current Liabilities:			
Accounts payable	934,092	59,019	993,111
Accrued payroll	162,607	-	162,607
Accrued expenses	15,040	-	15,040
Accrued interest	5,274	-	5,274
Deposits	216,334	1,000	217,334
Unearned revenue	5,859	-	5,859
Total current liabilities	<u>1,339,206</u>	<u>60,019</u>	<u>1,399,225</u>
Long-term Liabilities:			
Portion due or payable within one year:			
Certificates of participation	1,067,000	-	1,067,000
Bonds and notes payable	605,000	-	605,000
Capital leases	92,673	-	92,673
Accrued compensated absences	42,613	-	42,613
Portion due or payable after one year:			
Certificates of participation	3,569,000	-	3,569,000
Bonds and notes payable	17,105,000	-	17,105,000
Capital leases	118,857	-	118,857
Accrued compensated absences	127,840	-	127,840
Total noncurrent liabilities	<u>22,727,983</u>	<u>-</u>	<u>22,727,983</u>
Total Liabilities	<u>24,067,189</u>	<u>60,019</u>	<u>24,127,208</u>
Deferred Inflows of Resources:			
Deferred pension expenses	394,975	-	394,975
Property taxes	2,274,107	-	2,274,107
Total Deferred Inflows of Resources	<u>2,669,082</u>	<u>-</u>	<u>2,669,082</u>
Net Position:			
Net investment in capital assets	51,863,454	4,540,876	56,404,330
Restricted for:			
Emergencies	520,000	-	520,000
Debt service	16,488,808	-	16,488,808
Recreation	271,217	-	271,217
Capital projects	7,445,767	-	7,445,767
Pension	541,104	-	541,104
Unrestricted	<u>(5,176,736)</u>	<u>1,038,688</u>	<u>(4,138,048)</u>
Total Net Position	<u>71,953,614</u>	<u>5,579,564</u>	<u>77,533,178</u>

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

Town of Basalt, Colorado
Statement of Activities
For the Year Ended December 31, 2022

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Functions/Programs	Expenses						
Governmental Activities:							
General government	4,333,497	185,722	42,797	-	(4,104,978)	-	(4,104,978)
Public safety	2,293,126	724,419	933,775	-	(634,932)	-	(634,932)
Culture and recreation	1,423,700	335,497	30,477	-	(1,057,726)	-	(1,057,726)
Public works	1,861,526	310,179	275,207	-	(1,276,140)	-	(1,276,140)
Affordable housing	293,991	251,372	-	-	(42,619)	-	(42,619)
Health and welfare	741,205	-	-	-	(741,205)	-	(741,205)
Interest on long-term debt	367,524	-	-	-	(367,524)	-	(367,524)
Total Governmental Activities	11,314,569	1,807,189	1,282,256	-	(8,225,124)	-	(8,225,124)
Business-type Activities:							
Water	696,898	1,159,835	13,868	222,972	-	699,777	699,777
Total Business-type Activities	696,898	1,159,835	13,868	222,972	-	699,777	699,777
Total Primary Government	12,011,467	2,967,024	1,296,124	222,972	(8,225,124)	699,777	(7,525,347)
General Revenues:							
Taxes:							
Property tax, levied for general purposes					1,276,042	-	1,276,042
Property tax, levied for debt service					948,945	-	948,945
Specific ownership tax					98,843	-	98,843
General sales and use tax					10,494,363	-	10,494,363
Franchise tax					868,199	-	868,199
Real estate transfer assessments					812,888	-	812,888
Other miscellaneous taxes					723,506	-	723,506
Unrestricted investment earnings					539,448	5,070	544,518
Unrealized gains (losses)					51,757	-	51,757
Grants and contributions not restricted to any program					240,439	-	240,439
Coronavirus State and Local Fiscal Recovery Funds					1,007,201	37,660	1,044,861
Gain on sale of capital assets					21,313	-	21,313
Transfers					225,910	(225,910)	-
Total General Revenues and Transfers					17,308,854	(183,180)	17,125,674
Change in Net Position					9,083,730	516,597	9,600,327
Net Position - Beginning (as restated)					62,869,884	5,062,967	67,932,851
Net Position - Ending					71,953,614	5,579,564	77,533,178

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

FUND FINANCIAL STATEMENTS



Town of Basalt, Colorado
Balance Sheet
Governmental Funds
December 31, 2022

		Special Revenue Funds			Debt Service Fund	Capital Projects Fund	Total
	General Fund	Restricted Fund	Riverside BC HOA Fund	Conservation Trust Fund	Debt Service Fund	Construction Fund	Governmental Funds
Assets:							
Cash and investments - Unrestricted	9,632,647	7,401,020	19,868	271,217	61,658	1,185,279	18,571,689
Cash and investments - Restricted	-	-	-	-	-	16,427,150	16,427,150
Accounts receivable	612,374	650	1,893	-	-	-	614,917
Property tax receivable	1,316,378	-	-	-	957,729	-	2,274,107
Due from other governments	804,574	228,999	-	-	-	-	1,033,573
Prepaid expenditures	325,412	56,841	-	-	-	-	382,253
Total Assets	<u>12,691,385</u>	<u>7,687,510</u>	<u>21,761</u>	<u>271,217</u>	<u>1,019,387</u>	<u>17,612,429</u>	<u>39,303,689</u>
Liabilities:							
Accounts payable	406,113	184,902	9,131	-	-	333,946	934,092
Accrued payroll	162,607	-	-	-	-	-	162,607
Accrued expenditures	15,040	-	-	-	-	-	15,040
Deposits	216,334	-	-	-	-	-	216,334
Deferred revenue	5,859	-	-	-	-	-	5,859
Total Liabilities	<u>805,953</u>	<u>184,902</u>	<u>9,131</u>	<u>-</u>	<u>-</u>	<u>333,946</u>	<u>1,333,932</u>
Deferred Inflows of Resources:							
Unavailable property taxes	1,316,378	-	-	-	957,729	-	2,274,107
Total Deferred Inflows of Resources	<u>1,316,378</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>957,729</u>	<u>-</u>	<u>2,274,107</u>
Fund Balances:							
Nonspendable	325,412	56,841	-	-	-	-	382,253
Restricted:							
Restricted for emergencies	520,000	-	-	-	-	-	520,000
Restricted for recreation	-	-	-	271,217	-	-	271,217
Restricted for debt service	-	-	-	-	61,658	16,427,150	16,488,808
Restricted for other items	-	7,445,767	-	-	-	-	7,445,767
Committed	4,081,029	-	12,630	-	-	851,333	4,944,992
Unassigned	5,642,613	-	-	-	-	-	5,642,613
Total Fund Balances	<u>10,569,054</u>	<u>7,502,608</u>	<u>12,630</u>	<u>271,217</u>	<u>61,658</u>	<u>17,278,483</u>	<u>35,695,650</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>12,691,385</u>	<u>7,687,510</u>	<u>21,761</u>	<u>271,217</u>	<u>1,019,387</u>	<u>17,612,429</u>	<u>39,303,689</u>

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

Town of Basalt, Colorado
Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position
December 31, 2022

Governmental Funds Total Fund Balance	35,695,650
Add:	
Capital assets used in governmental activities are not considered current financial resources and, therefore, not reported in the governmental funds.	69,938,198
Deferred outflows related to pensions are reported in the statement of Net Position but not on the Town's Fund Balance Sheet.	392,685
The Town's proportionate share of the net pension asset is not a current financial resource.	541,104
Less:	
Accumulated depreciation is not recognized in the governmental funds because capital assets are expensed at the time of acquisition.	(11,485,791)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Compensated absences	(170,453)
Certificates of participation payable	(4,636,000)
Bonds and notes payable	(17,710,000)
Capital leases payable	(211,530)
	(22,727,983)
Accrued interest is not due and payable in the current period and not reported in the fund. This represents accrued interest on the Town's debt.	(5,274)
Long-term liabilities, including net pension obligations, are not due and payable in the current period and therefore are not reported in the funds. This is the amount of the Town's net pension asset, adjusted for changes in pension related actuarial assumptions, proportion of collective pension amounts, differences between actual and expected experience and investments earnings, and differences between actual and annualized contributions to the pension plan, that are amortized over the average remaining service life of all active and inactive plan participants.	(394,975)
Governmental Activities Net Position	71,953,614

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

Town of Basalt, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2022

	General Fund	Restricted Fund	Riverside BC HOA Fund	Conservation Trust Fund	Debt Service Fund	Capital Construction Fund	Total Governmental Funds
Revenues:							
Taxes	9,287,996	4,985,845	-	-	948,945	-	15,222,786
Licenses and permits	916,761	132,463	-	-	-	-	1,049,224
Intergovernmental revenue	2,331,168	5,000	-	25,477	-	-	2,361,645
Charges for services	324,844	324,494	67,422	-	-	-	716,760
Fines and forfeitures	20,370	9,496	-	-	-	-	29,866
Net investment income	310,916	-	-	94	31	280,165	591,206
Donations and contributions	-	1,250	-	-	-	-	1,250
Miscellaneous	96,024	44,619	-	-	-	37,697	178,340
Total Revenues	13,288,079	5,503,167	67,422	25,571	948,976	317,862	20,151,077
Expenditures:							
General government	3,349,365	485,807	-	-	28,152	1,183	3,864,507
Public safety	2,246,190	54,397	-	-	-	-	2,300,587
Public works	878,826	1,193	-	-	-	-	880,019
Culture and recreation	466,071	1,365,678	-	-	-	-	1,831,749
Affordable housing	-	149,349	62,257	-	-	2,446	214,052
Capital outlay	4,222,747	1,527,039	-	8,945	-	1,920,218	7,678,949
Debt service:							
Debt service principal	262,285	412,000	-	-	625,000	-	1,299,285
Debt service interest	60,970	28,566	-	-	307,951	-	397,487
Issuance costs	-	2,500	-	-	-	348,653	351,153
Lease principal payments	91,677	-	-	-	-	-	91,677
Lease interest payments	6,466	-	-	-	-	-	6,466
Total Expenditures	11,584,597	4,026,529	62,257	8,945	961,103	2,272,500	18,915,931
Excess (Deficiency) of Revenues Over Expenditures	1,703,482	1,476,638	5,165	16,626	(12,127)	(1,954,638)	1,235,146
Other Financing Sources (Uses):							
Issuance of debt	1,337,000	-	-	-	-	17,680,000	19,017,000
Transfers in	225,910	-	-	-	-	1,570,101	1,796,011
Transfers (out)	(1,570,101)	-	-	-	-	-	(1,570,101)
Sale of assets	21,313	-	-	-	-	-	21,313
Capital lease initiation	195,000	-	-	-	-	-	195,000
Total Other Financing Sources (Uses)	209,122	-	-	-	-	19,250,101	19,459,223
Net Change in Fund Balance	1,912,604	1,476,638	5,165	16,626	(12,127)	17,295,463	20,694,369
Fund Balance (Deficit) - Beginning of Year	8,656,450	6,025,970	7,465	254,591	73,785	(16,980)	15,001,281
Fund Balance - End of Year	10,569,054	7,502,608	12,630	271,217	61,658	17,278,483	35,695,650

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

Town of Basalt, Colorado
Reconciliation of Revenues, Expenditures, and Changes in Fund
Balances of Governmental Fund to the Statement of Activities
For the Year Ended December 31, 2022

Governmental Funds Changes in Fund Balances		20,694,369
Governmental funds report capital outlays and certain investments as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation or amortization expense. This is the amount by which capitalized items exceeds depreciation and amortization expense in the current year:		
Capitalized expenditures	7,671,891	
Depreciation expense	(1,455,313)	
Amortization expense	<u>(93,104)</u>	
		6,123,474
Retirement of lease principal and bonds outstanding on the Town's debt result in a reduction of accumulated resources on the fund financial statements. The government-wide statements show these as reduction against the long-term liabilities.		1,338,677
The issuance of long-term debt (e.g., certificates of participation, capital leases) provides current financial resources to governmental funds, however this transaction does not effect net position.		(19,212,000)
Changes in the Town employees' accrued compensated absences are considered changes in long-term liabilities. This is the change in accrued compensated absences decreased.		29,443
The Town's net pension asset is a non-current asset. This represents the change in the net pensions asset and related deferred inflows and outflows.		110,479
The net effect of miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is a decrease to net position:		(2,109)
Interest on long term liabilities is based upon when it due in the Statement of Activities as compared to when paid in the Governmental Fund financial statements.		<u>1,397</u>
Governmental Activities Change in Net Position		<u><u>9,083,730</u></u>

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

Statement of Net Position
Proprietary Funds
Water Fund
December 31, 2022

Assets:

Current assets:

Cash and investments - Unrestricted	841,663
Accounts receivables	256,984
Prepaid expenses	60
Total Current Assets	<u>1,098,707</u>

Property and Equipment:

Construction in progress	141,469
Buildings and improvements	8,423,625
Water rights	1,551,040
Land	256,235
Machinery and equipment	400,969
Total	<u>10,773,338</u>
Less accumulated depreciation	<u>(6,232,462)</u>
Net Property and Equipment	<u>4,540,876</u>

Total Assets	<u><u>5,639,583</u></u>
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Liabilities and Fund Equity:

Current Liabilities:

Accounts payable	59,019
Deposits	<u>1,000</u>

Total Liabilities	<u>60,019</u>
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Net Position:

Net investment in capital assets	4,540,876
Unrestricted	<u>1,038,688</u>
Total Net Position	<u><u>5,579,564</u></u>

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

Town of Basalt
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
Water Fund
For the Year Ended December 31, 2022

Operating Revenue:	
Utility sales	1,157,017
Other revenue	16,685
Total Operating Revenues	<u>1,173,702</u>
Operating Expenses:	
Water administration	302,780
Water supply	36,323
Water treatment and transmission	116,603
Depreciation & amortization	239,592
Total Operating Expenses	<u>695,298</u>
Operating Income (loss)	<u>478,404</u>
Non-Operating Revenues (Expenses):	
Investment income	5,070
Interest expense	(1,599)
Grants and contributions	37,660
Total Non-Operating Revenues (Expenses)	<u>41,131</u>
Income (Loss) Before Transfers and Capital Contributions	519,535
Capital Contributions and Transfers:	
Capital contributions	222,972
Transfers (out)	(225,910)
Total Capital Contributions and Transfers	<u>(2,938)</u>
Change in Net Position	516,597
Net Position - Beginning of Year	<u>5,062,967</u>
Net Position - End of Year	<u><u>5,579,564</u></u>

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

Town of Basalt, Colorado
Statement of Cash Flows
Proprietary Fund
Water Fund
For the Year Ended December 31, 2022

Cash Flows From Operating Activities:

Cash received from customers for services	1,098,686
Other cash received	16,685
Cash paid for goods and services	(285,048)
Cash paid for employees	(167,728)
Net Cash Provided (Used) by Operating Activities	<u>662,595</u>

Cash Flows From Non-Capital Financing Activities:

Grants and contributions	37,660
Transfers (out)	(225,910)
Net Cash Provided by Non-Capital Financing Activities	<u>(188,250)</u>

Cash Flows From Capital Financing Activities:

Tap fees and meter sales received	222,972
Purchase of capital assets	(356,642)
Interest paid	(1,599)
Principal paid	(68,246)
Net Cash (Used) by Capital Financing Activities	<u>(203,515)</u>

Cash Flows From Investing Activities:

Interest income received	5,070
Net Cash Provided by Investing Activities	<u>5,070</u>

Net Change in Cash and Cash Equivalents

275,900

Cash and Cash Equivalents - Beginning

565,763

Cash and Cash Equivalents - Ending

841,663

Reconciliation of operating income (loss) to

net cash provided (used) by operating activities:

Operating income (loss)

478,404

Adjustments to reconcile operating income (loss) to

net cash provided (used) by operating activities:

Depreciation	239,592
(Increase) decrease in accounts receivable	(58,330)
(Increase) decrease in prepaid expenses	237
Increase (decrease) in accounts payable	8,124
Increase (decrease) in accrued wages	(5,432)
Total Adjustments	<u>184,191</u>

Net Cash Provided (Used) by Operating Activities

662,595

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

NOTES TO THE FINANCIAL STATEMENTS



Town of Basalt, Colorado
Notes to the Financial Statements
December 31, 2022

I. Summary of Significant Accounting Policies

The Town of Basalt began as a railroad town and was known as Aspen Junction until 1895, when the name was changed to Basalt. Basalt was officially incorporated during the summer of 1901 and adopted its Home Rule Charter during 2002. The Town operates under a Council-Manager form of government. An elected Mayor and Town Council are responsible for setting policy, appointing administrative personnel and adopting an annual budget in accordance with the Town Charter. The Town's major operations include planning and building, public safety (police and building inspection); public works (engineering and streets); culture and recreation (swimming pool, recreation department and open space); affordable housing and general administrative services.

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

A. Reporting Entity

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

The accompanying financial statements present the primary government and its component units (entities for which the government is considered to be financially accountable).

B. Blended Component Unit – Riverside BC Homeowners Association

The Town owns eight of the nine units in the Riverside BC Homeowners Association. The Town can appoint the Board of Riverside BC Homeowners Association through majority vote and management of the Town has the operational responsibility for Riverside BC Homeowners Association. Riverside BC Homeowners Association is shown on the Riverside BC HOA Fund as a blended component unit. A separate financial statement for the Riverside BC Homeowners Association is not issued. Additional information for the component unit can be obtained from the Town of Basalt Finance Office at 101 Midland Ave Basalt, Colorado 81621.

C. Government-wide and Fund Financial Statements

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

Town of Basalt, Colorado
Notes to the Financial Statements
December 31, 2022
(continued)

I. Summary of Significant Accounting Policies (continued)

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

1. Government-wide Financial Statements (continued)

The government-wide financial statements (i.e., the Statement of Net Position and the and the Statement of Activities) report information on all of the activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

The government-wide focus is on the sustainability of the Town as an entity and the change in the Town's net position resulting from the current year's activities. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments where the amounts are reasonably equivalent to the value of interfund services provided and other charges between the Town's water and sewer function, electric function, and landfill function. Elimination of these charges would distort the direct costs and program revenues reported for the related functions.

2. Fund Financial Statements

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

The Town reports the following major governmental funds:

- (a) *General Fund* – This fund is established to account for resources devoted to financing the general services that the Town performs for its citizens. General tax revenues and other sources of revenue used to finance the fundamental operations of the Town are included in this fund. The fund is charged with all costs of operating the government for which a separate fund has not been established.
- (b) *Restricted Fund* – accounts for revenues derived from electorate approved items including restricted sales tax, real estate transfer assessment, and other externally restricted revenues items including grants. Expenditures are restricted for various purposes based upon their revenue sources.

Town of Basalt, Colorado
Notes to the Financial Statements
December 31, 2022
(continued)

I. Summary of Significant Accounting Policies (continued)

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

2. Fund Financial Statements (continued)

- (c) *Riverside BC HOA Fund* – accounts for revenue and expenditures within the homeowner’s association, a blended component unit.
- (d) *Conservation Trust Fund* – accounts for revenues derived from state lottery revenues or other earmarked revenue sources which finance specific activities as required by law or administrative action.
- (e) *Debt Service Fund* – accounts for the collection of taxes and related payment of principal and interest on debt relating to governmental activities.
- (f) *Capital Construction Fund* – accounts for financial resources that are restricted, committed, or assigned for capital outlay, including the acquisition or construction of capital facilities and other capital assets.

