

BASALT SANITATION DISTRICT

FINANCIAL STATEMENTS
AND
AUDITOR'S REPORT

DECEMBER 31, 2023

BASALT SANITATION DISTRICT
FOR THE YEAR ENDED
December 31, 2023

BOARD OF DIRECTORS

Rob Schwener – President

Pat McMahon – Vice President/ Treasurer

Dean Seader – Secretary

Patrick Maley – Director

Nick Holtkamp – Director

ADMINISTRATION

Ian Quillan – District Administrator

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**Maggard
& Hood, P.C.**

CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Basalt Sanitation District
P.O. Box 527
Basalt, Colorado 81621

INDEPENDENT AUDITOR'S REPORT

Opinions

We have audited the accompanying financial statements of the business-type activity, of the Basalt Sanitation District of Basalt, Colorado, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District'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 business-type activities of the Basalt Sanitation District as of December 31, 2023 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Basalt Sanitation District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Basalt Sanitation District's ability to continue as a going concern for twelve months beyond the financial statement date, including any known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with accounting standards generally accepted in the United States of America, which consisted of inquiries of management regarding 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.

Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise District's basic financial statements. The *Budget and Actual Comparison – Proprietary Fund* is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the *Budget and Actual Comparison – Proprietary Fund*, is fairly stated, in all material aspects, in relation to the basic financial statements taken as a whole.



MAGGARD & HOOD, P.C.
Glenwood Springs, Colorado
September 11, 2024

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

BASALT SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2023

The Basalt Sanitation District (the "District"), which is located within Eagle and Pitkin Counties, Colorado, was formed for the purpose of providing wastewater treatment services to Town of Basalt, Colorado, and the surrounding area. The District is a political subdivision of the State of Colorado. The District encompasses approximately 2.75 square miles and includes property in both Eagle and Pitkin Counties.

The management's discussion and analysis of the Basalt Sanitation District's financial performance provides an overview of the District's financial activities for the fiscal year ended December 31, 2023. The intent of the discussion and analysis is to look at the District's financial performance as a whole; it should be read in conjunction with the basic financial statements and notes to enhance the reader's understanding of the District's overall financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for the fiscal year 2023 are as follows:

- In total, the District's overall net position increased \$1,034,413 or 11%, from the previous fiscal year.
- Operating revenues accounted for \$1,114,636 or 48% of all revenues. Operating revenues consist of sewer fees and other charges. Non-operating revenues in the form of general property taxes, specific ownership taxes, tap fees, developer contributions, governmental grants and interest income on investments accounted for \$1,195,415 or 52% of the District's total revenues of \$2,310,051.
- The District had \$1,275,638 of expenses. The District's operating expenses in the amount of \$1,270,263 included depreciation in the amount of \$489,394. Non-operating expenses in the amount of \$5,375 included fees paid to the county treasurers to collect final property taxes assessed to satisfy long term debt paid off in the previous fiscal year. The total operating expenses of the District increased \$46,243 or 4% from 2022.

USING THE BASIC FINANCIAL STATEMENTS

This annual report consists of three parts – *management's discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*. The financial statements included in this annual report are those of a special-purpose government with only one fund that is engaged in a business-type activity. The following statements are included:

- ***Statement of Net Position*** – reports all of the District's assets and liabilities with the difference between the two reported as net position. The statement presents information about the nature and amounts in resources (assets) and the obligations to creditors (liabilities). It also provides the basis for assessing liquidity and financial flexibility of the District.
- ***Statement of Revenues, Expenses and Changes in Fund Net Position*** – reports the District's operating and non-operating revenues by major source along with operating and non-operating expenses and capital contributions.
- ***Statement of Cash Flows*** – reports the District's cash flows from operating activities, investing activities, capital and related financing activities.

The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *other supplementary information* that further explains and supports the information in the financial statements.