The Town reports the following major proprietary funds:

- (g) *Water Fund* – accounts for the production and sale of water to Town residents. Town water is provided on a metered basis.

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

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

1. Long-term Economic Focus and Accrual Basis

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

2. Current Financial Focus and Modified Accrual Basis

The governmental fund financial statements use the current financial focus and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. “Available” means collectible within the current period or soon enough thereafter (60 days) to be used to pay liabilities of the current period. Property taxes, sales taxes, intergovernmental revenues, other taxes, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Expenditures are generally recognized when the related liability is incurred. The exception to this general rule is that principal and interest on general long-term debt, if any, is recognized when due.

Town of Basalt, Colorado
Notes to the Financial Statements
December 31, 2022
(continued)

I. Summary of Significant Accounting Policies (continued)

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

3. Financial Statement Presentation

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's enterprise funds are charges to customers for sales and services. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

E. Financial Statement Accounts

1. Cash, Cash Equivalents and Investments

Cash and cash equivalents are defined as deposits that can be withdrawn at any time without notice or penalty and investments with original maturities of three months or less. Investments are stated at fair value, net asset value, or amortized cost, which are detailed in note IV.A.

The change in fair value of investments is recognized as an increase or decrease to investment assets and investment income. The Town allows investments in types of obligations that correspond to State Statutes, which are detailed in note IV.A.

2. Receivables

All receivables are reported at their gross value, and if applicable, reduced by the estimated portion that is expected to be uncollectible.

3. Property Taxes

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

Town of Basalt, Colorado
Notes to the Financial Statements
December 31, 2022
(continued)

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

4. Prepaid Items

The Town uses the consumption method to account for prepaid items. Payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in both government-wide and fund financial statements.

5. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are shown as long-term debt on the Government-wide Statement of Net Position. Vested or accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that is estimated to be taken as "terminal leave" at retirement.

6. Pensions

The Town participates in an agent multiple-employer defined benefit plan administered by the Fire and Police Pension Association of Colorado ("FPPA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the plans have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

7. Capital Assets

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

Capital outlay for projects is capitalized as projects are constructed. Interest incurred during the construction phase is expensed as incurred.

Town of Basalt, Colorado
Notes to the Financial Statements
December 31, 2022
(continued)

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

7. Capital Assets (continued)

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

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

8. Deferred Outflows and Inflows of Resources

Deferred outflows of resources represent a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expenses/expenditures) until then. The Town has one item that qualifies for reporting under this category on the Statement of Net Position. The item is the collective deferred outflows related to the Town's net pension obligation / (asset). Pension contributions made after the measurement date, and pension related deferrals will be recognized in future periods. See Note IV.H.

Deferred inflows of resources represent an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Town has two items that qualify for reporting in this category. Unavailable revenue from property taxes, reported in the governmental balance sheet are deferred and recognized as an inflow from resources in the period that the amounts become available. Pension difference between projected and actual earnings on pension plan investments will be recognized in future periods. These amounts are deferred and recognized as an inflow from resources in the period that the amounts become available.

9. Fund Balance Classifications

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

Town of Basalt, Colorado
Notes to the Financial Statements
December 31, 2022
(continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

10. Interfund Transactions

Interfund services provided and used are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures or expenses initially made from it that are properly applicable to another fund, are recorded as “due from other funds” or “due to other funds” on the balance sheet when they are expected to be liquidated within a reasonable amount of time. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

E. Significant Accounting Policies

1. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the Town’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. Credit Risk

Receivables in the Town’s funds are primarily due from other governments. Management believes that the credit risk related to these receivables is minimal.

3. Restricted and Unrestricted Resources

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

4. Leases Payable

The Town is lessee in two non-cancellable leases for equipment, as further described in Note IV.E.3. In such arrangements, the Town recognizes right-to-use lease assets (and corresponding lease liabilities) with an initial, individual value of \$10,000 or more. Right-to-use lease assets and lease liabilities are reported on the Statement of Net Position.

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

The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

Town of Basalt, Colorado
Notes to the Financial Statements
December 31, 2022
(continued)

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

4. Leases Payable (continued)

Key estimates and judgments related to leases include how the Town determines the following:

Discount Rate: The Town uses the interest rate charged by the lessor as the discount rate to discount the expected lease payments to present value. When the interest rate charged by the lessor is not provided, the Town uses the County's Moody's rating as published in Moody's Market Outlook – *Operating Lease and Pension Interest Rates*.

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

Lease Payments: Lease payments included in the measurement of the lease liability are composed of fixed payments. The lease payments are subject to annual Consumer Price Index ("CPI") adjustments, and such variable payments are recognized as an expense when the estimated CPI adjustment differs from fixed payments initially used to measure the liability.

The Town monitors changes in circumstances that would require a re-measurement of its leases and will re-measure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

II. Reconciliation of Government-wide and Fund Financial Statements

These financial statements include a reconciliation between the total fund balances of all governmental funds as presented on the Governmental Funds Balance Sheet and the net position of governmental activities as reported in the government-wide Statement of Net Position. Additionally, these financial statements include a reconciliation between the total net change in fund balances of all governmental funds as presented on the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances and the change in net position of governmental activities as reported in the government-wide Statement of Activities.

III. Stewardship, Compliance, and Accountability

A. Budgetary Information

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

As required by Colorado Statutes and the Town Charter, the Town followed the required timetables in preparing, approving, and enacting its budget for the ensuing year. The following is a summary of the budget calendar for the 2022 budget year:

- (1) For the 2022 budget year, prior December 10, 2021, the County Assessor sent to the Town the final recertified assessed valuation of all taxable property within the Town's boundaries.

Town of Basalt, Colorado
Notes to the Financial Statements
December 31, 2022
(continued)

III. Stewardship, Compliance, and Accountability (continued)

A. Budgetary Information (continued)

- (2) The Town Finance Director, or other qualified persons appointed by the Council, submitted to the Council, on or before the first regularly scheduled meeting in October, a recommended budget which detailed the necessary property taxes needed along with other available revenues to meet the Town's operating requirements.
- (3) Notice of a public hearing of the budget was announced, the budget was made available in the office of the Finance Director and a public hearing was held more than 10 days after the budget was submitted to Council.
- (4) After the required public hearing, the Town Council adopted the proposed budget by resolution on or before the first regular meeting in November. The ordinance which legally appropriates expenditures for the upcoming year was passed on or before the first regular Council meeting in December.
- (5) The Council may make additional appropriations by ordinance during the fiscal year for unanticipated expenditures required by the Town, but such additional appropriations shall not exceed the amount by which actual and anticipated revenues of the year are exceeding the revenues as estimated in the budget, unless the appropriations are necessary to relieve an emergency endangering the public health, peace or safety. At any time during the year, the Town Council may, by affirmative vote of five or more members, transfer part or all of any unexpended funds from one department, fund, or office to another.
- (6) For the 2022 budget, on or before the first regular meeting in December, or such other date required by law, the Town Council computed and certified to the County Commissioners a rate of levy that derived the necessary property taxes as computed in the proposed budget.
- (7) 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 1st in the year of collection; however, they may be paid in either one installment (no later than April 30th) or two equal installments (not later than February 28th and June 15th) without interest or penalty. Taxes that are not paid within the prescribed time bear interest at the rate of one percent (1%) per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 16th.

Budgets are adopted on a basis consistent with generally accepted accounting principles, except for the Water Fund. Annual appropriated budgets are adopted for all funds. The level of control in the budget at which expenditures exceed appropriations is at the fund level. All appropriations lapse at fiscal year-end.

During the year, \$3,008,297 of supplemental appropriation ordinances were approved. The budgetary comparison statements reflect the original budget and the final budget after legally authorized revisions were made.

Town of Basalt, Colorado
Notes to the Financial Statements
December 31, 2022
(continued)

III. Stewardship, Compliance, and Accountability (continued)

A. Budgetary Information (continued)

The following funds had supplementary budget appropriations:

<u>Fund</u>	<u>Original Appropriation</u>	<u>Supplemental Appropriation</u>
General Fund	\$ 12,340,621	\$ 13,968,718
Restricted Fund	7,063,995	7,979,195
Capital Construction Fund	9,347,400	9,812,400

For the year ended December 31, 2022, the Debt Service Fund exceeded appropriations by \$11,103, which may be a violation of State Statute.

Annual appropriated expenditure budgets are adopted for all governmental funds on a basis consistent with GAAP. An annual appropriation budgets is also adopted for the Water Fund on a non-GAAP budget basis and is reconciled to GAAP below:

Excess (deficiency) of revenues over expenditures - budget basis	<u>\$ 399,547</u>
Depreciation	(239,592)
Capital outlay	<u>356,642</u>
Total Adjustments	<u>117,050</u>
Net Income (Loss) - GAAP Basis	<u><u>\$ 516,597</u></u>

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.

TABOR also requires local governments to establish an emergency reserve to be used for declared emergencies only. The reserve is calculated at 3% of fiscal year spending. Fiscal year spending excludes bonded debt service and enterprise spending. The Town has reserved \$520,000, which is the approximate required reserve at December 31, 2022.

Town of Basalt, Colorado
Notes to the Financial Statements
December 31, 2022
(continued)

III. Stewardship, Compliance, and Accountability (continued)

B. TABOR Amendment (continued)

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

IV. Detailed Notes on All Funds

A. Deposits and Investments

The Colorado Public Deposit Protection Act ("PDPA") requires that all units of local government deposit cash in eligible public depositories; eligibility is determined by State regulators. Amounts in deposit in excess of Federal insurance levels must be collateralized. The eligible collateral is determined by PDPA. The PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of collateral must be at least equal to the aggregate uninsured deposits.

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

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

Fair Value of Investments

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

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

Town of Basalt, Colorado
Notes to the Financial Statements
December 31, 2022
(continued)

IV. Detailed Notes on All Funds (continued)

B. Deposits and Investments (continued)

At December 31, 2022, the Town had the following recurring fair value measurements:

<u>Investments Measured at Fair Value</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
US Treasuries	\$ 10,043,384	\$ 10,043,384	\$ -	\$ -
<u>Investments Measured at Net Asset Value</u>	<u>Total</u>			
Colotrust	\$ 25,221,152			

The Town's holdings in government investment pools are comprised of balances with Colotrust, which is an investment vehicle established for local government entities in Colorado to pool surplus funds. They operate similarly to money market funds, whereby each share is equal in value to \$1. Investments of the trusts consist of U.S. Treasury bills, notes and note strips, and repurchase agreements collateralized by U.S. Treasury securities. The Town has no regulatory oversight for the pools.

Interest Rate Risk: As a means of limiting its exposure to interest rate risk, the Town coordinates its investments maturities to closely match cash flow needs and restricts the maximum investments term to less than five years from the purchase date. As a result of the limited length on maturities, the Town has limited its interest rate risk.

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

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

Town of Basalt, Colorado
Notes to the Financial Statements
December 31, 2022
(continued)

IV. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

At December 31, 2022, unrealized gains or (losses) were \$51,757 which reflects changes in the fair market value of investments. The Town had the following cash and investments with the following maturities:

	Standard & Poors Rating	Carrying Amounts	Maturities	
			Less than one year	One to five years
<u>Deposits:</u>				
Petty cash	Not Rated	\$ 450	\$ 450	\$ -
Checking	Not Rated	565,067	565,067	-
Savings & money market	Not Rated	10,449	10,449	-
Investment pools	AAAm	25,221,152	25,221,152	-
<u>Investments:</u>				
United States Treasuries	AA+	10,043,384	-	10,043,384
Total Cash and Investments		\$ 35,840,502	\$ 25,797,118	\$ 10,043,384
<u>Reconciliation to Statement of Net Position:</u>				
Cash and investments - Governmental activities		19,413,352		
Cash and investments - Business-type activities		16,427,150		
Total Cash and Investments		\$ 35,840,502		

The Town had the following restricted cash and investments at December 31, 2022:

	Capital
	Construction
Unspent bond proceeds	\$ 16,427,150
	<u>\$ 16,427,150</u>

Town of Basalt, Colorado
Notes to the Financial Statements
December 31, 2022
(continued)

IV. Detailed Notes on All Funds (continued)

B. Receivables

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

	Governmental Funds			
	General	Restricted Fund	Riverside HOA Fund	Debt Service Fund
Receivables:				
Taxes	\$ 1,316,378	\$ -	\$ -	\$ 957,729
Accounts	612,374	650	1,893	-
Intergovernmental	804,574	228,999	-	-
Gross receivables	2,733,326	229,649	1,893	957,729
Less: allowance for uncollectible	-	-	-	-
Net Receivables	<u>\$ 2,733,326</u>	<u>\$ 229,649</u>	<u>\$ 1,893</u>	<u>\$ 957,729</u>
	Water Fund	Total		
Receivables:				
Taxes	\$ -	\$ 2,274,107		
Accounts	256,984	871,901		
Intergovernmental	-	1,033,573		
Gross receivables	256,984	4,179,581		
Less: allowance for uncollectible	-	-		
Net Receivables	<u>\$ 256,984</u>	<u>\$ 4,179,581</u>		

Town of Basalt, Colorado
Notes to the Financial Statements
December 31, 2022
(continued)

IV. Detailed Notes on All Funds (continued)

C. Capital Assets

The Town had the following capital asset activity for the year:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 21,026,607	\$ 2,686,660	\$ -	\$ 23,713,267
Construction in progress	2,241,201	2,994,465	(502,718)	4,732,948
Total capital assets, not being depreciated	23,267,808	5,681,125	(502,718)	28,446,215
Capital assets, being depreciated or amortized:				
Buildings	11,574,841	1,388,357	-	12,963,198
Improvements	3,118,980	108,376	-	3,227,356
Vehicles and equipment	2,551,289	180,597	(358,035)	2,373,851
Infrastructure	22,005,326	619,045	-	22,624,371
Right-to-use leased assets	108,207	195,000	-	303,207
Total capital assets, being depreciated or amortized	39,358,643	2,491,375	(358,035)	41,491,983
Less accumulated depreciation for:				
Buildings	(1,706,850)	(294,095)	-	(2,000,945)
Improvements	(1,583,164)	(186,885)	-	(1,770,049)
Machinery and equipment	(1,382,116)	(199,882)	128,368	(1,453,630)
Infrastructure	(5,393,611)	(774,452)	-	(6,168,063)
Right-to-use leased assets	-	(93,104)	-	(93,104)
Total accumulated depreciation/amortization	(10,065,741)	(1,548,418)	128,368	(11,485,791)
Capital assets, being depreciated/amortized, net	29,292,902	942,957	(229,667)	30,006,192
Governmental Activities - Capital Assets, Net	\$ 52,560,710	\$ 6,624,082	\$ (732,385)	\$ 58,452,407
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 256,235	\$ -	\$ -	\$ 256,235
Water rights	54,634	-	-	54,634
Construction in progress	141,469	-	-	141,469
Total capital assets, not being depreciated	452,338	-	-	452,338
Capital assets, being depreciated or amortized:				
Water rights	1,496,406	-	-	1,496,406
Plant and system	8,125,430	298,195	-	8,423,625
Machinery and equipment	342,522	58,447	-	400,969
Total capital assets, being depreciated or amortized	9,964,358	356,642	-	10,321,000
Less accumulated depreciation/amortization for:				
Water rights	(909,997)	(54,147)	-	(964,144)
Plant and system	(4,883,151)	(170,283)	-	(5,053,434)
Machinery and equipment	(199,722)	(15,162)	-	(214,884)
Total accumulated depreciation/amortization	(5,992,870)	(239,592)	-	(6,232,462)
Total capital assets, being depreciated, net	3,971,488	117,050	-	4,088,538
Business-type Activities - Capital Assets, Net	\$ 4,423,826	\$ 117,050	\$ -	\$ 4,540,876

Town of Basalt, Colorado
Notes to the Financial Statements
December 31, 2022
(continued)

IV. Detailed Notes on All Funds (continued)

C. Capital Assets (continued)

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

	Depreciation Expense	Capital Outlay
Governmental activities:		
General government	\$ 75,445	\$ 1,157,782
Public safety	103,160	1,775,354
Culture and recreation	358,794	1,997,059
Public works	921,806	1,920,363
Affordable housing	82,385	808,078
Health and welfare	6,828	13,255
Total Governmental Activities	\$ 1,548,418	\$ 7,671,891
Business-type activities:		
Water	239,592	356,642
Total Business-type Activities	\$ 239,592	\$ 356,642

D. Interfund Transfers

During 2022, the Town had the following interfund transfers:

	Funds Transferred In	Funds Transferred Out	Reason
General Fund	\$ 225,910		
Water Fund		(225,910)	Administration support
Capital Construction Fund	1,570,101		
General Fund		(1,570,101)	To help pay for capital projects
Total	\$ 1,796,011	\$ (1,796,011)	

E. Governmental Funds Long-term Debt

1. General Obligation Bonds

- (a) \$5,010,000 General Obligation Bonds dated December 3, 2013, with stated interest rates at 2-3%. \$3,070,000 of this offering is anticipated to be used toward completion of various certain capital projects, primarily with the purpose of restoring the Roaring Fork River floodplain to a more natural condition and improve the adjacent properties for park development and potential future commercial use. The remaining \$1,930,000 of the authorized issuance occurred with the Taxable General Obligation Bond, Series 2014.

Town of Basalt, Colorado
Notes to the Financial Statements
December 31, 2022
(continued)

IV. Detailed Notes on All Funds (continued)

E. Governmental Funds Long-term Debt (continued)

1. General Obligation Bonds (continued)

- (a) The 2013 General Obligation Bonds mature in semi-annual increments from December 1, 2013 through 2031, and are secured by the annual levy of property taxes.
- (b) \$8,135,000 2022A Taxable General Obligation Bonds dated December 15, 2021, with stated interest rates of 0.30% - 1.55%. This offering will be used toward completion of certain capital projects related to (a) streetscape, (b) green energy and climate initiatives, and (c) affordable housing projects. The Town's Capital Construction Fund will service these bonds. The revenue derived from the Town's levied property taxes are pledged for payment of bonds of this issue. The Series 2022A General Obligation Bonds mature in annual increments from December 1, 2022 through 2028.
- (c) \$9,545,000 2022B Tax-Exempt General Obligation Bonds dated December 15, 2021, with a stated interest rate of 2%. This offering will be used toward completion of certain capital projects related to (a) streetscape, (b) green energy and climate initiatives, and (c) affordable housing projects. The Town's Capital Construction Fund will service these bonds. The revenue derived from the Town's levied property taxes are pledged for payment of bonds of this issue. The Series 2022B General Obligation Bonds mature in annual increments from December 1, 2035 through 2040.

2. Certificates of Participation

- (a) In 2019, the Town issued \$2,200,000 of Certificates of Participation to voluntarily refund Town taxpayers amounts which may have been collected in violation of Article X, Section 20 of the Colorado Constitution, commonly known as the Tabor Amendment. UMB Bank is the Trustee. The certificates which allowed for the sale and leaseback of the following properties as collateral:

102 Lakeside Court (Affordable housing unit)
1400 E Valley Road (Affordable housing unit)
6101 Elk Run (Affordable housing unit)
221 Fiou Lane (Public works facility)

The certificates require principal payments on November 15th through 2029. Interest payments are required May 15th and November 15th at a rate of 2.23% per annum. The Town retains the option to redeem the certificates prior to maturity under certain conditions.

- (b) In 2021, the Town issued \$2,116,000 of Certificates of Participation to update and improve Arbaney Park and Pool. UMB Bank is the Trustee. The certificates which allowed for the sale and leaseback of the following properties as collateral:

600 Elk Run Drive (Arbaney Pool)

Town of Basalt, Colorado
Notes to the Financial Statements
December 31, 2022
(continued)

IV. Detailed Notes on All Funds (continued)

E. Governmental Funds Long-term Debt (continued)

2. Certificates of Participation (continued)

- (a) The certificates require principal payments on November 15th through 2026. Interest payments are required May 15th and November 15th at a rate of 1.35% per annum. The Town retains the option to redeem the certificates prior to maturity under certain conditions.
- (b) In March 2022, the Town issued \$1,337,000 in Certificates of Participation to finance the site purchase for a future police facility. The Series 2022 Certificates of Participation bear interest at 2% per annum and mature in semi-annual increments from November 15, 2023 to November 15, 2025.

3. Leases Payable – Right of Use Assets

- (a) In September 2019, the Town entered into a lease agreement to lease a street sweeper. The lease calls for annual payments of \$56,596 and has an interest rate of 3.06%. The lease includes an option to purchase at anytime throughout the agreement based on number of rental payments made.

During 2022, the Town recorded principal reduction of \$53,285 against the lease payable, and incurred \$3,311 in interest expense.

- (b) In March 2022, the Town entered into a lease agreement to lease a dump truck. The lease calls for annual payments of \$41,560 and has an interest rate of 2.43%. The lease includes an option to purchase at any time, at an amount equal to the outstanding principal due on the lease.

During 2022, the Town recorded principal reduction of \$38,388 against the lease payable, and incurred \$3,172 in interest expense.

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

Governmental Activities			
Years Ending December 31	Principal	Interest	Total
2023	\$ 92,673	\$ 5,485	\$ 98,158
2024	38,672	3,806	42,478
2025	39,614	1,949	41,563
2026	40,571	986	41,557
Total	\$ 211,530	\$ 12,226	\$ 223,756

Town of Basalt, Colorado
Notes to the Financial Statements
December 31, 2022
(continued)

IV. Detailed Notes on All Funds (continued)

E. Governmental Funds Long-term Debt (continued)

4. Other Long-term Liabilities

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

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Town of Basalt, Colorado
Notes to the Financial Statements
December 31, 2022
(continued)

IV. Detailed Notes on All Funds (continued)

E. Governmental Funds Long-term Debt (continued)

The Town paid the remaining balance due on the loan in fiscal year 2022.

5. Annual Debt Service Requirements – Governmental Activities

Debt service requirements to maturity for certificates of deposit with the Town's governmental activities are as follows:

Governmental Activities						
Years Ending December 31	2013 Revenue Bonds		2019 Certificates of Participation			
	Principal	Interest	Principal	Interest		
2023	\$ 330,000	\$ 9,900	\$ 215,000	\$ 35,569		
2024	-	-	220,000	30,774		
2025	-	-	220,000	25,868		
2026	-	-	225,000	20,962		
2027	-	-	230,000	15,945		
2028 - 2029	-	-	485,000	16,279		
Total	330,000	9,900	1,595,000	145,397		

Years Ending December 31	2021 Certificates of Participation		2022 Certificates of Participation			
	Principal	Interest	Principal	Interest		
2023	417,000	23,004	435,000	31,420		
2024	423,000	17,375	446,000	21,197		
2025	429,000	11,664	456,000	10,716		
2026	435,000	5,873	-	-		
Total	1,704,000	57,916	1,337,000	63,333		

Years Ending December 31	2022A Taxable General Obligation Bonds		2022B Tax-Exempt General Obligation Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	275,000	125,293	-	193,156	1,672,000	418,342
2024	615,000	123,230	-	193,156	1,704,000	385,732
2025	620,000	116,773	-	193,156	1,725,000	358,177
2026	630,000	109,333	-	193,156	1,290,000	329,324
2027	640,000	100,828	-	193,156	870,000	309,929
2028 - 2032	3,350,000	350,090	-	965,780	3,835,000	1,332,149
2033 - 2037	1,705,000	61,328	1,955,000	932,880	3,660,000	994,208
2038 - 2042	-	-	4,050,000	611,280	4,050,000	611,280
2043 - 2046	-	-	3,540,000	186,606	3,540,000	186,606
Total	\$ 7,835,000	\$ 986,875	\$ 9,545,000	\$ 3,662,326	\$ 22,346,000	\$ 4,925,747

Town of Basalt, Colorado
Notes to the Financial Statements
December 31, 2022
(continued)

IV. Detailed Notes on All Funds (continued)

F. Changes in Long-Term Debt

Changes in long-term obligations for the year ended December 31, 2022 are as follows:

	Balance January 1, 2022	Additions	Reductions	Balance December 31, 2022	Due Within One Year
<u>Governmental Activities:</u>					
2013 General Obligation Bonds	\$ 655,000	\$ -	\$ (325,000)	\$ 330,000	\$ 330,000
2019 Certificates of Participation	1,805,000	-	(210,000)	1,595,000	215,000
2021 Certificates of Participation	-	1,704,000	-	1,704,000	417,000
2022 Certificates of Participation	-	1,337,000	-	1,337,000	435,000
2022 Series A General Obligation Bonds	-	7,835,000	-	7,835,000	275,000
2022 Series B General Obligation Bonds	-	9,545,000	-	9,545,000	-
Compensated absences	199,896	160,848	(190,291)	170,453	42,613
Leases	108,207	195,000	(91,677)	211,530	92,673
<u>Business-type Activities:</u>					
CWRPD Loan	68,246	-	(68,246)	-	-
Total	<u>\$ 2,836,349</u>	<u>\$ 20,776,848</u>	<u>\$ (885,214)</u>	<u>\$ 22,727,983</u>	<u>\$ 1,807,286</u>

G. Fund Balance Disclosures

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

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

Assigned – includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by the Town Council or its management designees. The Town Manager has the authority to establish, modify, or rescind assigned fund balance to a specific department or project within a fund, as stated in the Town's adopted financial policies.

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

Town of Basalt, Colorado
Notes to the Financial Statements
December 31, 2022
(continued)

IV. Detailed Notes on All Funds (continued)

G. Fund Balance Designations and Restrictions

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

The Town's formal minimum fund balance policy requires that the budget anticipate fund balance equal to at least thirty-three percent (33%) and at least forty percent (40%) of budgeted unrestricted Water Fund revenues and General Fund, respectively.

The Town has the following fund balance classifications at December 31, 2022:

	General Fund	Restricted Fund	Riverside BC HOA fund	Conservation Trust Fund	Debt Service Fund	Capital Construction Fund	Total
Non-Spendable:							
Prepays	\$ 325,412	\$ 56,841	\$ -	\$ -	\$ -	\$ -	\$ 382,253
Restricted for:							
Emergencies	520,000	-	-	-	-	-	520,000
Recreation	-	-	-	271,217	-	-	271,217
Debt service	-	-	-	-	61,658	16,427,150	16,488,808
Other:							
Development infrastructure	-	1,687,206	-	-	-	-	1,687,206
Renewable energy mitigation	-	152,076	-	-	-	-	152,076
Affordable housing	-	251,780	-	-	-	-	251,780
Police officer training	-	16,960	-	-	-	-	16,960
Victims & Police (VALE)	-	86,673	-	-	-	-	86,673
Arts	-	1,355,151	-	-	-	-	1,355,151
Child care	-	120,384	-	-	-	-	120,384
Tobacco education	-	1,038,926	-	-	-	-	1,038,926
Park dedication	-	249,640	-	-	-	-	249,640
Parks, open space & trails	-	2,313,410	-	-	-	-	2,313,410
Community gardens	-	2,234	-	-	-	-	2,234
Community promotions	-	38,010	-	-	-	-	38,010
Community enhancement	-	27,524	-	-	-	-	27,524
Transportation	-	48,573	-	-	-	-	48,573
Non-profit visual arts	-	28,610	-	-	-	-	28,610
Green initiatives	-	28,610	-	-	-	-	28,610
Assigned	-	-	-	-	-	-	-
Committed	4,081,029	-	12,630	-	-	851,333	4,944,992
Unassigned	5,642,613	-	-	-	-	-	5,642,613
Total	<u>\$ 10,569,054</u>	<u>\$ 7,502,608</u>	<u>\$ 12,630</u>	<u>\$ 271,217</u>	<u>\$ 61,658</u>	<u>\$ 17,278,483</u>	<u>\$ 35,695,650</u>

Town of Basalt, Colorado
Notes to the Financial Statements
December 31, 2022
(continued)

IV. Detailed Notes on All Funds (continued)

H. Pension (Asset) Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

1. Fire and Police Pension Association of Colorado ("FPPA") Statewide Defined Benefit Plan

Plan Description. The Statewide Defined Benefit Plan (the "Plan") is a cost-sharing multiple-employer defined benefit pension plan covering substantially all full-time employees of participating fire or police departments in Colorado hired on or after April 8, 1978 (New Hires), provided they are not already covered by a statutorily exempt plan. As of August 5, 2003, the Plan may include clerical and other personnel from fire districts whose services are auxiliary to fire protection. The plan became effective January 1, 1980.

The plan assets are included in the Fire & Police Members' Benefit Investment Fund and the Fire & Police Members' Self-Director Investment Fund (for Deferred Retirement Option Plan ("DROP") assets and Separate Retirement Account assets from eligible retired members).

Contributions. Contributions rates for employers and members may be increased equally by the FPPA Board of Directors upon approval through an election by both the employers and members.

In 2014, the members elected to increase the member contribution rate to the Plan beginning in 2015. Member contribution rates increased 0.5% annually through 2022 to a total of 12% of pensionable earnings. Employer contributions increase 0.5% annually beginning in 2021 through 2030 to a total of 13% of pensionable earnings. In 2021, members of the Plan and their employers are contributing at the rate of 11.5% and 8.5%, respectively, of base salary for a total contribution rate of 20%.

Contributions from members and employers of plans reentering the system are established by resolution and approved by the FPPA Board of Directors. The member and employer contribution rates will increase through 2030 as described above for the non-reentering departments. Effective January 1, 2021, reentry departments may submit a resolution to the FPPA Board of Directors to reflect the actual cost of reentry by department. Each reentry department is responsible to remit contributions to the plan in accordance with their most recent FPPA Board of Directors approved resolution.

The contribution rate for members and employers of affiliated social security employers is 5.75% and 4.25%, respectively, of pensionable earnings for a total contribution rate of 10% in 2021. Per the 2014 member election, members of the affiliate social security group had their required contribution rate increase 0.25% annually beginning in 2015 through 2022 to a total of 6% of pensionable earnings. Employer contributions will increase 0.25% annually beginning in 2021 through 2030 to a total of 6.5% of pensionable earnings.

Town of Basalt, Colorado
Notes to the Financial Statements
December 31, 2022
(continued)

IV. Detailed Notes on All Funds (continued)

H. Pension (Asset) Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

1. FPPA Statewide Defined Benefit Plan (continued)

Benefits. A member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55. Effective January 1, 2021, a member may also qualify for a normal retirement pension if the member's combined years of service and age equals at least 80, with a minimum age of 50 (Rule of 80).

The annual normal retirement benefit is 2% of the average of the member's highest three years' pensionable earnings for each year of credited service up to ten years, plus 2.5% for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members currently covered under Social Security will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefits paid to retired members are evaluated and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3% or the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).

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

Net Pension Asset At December 31, 2022, the Town reported \$541,104 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2022. The Town proportion of the net pension asset was based on Town contributions to the Plan for the calendar year 2021 relative to the total contributions of participating employers to the Plan.

At December 31, 2022, the Town's proportion was 0.09985%, as compared to 0.09263% at December 31 2021.

Town of Basalt, Colorado
Notes to the Financial Statements
December 31, 2022
(continued)

IV. Detailed Notes on All Funds (continued)

H. Pension (Asset) Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

1. FPPA Statewide Defined Benefit Plan (continued)

For the year ended December 31, 2022, the Town recognized pension (revenues) expense of (\$110,479). At December 31, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 154,945	\$ 12,619
Changes of assumptions or other inputs	43,421	-
Net difference between projected and actual earnings on pension plan investments	-	362,137
Changes in proportion share of contributions	101,390	17,315
Difference between actual and reported contributions recognized	-	2,904
Contributions subsequent to the measurement date	92,929	-
Total	<u>\$ 392,685</u>	<u>\$ 394,975</u>

Contributions subsequent to the measurement date of December 31, 2021, which are reported as deferred outflows of resources related to pensions, will be recognized as an adjustment against the net pension liability / (asset) in the subsequent year.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal year ending December 31:

2023	\$ (41,070)
2024	(78,529)
2025	(40,649)
2026	(5,819)
2027	39,593
Thereafter	31,255
	<u>\$ (95,219)</u>

Town of Basalt, Colorado
Notes to the Financial Statements
December 31, 2022
(continued)

IV. Detailed Notes on All Funds (continued)

H. Pension (Asset) Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

1. FPPA Statewide Defined Benefit Plan (continued)

Actuarial assumptions. The collective total pension asset in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs:

	Total Pension Liability	Actuarially Determined Contributions
Actuarial Valuation Date	January 1, 2022	January 1, 2021
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, Open
Amortization Period	N/A	30 Years
Long-term investment rate *	7.0%	7.0%
Projected Salary Increases	4.25% to 11.25%	4.25% to 11.25%
Cost of Living Adjustments	0%	0%
* includes inflation at	2.5%	2.5%

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rate from the RP-2014 Annuitant Mortality Tables projected to 2018 using the MP-2017 projection scales, and the projected prospectively using the ultimate rates of the scale for all years. The pre-retirement off-duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.

At least every five years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2018 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2019. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5%).

Town of Basalt, Colorado
Notes to the Financial Statements
December 31, 2022
(continued)

IV. Detailed Notes on All Funds (continued)

H. Pension (Asset) Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

1. FPPA Statewide Defined Benefit Plan (continued)

Actuarial Assumptions (continued) Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Global Equity	39%	8.23%
Equity Long/Short	8%	6.87%
Private Markets	26%	10.63%
Fixed Income - Rates	10%	4.01%
Fixed Income - Credit	5%	5.25%
Absolute Return	10%	5.60%
Cash	2%	2.32%
Total	100%	

The discount rate used to measure the total pension liability was 7%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWDB plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

Town of Basalt, Colorado
Notes to the Financial Statements
December 31, 2022
(continued)

IV. Detailed Notes on All Funds (continued)

H. Pension (Asset) Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

1. FPPA Statewide Defined Benefit Plan (continued)

Discount Rate (continued) For the purpose of this valuation, the expected rate of return on pension plan investments is 7%; the municipal bond rate is 1.84% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting single discount rate is 7%.

Sensitivity of the Town's proportionate share of the net pension liability/(asset) to changes in the discount rate The following presents the proportionate share of the net pension asset calculated using the discount rate of 7%, as well as what the proportionate share of the net pension liability/(asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6%) or 1-percentage-point higher (8%) than the current rate:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Collective pension (asset) liability	\$ (74,736,029)	\$(541,933,763)	\$(928,981,070)
Proportionate share of net pension (asset) liability	\$ (74,621)	\$ (541,104)	\$ (927,557)

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

Subsequent events.

- *Statewide Retirement Plan* During 2022, House Bill 22-1034 was signed into law. This legislation combines the assets and liabilities of the Statewide Defined Benefit Plan and Statewide Hybrid Plan to form the Statewide Retirement Plan effective January 1, 2023. The merger will result in increased longer term stability for both plans in addition to simplification of administration, operation and communication of benefits. The financial impact of the merger of plans is being determined.
- *Actuarial Experience Study* During 2022, FPPA engaged Gabriel, Roeder Smith & Co. to complete an actuarial experience study. The FPPA Board of Directors accepted the findings of the study at its July 28, 2022 meeting. These assumptions will be included in the Statewide Retirement Plan valuation as of January 1, 2023

Town of Basalt, Colorado
Notes to the Financial Statements
December 31, 2022
(continued)

IV. Detailed Notes on All Funds (continued)

I. Section 457 Deferred Compensation Plan

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

J. Retirement Plan

The Town participates in Equitable Investments, which is managed by the SWBC Retirement plan services. This Plan is a qualified plan as defined by IRS Code Section 401(a). The plan provides retirement benefits through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings. The town acts as a Trustee for the plan.

The Town is the Plan Administrator and has approved and can amend the following terms. Non-Police Full-time employees are required to participate in the plan upon the first day of the payroll period following the employee's date of hire. The Town is required to contribute 5% of employee compensation excluding overtime. The employee is required to contribute an amount equal to the Town's contribution. Employees are immediately vested in their participant contributions and become vested in employer contributions to the plan over a three-year period. There are no unfunded past service liabilities or forfeitures in 2022.

The Town also participates in a 457(b) with Equitable Investments. All full-time employees are eligible to contribute to the plan. Employee contributions are vested immediately and the Town does not contribute to this plan.

V. Other Information

A. Risk Management

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

CIRSA's operations are funded by contributions from member governments. Coverage is provided up to the value of property, \$1,000,000 per claim or occurrence for liability, and \$150,000 per claim or occurrence for crime. CIRSA has also acquired additional excess coverage from outside sources. While the Town may be liable for any losses in excess of this coverage, the Town does not anticipate such losses at December 31, 2022. Surpluses or deficits realized by CIRSA for any given year are subject to change for such reasons as interest earnings on invested amounts for those years and funds, re-estimation of losses for those years and funds, and credits or distributions from surplus for those years and funds.

Town of Basalt, Colorado
Notes to the Financial Statements
December 31, 2022
(continued)

V. Other Information (continued)

A. Risk Management (continued)

CIRSA's combined financial information for the year ended December 31, 2022, is summarized as follows:

Assets:

Cash and investments	\$ 30,098,723
Other current assets	9,357,880
Noncurrent assets	57,470,900
Total Assets	<u>96,927,503</u>

Total liabilities	<u>52,728,701</u>
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Net position

Invested in capital assets	3,383,732
Restricted	475,966
Unrestricted	40,339,104
Total Net Position	<u><u>\$ 44,198,802</u></u>

B. Grants

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

C. Authorized Unissued Debt

In 2013, electors of the Town approved the issuance of up to \$5,000,000 in bonds to finance the costs of capital projects. After the issuances of the 2014 general obligation bonds (\$1,888,000) and the 2013 general obligation bonds (\$3,070,000), the Town has authorized unissued debt totaling \$42,000 at December 31, 2022.

D. Related Party Transactions

During 2022, the Town incurred \$623,030 of expenses to Connect One Design, LLC ("Connect One") for services relating to capital projects the Town undertook. A member of Town Council serves as Marketing Director of Connect One. At December 31, 2022, the Town owed Connect One \$201,743.

E. Restatement of Net Position

Effective January 1, 2022, the Town implemented Statement No. 87, *Leases* ("GASB 87"), issued by the Governmental Accounting Standards Board. GASB 87 requires that the Town 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 effective January 1, 2022, resulting in an decrease of \$121,461 to beginning net position for Governmental Activities.