BASALT SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2023

THE DISTRICT AS A WHOLE

Statement of Net Position

The perspective of the Statement of Net Position is of the District as a whole. Following is a summary of the District's net position for the fiscal year 2023 compared to 2022:

	BUSINESS-TYPE ACTIVITIES		
	2023	2022	Increase (Decrease)
<u>ASSETS:</u>			
Current Assets	\$ 3,416,013	\$ 3,663,456	\$ (247,443)
Capital Assets, Net	6,680,623	5,796,143	884,480
Total Assets	10,096,63	9,459,599	637,037
<u>LIABILITIES:</u>			
Current Liabilities	47,689	314,347	(266,658)
Total Liabilities	47,689	314,347	(266,658)
<u>DEFERRED INFLOWS OF RESOURCES:</u>			
Unavailable Revenue – Property Taxes	-	130,718	(130,718)
<u>NET POSITION:</u>			
Net Investment in Capital Assets	6,680,623	5,796,143	884,480
Unrestricted	3,368,324	3,218,391	149,933
Total Net Position	\$ 10,048,947	\$ 9,014,534	\$ 1,034,413

Total Assets of the District increased approximately \$637 thousand. The increase resulted from the capitalization of system improvements and upgrades.

Total Current Liabilities of the District decreased approximately \$266 thousand. Notable decreases occurred for construction costs payable as the District completed several significant capital infrastructure projects in 2023.

The District's overall *Net Position* increased approximately \$1,034 thousand, representing the District's net income for 2023. The District's current year operating revenues were sufficient to provide for current year operating expenses, as discussed in the following section entitled the *Statement of Net Revenues, Expenses and Changes in Fund Net Position*.

BASALT SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2023

Statement of Revenues, Expenses and Changes in Fund Net Position

The perspective of the Statement of Revenues, Expenses and Changes in Fund Net Position is of the District as a whole. This statement reflects general property taxes and service revenues and the cost of providing services to the District. The following summary reflects the overall change in net position for the fiscal year 2023 compared to 2022.

	BUSINESS-TYPE ACTIVITIES		
	2023	2022	Increase (Decrease)
<u>REVENUES:</u>			
Operating Revenues:			
Fees & Charges	\$ 1,114,636	\$ 1,112,359	\$ 2,277
Non-Operating Revenues:			
Property and Specific Ownership Taxes	134,301	303,593	(169,292)
Interest and Investment Earnings	127,474	41,218	86,256
Tap Fees	341,833	258,261	83,572
Developer Contributions	555,308	-	555,308
Grant Proceeds	36,499	205,235	(168,736)
Total Non-Operating Revenue	<u>1,195,415</u>	<u>808,307</u>	<u>387,108</u>
Total Revenues and Other Financing Sources	<u>2,310,051</u>	<u>1,920,666</u>	<u>389,385</u>
<u>EXPENSES:</u>			
Operating Expenses:			
Insurance	55,963	50,927	5,036
Administrative Wage & Contract	108,979	102,150	6,829
Operations & Maintenance	484,449	335,316	149,133
Directors Fees	4,500	5,200	(700)
Administrative	126,978	261,959	(134,981)
Depreciation	489,394	468,468	20,926
Total Operating Expenses	<u>1,270,263</u>	<u>1,224,020</u>	<u>46,243</u>
Non-Operating Expenses:			
Interest	-	4,807	(4,807)
Treasurer Fees	5,375	11,936	(6,561)
Bond Trustee Fees	-	200	(200)
Total Non-Operating Expenses	<u>5,375</u>	<u>16,943</u>	<u>(11,568)</u>
Total Expenses and Other Financing Uses	<u>1,275,638</u>	<u>1,240,963</u>	<u>34,675</u>
CHANGE IN NET POSITION	<u>\$ 1,034,413</u>	<u>\$ 679,703</u>	<u>\$ 354,710</u>

The District's revenues include developer contributions in the amount of \$459,308 to complete the Midland Streetscape and Lighting Bolt Line Project. In addition the District was conveyed the Ute City Center line valued at \$96,000. The District's expenses consist of operational expenses, depreciation expense on capital assets, and interest expense on General Obligations Bonds.

Overall revenues and other financing sources increased approximately \$389 thousand. Increases occurred for Tap Fees as the District received payment for approximately 43.9 EQR's in 2023. The District received \$36,499 in grant monies from Energy and Mineral Assistance Program (EIAF) for construction of a Clarifier and Headworks at the District's plant site.