REQUIRED SUPPLEMENTARY INFORMATION

General Fund – This fund is established to account for resources devoted to financing the general services that the Town performs for its citizens. General tax revenues and other sources of revenue used to finance the fundamental operations of the Town are included in this fund. The fund is charged with all costs of operating the government for which a separate fund has not been established.

MAJOR SPECIAL REVENUE FUNDS

Restricted Fund – accounts for revenues derived from electorate approved items included restricted sales tax, real estate transfer assessments, and other externally restricted items including grants.

Riverside BC HOA Fund – A blended component unit, accounts for the Towns revenue and expenditures within the homeowner's association.

Town of Basalt, Colorado
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2022
(With Comparative Actual Amounts for December 31, 2021)

	2022				2021
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Taxes:					
Property taxes	1,239,773	1,239,773	1,276,042	36,269	1,135,949
Specific ownership	100,000	100,000	98,843	(1,157)	102,671
Sales and use taxes	6,509,196	6,509,196	7,511,306	1,002,110	6,416,658
Franchise tax	346,600	346,600	401,805	55,205	337,367
Total Taxes	8,195,569	8,195,569	9,287,996	1,092,427	7,992,645
Licenses and Permits	490,000	490,000	916,761	426,761	1,287,715
Intergovernmental:					
Grants	174,835	475,714	2,064,961	1,589,247	37,311
Highway use tax	138,323	138,323	142,825	4,502	148,196
County road and bridge	93,000	93,000	104,049	11,049	93,934
Other	19,000	19,000	19,333	333	19,348
Total Intergovernmental	425,158	726,037	2,331,168	1,605,131	298,789
Charges for Services:					
Zoning and subdivision fees	5,000	5,000	9,000	4,000	13,600
Recreation revenue	203,750	203,750	275,241	71,491	211,036
Other charges for services	9,570	9,570	25,653	16,083	19,783
Sunday market	14,000	14,000	14,950	950	15,585
Total Charges for Services	232,320	232,320	324,844	92,524	260,004
Fines and Forfeitures:					
Traffic and parking	16,000	16,000	18,930	2,930	20,569
Other	300	300	1,440	1,140	548
Total Charges for Services	16,300	16,300	20,370	4,070	21,117
Miscellaneous Revenue:					
Net investment income	10,000	10,000	310,916	300,916	7,064
Other income	2,550	2,550	96,024	93,474	40,966
Total Miscellaneous Revenue	12,550	12,550	406,940	394,390	48,030
Total Revenues	9,371,897	9,672,776	13,288,079	3,615,303	9,908,300
Expenditures:					
General Government:					
Legislative	806,106	1,250,166	956,742	293,424	739,206
Judicial	29,750	29,750	28,931	819	23,616
Finance and administration	1,560,025	1,560,025	1,255,418	304,607	1,199,112
Elections	20,000	20,000	1,394	18,606	5,049
Planning	829,433	829,433	741,642	87,791	737,891
Municipal building facilities	375,036	375,036	365,238	9,798	328,902
Total General Government	3,620,350	4,064,410	3,349,365	715,045	3,033,776

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

Town of Basalt, Colorado
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2022
(With Comparative Actual Amounts for December 31, 2021)
(Continued)

	2022				2021
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Expenditures:					
Public Safety:					
Police	2,222,041	2,222,041	1,969,250	252,791	1,842,590
Building Inspection	376,194	461,194	276,940	184,254	330,126
Total Public Safety	<u>2,598,235</u>	<u>2,683,235</u>	<u>2,246,190</u>	<u>437,045</u>	<u>2,172,716</u>
Public Works:					
Engineering	10,000	10,000	4,119	5,881	4,856
Streets	515,344	515,344	561,787	(46,443)	469,323
Public works administration	310,173	310,173	312,920	(2,747)	301,633
Grants	-	-	-	-	117
Total Public Works	<u>835,517</u>	<u>835,517</u>	<u>878,826</u>	<u>(43,309)</u>	<u>775,929</u>
Culture and Recreation:					
Cemetery	25,000	25,000	536	24,464	3,906
Recreation	285,587	285,587	265,662	19,925	264,095
Swimming pool	176,828	176,828	199,873	(23,045)	98,528
Total Culture and Recreation	<u>487,415</u>	<u>487,415</u>	<u>466,071</u>	<u>21,344</u>	<u>366,529</u>
Affordable Housing:					
Affordable housing	-	-	-	-	11,935
Total Affordable Housing	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,935</u>
Capital Outlay:					
Capital outlay	4,184,508	4,818,545	4,222,747	595,798	2,518,092
Total Capital Outlay	<u>4,184,508</u>	<u>4,818,545</u>	<u>4,222,747</u>	<u>595,798</u>	<u>2,518,092</u>
Debt Service:					
Debt service principal	500,000	500,000	262,285	237,715	-
Debt service interest	-	-	60,970	(60,970)	-
Lease principal payments	-	-	91,677	(91,677)	256,708
Lease interest payments	114,596	114,596	6,466	108,130	4,888
Total Debt Service	<u>614,596</u>	<u>614,596</u>	<u>421,398</u>	<u>193,198</u>	<u>261,596</u>
Total Expenditures	<u>12,340,621</u>	<u>13,503,718</u>	<u>11,584,597</u>	<u>1,919,121</u>	<u>9,140,573</u>
Excess (Deficiency) of Revenues Over Expenditures	(2,968,724)	(3,830,942)	1,703,482	5,534,424	767,727
Other Financing Sources (Uses):					
Issuance of debt	1,800,000	1,987,930	1,337,000	(650,930)	-
Transfers in	225,910	225,910	225,910	-	225,910
Transfers (out)	-	(465,000)	(1,570,101)	(1,105,101)	(420,469)
Sale of assets	35,000	35,000	21,313	(13,687)	156,326
Capital lease initiation	-	-	195,000	195,000	-
Total Other Financing Sources (Uses)	<u>2,060,910</u>	<u>1,783,840</u>	<u>209,122</u>	<u>(1,574,718)</u>	<u>(38,233)</u>
Net Change in Fund Balance	(907,814)	(2,047,102)	1,912,604	3,959,706	729,494
Fund Balance - Beginning of Year	<u>7,135,004</u>	<u>7,325,882</u>	<u>8,656,450</u>	<u>1,330,568</u>	<u>7,926,956</u>
Fund Balance - End of Year	<u>6,227,190</u>	<u>5,278,780</u>	<u>10,569,054</u>	<u>5,290,274</u>	<u>8,656,450</u>

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

Town of Basalt, Colorado
Restricted Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2022
(With Comparative Actual Amounts for December 31, 2021)

	2022			2021
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative) Actual
Revenues:				
Taxes:				
Sales and use taxes	2,748,949	2,748,949	2,983,057	234,108
Lodging taxes	300,000	300,000	466,394	166,394
Cigarette taxes	600,000	600,000	723,506	123,506
Real estate transfer assessments	463,900	463,900	812,888	348,988
Total Taxes	4,112,849	4,112,849	4,985,845	872,996
Other licenses and permits	94,819	94,819	132,463	37,644
Grant revenue	125,000	169,500	5,000	(164,500)
Traffic fines	8,000	8,000	9,496	1,496
Charges for service	239,446	239,446	324,494	85,048
Donations and contributions	-	-	1,250	1,250
Other income	42,964	42,964	44,619	1,655
Total Revenues	4,623,078	4,667,578	5,503,167	835,589
Expenditures:				
General Government:				
Legislative	230,000	230,000	87,587	142,413
Finance and administration	5,350	5,350	4,537	813
Lodging	419,660	419,660	393,683	25,977
Total General Government	655,010	655,010	485,807	169,203
Public Safety				
Police	103,686	103,686	3,757	99,929
Building inspection	32,000	32,000	50,640	(18,640)
Total Public Safety	135,686	135,686	54,397	81,289
Public Works				
Streets	-	-	1,193	(1,193)
Engineering	20,000	20,000	-	20,000
Total Public Works	20,000	20,000	1,193	18,807
Culture and Recreation				
Tobacco tax	600,000	1,175,917	734,377	441,540
Open space and trails	549,790	549,790	631,301	(81,511)
Total Culture and Recreation	1,149,790	1,725,707	1,365,678	360,029
Affordable Housing	197,332	197,332	149,349	47,983
Capital Outlay	4,465,611	4,804,894	1,527,039	3,277,855
Debt Service:				
Debt service principal	-	-	412,000	(412,000)
Debt service interest	-	-	28,566	(28,566)
Issuance costs	440,566	440,566	2,500	438,066
Total Debt Service	440,566	440,566	443,066	(2,500)
Total Expenditures	7,063,995	7,979,195	4,026,529	3,952,666
Excess (Deficiency) of Revenues over Expenditures	(2,440,917)	(3,311,617)	1,476,638	4,788,255
Other Financing Sources (Uses):				
Transfers in	-	-	-	361,000
Issuance of debt	-	-	-	2,116,000
Total Other Financing Sources (Uses)	-	-	-	2,477,000
Net Change in Fund Balance	(2,440,917)	(3,311,617)	1,476,638	(275,640)
Fund Balance - Beginning of Year	9,340,102	9,340,102	6,025,970	6,301,610
Fund Balance - End of Year	6,899,185	6,028,485	7,502,608	6,025,970

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

Town of Basalt, Colorado
Conservation Trust Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2022
(With Comparative Actual Amounts for December 31, 2021)

	2022				2021
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Intergovernmental revenue:					
Grants	20,000	20,000	25,477	5,477	24,995
Investment income	50	50	94	44	1
Total Revenues	<u>20,050</u>	<u>20,050</u>	<u>25,571</u>	<u>5,521</u>	<u>24,996</u>
Expenditures:					
Park improvements	25,000	25,000	8,945	16,055	-
Total Expenditures	<u>25,000</u>	<u>25,000</u>	<u>8,945</u>	<u>16,055</u>	<u>-</u>
Net Change in Fund Balance	(4,950)	(4,950)	16,626	21,576	24,996
Fund Balance - Beginning of Year	<u>255,719</u>	<u>260,241</u>	<u>254,591</u>	<u>(5,650)</u>	<u>229,595</u>
Fund Balance - End of Year	<u><u>250,769</u></u>	<u><u>255,291</u></u>	<u><u>271,217</u></u>	<u><u>15,926</u></u>	<u><u>254,591</u></u>

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

Town of Basalt, Colorado
Riverside HOA Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2022
(With Comparative Actual Amounts for December 31, 2021)

	2022			2021
	Original and Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:				
Charges for service	75,000	67,422	(7,578)	55,864
Total Revenues	75,000	67,422	(7,578)	55,864
Expenditures:				
Affordable housing	75,000	62,257	12,743	52,890
Total Expenditures	75,000	62,257	12,743	52,890
Net Change in Fund Balance	-	5,165	5,165	2,974
Fund Balance - Beginning of Year	7,465	7,465	-	4,491
Fund Balance - End of Year	7,465	12,630	5,165	7,465

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

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

	Measurement period ending December 31,						
	2021	2020	2019	2018	2017	2016	2015
Town's portion of the net pension (asset) liability	0.099847%	0.092625%	0.104315%	0.122526%	0.124962%	0.136713%	0.125920%
Town's proportionate share of the net pension (asset) liability	(541,104)	(201,091)	(58,998)	154,906	(179,725)	\$ 494,000	\$ 2,220
Town's covered payroll	759,133	1,110,605	904,892	924,413	\$ 1,358,470	\$ 1,153,907	\$ 574,530
Town's proportionate share of the net pension (asset) liability as a percentage of its covered payroll	-71.28%	-18.11%	-6.52%	16.76%	-13.23%	42.81%	0.39%
Plan fiduciary net position as a percentage of the total pension (asset) liability	116.20%	101.90%	106.70%	101.90%	95.20%	106.30%	98.21%

* Information is only available beginning in measurement year 2014.

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

	Fiscal years ending December 31,							
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 68,322	\$ 59,536	\$ 61,507	\$ 65,660	\$ 58,458	\$ 76,513	\$ 48,835	\$ 42,802
Actual contributions	<u>(68,322)</u>	<u>(59,536)</u>	<u>(61,507)</u>	<u>(65,660)</u>	<u>(58,458)</u>	<u>(76,513)</u>	<u>(48,835)</u>	<u>(42,802)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	\$ 759,133	\$ 700,424	\$ 768,838	\$ 820,750	\$ 974,836	\$ 878,335	\$ 839,587	\$ 741,301
Contributions as a percentage of covered payroll	9.0%	8.5%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%

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

Town of Basalt, Colorado
Notes to the Required Supplementary Information
December 31, 2022

I. Notes to the Schedule of Town's Proportionate Share of Net Pension (Asset) / Liability

A. Changes to assumptions or other inputs

1. Changes Since the January 1, 2021 Actuarial Valuation are as Follows:

- No changes.

2. Changes Since the January 1, 2020 Actuarial Valuation are as Follows:

- No changes

3. Changes Since the January 1, 2019 Actuarial Valuation are as Follows:

- No changes.

4. Changes Since the January 1, 2018 Actuarial Valuation are as Follows:

- For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rate from the RP-2014 annuitant mortality tables projected to 2018 using the MP-2017 projection scales, and the projected prospectively using the ultimate rates of the scale for all years. The pre-retirement off-duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.
- For determining the actuarial determined contributions, the post-retirement mortality tables for non-disabled retirees is a blend of the Annuitant and Employee RP-2014 generational mortality tables with blue collar adjustment projected with Scale BB. The pre-retirement off-duty mortality tables are adjusted to 55% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00020.

5. Changes Since the January 1, 2017 Actuarial Valuation are as Follows:

- No changes

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

- No changes

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

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

Town of Basalt, Colorado
Notes to the Required Supplementary Information
December 31, 2022

I. Schedule of Town's Proportionate Share of the Net Pension Liability / (Asset)(continued)

A. Changes to assumptions or other inputs (continued)

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

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

B. Changes of benefit terms

No changes during the years presented above.

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

No changes during the years presented above.

II. Schedule of Town Contributions

A. Changes to assumptions or other inputs

No changes during the years presented above.

B. Changes of benefit terms.

No changes during the years presented above.

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

No changes during the years presented above.

SUPPLEMENTARY INFORMATION



MAJOR CAPITAL PROJECTS AND DEBT SERVICE FUNDS

Capital Construction Fund – accounts for financial resources that are restricted, committed, or assigned for capital outlay, including the acquisition of capital facilities and other capital assets.

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

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Conservation Trust Fund – accounts for funds received and restricted as to use in the acquisition, development and maintenance of new conservation sites pursuant to Colorado Revised Statutes.

Riverside BC HOA Fund – accounts for revenues derived from electorate approved items including restricted sales tax, real estate transfer assessments, and other externally restricted items including grants.

PROPRIETARY FUNDS

ENTERPRISE FUNDS

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

Town of Basalt, Colorado
Schedule of Revenues, Expenditures and Changes in Fund Balances
Debt Service Fund
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2022
(With Comparative Actual Amounts for December 31, 2021)

	2022				2021
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Taxes:					
Property taxes	950,000	950,000	948,945	(1,055)	940,868
Investment income	-	-	31	31	-
Total Revenues	<u>950,000</u>	<u>950,000</u>	<u>948,976</u>	<u>(1,024)</u>	<u>940,868</u>
Expenditures:					
General Government	23,825	23,825	28,152	(4,327)	19,898
Debt Service:					
Debt service principal	630,000	630,000	625,000	5,000	874,000
Debt service interest	296,175	296,175	307,951	(11,776)	39,179
Total Expenditures	<u>950,000</u>	<u>950,000</u>	<u>961,103</u>	<u>(11,103)</u>	<u>933,077</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(12,127)</u>	<u>(12,127)</u>	<u>7,791</u>
Fund Balance - Beginning of Year	<u>69,271</u>	<u>73,785</u>	<u>73,785</u>	<u>-</u>	<u>65,994</u>
Fund Balance - End of Year	<u>69,271</u>	<u>73,785</u>	<u>61,658</u>	<u>(12,127)</u>	<u>73,785</u>

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

Town of Basalt
Capital Construction Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2022
(With Comparative Actual Amounts for December 31, 2021)

	2022				2021
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Net investment income	17,293	17,293	280,165	262,872	8
Miscellaneous	-	-	37,697	37,697	-
Total Revenues	<u>17,293</u>	<u>17,293</u>	<u>317,862</u>	<u>300,569</u>	<u>8</u>
Expenditures:					
General government	-	-	1,183	(1,183)	1,920
Affordable housing	-	-	2,446	(2,446)	400
Capital outlay	9,000,000	9,465,000	1,920,218	7,544,782	14,668
Debt service:					
Issuance costs	347,400	347,400	348,653	(1,253)	-
Total Expenditures	<u>9,347,400</u>	<u>9,812,400</u>	<u>2,272,500</u>	<u>7,539,900</u>	<u>16,988</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(9,330,107)</u>	<u>(9,795,107)</u>	<u>(1,954,638)</u>	<u>7,840,469</u>	<u>(16,980)</u>
Other Financing Sources (Uses):					
Issuance of debt	17,640,000	17,640,000	17,680,000	40,000	-
Transfers in	-	465,000	1,570,101	1,105,101	-
Total Other Financing Sources (Uses)	<u>17,640,000</u>	<u>18,105,000</u>	<u>19,250,101</u>	<u>1,145,101</u>	<u>-</u>
Net Change in Fund Balance	<u>8,309,893</u>	<u>8,309,893</u>	<u>17,295,463</u>	<u>8,985,570</u>	<u>(16,980)</u>
Fund Balance (Deficit) - Beginning of Year	<u>-</u>	<u>8,423,211</u>	<u>(16,980)</u>	<u>(8,440,191)</u>	<u>-</u>
Fund Balance - End of Year	<u><u>8,309,893</u></u>	<u><u>16,733,104</u></u>	<u><u>17,278,483</u></u>	<u><u>545,379</u></u>	<u><u>(16,980)</u></u>

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

Town of Basalt, Colorado

Enterprise Fund

Water Fund

**Schedule of Revenues and Expenses, and Changes in Net Position
Budget (Non-GAAP Basis) and Actual With Reconciliation to GAAP Basis**

For the Year Ended December 31, 2022

(With Comparative Actual Amounts for December 31, 2021)

	2022			2021
	Original and Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Operating Revenue:				
Sales	1,011,455	1,157,017	145,562	1,054,402
Other revenue	16,300	16,685	385	18,413
Operating Revenue	<u>1,027,755</u>	<u>1,173,702</u>	<u>145,947</u>	<u>1,072,815</u>
Operating Expenses:				
Water administration	340,841	302,780	38,061	252,350
Capital outlay	427,169	356,642	70,527	935,394
Water supply	35,200	36,323	(1,123)	34,639
Water treatment and transmission	146,500	116,603	29,897	121,434
Operating Expenses	<u>949,710</u>	<u>812,348</u>	<u>137,362</u>	<u>1,343,817</u>
Operating Income (Loss) - Budget Basis	<u>78,045</u>	<u>361,354</u>	<u>283,309</u>	<u>(271,002)</u>
Non-Operating Revenues (Expenses):				
Investment income	41	5,070	5,029	49
Debt service - Principal	(68,246)	(68,246)	-	(65,596)
Interest expense	(2,054)	(1,599)	455	(4,267)
Coronavirus State and Local Fiscal Recovery Funds	40,000	37,660	(2,340)	-
Total Non-Operating Revenues (Expenses)	<u>(30,259)</u>	<u>(27,115)</u>	<u>3,144</u>	<u>(69,814)</u>
Capital contributions	67,190	222,972	155,782	205,189
Transfers in	-	-	-	59,469
Transfers (out)	(225,910)	(225,910)	-	(225,910)
Change in Net Position - Budget Basis	<u>(110,934)</u>	<u>331,301</u>	<u>442,235</u>	<u>(302,068)</u>
Reconciliation to GAAP Basis:				
Adjustments:				
Depreciation		(239,592)		(267,795)
Capital outlay		356,642		935,394
Debt service - Principal		68,246		65,596
Total Adjustments		<u>185,296</u>		<u>733,195</u>
Net Income - GAAP Basis		516,597		431,127
Net Position - Beginning of Year		<u>5,062,967</u>		<u>4,631,840</u>
Net Position - End of Year		<u>5,579,564</u>		<u>5,062,967</u>

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

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





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

Annual Highway Finance Report - CY22

Email address: jenny.aragon@basalt.net

City/County: Basalt

Receipts, Disbursements & Costs

II - Receipts for Road & Street Purposes

A. Receipts from local sources

2. General Fund Appropriations:	\$	473,391.00
3. Other local imposts: <i>from A.3. 'Total' below)</i>	\$	98,843.32
4. Miscellaneous local receipts: <i>from A.4. 'Total' below)</i>	\$	122,979.25
5. Transfers from toll facilities	\$	0.00
6. Proceeds of sale of bonds and notes		
a. Bonds - Original Issues:	\$	9,364,036.70
b. Bonds - Refunding Issues:	\$	0.00
c. Notes:	\$	0.00

SubTotal: \$ 10,059,250.27

B. Private Contributions \$ 693,335.00

Receipts, Disbursements & Costs

II - Receipts for Road & Street Purposes (Detail)

A.3. | Other local imposts

a. Property Taxes & Assessments	\$	0.00
b. Other Local Imposts		
1. Sales Taxes:	\$	0.00
2. Infrastructure and Impact Fees:	\$	0.00
3. Liens:	\$	0.00
4. Licenses:	\$	0.00
5. Specific Ownership and/or Other:	\$	98,843.32
Total: (a + b) carried to 'Other local imposts' above		\$ 98,843.32

A.4. | Miscellaneous local receipts

a. Interest on Investments:	\$	0.00
b. Traffic fines and Penalties:	\$	18,929.92
c. Parking Garage Fees:	\$	0.00
d. Parking Meter Fees:	\$	0.00
e. Sale of Surplus Property:	\$	0.00
f. Charges for Services:	\$	0.00
g. Other Misc. Receipts:	\$	104,049.33
h. Other:	\$	0.00
Total: (a through h) carried to 'Misc local receipts' above		\$ 122,979.25

C. Receipts from State Government

1. Highway User Taxes:	\$	142,824.81
3. Other State funds:		
c. Motor Vehicle Registrations:	\$	19,332.90
d. Other (Specify):		
Comments: undefined	\$	0.00
e. Other (Specify):		
Comments: undefined	\$	0.00
Total: (1+3c,d,e)		\$ 162,157.71

D. Receipts from Federal Government

2. Other Federal Agencies		
a. Forest Service:	\$	0.00

b. FEMA:	\$	0.00
c. HUD:	\$	0.00
d. Federal Transit Administration:	\$	0.00
e. U.S. Corp of Engineers	\$	0.00
f. Other Federal:	\$	0.00
Total: (2a-f)		\$ 0.00

Receipts, Disbursements & Costs

III - Disbursements for Road & Street Purposes

A. Local highway disbursements

1. Capital outlay: (from A.1.d. 'Total Capital Outlay' below)	\$	2,177,439.59
2. Maintenance:	\$	859,024.54
3. Road and street services		
a. Traffic control operations:	\$	0.00
b. Snow and ice removal:	\$	107,072.37
c. Other:	\$	23,061.12
4. General administration and miscellaneous	\$	56,746.96
5. Highway law enforcement and safety	\$	1,181,550.00
Total: (A.1-5)		\$ 4,404,894.58

B. Debt service on local obligations

1. Bonds		
a. Interest	\$	174,377.13
b. Redemption	\$	0.00
2. Notes		
a. Interest	\$	0.00
b. Redemption	\$	0.00
SubTotal: (1+2)		\$ 174,377.13

C. Payments to State for Highways:	\$	0.00
D. Payments to Toll Facilities:	\$	0.00

Total Disbursements: (A+B+C+D) \$ 4,579,271.71

Receipts, Disbursements & Costs

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

	A. ON NATIONAL HIGHWAY SYSTEM	B. OFF NATIONAL HIGHWAY SYSTEM	C. TOTAL
A.1. Capital Outlay			
a. Right-Of-Way Costs:	\$ 0.00	\$ 0.00	\$ 0.00
b. Engineering Costs:	\$ 0.00	\$ 857,567.57	\$ 857,567.57
c. Construction			
1. New Facilities:	\$ 0.00	\$ 0.00	\$ 0.00
2. Capacity Improvements:	\$ 0.00	\$ 0.00	\$ 0.00
3. System Preservation:	\$ 0.00	\$ 1,307,454.28	\$ 1,307,454.28
4. System Enhancement:	\$ 0.00	\$ 12,417.74	\$ 12,417.74
5. Total Construction:			\$ 1,319,872.02
d. Total Capital Outlay: (Lines A.1.a. + 1.b. + 1.c.5)			\$ 2,177,439.59

Receipts, Disbursements & Costs

IV. Local Highway Debt Status

	OPENING DEBT	AMOUNT ISSUED	REDEMPTIONS	CLOSING DEBT
A. Bonds (Total)	\$ 0.00	\$ 9,545,000.00	\$ 0.00	\$ 9,545,000.00
1. Bonds (Refunding Portion)		\$ 0.00	\$ 0.00	\$ 0.00
B. Notes (Total):	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

Receipts, Disbursements & Costs

V - Local Road & Street Fund Balance

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
\$ 0.00	\$ 10,914,742.98	\$ 4,579,271.71	\$ 6,335,471.27	\$ 0.00

Notes and Comments:

undefined

Please enter your name: Jenny Aragon

Please provide a telephone number where you may be reached: 970-927-4701

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STATISTICAL SECTION

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

Contents

Page

Financial Trends

These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.

G1 - G8

Revenue Capacity

These schedules contain information to help the reader assess the Town's most significant local revenue sources; property tax, sales tax and real estate transfer tax.

G9 - G19

Debt Capacity

These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.

G20 - G24

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.

G25 - G26

Operating Information

These schedules contain service and capital asset data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

G27 - G29

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Governmental activities										
Net investment in capital assets	\$ 19,463,556	\$ 18,436,209	\$ 30,729,660	\$ 26,536,086	\$ 37,316,464	\$ 38,288,851	\$ 37,588,109	\$ 42,956,395	\$ 49,451,835	\$ 51,863,454
Restricted	3,088,704	3,696,394	2,153,843	2,258,330	2,910,758	4,383,049	6,702,676	6,836,629	7,068,523	25,266,896
Unrestricted	7,074,020	5,157,470	4,101,995	3,708,751	684,423	1,266,423	6,112,547	5,924,469	6,349,526	(5,176,736)
Total governmental activities net position	<u>29,626,280</u>	<u>27,290,073</u>	<u>36,985,498</u>	<u>32,503,167</u>	<u>40,911,645</u>	<u>43,938,323</u>	<u>50,403,332</u>	<u>55,717,493</u>	<u>62,869,884</u>	<u>71,953,614</u>
Business-type activities										
Net investment in capital assets	4,186,468	4,106,749	3,965,225	3,881,505	3,605,622	3,758,179	3,628,373	3,622,385	4,355,580	4,540,876
Unrestricted	474,660	413,036	231,970	285,730	322,235	464,618	828,279	1,009,455	707,387	1,038,688
Total business-type activities net position	<u>4,661,128</u>	<u>4,519,785</u>	<u>4,197,195</u>	<u>4,167,235</u>	<u>3,927,857</u>	<u>4,222,797</u>	<u>4,456,652</u>	<u>4,631,840</u>	<u>5,062,967</u>	<u>5,579,564</u>
Primary government										
Net investment in capital assets	23,650,024	22,542,958	34,694,885	30,417,591	40,922,086	42,047,030	41,216,482	46,578,780	53,807,415	56,404,330
Restricted	3,088,704	3,696,394	2,153,843	2,258,330	2,910,758	4,383,049	6,702,676	6,836,629	7,068,523	25,266,896
Unrestricted	7,548,680	5,570,506	4,333,965	3,994,481	1,006,658	1,731,041	6,940,826	6,933,924	7,056,913	(4,138,048)
Total primary government net position	<u>\$ 34,287,408</u>	<u>\$ 31,809,858</u>	<u>\$ 41,182,693</u>	<u>\$ 36,670,402</u>	<u>\$ 44,839,502</u>	<u>\$ 48,161,120</u>	<u>\$ 54,859,984</u>	<u>\$ 60,349,333</u>	<u>\$ 67,932,851</u>	<u>\$ 77,533,178</u>

SOURCE: 2017 - 2022 audited financial statements for the Town of Basalt.

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

	2013	2014	2015	2016	2017	2018 (NOTE A)	2019	2020	2021 (NOTE B)	2022
Expenses:										
Governmental Activities:										
General government	\$ 2,870,421	\$ 3,075,790	\$ 2,586,990	\$ 3,052,082	\$ 4,421,145	\$ 2,651,745	\$ 3,213,702	\$ 4,295,510	\$ 3,600,895	\$4,333,497
Public safety	1,375,878	1,630,753	1,893,125	2,005,598	2,406,660	2,033,117	2,184,285	2,211,249	2,308,464	2,293,126
Culture and recreation	853,533	973,478	896,584	803,778	791,106	1,020,129	1,038,123	1,206,873	1,039,308	1,423,700
Public works	748,985	4,184,009	973,619	1,456,788	1,413,368	1,617,148	2,749,438	1,494,847	1,579,436	1,861,526
Affordable housing	-	-	-	-	182,502	239,209	595,860	284,405	271,758	293,991
Health & welfare	-	-	-	-	-	19,206	31,773	37,272	377,226	741,205
Interest (Included before 2018 under programs)	-	-	-	-	-	96,507	84,962	57,866	36,976	367,524
Total Governmental Activities	5,848,817	9,864,030	6,350,318	7,318,246	9,214,781	7,677,061	9,898,143	9,588,022	9,214,063	11,314,569
Business-type Activities:										
Water	621,517	580,130	736,885	679,690	727,911	658,689	669,271	663,180	680,484	696,898
Total Business-type Activities	621,517	580,130	736,885	679,690	727,911	658,689	669,271	663,180	680,484	696,898
Total Primary Government Expenses	6,470,334	10,444,160	7,087,203	7,997,936	9,942,692	8,335,750	10,567,414	10,251,202	9,894,547	12,011,467
Program Revenues:										
Governmental Activities:										
Charges for services:										
General government	119,807	34,484	(3,024)	58,463	489,022	85,775	69,012	82,177	112,988	185,722
Public safety	38,311	80,696	72,817	48,610	27,367	651,560	541,509	635,137	1,026,475	724,419
Culture and recreation	129,101	110,058	103,589	204,296	87,866	328,928	269,136	156,223	264,515	335,497
Public works	527,065	842,516	312,155	1,412,932	621,200	215,125	166,909	232,754	533,816	310,179
Affordable housing (tracked separately starting in 2019)	-	-	-	-	-	-	57,385	243,852	256,577	251,372
Operating grants and contributions	252,187	248,582	252,631	282,115	256,710	1,715,355	1,965,639	677,552	380,897	1,282,256
Capital grants and contributions	-	-	-	-	4,656,011	-	830,066	946,529	890,594	0
Total Governmental Activities Program Revenues	1,066,471	1,316,336	738,168	2,006,416	6,138,176	2,996,743	3,899,656	2,974,224	3,465,862	3,089,445
Business-type Activities:										
Charges for services:										
Water	607,562	596,664	571,347	680,241	671,421	885,481	913,272	925,875	1,058,152	1,159,835
Operating & Capital grants	31,459	21,964	14,034	193,186	19,390	288,474	207,521	49,439	219,852	236,840
Total Business-Type Activities Program Revenues	639,021	618,628	585,381	873,427	690,811	1,173,955	1,120,793	975,314	1,278,004	1,396,675
Total Primary Government Program Revenues	1,705,492	1,934,964	1,323,549	2,879,843	6,828,987	4,170,698	5,020,449	3,949,538	4,743,866	4,486,120
Net (Expense)/Revenue										
Governmental activities	(4,782,346)	(8,547,694)	(5,612,150)	(5,311,830)	(3,076,605)	(4,680,318)	(5,998,487)	(6,613,798)	(5,748,201)	(8,225,124)
Business-type activities	17,504	38,498	(151,504)	193,737	(37,100)	515,266	451,522	312,134	597,520	699,777
Total Primary Government Net Expense	\$ (4,764,842)	\$ (8,509,196)	\$ (5,763,654)	\$ (5,118,093)	\$ (3,113,705)	\$ (4,165,052)	\$ (5,546,965)	\$ (6,301,664)	\$ (5,150,681)	(\$7,525,347)

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

NOTE B: 2021 audited financial statements were restated during the 2022 audit. The restatement is reflected in this page of data.

Town of Basalt, Colorado
General Revenues and Expenses
Last Ten Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Taxes:										
Property taxes	\$ 969,753	\$ 1,018,535	\$ 1,134,619	\$ 1,409,317	\$ 1,653,296	\$ 1,901,051	\$ 1,906,183	\$ 2,112,601	\$ 2,076,815	\$2,224,987
Specific ownership taxes	37,833	36,866	62,327	53,323	88,470	90,462	95,925	94,434	102,671	98,843
Sales and use and miscellaneous taxes	4,633,629	4,860,077	5,544,258	5,552,073	6,120,232	6,506,268	7,009,042	8,537,731	10,160,041	12,030,757
Franchise and business taxes	298,270	295,321	303,208	296,818	316,301	375,809	378,918	354,170	337,367	868,199
Miscellaneous	223,462	89,348	258,776	305,622	345,289	-	311,927	-	-	-
Unrestricted investment earnings	11,070	11,230	3,736	46,365	96,302	194,044	261,466	67,727	7,073	591,205
Grants and contributions not restricted to specific programs	-	-	-	-	-	317,463	1,681,179	535,386	50,184	1,247,640
Sale of capital assets	-	-	630,395	-	-	(57,346)	592,946	-	-	21,313
Transfers	171,645	180,227	171,645	225,910	225,910	227,506	225,910	225,910	166,441	225,910
TABOR Refund, Special Item	-	-	-	-	-	(1,848,261)	-	-	-	-
2017 Audit Other restatements (NOTE A)	-	-	-	-	2,639,285	-	-	-	-	-
Total General Revenues and Transfers	<u>6,345,662</u>	<u>6,491,604</u>	<u>8,108,964</u>	<u>7,889,428</u>	<u>11,485,085</u>	<u>7,706,996</u>	<u>12,463,496</u>	<u>11,927,959</u>	<u>12,900,592</u>	<u>17,308,854</u>
Business-type Activities:										
Unrestricted investment earnings	430	386	589	2,183	3,802	7,180	8,243	1,813	48	5,070
Grants and contributions not restricted to specific programs	-	-	-	-	-	-	-	87,151	-	37,660
Transfers	(171,645)	(180,227)	(171,645)	(225,910)	(225,910)	(227,506)	(225,910)	(225,910)	(166,441)	(225,910)
Total Business-type Activities	<u>(171,215)</u>	<u>(179,841)</u>	<u>(171,056)</u>	<u>(223,727)</u>	<u>(222,108)</u>	<u>(220,326)</u>	<u>(217,667)</u>	<u>(136,946)</u>	<u>(166,393)</u>	<u>(183,180)</u>
Total Primary Government Revenues	<u>6,174,447</u>	<u>6,311,763</u>	<u>7,937,908</u>	<u>7,665,701</u>	<u>11,262,977</u>	<u>7,486,670</u>	<u>12,245,829</u>	<u>11,791,013</u>	<u>12,734,199</u>	<u>17,125,674</u>
Change in Net Position										
Governmental activities	1,563,316	(2,056,090)	2,496,814	2,577,598	8,408,480	3,026,678	6,465,009	5,314,161	7,152,391	9,083,730
Business-type activities	(153,711)	(141,343)	(322,560)	(29,990)	(259,208)	294,940	233,855	175,188	431,127	516,597
Total Change in Net Position	<u>\$ 1,409,605</u>	<u>\$ (2,197,433)</u>	<u>\$ 2,174,254</u>	<u>\$ 2,547,608</u>	<u>\$ 8,149,272</u>	<u>\$ 3,321,618</u>	<u>\$ 6,698,864</u>	<u>\$ 5,489,349</u>	<u>\$7,583,518</u>	<u>\$9,600,327</u>

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

SOURCE: 2017 - 2022 audited financial statements for the Town of Basalt.

Town of Basalt
Fund Balance of Governmental Funds
Last Ten Years

	2013	2014	2015	2016	2017 (NOTE A)	2018	2019	2020	2021	2022
General Fund										
Restricted:										
Emergency Reserves	397,092	247,100	324,000	324,000	461,500	250,000	310,000	395,577	520,000	520,000
Unspendable	-	-	-	-	-	6,138	73,117	109,785	111,771	325,412
Committed	-	-	-	-	-	-	-	2,844,461	3,226,771	4,081,029
Unreserved/ Unassigned	4,598,842	3,714,368	3,820,722	3,444,244	438,127	1,068,201	5,833,564	4,577,133	4,797,908	5,642,613
Total General Fund	<u>4,995,934</u>	<u>3,961,468</u>	<u>4,144,722</u>	<u>3,768,244</u>	<u>899,627</u>	<u>1,324,339</u>	<u>6,216,681</u>	<u>7,926,956</u>	<u>8,656,450</u>	<u>10,569,054</u>
Restricted Fund (Reflected 2011 - 2019 Project Restrictieons for Comparison to Restricted Fund)										
Unspendable	-	-	-	-	-	-	-	215,146	6,914	56,841
Open space and trails	1,202,542	1,887,449	2,021,027	1,171,514	-	321,423	1,651,249	1,686,184	1,756,070	2,370,251
Parks	254,728	266,488	166,488	262,728	274,928	490,546	618,457	278,283	201,039	249,640
Transportation	108,778	21,433	23,238	135,224	150,484	245,568	201,784	153,865	153,865	152,922
Willits RETAs	567,114	666,995	713,640	1,130,973	1,204,253	1,240,575	1,902,274	1,566,919	1,720,674	2,010,242
Highway and streets	330,997	330,997	330,997	343,431	447,658	327,513	916,397	755,888	551,400	483,986
Traffic enforcement	112,672	-	-	-	-	-	-	-	-	-
Other Projects	114,781	275,932	(1,425,547)	(1,109,540)	371,935	1,299,889	865,691	1,645,326	1,636,008	2,178,726
Total Restricted Fund	<u>2,691,612</u>	<u>3,449,294</u>	<u>1,829,843</u>	<u>1,934,330</u>	<u>2,449,258</u>	<u>3,925,514</u>	<u>6,155,852</u>	<u>6,301,611</u>	<u>6,025,970</u>	<u>7,502,608</u>
Riverside BC HOA Fund (Fund Started for 2020)										
Committed	-	-	-	-	-	-	-	4,491	7,465	12,630
Total Riverside BC HOA Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,491</u>	<u>7,465</u>	<u>12,630</u>
Debt Service Fund										
Restricted for Debt service payments	2,471,956	1,428,914	60,121	(3,424)	6,941	23,633	28,713	65,994	73,785	61,658
Total Debt Service Fund	<u>2,471,956</u>	<u>1,428,914</u>	<u>60,121</u>	<u>(3,424)</u>	<u>6,941</u>	<u>23,633</u>	<u>28,713</u>	<u>65,994</u>	<u>73,785</u>	<u>61,658</u>
Capital Construction Fund										
Restricted for Debt service payments	-	-	-	-	-	-	-	-	(16,980)	16,427,150
Committed										851,333
Total Capital Construction Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(16,980)</u>	<u>17,278,483</u>
All other Governmental Funds										
Restricted for Parks and recreation	85,370	103,930	122,449	144,337	163,989	183,902	208,112	229,595	254,591	271,217
Total All other Governmental Funds	<u>85,370</u>	<u>103,930</u>	<u>122,449</u>	<u>144,337</u>	<u>163,989</u>	<u>183,902</u>	<u>208,112</u>	<u>229,595</u>	<u>254,591</u>	<u>271,217</u>
Total Governmental Funds										
Restricted	5,646,030	5,229,238	2,336,413	2,399,243	3,081,688	4,383,049	6,702,677	6,777,631	6,867,432	24,725,792
Committed/Unspendable	-	-	-	-	-	6,138	73,117	3,173,883	3,352,921	5,327,245
Unassigned	4,598,842	3,714,368	3,820,722	3,444,244	438,127	1,068,201	5,833,564	4,577,133	4,780,928	5,642,613
Total Governmental Fund Balance	<u>10,244,872</u>	<u>8,943,606</u>	<u>6,157,135</u>	<u>5,843,487</u>	<u>3,519,815</u>	<u>5,457,388</u>	<u>12,609,358</u>	<u>14,528,647</u>	<u>15,001,281</u>	<u>35,695,650</u>

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

SOURCE: 2017 - 2022 audited financial statements for the Town of Basalt.