Operating expenses increased approximately \$46 thousand. Depreciation of capital assets totaled \$489 thousand and is included in operating expenses.

BASALT SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2023

Statement of Revenues, Expenses and Changes in Fund Net Position, continued

As indicated above, the Statement of Revenues, Expenses and Changes in Fund Net Position reflects the cost of program services and the charges for services and sales, grants, and contributions offsetting those services. The following table summarizes the information from the statement, reflecting the total cost of program services, and the remaining net cost of program services, which are supported by taxes and other general revenues:

	TOTAL COST OF SERVICES		NET COST OF SERVICES	
	2023	2022	2023	2022
Operations, Maintenance & Depreciation	\$ 973,843	\$ 803,784	\$ -	\$ -
Salaries and Management Services	108,979	102,150	-	-
Insurance	55,963	50,927	24,149	-
Other Administrative Expenses	<u>131,478</u>	<u>267,159</u>	<u>131,478</u>	<u>111,661</u>
Total/Net Cost of Services	<u>\$ 1,270,263</u>	<u>\$ 1,224,020</u>	<u>\$ 155,627</u>	<u>\$ 111,661</u>

The District's service charges and fees provided \$1,114,636 to cover operating and administrative costs in fiscal year 2023 as compared to \$1,112,359 in fiscal year 2022. In fiscal years 2023 and 2022, other general revenues from tap fees, state and local grants and interest earnings (in the total amounts of \$1,195,415 and \$808,307 respectively) were used to supplement the net cost of services and build reserves. General revenues from property taxes in the amount of \$134,301 and \$303,593 for 2023 and 2022 respectively are used for non-operating debt service and are not used for District operations.

THE DISTRICT'S FUNDS

Proprietary Fund - Enterprise Fund

The Basalt Sanitation District is a special-purpose district whose activities are considered to be a business-type activity. Operations are supported by service fees and charges assessed to users for operations, maintenance and administration of the District, and from property taxes and other general revenues. These activities are reported as a Proprietary, or Enterprise Fund.

As discussed above, Proprietary Fund financial statements consist of a statement of net position, a statement of revenues, expenses and changes in fund net position, and a statement of cash flows, and are prepared on an accrual basis of accounting. For financial reporting purposes, the District's enterprise fund is considered a proprietary fund, which represents the operations of the Basalt Sanitation District.

For a discussion of the District's funds as compared to the prior year, see the section entitled "*The District as a Whole.*"

BUDGET COMPARISONS

The District's procedures in establishing budgetary data reflected in the financial statements are summarized in *Note 1 (E)* of the financial statements. Budgets for the District are adopted on a budgetary basis, which is reconciled to generally accepted accounting principles (GAAP) in *Note 1 (E)* of the financial statements. The budgetary comparison schedule for the District is found in the section entitled "Other Supplementary Information" following the notes to financial statements.

The District uses a line-item based budget which is designed to control line-item expenditures, but provide flexibility for overall budgetary management.

BASALT SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2023

BUDGET COMPARISONS, CONTINUED

Total budgetary based revenues of \$2,310,051 were \$557,149 more than budgetary expectations of \$1,752,902. Increases from prior year occurred mostly in non-operating revenues such as tap fees, developer contributions, grant proceeds, and investment earnings being more than expected.

Total budgetary based expenses in the amount of \$2,064,117 were \$47,208 less than budget appropriations of \$2,111,325. Notable cost savings occurred for line repairs and maintenance.

CAPITAL ASSETS

At the end of fiscal year 2023, the District had \$6,680,623 invested in capital assets. The following reflects the balances of the current and prior fiscal years:

<i>(NET OF DEPRECIATION AND AMORTIZATION)</i>	BUSINESS-TYPE ACTIVITIES	
	2023	2022
Land	\$ 95,165	\$ 95,165
Depreciable Land and Improvements	89,150	95,754
Depreciable Plant and Lines	6,013,249	4,478,688
Depreciable Buildings	238,135	228,262
Depreciable Equipment	25,362	29,126
Depreciable Office Furniture	1,941	2,650
Depreciable Vehicles	30,891	43,248
Construction-in-Progress	186,730	823,250
TOTAL CAPITAL ASSETS	\$ 6,680,623	\$ 5,796,143

MAJOR INITIATIVES

Environmental Process Control, Inc. (EPC) continues as the District's outside contractor to serve as its Operator in Responsible Charge (ORC) of the Wastewater Facility. Installation of a new Bar Screen-Washer Compactor and new #2 Clarifier was completed in 2023. Manufacturer constraints involving supply chains delayed delivery of equipment and materials. A DOLA matching Grant was awarded to the District in Fall of 2023 at the beginning of the Solids Handling Improvement project which is the next major equipment replacement. The District provides updates to DOLA staff as the Solids Handling Improvement project proceeds with completion expected in early 2025. The District Engineer and Treatment Plant Staff have been identifying the next replacements of major treatment equipment which is a priority under the Capital Improvement Plant and Engineering Study. The goal of the District is to always produce a discharge that does not affect or threaten the health or water quality of the Roaring Fork River.

The District's sewer capacity analysis concluded in early 2023. The system capacity analysis identified areas in need of repair and replacement. Replacement of under-sized or damaged sewer mains were identified as a priority in the 10-year capital plan. Design and permitting for replacement of an original sewer line that is 50+ years old and runs under the Fryngpan River began in 2023, with construction expected in 2025.

BASALT SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2023

MAJOR INITIATIVES – *CONTINUED*

The District partnered with the Town of Basalt on the Midland Avenue Streetscape project where the Town replaced deep utilities that are in need of repair, before the Town undertakes a re-design of the street level built environment. The District's Engineering firm, Roaring Fork Engineering, provided information to the Town and identified a section of sewer that could be replaced for the best use of public dollars, that replacement was completed in 2023. The District also partnered with the Town of Basalt and a local Developer to upsize and re-route a section of sewer in historic downtown Basalt in order to serve the new development.

ECONOMIC CONDITION AND OUTLOOK

The real estate market in the District has remained strong, while major development activity has begun to taper off as expected. The Town of Basalt's Urban Growth Boundary is almost built-out, there are a few parcels remaining for potential annexation. Tap sales have been strong and will continue to be strong in 2023. Construction of single family units in the Stott's Mill development continued in 2023, the 49 lots will not be fully built out for many years so Tap sales will become available as those homes are built. The Basalt River Park project and development was completed in Summer of 2023. The Basalt Center Circle Re-development was approved by the Town of Basalt and the developer pre-paid their Tap Fees as part of a Cost-Sharing Agreement for the new upsized sewer that will serve the new development. Due to the build out of the District in the next few years, it is expected that tap sales will begin to dry up and the District will need to rely on its service fees to fund its activities, both operation and capital. There will be some redevelopment and infill that will help going forward.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our residents, customers, taxpayers, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions regarding this report or need additional financial information, please contact:

Basalt Sanitation District
Ian Quillan, District Administrator
P.O. Box 527
Basalt, CO 81621
(970) 927-3698

BASIC FINANCIAL STATEMENTS

BASALT SANITATION DISTRICT
STATEMENT OF NET POSITION – PROPRIETARY FUND
December 31, 2023

ASSETS:

Current Assets:	
Cash and Investments	\$ 3,315,935
Cash with County Treasurer	435
Receivables – Net	
Accounts Receivable	28,866
Other Current Assets	<u>70,777</u>
Total Current Assets	<u>3,416,013</u>
Non-Current Assets:	
Capital Assets – Net of Accumulated Depreciation	<u>6,680,623</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 10,096,636</u>

LIABILITIES:

Current Liabilities:	
Accounts Payable	\$ 23,212
Accrued Salaries and Taxes	13,477
Deposits and Other Payables	<u>11,000</u>
Total Current Liabilities	<u>47,689</u>

NET POSITION:

Invested in Capital Assets, Net of Related Debt	6,680,623
Unrestricted	<u>3,368,324</u>
Total Net Position	<u>10,048,947</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 10,096,636</u>

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

BASALT SANITATION DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET POSITION - PROPRIETARY FUND
For the Year Ended December 31, 2023