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

	2013	2014	2015	2016	2017 (NOTE A)	2018	2019	2020	2021	2022
Governmental Funds										
Revenues by Source										
Taxes	\$ 5,939,485	\$ 6,210,799	\$ 6,569,424	\$ 7,311,531	\$ 8,178,299	\$ 8,873,590	\$ 9,701,995	\$ 11,098,936	\$ 12,676,896	\$ 15,222,786
Licenses and permits	630,175	895,861	493,146	1,670,294	918,045	2,557,021	1,864,921	2,092,484	2,749,720	1,049,224
Intergovernmental revenues	252,187	248,582	252,631	282,115	4,912,721	306,700	1,836,167	616,156	328,784	2,361,645
Charges for Services	251,590	130,071	98,337	250,170	546,430	351,124	354,316	200,125	320,232	716,760
Fines & forfeitures	38,311	80,696	72,817	48,610	27,367	53,946	22,173	21,717	31,139	29,866
Investment income							261,466	67,727	7,073	591,206
Donations and contributions							375	1,000	2,239	1,250
Miscellaneous revenue	128,739	61,704	83,745	107,214	175,204	239,461	127,420	78,128	83,930	178,340
Total revenues	7,240,487	7,627,713	7,570,100	9,669,934	14,758,066	12,381,842	14,168,833	14,176,273	16,200,013	20,151,077
Expenditures by Function										
General government	2,736,883	2,912,037	5,363,659	3,057,908	3,596,204	2,591,618	3,256,709	4,434,998	4,037,772	3,864,507
Public Safety	1,330,287	1,782,516	1,985,952	1,914,639	2,306,109	2,086,530	2,121,334	2,161,786	2,105,465	2,300,587
Culture and recreation	836,798	942,847	808,732	772,061	752,753	671,112	740,186	702,804	367,155	1,090,544
Public works	1,469,874	4,023,144	1,403,356	1,186,992	1,076,748	936,024	2,122,629	864,880	741,490	880,019
Affordable housing (NOTE B)	-	-	-	-	182,502	211,324	519,726	225,925	249,826	214,052
Health and welfare	-	-	-	-	-	12,503	24,944	30,762	350,189	741,205
Capital outlay	31,388	555,582	888,265	2,159,802	8,348,287	1,414,911	1,524,570	2,886,015	9,124,463	7,678,949
Debt Service payments (NOTE C)										
Debt Service principal	231,969	564,393	676,053	939,196	808,418	818,000	885,909	1,095,175	1,130,709	1,299,285
Debt service interest	44,185	107,504	128,772	178,894	153,984	98,036	116,365	61,094	39,178	397,487
Debt issuance cost										351,153
Lease principal payments										91,677
Lease interest payments										6,466
Debt service fees	-	-	-	-	-	20,057	21,500	20,550	19,899	
Total expenditures	6,681,384	10,888,023	11,254,789	10,209,492	17,225,005	8,860,115	11,333,872	12,483,989	18,166,145	18,915,931
Excess (deficiency) of revenues over expenditures	559,103	(3,260,310)	(3,684,689)	(539,558)	(2,466,939)	3,521,727	2,834,961	1,692,284	(1,966,132)	1,235,146
Other financing sources (uses)										
Bond/COP Issuance	-	1,888,000	(1,968,793)	-	-	-	2,200,000	-	2,116,000	19,017,000
Underwriter discount	-	(6,891)	-	-	-	-	-	-	-	
Capital lease initiation	-	177,825	-	-	-	-	265,000	-	-	
Sale of Assets	-	-	640,276	-	-	36,601	1,626,100	1,095	156,326	21,313
Capital lease initiation										195,000
Loan proceeds	3,193,386	-	1,500,000	-	3,892,936	-	-	-	-	
TABOR Refund	-	-	-	-	-	(1,848,261)	-	-	-	
Operating Transfers in (out)	171,645	180,227	171,645	225,910	225,910	227,506	225,910	225,910	166,441	225,910
Total other financing sources (uses)	3,365,031	2,239,161	343,128	225,910	4,118,846	(1,584,154)	4,317,010	227,005	2,438,767	19,459,223
Total Change in Fund Balance	3,924,134	(1,021,149)	(3,341,561)	(313,648)	1,651,907	1,937,573	7,151,971	1,919,289	472,635	20,694,369
Ratio of Total debt service expenditures to noncapital expenditures	4%	7%	8%	14%	11%	12%	10%	12%	13%	19%

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

NOTE B: Affordable housing was included in Public works prior to 2017, and not broken out separately.

NOTE C: The Town's beginning general fund balances for the year ended December 31, 2018, were amended to reflect prior period adjustments. Details on the prior period adjustments can be found in Note V. E. in the Notes to the 2018 Financial Statements.

SOURCE: 2017 - 2022 audited financial statements for the Town of Basalt.

Town Of Basalt
Changes in Fund Balances Water Fund
Last Ten Years

	2013	2014	2015	2016	2017 (NOTE A)	2018	2019	2020	2021	2022
Enterprise Funds - Water										
Revenue										
User Charges	584,749	575,891	542,502	660,189	669,309	885,481	912,021	922,512	1,054,402	1,157,018
Other Revenue	22,813	20,773	28,845	20,052	19,204	273,706	19,960	18,359	18,413	16,685
Total Revenues	<u>607,562</u>	<u>596,664</u>	<u>571,347</u>	<u>680,241</u>	<u>688,513</u>	<u>1,159,187</u>	<u>931,981</u>	<u>940,871</u>	<u>1,072,815</u>	<u>1,173,703</u>
Expenses										
Personnel Services	176,367	136,737	181,136	191,480	195,008	171,449	188,103	193,833	200,165	216,782
Contractual services	40,474	58,646	60,528	45,406	69,391	40,294	48,311	78,419	100,535	92,758
Utilities	28,882	25,445	34,462	29,344	29,552	25,291	27,416	30,443	26,266	27,565
Repairs and Maintenance	29,921	4,617	88,667	54,699	21,196	66,289	67,628	54,709	46,366	54,374
Other supplies and expenses	48,261	63,941	71,211	74,974	46,623	52,758	59,658	22,705	35,091	64,228
Depreciation	275,095	262,960	270,630	265,798	267,195	289,007	268,858	276,239	267,795	239,592
Total Expenses	<u>599,000</u>	<u>552,346</u>	<u>706,634</u>	<u>661,701</u>	<u>628,965</u>	<u>645,088</u>	<u>659,974</u>	<u>656,348</u>	<u>676,218</u>	<u>695,299</u>
Net income (loss) from operations	<u>8,562</u>	<u>44,318</u>	<u>(135,287)</u>	<u>18,540</u>	<u>59,548</u>	<u>514,099</u>	<u>272,007</u>	<u>284,523</u>	<u>396,597</u>	<u>478,404</u>
Non-operating revenue (expense)										
Interest revenue	430	386	589	2,183	3,802	7,180	8,241	1,813	48	5,070
Interest expense	(22,517)	(27,784)	(30,251)	(17,989)	(15,087)	(13,601)	(9,296)	(6,831)	(4,266)	(1,599)
Grants/Donation of Assets from Town	-	-	-	-	-	-	5,000	94,666	-	37,660
Total non-operating revenue (expense)	<u>(22,087)</u>	<u>(27,398)</u>	<u>(29,662)</u>	<u>(15,806)</u>	<u>(11,285)</u>	<u>(6,421)</u>	<u>3,945</u>	<u>89,648</u>	<u>(4,218)</u>	<u>41,131</u>
General Fund	(171,645)	(180,227)	(171,645)	(225,910)	(225,910)	(227,506)	(225,910)	(225,910)	(166,441)	(225,910)
Capital Contributions Tap Fees	31,459	21,964	14,034	193,186	18,990	14,768	183,814	26,927	205,189	222,972
Change in Net Position	<u>\$ (153,711)</u>	<u>\$ (141,343)</u>	<u>\$ (322,560)</u>	<u>\$ (29,990)</u>	<u>\$ (158,657)</u>	<u>\$ 294,940</u>	<u>\$ 233,856</u>	<u>\$ 175,188</u>	<u>\$ 431,127</u>	<u>\$ 516,597</u>

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

NOTE B: Affordable housing was included in Public works prior to 2017, and not broken out separately.

NOTE C: The Town's beginning general fund balances for the year ended December 31, 2018, were amended to reflect prior period adjustments. Details on the prior period adjustments can be found in Note V. E. in the Notes to the 2018 Financial Statements.

SOURCE: 2017 - 2022 audited financial statements for the Town of Basalt.

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues:										
Taxes	\$ 5,663,331	\$ 5,928,181	\$ 6,569,424	\$ 6,749,096	\$ 7,262,441	\$ 7,922,736	\$ 8,779,835	\$ 10,125,022	\$ 11,736,028	\$14,273,841
Licenses, permits, & fees	630,175	895,861	493,146	1,670,294	918,045	2,557,021	1,864,921	2,092,484	2,749,720	1,049,224
Intergovernmental	231,471	230,029	234,123	260,268	237,128	286,919	1,812,109	594,707	303,789	2,336,168
Charges for services	251,590	130,071	98,337	250,170	138,967	351,124	354,315	200,125	320,232	716,760
Fines & forfeitures	38,311	80,696	72,817	48,610	27,367	53,946	22,173	21,717	31,139	29,866
Net investment income										310,916
Donations and contributions										1,250
Miscellaneous	108,929	55,094	83,734	107,160	150,137	237,397	387,828	146,810	93,233	140,643
Total Revenues	6,923,807	7,319,932	7,551,581	9,085,598	8,734,085	11,409,143	13,221,181	13,180,865	15,234,141	18,858,668
Expenditures:										
General government	2,472,536	2,866,239	5,363,659	3,048,490	2,983,427	2,565,678	3,275,993	4,389,099	4,268,871	3,835,172
Public safety	1,330,287	1,782,516	1,985,952	1,914,639	2,302,419	2,065,646	2,121,330	2,139,413	2,226,971	2,300,587
Public works	733,915	1,122,417	1,403,356	1,188,992	1,018,637	926,655	2,122,630	855,929	783,541	880,019
Culture and recreation	836,798	942,847	808,732	772,061	698,310	664,395	740,187	695,531	388,343	1,097,372
Affordable Housing (NOTE A)	-	-	-	-	149,120	209,209	519,728	223,587	263,843	211,606
Health & welfare (NOTE B)	-	-	-	-	-	12,378	24,945	30,444	350,189	734,377
Debt service payments	-	405,050	249,735	499,515	-	-	105,409	240,175	256,709	864,464
Capital Outlay	31,388	555,582	888,265	2,159,802	4,479,592	1,480,061	1,505,289	2,973,167	8,677,613	5,749,786
Total Expenditures	5,404,924	7,674,651	10,699,699	9,583,499	11,631,505	7,924,022	10,415,511	11,547,345	17,216,080	15,673,383
Excess (Deficiency) of Revenues										
Over Expenditures	1,518,883	(354,719)	(3,148,118)	(497,901)	(2,897,420)	3,485,121	2,805,670	1,633,520	(1,981,939)	3,185,285
Other Financing Sources (Uses):										
Proceeds from sale of assets	-	-	-	-	24,975	36,602	1,626,100	1,095	156,326	21,313
Loan proceeds/lines of credit and trade-ins	-	177,825	1,540,276	-	3,892,937	-	2,465,000	-	2,116,000	1,532,000
Transfers in	171,645	180,227	171,645	225,910	633,374	227,506	225,910	225,910	166,441	(1,344,191)
Total Other Financing Sources (Uses)	171,645	358,052	1,711,921	225,910	4,551,286	264,108	4,317,010	227,005	2,438,767	209,122
Net Change in Fund Balances	1,690,528	3,333	(1,436,197)	(271,991)	1,653,866	3,749,229	7,122,680	1,860,525	456,828	3,394,407
Fund Balances - Beginning	5,997,018	7,687,546	7,410,762	5,974,565	5,702,574	3,348,885	5,249,853	12,372,533	14,233,058	14,689,886
TABOR refund (special item)	-	-	-	-	-	(1,848,261)	-	-	-	-
Residual transfer/Restatements	-	(280,117)	-	-	(4,007,555)	-	-	-	-	-
Fund Balances - Ending	\$ 7,687,546	\$ 7,410,762	\$ 5,974,565	\$ 5,702,574	\$ 3,348,885	\$ 5,249,853	\$ 12,372,533	\$ 14,233,058	\$ 14,689,886	\$ 18,084,293

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

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

SOURCE: Town of Basalt Audited Financial Statements.

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

	2013	2014	2015	2016	2017 (NOTE A)	2018	2019	2020	2021	2022
Revenues:										
User charges	\$ 584,749	\$ 575,891	\$ 542,502	\$ 660,189	\$ 671,421	\$ 884,542	\$ 912,020	\$ 910,592	\$ 1,054,402	\$1,157,018
Grants	-	-	-	-	-	-	5,000	7,516	-	37,660
Other revenues	22,813	20,773	28,845	20,052	16,692	15,707	19,960	14,996	18,413	16,685
Investment earnings (losses)	430	386	589	2,183	3,802	7,180	8,241	1,813	49	5,070
Total Revenues	<u>607,992</u>	<u>597,050</u>	<u>571,936</u>	<u>682,424</u>	<u>691,915</u>	<u>907,429</u>	<u>945,221</u>	<u>934,917</u>	<u>1,072,864</u>	<u>1,216,433</u>
Expenses:										
Operating:										
Personnel services	176,367	136,737	181,136	191,480	195,008	171,449	188,103	193,833	200,165	216,782
General operations	51,974	67,620	72,933	60,800	76,429	51,182	41,021	51,898	52,185	85,998
Water line expenses	29,819	17,296	67,801	36,545	40,116	45,999	94,247	48,249	79,252	57,278
Water rights & utilities for source of water	10,036	12,165	10,081	40,272	23,213	36,674	30,808	32,350	34,639	36,323
Water treatment expenses	39,860	24,027	58,843	63,238	27,004	50,777	36,938	53,779	42,182	59,324
Capital expenses:										
Property, plant, and equipment	29,813	147,107	111,209	120,043	-	370,445	78,454	207,202	935,394	356,642
Debt service:										
Debt service	70,300	98,771	93,388	83,562	83,562	71,848	69,897	69,880	69,863	69,847
Total Expenses	<u>408,169</u>	<u>503,723</u>	<u>595,391</u>	<u>595,940</u>	<u>445,332</u>	<u>798,374</u>	<u>539,468</u>	<u>657,191</u>	<u>1,413,680</u>	<u>882,194</u>
Income (Loss) Before Contributions and Transfers	<u>199,823</u>	<u>93,327</u>	<u>(23,455)</u>	<u>86,484</u>	<u>246,583</u>	<u>109,055</u>	<u>405,753</u>	<u>277,726</u>	<u>(340,816)</u>	<u>334,239</u>
Capital contributions	31,459	21,964	14,034	193,186	19,390	273,706	183,814	129,361	205,189	222,972
Other per audit	(15,848)	(31,542)	(45,210)	(3,568)	(12,246)	-	-	-	-	-
Transfers (net)	(171,645)	(180,227)	(171,645)	(225,910)	(225,910)	(227,506)	(225,910)	(225,910)	(166,441)	(225,910)
Change in Net Position - Budget Basis	<u>43,789</u>	<u>(96,478)</u>	<u>(226,276)</u>	<u>50,192</u>	<u>27,817</u>	<u>155,255</u>	<u>363,657</u>	<u>181,177</u>	<u>(302,068)</u>	<u>331,301</u>
Reconciliation to GAAP Basis:										
Debt principal payments	47,783	70,987	63,137	65,573	-	58,247	60,602	63,048	65,596	68,246
Capitalized expenses	29,813	147,107	111,209	120,043	-	370,445	78,454	207,202	935,394	356,642
Depreciation	(275,095)	(262,960)	(270,630)	(265,798)	(267,195)	(289,007)	(268,858)	(276,239)	(267,795)	-239,592
Change in Net Position - GAAP Basis	<u>(153,710)</u>	<u>(141,344)</u>	<u>(322,560)</u>	<u>(29,990)</u>	<u>(239,378)</u>	<u>294,940</u>	<u>233,855</u>	<u>175,188</u>	<u>431,127</u>	<u>516,597</u>
Net Position - Beginning	<u>4,814,839</u>	<u>4,661,129</u>	<u>4,519,785</u>	<u>4,197,225</u>	<u>4,167,235</u>	<u>3,927,857</u>	<u>4,222,797</u>	<u>4,456,652</u>	<u>4,631,840</u>	<u>5,062,967</u>
Net Position - Ending	<u>\$ 4,661,129</u>	<u>\$ 4,519,785</u>	<u>\$ 4,197,225</u>	<u>\$ 4,167,235</u>	<u>\$ 3,927,857</u>	<u>\$ 4,222,797</u>	<u>\$ 4,456,652</u>	<u>\$ 4,631,840</u>	<u>\$ 5,062,967</u>	<u>\$5,579,564</u>

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

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

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

Town of Basalt, Colorado
Assessed Value and Actual Value of Taxable Property
Last Ten Years

Fiscal Year Ended December 31 (NOTE A)	Valuation Base Year (NOTE B)	Residential Property Assessment Rate (NOTE C)	Residential Property	Commercial/ Industrial Property	Vacant Land	Agricultural	State Assessed	Other Property	Tax-exempt Property	Assessed Value (Excludes Tax- exempt)	Estimated Actual Value	Taxable Assessed Value as a Percentage of Estimated Actual Taxable Value	Total Direct Tax Rate
2013	2012	7.96%	61,782,250	64,328,130	6,198,720	113,390	1,684,080	745,950	14,338,261	134,852,520	\$ 1,028,004,644	13.12%	7.560
2014	2012	7.96%	62,197,330	66,818,810	5,383,450	113,390	1,771,530	-	19,713,900	136,284,510	\$ 1,106,676,890	12.31%	9.881
2015	2014	7.96%	72,899,025	70,669,065	5,831,035	118,865	1,658,740	1,823,990	20,065,329	153,000,720	\$ 1,244,044,067	12.30%	9.158
2016	2014	7.96%	79,138,270	70,567,820	5,965,380	105,820	1,839,290	-	20,994,530	157,616,580	\$ 1,341,841,550	11.75%	11.591
2017	2016	7.20%	84,015,800	77,010,000	5,463,350	124,340	1,633,400	680,920	23,167,430	168,927,810	\$ 1,460,083,490	11.57%	11.588
2018	2016	7.20%	85,023,040	77,440,710	5,919,370	124,310	1,350,450	-	23,231,970	169,857,880	\$ 1,567,398,220	10.84%	11.563
2019	2018	7.15%	93,855,510	86,432,930	10,333,120	99,440	1,425,810	-	27,509,400	192,146,810	\$ 1,767,734,020	10.87%	11.052
2020	2018	7.15%	97,871,470	85,993,700	5,662,490	99,500	1,093,440	-	28,591,310	190,720,600	\$ 1,684,296,380	11.32%	10.891
2021	2020	7.15%	114,815,420	90,705,830	7,705,240	74,360	1,136,950	-	31,313,070	214,437,800	\$ 2,080,077,800	10.31%	10.391
2022	2020	7.15%	116,798,250	92,525,240	9,170,940	102,300	2,383,400	-	32,724,510	220,980,130	\$ 2,148,945,370	10.28%	10.291

NOTE A: Property taxes levied on the valuation for the year indicated are collected in the following year.