<u>OPERATING REVENUES:</u>	
Service Fees	\$ 1,065,670
Other Operating Revenues	48,966
Total Operating Revenues	<u>1,114,636</u>
<u>COLLECTION AND TREATMENT EXPENSES:</u>	
Chemicals	20,424
License and Permits	7,506
Line Maintenance and Repair	58,964
Plant Maintenance and Repair	100,202
Plant Operator	214,389
Sludge Expense	2,276
Supplies	12,118
Utilities – Plant	68,570
Depreciation	489,394
Total Collection and Treatment Expenses	<u>973,843</u>
<u>ADMINISTRATIVE EXPENSES:</u>	
Administrative Wage and Contract	108,979
Audit	9,000
Bank Fees	4,124
Condo Association Fees	4,330
Computer Expense	5,010
Development Review Fees	8,932
Director’s Fees	4,500
Dues and Subscriptions	2,442
Election Expense	81
Engineering	41,470
Insurance	55,963
Legal	2,637
Office Expense	12,053
Payroll Taxes	21,062
Postage	1,241
Printing Copies	1,471
Telephone	1,935
Training and Employee Benefits	10,686
Utilities – Office	504
Total Administrative Expenses	<u>296,420</u>
Total Operating Expense	<u>1,270,263</u>
Operating Income (Loss)	<u>(155,627)</u>
<u>NON-OPERATING REVENUES (EXPENSES):</u>	
Property Taxes	128,202
Specific Ownership Taxes	6,099
Tap Fees	341,833
DOLA Grant Proceeds	36,499
Developer Contributions	555,308
Interest Income	127,474
Treasurer Fees	(5,375)
Total Non-Operating Revenue (Expense)	<u>1,190,040</u>
Change in Net Position	1,034,413
Net Position, Beginning of Year	<u>9,014,534</u>
Net Position, End of Year	<u>\$ 10,048,947</u>

The accompanying notes are an integral part of these financial statements

BASALT SANITATION DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
For the Year Ended December 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash Received from Customers	\$ 1,070,224
Cash Payments to Employees	(264,738)
Cash Payments for Goods and Services	<u>(769,515)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>35,971</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
Deposits received (refunded)	<u>(13,516)</u>
NET CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	<u>(13,516)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Tap Fees	341,833
Property and Specific Ownership Taxes-Net	129,392
Developer Contributions	459,308
Payments for Capital Acquisitions- Net of Grants	(1,277,873)
Proceeds from Grants	<u>179,786</u>
NET CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(167,554)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest on Investments	<u>127,474</u>
NET CASH PROVIDED FROM INVESTING ACTIVITIES	<u>127,474</u>
NET INCREASE (DECREASE) IN CASH	(17,625)
CASH AT BEGINNING OF YEAR	<u>3,333,560</u>
CASH AT END OF YEAR	<u>\$ 3,315,935</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:	
Operating Income (Loss)	\$ (155,627)
Adjustments:	
Depreciation	489,394
(Increase) Decrease in Accounts Receivables	(28,699)
(Increase) Decrease in Other Current Assets	(15,713)
Increase (Decrease) in Accounts Payable	(259,325)
Increase (Decrease) in Accrued Salaries	<u>5,941</u>
Net Cash (Used) by Operating Activities	<u>\$ 35,971</u>

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

BASALT SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Basalt Sanitation District, herein referred to as the District, complies with generally accepted accounting principles (GAAP) as applicable to governmental units. The District applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. Significant accounting policies of the Basalt Sanitation District are described below.

A. FINANCIAL REPORTING ENTITY

The Basalt Sanitation District, (the District) was organized pursuant to provisions set forth in the Colorado Special District Act. The governing body of the District consists of a five member Board of Directors which is elected by the registered voters within the District. The purpose of the District is to provide wastewater treatment services to the Town of Basalt and surrounding area. The Board is responsible for setting policy, appointing administrative personnel and adopting an annual budget in accordance with state statutes.

The Governmental Accounting Standards Board (GASB) has specified the criteria to be used in defining a governmental entity for financial reporting purposes. The reporting entity consists of (a) the primary government; i.e. the District, and (b) organizations for which the District is financially accountable. The District is considered financially accountable for legally separate organizations if it is able to appoint a voting majority of an organization's governing body and is either able to impose its will on that organization or there is potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the District. 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 District. Organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete are also included in the reporting entity.

Based on the criteria discussed above, the District's financial statements do not include any component units, nor do they exclude any potential component units requiring inclusion in the District's reporting entity, nor is the District a component unit of any other government. The District's financial statements include the accounts of all District operations.

BASALT SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

B. BASIS OF PRESENTATION/BASIC FINANCIAL STATEMENTS

The basic financial statements include fund financial statements for a Proprietary Fund. The District is a special-purpose government engaged only in business-type activities. For these governments, only enterprise fund financial statements are presented. The accounts of the District are organized and operated on a fund basis. The operations are accounted for with a separate set of self-balancing accounts that comprises its assets, liabilities, net position, revenues, and expenses.

The focus of proprietary fund measurement is determination of operating income, changes in the net position, financial position and cash flows. The generally accepted accounting principles applicable are those similar to business in the private sector. The District's Enterprise fund is a proprietary fund type. Enterprise Funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third-party requirements that cost of providing services including capital costs, be recovered with fees and charges or (c) has a pricing policy designed for the fees and charges of record similar costs.

Proprietary fund *operating revenue and expenses* are related to providing management and operational services within the District. Revenues and expenses arising from capital and non-capital financing activities and from investing activities are presented as non-operating revenues and expenses.

C. BASIS OF ACCOUNTING

The proprietary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the District receives value without directly giving equal value in return, consist of property and specific ownership taxes. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied.

D. CAPITAL ASSETS

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their estimated fair value on the date of donation. Repairs and maintenance are recorded as expenditures; renewals and betterments are capitalized.

Major outlays for capital assets and improvements are capitalized in proprietary funds as projects are constructed. Interest incurred during the construction phase is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

Depreciation of all exhaustible capital assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method.

BASALT SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

D. CAPITAL ASSETS, continued

The District capitalizes assets with an original cost in excess of \$1,000 and estimates useful lives as follows:

Furniture and Equipment	5-10 years
Plant and Lines	20-40 years

E. BUDGETS AND BUDGETARY ACCOUNTING

The District uses the following procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to October 15, the District Secretary, or other qualified persons appointed by the Board, submits to the Board a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. A "Notice of Budget" is published when the budget is received.
2. Public hearings are held to obtain taxpayer comments.
3. Prior to December 15, the Board shall adopt, by resolution, the budget for the ensuing fiscal year and shall certify the tax levy to the County Commissioners.
4. On or before December 31, the Board shall pass an appropriating resolution in which such sums of money shall be appropriated as the Board deems necessary to defray all expenses and liabilities of the District during the ensuing year.
5. The Budget for the fund is adopted on a basis consistent with state statutes for governmental units, which provides that debt principal payments and capital outlay are treated as expenses.
6. After adoption of the budget resolution, the District may make, by resolution, the following changes: a) supplemental appropriations to the extent of revenues in excess of the estimated budget; b) emergency appropriations; c) reduction of appropriations for which originally estimated revenues are insufficient.
7. Expenditures may not legally exceed appropriations at the fund level. Board approval is required for changes in the total budget of any fund. Budget amounts included in the financial statements are based on the final, legally amended budget.
8. Budget appropriations lapse at the end of each year.

BASALT SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

E. BUDGETS AND BUDGETARY ACCOUNTING, continued

The District legally adopted an annual budget for the District’s funds for 2023 and no amended budgets were adopted.