NOTE B: Actual value is reappraised biennially from sales that occurred in the 24 month period ending June 30 of the indicated valuation base year.

NOTE C: Residential property is assessed based on the actual value as indicated. All other property is assessed at 29% of actual value, except oil and gas production, which is assessed at 87.5%.

For more information, visit <https://cdola.colorado.gov/residential-assessment-rate>

SOURCE: Basalt Audited Financial Statements and Eagle/Pitkin Counties.

Town of Basalt, Colorado
Direct and Overlapping Property Tax Rates
Last Ten Years
(rate per \$1,000 of assessed value)

Tax Year	General Fund	Bond Mill Levy	Refund / Abatements	Total Direct Tax Rate
2013	5.464	2.096	-	7.560
2014	5.761	4.120	-	9.881
2015	5.480	3.678	-	9.158
2016	5.810	5.781	-	11.591
2017	5.792	5.796	-	11.588
2018	5.957	5.593	0.013	11.563
2019	5.957	4.885	0.210	11.052
2020	5.957	4.906	0.028	10.891
2021	5.957	4.430	0.004	10.391
2022	5.957	4.299	0.035	10.291

Overlapping Rates

Tax Year	Eagle County	Colorado Mountain College	RE-1 School District	Basalt & Rural Fire	Basalt Regional Library	Basalt Sanitation	Basalt Water Cons Distr.	Colo. River Water Cons.	Crown Mountain Park	Roaring Fork Transit Authority	Pitkin County	Basalt Fire Protection	Aspen Valley Hospital
2013	8.499	3.997	42.445	8.981	5.000	3.041	0.044	0.254	2.494	-	7.511	8.745	2.606
2014	8.499	3.997	42.149	8.962	5.000	2.998	0.044	0.253	2.458	-	7.511	8.745	2.606
2015	8.499	3.997	46.300	9.102	5.000	3.125	0.039	0.243	2.283	-	7.511	8.745	2.606
2016	8.499	3.997	45.245	8.892	5.938	2.770	0.039	0.253	2.256	-	7.511	8.745	2.606
2017	8.499	3.997	44.038	8.852	5.910	2.767	0.039	0.254	2.212	-	7.511	8.745	2.606
2018	8.499	3.997	44.041	8.848	5.890	2.669	0.039	0.256	4.126	2.249	7.511	8.745	2.606
2019	8.499	4.013	42.903	8.981	5.882	2.598	0.036	0.235	4.011	2.650	7.511	8.745	2.606
2020	8.499	4.013	42.030	8.781	5.942	2.434	0.037	0.502	4.032	2.650	7.657	9.115	2.297
2021	8.499	4.013	46.462	8.800	5.363	2.453	0.035	0.501	3.969	2.650	7.534	8.822	2.350
2022	8.499	4.085	47.400	8.834	5.352	1.080	0.035	0.501	3.020	2.650	7.710	8.834	2.334

SOURCE: Pitkin County & Eagle County website, Levy Matrix.

TOWN OF BASALT
Property Tax Levies and Collections
Last Ten Years

Fiscal Year Ended 12/31	Collected within the Fiscal Year following the Levy			Collections in Subsequent Years	Total Collections to Date	
	Taxes Levied for the Fiscal Year	Amount Collected	Percentage of Levy		Amount	Percentage of Levy
2012	969,972	969,753	99.98%	-	969,753	99.98%
2013	1,019,460	1,018,535	99.91%	2	1,018,537	99.91%
2014	1,344,380	1,323,152	98.42%	11,404	1,334,556	99.27%
2015	1,400,982	1,399,316	99.88%	-	1,399,316	99.88%
2016	1,832,973	1,653,296	90.20%	475	1,653,771	90.22%
2017	1,931,020	1,901,051	98.45%	1,109	1,902,160	98.51%
2018	1,963,720	1,904,980	97.01%	714	1,905,694	97.05%
2019	2,123,603	2,111,888	99.45%	810	2,112,698	99.49%
2020	2,077,135	2,076,793	99.98%	-	2,076,793	99.98%
2021	2,228,221	2,224,987	99.85%		2,224,987	99.85%

**Town of Basalt, Colorado
Principal Property Taxpayers
Current Year and Ten Years Ago**

EAGLE COUNTY

Taxpayer	2022			2013		
	Assessed Value	Rank	% of Total Town Assessed Value	Assessed Value	Rank	% of Total Town Assessed Value
TKG WILLITS TOWN CENTER LLC	5,255,660	1	2.38%	\$ 1,092,210	\$ 6	0.81%
BASALT MEDICAL PROPERTIES LLC	4,749,820	2	2.15%			
ASPEN SKIING COMPANY LLC	4,212,680	3	1.91%			
WILLITS BLOCK 12 LLC	4,053,290	4	1.83%			
GKT WILLITS TWO PG4 LLC - ETAL	3,413,650	5	1.54%			
TKG-STORAGEMART PTNRS PORTF. LLC	2,786,950	6	1.26%	1,623,020	4	1.20%
DILLON REAL ESTATE CO INC	2,593,510	7	1.17%	1,874,980	2	1.39%
BASALT TRADE ASSOCIATES LLC	1,786,880	8	0.81%			
VALLEY VIEW HOSPITAL ASSOCIATION	1,755,280	9	0.79%			
VIRTU LA COSTA ASSOCIATES LP	1,291,790	10	0.58%			
KEELTY DEV LLC				843,270	10	0.63%
WILLITS TOWN CENTER LLC				4,194,330	1	3.11%
RIVERSIDE PLAZA LOT A				1,849,670	3	1.37%
KNAPP, MICHAEL P., SR - IDEVCO INC				1,198,190	5	0.89%
QUEST				1,043,100	8	0.77%
STUTSMAN TRI-ALLIANCE LTD				1,068,140	7	0.79%
WHOLE FOODS MARKET ROCKY MTN SW				913,100	9	0.68%

SOURCE: Eagle County and Pitkin County Assessor's Office.

**Town of Basalt, Colorado
Principal Property Taxpayers
Current Year and Ten Years Ago**

PITKIN COUNTY

Taxpayer	2022			2013		
	Assessed Value	Rank	% of Total Town Assessed Value	Assessed Value	Rank	% of Total Town Assessed Value
ROARING FORK CLUB CABIN OPER.	4,396,590	1	1.99%	3,854,160	1	2.86%
NORTHFORK LLC	4,172,520	2	1.89%			
ROARING FOR CLUB LLC	3,425,420	3	1.55%	3,101,840	2	2.30%
MYERS REAL ESTATE HOLDINGS LLC	1,370,080	4	0.62%	919,740	4	0.68%
DD BUILDINGS LLC	854,570	5	0.39%	666,690	8	0.49%
BASALT CENTER LLC	810,000	6	0.37%	802,580	6	0.60%
SOUTH SIDE DRIVE LLC	657,470	7	0.30%	755,800	7	0.56%
DA TRUST	655,020	8	0.30%			
LAAM 525 LLC	607,700	9	0.28%			
RFC TWO EAGLES PARTNERSHIP	540,180	10	0.24%			
ISBERIAN STEPHAN G & HEATHER REV TRUST				471,570	9	0.35%
BASALT MINI STORAGE LLC				1,336,430	3	0.99%
RIVER PARK LLC				897,150	5	0.67%
100 SOUTHSIDE LLC				417,220	10	0.31%

SOURCE: Eagle County and Pitkin County Assessor's Office.

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

Year	1.0% Parks and Open Space Sales Tax Receipts	2.0% General Sales Tax Receipts	Other Sales Tax Receipts	Total Sales Tax Receipts	4% Lodging Tax (NOTE A)	Tobacco Tax (NOTE B) (tax question approved in 2018)	Total Sales, Lodging, & Tobacco Tax Receipts
2013	1,362,415	2,724,830	501,884	4,589,129	28,677	-	4,617,806
2014	1,407,512	2,815,024	590,262	4,812,798	31,619	-	4,844,417
2015	1,548,634	3,097,269	810,026	5,455,929	72,036	-	5,527,965
2016	1,607,309	3,214,617	598,444	5,420,370	115,356	-	5,535,726
2017	1,707,118	3,414,235	803,690	5,925,043	178,982	-	6,104,025
2018	1,795,377	3,590,753	700,295	6,086,425	241,847	175,568	6,503,840
2019	1,992,323	3,984,646	743,300	6,720,269	282,765	29,162	7,032,196
2020	2,296,532	4,593,065	844,860	7,734,458	250,210	553,063	8,537,731
2021	2,649,565	5,299,130	1,117,528	9,066,223	363,649	730,169	10,160,041
2022	2,983,057	5,965,693	1,545,613	10,494,363	466,394	723,506	11,684,263

Source: Town of Basalt Finance Department

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

NOTE B: Tobacco Tax for 2019 was limited to \$29,162 by the Town's TABOR notice provided during the 2018 election. Additional funds collected were refunded through a suspension of the Tobacco Tax.

TOWN OF BASALT
Retail Sales Tax Receipts by Industry - Last Ten Years
2013- 2022

	2019 (NOTE									
	2013	2014	2015	2016	2017	2018	A)	2020	2021	2022
Automotive	\$ 177,244	\$ 178,862	\$ 196,740	\$ 178,433	\$ 174,147	\$ 178,187	\$ 190,843	\$ 190,391	\$ 211,751	\$ 259,331
Lodging	45,352	63,189	61,582	167,000	173,002	163,646	198,318	180,785	249,428	316,188
Restaurant Without Bar	99,395	122,299	121,771	134,195	120,978	136,231	119,856	100,978	125,285	130,736
Restaurant With Bar	324,675	352,575	387,726	397,571	478,120	495,841	495,140	499,133	665,651	723,444
Retail Sales	641,153	643,204	812,344	783,500	946,895	986,545	1,359,204	1,759,911	2,190,926	2,589,896
Sporting Retail	174,225	195,905	216,476	232,332	231,884	218,454	224,792	254,910	321,699	338,103
Finance	7,541	8,692	5,545	5,863	6,529	25,174	33,985	36,552	57,570	67,378
In-Home Sales	2,240	2,282	2,412	1,919	2,991	857	5,299	5,174	6,921	6,680
Retail Liquor	205,495	225,686	236,381	247,515	250,229	256,373	261,574	326,363	329,340	329,428
Telecommunications	102,842	95,332	94,082	89,036	89,059	99,947	93,042	110,232	121,931	132,979
Utilities	176,489	163,381	171,063	158,410	172,049	201,713	196,259	186,227	203,150	247,972
Building	208,413	239,048	276,876	271,799	284,627	361,543	458,204	695,926	1,019,028	1,171,198
Retail Food	1,922,181	1,932,081	2,062,905	2,154,353	2,190,843	2,261,619	2,340,453	2,543,014	2,446,017	2,635,417
TOTAL, Broken out	\$ 4,087,245	\$ 4,222,536	\$ 4,645,903	\$ 4,821,926	\$ 5,121,353	\$ 5,386,130	\$ 5,976,969	\$ 6,889,597	\$ 7,948,695	\$ 8,948,750
Other sales tax	501,884	590,262	810,026	598,444	803,690	700,295	743,300	788,429	1,023,596	1,545,613
Total, All Sales Tax	\$ 4,589,129	\$ 4,812,798	\$ 5,455,929	\$ 5,420,370	\$ 5,925,043	\$ 6,086,425	\$ 6,720,269	\$ 7,678,026	\$ 8,972,291	\$ 10,494,363
% change vs. prior yr.	17.2%	4.9%	13.4%	-0.7%	9.3%	2.7%	10.4%	14.3%	16.9%	17.0%

Source: Town of Basalt Finance Department

GENERAL NOTE: Sales tax rates are 2% for general operating sales tax and 1% for Parks, Open Space & Trails.

NOTE A: The year 2019 increased 10.4% mostly due to a change in State requirements to include online sales in sales tax remittances.

TOWN OF BASALT
Taxable Retail Sales by Industry - Last Ten Years
2012 - 2022

	2013	2014	2015	2016	2017	2018	2019 (NOTE A)	2020	2021	2022
Automotive	\$ 5,908,133	\$ 5,962,067	\$ 6,558,000	\$ 5,947,767	\$ 5,804,900	\$ 5,939,581	\$ 6,361,433	\$ 6,346,368	\$ 7,058,381	\$ 8,644,367
Lodging	1,511,733	2,106,300	2,052,733	5,566,667	5,766,733	5,454,871	6,610,600	6,026,168	8,314,260	10,539,600
Restaurant Without Bar	3,313,167	4,076,633	4,059,033	4,473,167	4,032,600	4,541,021	3,995,200	3,365,949	4,176,156	4,357,867
Restaurant With Bar	10,822,500	11,752,500	12,924,200	13,252,367	15,937,333	16,528,031	16,504,667	16,637,757	22,188,362	24,114,800
Retail Sales	21,371,767	21,440,133	27,078,133	26,116,667	31,563,161	32,884,836	45,306,800	58,663,700	73,030,852	86,329,867
Sporting Retail	5,807,500	6,530,167	7,215,867	7,744,400	7,729,467	7,281,800	7,493,067	8,497,013	10,723,291	11,270,100
Finance	251,367	289,733	184,833	195,433	217,633	839,144	1,132,833	1,218,411	1,918,999	2,245,933
In-Home Sales	74,667	76,067	80,400	63,967	99,700	28,569	176,633	172,479	230,689	222,667
Retail Liquor	6,849,833	7,522,867	7,879,367	8,250,500	8,340,967	8,545,763	8,719,133	10,878,755	10,977,989	10,980,933
Telecommunications	3,428,067	3,177,733	3,136,067	2,967,867	2,968,633	3,331,582	3,101,400	3,674,404	4,064,374	4,432,633
Utilities	5,882,967	5,446,033	5,702,100	5,280,333	5,734,967	6,723,754	6,541,967	6,207,551	6,771,656	8,265,733
Building	6,947,100	7,968,267	9,229,200	9,059,967	9,487,567	12,051,418	15,273,467	23,197,548	33,967,595	39,039,933
Retail Food	64,072,700	64,402,700	68,763,500	71,811,767	73,028,100	75,387,297	78,015,100	84,767,144	81,533,890	87,847,233
TOTAL, Broken out	\$ 136,241,500	\$ 140,751,200	\$ 154,863,433	\$ 160,730,867	\$ 170,711,761	\$ 179,537,668	\$ 199,232,300	\$ 229,653,248	\$ 264,956,495	\$ 298,291,667
% change vs. prior yr.	19.0%	3.3%	10.0%	3.8%	6.2%	5.2%	11.0%	15.3%	15.4%	12.6%

Source: Town of Basalt Finance Department

GENERAL NOTE: This schedule calculates sales by industry using the sales tax remittances collected by the State of Colorado and dividing that by the tax rate of 3%.

This schedule excludes sales tax not collected through the State of Colorado, which is not broken out by industry.

NOTE A: The year 2019 increase compared to 2018 mostly due to a change in State requirements to include online sales in sales tax remittances.

Town of Basalt, Colorado
Ten Largest Industries - Sales Tax Remitters
Current Year and Nine Years Ago

2022	
Industry Name	Amount
Retail Food	\$ 2,635,417
Retail Sales	2,589,896
Building	1,171,198
Restaurants	854,180
Sporting retail	338,103
Retail liquor	329,428
Lodging	316,188
Automotive	259,331
Utilities	247,972
Telecommunications	132,979

2013	
Industry Name	Amount
Retail Food	\$ 1,922,181
Retail Sales	641,153
Restaurants	424,070
Building	208,413
Retail Liquor	205,495
Automotive	177,244
Utilities	176,489
Sporting retail	174,225
Telecommunications	102,842
Lodging	45,352

SOURCE: Town of Basalt Finance Department.

NOTE: GFOA Guidelines suggest to use the top ten businesses for this analysis. However, according to Colorado Revised Statute 39-21-113, it is not allowed to provide sales tax receipts by business. Per C.R.S 39-21-113, "every tax return and all information therein contained"... "are secret and confidential and no information relating thereto can be disclosed". The Town believes that the top ten industries is useful and telling information to the reader of the financial statements, because it provides an economic summary of the Town based upon sales tax collections.

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

Fiscal Year	Willits RETA 1	RFC RETA	Sopris Meadows RETA	RETA 2 Willits (implemented 2018)	Stotts Mill RETA (implemented 2021)	RETA Basalt River Park (implemented 2022)	Total Real Estate Transfer Assessments
2013	7,278	9,065	-	-	-		16,343
2014	148,293	17,000	72,180	-	-		237,473
2015	104,041	11,864	25,614	-	-		141,519
2016	518,933	6,395	84,098	-	-		609,426
2017	207,238	12,015	76,747	-	-		296,000
2018	491,458	520,230	86,020	-	-		1,097,708
2019	505,153	11,700	156,666	81,025	-		754,544
2020	551,244	16,650	226,773	151,861	-		946,528
2021	722,871	27,875	94,250	45,598	77,720		968,314
2022	361,835	30,253	146,750	-	45,170	228,880	812,888

"RETA" is a "real estate transfer assessment" charged as an assessment to certain developments.
SOURCE: Town of Basalt Finance Department

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

	Taxes (NOTE A)	Licenses and Permits	Inter- governmental	Charges for Services (NOTE B)	Fines and Forfeits	Earnings on Investments	Other	Total
2013	5,939,485	630,175	252,187	251,590	38,311	11,060	117,679	7,240,487
2014	6,210,799	895,861	248,582	130,071	80,696	11,220	50,484	7,627,713
2015	7,044,412	493,146	252,631	98,337	72,817	3,721	80,028	8,045,092
2016	7,311,531	1,670,294	282,115	250,170	48,610	46,311	60,903	9,669,934
2017	8,178,299	918,045	256,710	138,967	27,367	96,209	54,021	9,669,618
2018	8,873,590	2,557,021	306,700	351,124	53,946	194,044	45,417	12,381,842
2019	9,701,995	1,864,921	1,836,167	354,316	22,173	261,466	127,795	14,168,833
2020	11,098,936	2,092,484	616,156	200,125	21,717	67,727	79,128	14,176,273
2021	12,676,896	2,749,720	328,784	320,232	31,139	7,073	86,169	16,200,013
2022	14,409,929	2,182,469	2,186,168	334,666	29,865	539,449	489,843	20,172,389

NOTE A: Includes, among other tax revenues, sales taxes, lodging taxes, property taxes, tobacco taxes & franchise fees.

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

SOURCE: Audited financial statements by year.

**Town of Basalt, Colorado
Outstanding Debt by Type
Last Ten Years**

Fiscal Year	Governmental Activities				Business-Type Activities		Total Primary Government	% of Estimated Personal Income	Per Capita
	General Obligation Bonds	Line of Credit (NOTE A)	Capital Leases	Certificates of Participation	Ruedi Loan	CCWR Loan			
2013	5,010,000	-	124,071	-	81,928	526,973	5,742,972	3.1%	1,480
2014	6,373,000	-	131,676	-	60,655	477,258	7,042,589	3.6%	1,805
2015	5,615,000	1,250,265	88,885	-	49,241	425,536	7,428,927	3.7%	1,905
2016	4,833,000	1,047,433	45,002	-	37,479	371,725	6,334,639	2.4%	1,611
2017	4,033,000	4,940,371	-	-	12,869	315,739	9,301,979	3.0%	2,226
2018	3,215,000	3,150,000	-	-	-	257,492	6,622,492	2.0%	1,590
2019	2,384,000	-	210,091	2,200,000	-	196,891	4,990,982	1.3%	1,131
2020	1,529,000	-	159,916	2,010,000	-	133,843	3,832,759	1.1%	920
2021	655,000	-	108,207	3,921,000	-	68,246	4,752,453	1.3%	1,139
2022	17,710,000	-	211,530	4,636,000	-	-	22,557,530	5.7%	5,299

SOURCES: Source of debt is the Finance Department of Basalt. Source of personal income is apps.bea.gov/itable/itable.cfm?reqID=70&step=1. Personal income was derived from the State of Colorado data for 2010 - 2015. No historical data was provided on this site. 2016 - 2019 uses Eagle County's data. Source of population is worldpopulationreview.com/us-cities/basalt-co-population. Estimated personal income calculated at population * average pers. income.

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

Town of Basalt, Colorado
Ratios of Bonded Debt Outstanding
Last Ten Years

Fiscal Year	General Obligation Bonds	Certificates of Participation	Capital Lease	Percentage of Actual Value of Taxable Property	Net General Bonded Debt Per Capita
2013	5,010,000	-	124,071	0.50%	1,323
2014	6,373,000	-	131,676	0.59%	1,667
2015	5,615,000	-	88,885	0.46%	1,463
2016	4,833,000	-	45,002	0.36%	1,240
2017	4,033,000	-	-	0.28%	965
2018	3,215,000	-	-	0.21%	772
2019	2,384,000	2,200,000	210,091	0.27%	1,087
2020	1,529,000	2,010,000	159,916	0.22%	888
2021	655,000	3,921,000	108,207	0.24%	1,123
2022	17,710,000	4,636,000	211,530	1.05%	5,299

Source: Town of Basalt Finance Department

Town of Basalt, Colorado
Direct and Overlapping Governmental Activities Debt
As of December 31, 2022
(in thousands)

<u>Overlapping Debt</u>	<u>Total General Obligation Debt Outstanding</u>	<u>Estimated Percentage Applicable (NOTE A)</u>	<u>Estimated Share of Overlapping Debt</u>	<u>Assessed Valuation</u>
Roaring Fork School District (June 30)	\$ 152,545	17.4%	\$ 26,558	1,269,258,910
Eagle County (Dec. 31)	244,411	4.0%	9,744	3,825,220,130
Pitkin County (Dec. 31)	56,229	2.0%	1,124	3,426,495,000
Total Overlapping Debt	<u>\$ 453,185</u>		<u>37,426</u>	
Town of Basalt Direct Debt			22,558	
Total Direct and Overlapping Debt			<u>\$ 59,984</u>	

SOURCE: Assessed value data used to estimate applicable percentages provided by the County Assessors. Debt outstanding provided by each governmental unit.

NOTE A: Debt repaid with property taxes and the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the Town's boundaries and dividing it by each unit's total taxable assessed value.

Town of Basalt, Colorado
Legal Debt Margin Information
Last Ten Years
(in thousands)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Debt Limit (3% of Actual Value)	\$ 30,840	\$ 33,200	\$ 37,321	\$ 40,255	\$ 43,803	\$ 47,022	\$ 53,032	\$ 50,529	\$ 58,422	64,468
Total net debt applicable to limit	5,010	6,373	5,615	4,833	4,033	3,215	2,384	1,529	655	17,710
Legal Debt Margin	<u>\$ 25,830</u>	<u>\$ 26,827</u>	<u>\$ 31,706</u>	<u>\$ 35,422</u>	<u>\$ 39,770</u>	<u>\$ 43,807</u>	<u>\$ 50,648</u>	<u>\$ 49,000</u>	<u>\$ 57,767</u>	<u>46,758</u>
Total net debt applicable to limit as a percentage of debt limit	19.4%	23.8%	17.7%	13.6%	10.1%	7.3%	4.7%	3.1%	1.1%	37.876%

Legal Debt Margin Calculation for Current Fiscal Year

Actual value (NOTE A)	\$ 1,947,409	2,148,945
Debt limit (3% of actual value)	58,422	64,468
Debt applicable to limit:		
General Obligation Bonds (No other debt applies to limit)	655	17,710
Legal debt margin	<u>\$ 57,767</u>	<u>46,758</u>

SOURCE: Pitkin/Eagle County Assessors.

NOTE A: Per Colorado Revised Statute 31-15-302, "The total amount of indebtedness for all such purposes shall not at any time exceed three percent of the actual value."

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

Year	General Obligation Governmental Activities						Business-Type Activities			Total
	Debt			Certificates of Participation			Debt			
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	
2023	605,000	328,349	933,349	1,067,000	89,992	1,156,992	-	-	-	2,090,341
2024	615,000	316,386	931,386	1,089,000	69,346	1,158,346	-	-	-	2,089,732
2025	620,000	309,929	929,929	1,105,000	48,248	1,153,248	-	-	-	2,083,177
2026	630,000	302,489	932,489	660,000	26,835	686,835	-	-	-	1,619,324
2027	640,000	293,984	933,984	230,000	15,945	245,945	-	-	-	1,179,929
2028	650,000	284,704	934,704	240,000	10,816	250,816	-	-	-	1,185,520
2029	660,000	274,629	934,629	245,000	5,464	250,464	-	-	-	1,185,093
2030	670,000	263,739	933,739							933,739
2031	680,000	252,349	932,349							932,349
2032	690,000	240,449	930,449							930,449
2033	705,000	227,684	932,684							932,684
2034	720,000	213,936	933,936							933,936
2035	730,000	199,176	929,176							929,176
2036	745,000	184,156	929,156							929,156
2037	760,000	169,256	929,256							929,256
2038	780,000	154,056	934,056							934,056
2039	795,000	138,456	933,456							933,456
2040	810,000	122,556	932,556							932,556
2041	825,000	106,356	931,356							931,356
2042	840,000	89,856	929,856							929,856
2043	860,000	73,056	933,056							933,056
2044	875,000	55,856	930,856							930,856
2045	895,000	38,356	933,356							933,356
2046	910,000	19,338	929,338							929,338
Total	\$ 17,710,000	\$ 4,659,101	\$ 22,369,101	\$ 4,636,000	\$ 266,646	\$ 4,902,646	\$ -	\$ -	\$ -	\$ 27,271,747

Assumes no optional redemptions prior to maturity.

SOURCE: Town of Basalt finance department.

Town of Basalt, Colorado
Demographic and Economic Statistics
Last Ten Years

Fiscal Year	Population (NOTE A)	Estimated Personal Income (<i>in thousands</i>)	Per Capita Personal Income (NOTE B)	Unemployment (NOTE C)
2013	3,880	183,512	47,297	6.1%
2014	3,902	197,737	50,676	4.2%
2015	3,900	203,402	52,154	3.2%
2016	3,933	267,338	67,973	2.8%
2017	4,179	305,543	73,114	2.3%
2018	4,166	325,581	78,152	2.6%
2019	4,412	369,739	83,803	2.2%
2020	4,167	353,216	84,765	9.5%
2021	4,172	366,602	87,872	4.4%
2022	4,257	398,012	93,496	1.0%

NOTE A: Source of population is worldpopulationreview.com/us-cities/basalt-co-population.

NOTE B: Eagle County Per Capita Income figures per U.S. Department of Commerce, Bureau of Economic Analysis (<http://www.bea.gov/data/income-saving>). Personal income rates were used for the State of Colorado for 2010 - 2015. No historical data was provided on this site. 2016 - 2019 uses Eagle County's data. 2022 data add 6.4% increase from 2021

NOTE C: Real Estate Center, Texas A&M University (<http://recenter.tamu.edu/data/employment>) 2013-2021
The unemployment rate of Eagle County was used to estimate the Town's rate.

**Town of Basalt, Colorado
Principal Employers
2021 and 2012 ***

PITKIN COUNTY:

Employer	2021 Employees (NOTE B)	Rank	Percentage of Total County Employment	2012 Estimated Employees (NOTE B)	Rank	Percentage of Total County Employment
Aspen Skiing Company	3,873	1	31.48%	3,800	1	35.28%
Aspen Valley Hospital	522	2	4.24%	292	6	2.71%
Roaring Fork Transit	384	4	3.12%	295	5	2.74%
Aspen School District	350	6	2.84%	241	8	2.24%
Pitkin County	368	5	2.99%	255	7	2.37%
City of Aspen	456	3	3.71%	313	3	2.91%
Hotel Jerome	220	8	1.79%			
Westin Snowmass Wildwood Resort Hotel				300	4	2.78%
Viceroy Snowmass Resort	186	9	1.51%	223	9	2.07%
St. Regis Aspen	290	7	2.36%	325	2	3.02%
Silvertree Hotel						0.00%
Ritz Carlton	174	10	1.41%	142	10	1.32%
TOTAL	6,823		55.45%	6,186		57.43%
TOTAL PITKIN COUNTY LABOR FORCE	12,305			10,772		

EAGLE COUNTY

Employer	2021 Number of Employees Range (NOTE A)	Rank	2012 Estimated Employees (NOTE B)	Rank	Percentage of Total County Employment
Vail Resorts, Inc.	>1,500	1	5,427	1	18.5%
Eagle County School Dist. RE-50J	500 - 1000	2	800	2	2.7%
Vail Health (Previously Vail Valley Medical Center)	500 - 1000	3	734	3	2.5%
Eagle County Government	400 - 500	4	429	5	1.5%
Grand Hyatt Vail (formerly Vail Cascade)	400 - 500	5	465	4	1.6%
Sonnenalp Resort	400 - 500	6	332	8	1.1%
Ritz-Carlton-Bachelor Gulch	300 - 400	7	400	6	1.4%
Wal-Mart Stores	300 - 400	8	243	10	0.8%
Town of Vail	200 - 300	9	313	9	1.1%
Vail Marriot	200 - 300	10	350	7	1.2%
Park Hyatt Beaver Creek Resort & Spa			350	7	1.2%
TOTAL	N/A		9,843		33.5%
TOTAL EAGLE COUNTY LABOR FORCE	36,266		29,377		

SOURCE: Pitkin County and Eagle County Comprehensive Annual Financial Reports for 2021. The data is not available for the Town of Basalt specifically. 2020 Source: Vail Valley Economic Development website.

NOTE A: Due to employer confidentiality, Eagle County reports the estimated number of employees as a range going forward.

NOTE B: The number of employees can vary based on season in this general ski resort area. As such, the largest number of employees at any point in the year has been presented for each employer.

* Most current information available

Town of Basalt, Colorado
Full-time Equivalent Town Government Employees by Program
Last Ten Years

Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General government	4	4	4	5	5	5	5	5	5	5
Public Safety	13	13	13	13	13	13	13	13	13	13
Public Works	10	10	10	10	10	10	10	10	10	10
Building & Planning	4	4	4	4	4	4	4	5	6	6
Recreation	1	1	1	1	1	1	1	1	1	1
Water	2	2	2	2	2	2	2	2	2	2
Total:	34	34	34	35	35	35	35	36	37	37

Source: Town Finance Department

NOTE: The above analysis excludes 10 seasonal pool employees that work varying schedules from the end of May through Labor Day.

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
General Government										
Building permits issued										
Multi Family Units	10	8	17	131	14	2	2	3	59	34
Single Family Units	10	2	2	1	7	21	17	16	8	8
Commercial Buildings	3	2	7	1	7	3	2	3	4	5
Police										
Number of calls (NOTE A)	9,063	10,415	9,745	12,416	11,859	9,659	7,830	8,384	7,196	6,365
Traffic Citations:										
Penalty Assessments	552	954	758	608	332	209	177	234	394	285
Parking	519	261	111	101	124	135	171	130	189	175
Summons	122	93	94	30	54	47	57	69	99	161
Total Traffing Citations	1193	1308	963	739	510	391	405	433	682	621
Traffic Accidents	203	119	144	133	196	194	186	151	142	178
Public Works (Started tracking in 2018)										
Square Foot of Street						2,973,641	2,973,641	3,025,913	3,104,573	3,160,322
Estimated Maintenance Cost/Sq. Ft.						\$0.46	\$0.56	\$0.40	\$0.53	\$0.66
Utility										
New taps issued (Started tracking in 2019)							39	12	51	48

Source: Town of Basalt departmental data.

NOTE A: The number of calls show a decrease due to a change in the reporting of officer initiated activity. Prior to 2018, that activity was called in to dispatch, but now the officer initiated calls do not go through dispatch.

Town of Basalt, Colorado
Capital Asset Statistics by Program
Last Ten Years

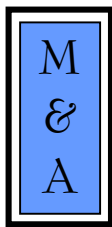
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Parks										
Developed acres	540.0	542.0	543.8	545.0	548.3	550.0	550.7	550.7	554.1	556.3
Undeveloped acres	51.0	49.0	47.2	46.0	42.7	40.9	40.1	39.2	35.7	33.5
Parks & Open Space Acreage	178.0	178.0	178.0	178.0	178.0	178.0	178.0	179.2	179.2	178.3
Paved trails (linear miles)	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Unpaved trails (linear miles)	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.1	2.1
Nordic trails (linear miles)	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Licensed vehicles	12	12	12	12	12	12	12	12	12	12
Public Services										
Streets (lane miles)	41.50	41.50	41.50	41.50	41.50	41.50	41.50	41.72	41.72	43.18
Street lights	175	182	182	187	187	187	187	189	214	236
Sq. ft. of buildings maintained	35,043	44,791	46,241	46,241	46,241	46,241	48,042	49,843	54,966	58,986
Utility										
Water Sources (NOTE A)	6	6	6	6	6	6	6	6	6	6
Water storage tanks	6	6	6	6	6	6	6	6	6	6

Source: Town of Basalt departmental data.

NOTE A: Includes two springs that include spring boxes and a filter plant, and one water source shared with the Roaring Fork School District.

SINGLE AUDIT REPORTS AND SCHEDULES





McMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENTAL AUDITING STANDARDS

**To the Members of Town Council
Town of Basalt
Basalt, Colorado**

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Basalt (the "Town") as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated June 29, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit on the financial statements, we considered the Town's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Town's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Member: American Institute of Certified Public Accountants

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**INDEPENDENT AUDITOR'S REPORT
To the Members of Town Council
Town of Basalt**

Compliance and Other Matters

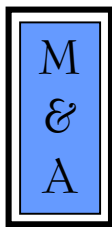
As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

McMahan and Associates, L.L.C.

**McMahan and Associates, L.L.C.
June 29, 2023**



McMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

**To the Members of Town Council
Town of Basalt
Basalt, Colorado**

Opinion on Each Major Federal Program

We have audited the Town of Basalt's (the "Town") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Town's major federal programs for the year ended December 31, 2022. The Town's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements of Title 2, U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Town's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Town's federal programs.

Member: American Institute of Certified Public Accountants

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**INDEPENDENT AUDITOR'S REPORT
To the Members of Town Council
Town of Basalt**

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with U.S. GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Town's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Town's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

INDEPENDENT AUDITOR's REPORT
To the Members of Town Council
Town of Basalt

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
June 29, 2023

Town of Basalt, Colorado
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2022

Part I – Summary of Auditor’s Results

Financial Statements:

Type of auditor’s report issued	Unmodified
Internal control over financial reporting:	
Material weakness identified	None noted
Significant deficiency identified	None noted
Noncompliance material to financial statements noted	None noted

Federal Awards:

Internal control over major programs:	
Material weakness identified	None noted
Significant deficiency identified	None noted
Type of auditor’s report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations Part 200	No
Major programs:	
Coronavirus State and Local Fiscal Recovery Funds	ALN 21.027
Dollar threshold used to identify Type A from Type B programs:	\$750,000
Identified as low-risk auditee	Yes

Part II – Findings Related to Financial Statements

Findings related to financial statements as required by <i>Government Auditing Standards</i>	None noted
Auditor-assigned reference number	Not applicable

Part III – Findings Related to Federal Awards

Internal control findings	None noted
Compliance findings	None noted
Questioned costs	None noted
Auditor-assigned reference number	Not applicable

Town of Basalt, Colorado
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2022

The Town had no findings for the year ended December 31, 2021.

Town of Basalt, Colorado
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022

<u>Program Title</u>	<u>Federal Assistance Listing</u>	<u>Pass-through Entity Identifying Number</u>	<u>Expenditures</u>
Department of Treasury			
Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	1,044,861
Total - Department of Treasury			<u>1,044,861</u>
 Total Expenditures of Federal Awards			 <u><u>1,044,861</u></u>

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended December 31, 2022

Note 1. Basis of Presentation:

The Schedule of Expenditures of Federal Awards includes the federal grant activity of the Town of Basalt (the "Town") and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Therefore some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the general purpose financial statements.

Note 2. Sub-recipients:

The Town had no sub recipients as of December 31, 2022.

Note 3. Indirect Facilities and Administration Costs

The Town has elected not to use the 10% de minimis cost rate allowed in Title 2 U.S. Code of Federal Regulations (CFR) Part 200.414, Indirect (F & A) costs, of the Uniform Guidance.