The budget for the Enterprise Fund is adopted on a Non-GAAP basis and is reconciled from GAAP basis as follows:

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
GAAP Operating Revenues	\$ 1,101,252	\$ 1,114,636	\$ 13,384
GAAP Non-Operating Revenues	651,650	1,195,415	543,765
Total Budgetary Based Revenues	\$ 1,752,902	\$ 2,310,051	\$ 557,149
Expenses:			
GAAP Operating Expenses	\$ 914,825	\$ 1,270,263	\$ (355,438)
GAAP Non-Operating Expenses	12,000	5,375	6,625
Less Depreciation and Amortization	-	(489,394)	489,394
Capital Outlay	1,184,500	1,277,873	(93,373)
Total Budgetary Based Expenses	\$ 2,111,325	\$ 2,064,117	\$ 47,208

F. CONTRIBUTED CAPITAL

Grants and contributions, which may be used for either operations or capital expenditures at the discretion of the District, are recognized as non-operating revenues. If expenditure of the funds is the prime factor for determining eligibility of the contributed funds, revenue is recognized at the time of making the expenditure.

G. COMPENSATED ABSENCES

The District has one employee eligible for vacation pay, all of which had been used at year-end, and has no provision for sick leave; accordingly, there are no provisions for compensated absences.

H. PROPERTY TAXES RECEIVABLE AND DEFERRED INFLOWS OF RESOURCES

Property taxes are levied on December 15 and attach as an enforceable lien on property on January 1st of the following year. 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 which are not paid within the prescribed time bear interest at the rate of (1%) per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 16th.

BASALT SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

H. PROPERTY TAXES RECEIVABLE AND DEFERRED INFLOWS OF RESOURCES, continued

Property taxes are levied and collected on behalf of the District by Pitkin and Eagle Counties and are reported as revenue when received by the County Treasurer. Property taxes levied in the current year and payable in the following year are reported as a receivable at December 31. However, since the taxes are not available to pay current liabilities, the receivable is recorded as a deferred inflow of resources.

I. CASH AND CASH EQUIVALENTS/ FAIR VALUE MEASUREMENT

For the purposes of the statement of cash flows for the proprietary fund, all short-term investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash.

The District reports its investments using the fair value measurements established by generally accepted accounting principles. As such, fair value hierarchy categorizes the inputs used to measure the fair value into three levels. Level 1 inputs are quoted market prices in active markets for identical investments; Level 2 inputs include quoted prices in active markets for similar investments, or other observable inputs; and Level 3 inputs are unobservable inputs. At December 31, 2023, the District's investments in Colo Trust were reported at the net asset value per share, measured utilizing quoted prices in active markets for similar investments (Level 2 inputs).

J. CUSTOMER ACCOUNTS RECEIVABLE

The District considers customer accounts receivable to be fully collectible. The District is empowered to place a lien on real property in the case of nonpayment. Accordingly, no allowance for doubtful accounts is required.

K. ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS

In general, payables and accrued liabilities are paid in a timely manner and in full from current financial resources and are reported as current obligations of the fund. Long-term bond obligations are accrued as a long-term liability on the financial statements.

L. USE OF ESTIMATES

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

M. RESTRICTED ASSETS

Assets are reported as *restricted* when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, laws of other governments, or imposed by enabling legislation.

BASALT SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 2 - CASH AND INVESTMENTS

A. Deposits & 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. The eligible depository is required to pledge to the Colorado Division of Banking a pool of collateral having a market value that at all times exceeds 102% of uninsured aggregate public deposits. The eligible collateral is determined by the PDPA, which includes obligations of the United States, the State of Colorado, Local Colorado governments, and obligations secured by first lien mortgages on real property located in the state. 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 uninsured public deposits as a group. The State Regulatory Commission for banks and financial services is required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. There is no custodial credit risk for public deposits collateralized under PDPA.

It is the policy of the District to invest public funds in a manner which will provide the highest investment return with the maximum security, meet the daily cash flow demands of the District, and conform to all federal, state and local statutes governing the investment of public funds. This policy applies to the investment of all financial assets of all funds of the District over which it exercises financial control. Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- . Obligations of the United States and certain U.S. government agency securities, including securities issued by FNMA (Federal National Mortgage Association), GNMA (Governmental National Mortgage Association), FHLMC (Federal Home Loan Mortgage Corporation), the Federal Farm Credit Bank, the Federal Land Bank, the Export-Import Bank, and by the Tennessee Valley Authority, and certain international agency securities, including the World Bank.
- . General obligation and revenue bonds of U.S. local government entities, the District of Columbia, and territorial possessions of the U.S. rated in the highest two rating categories by two or more nationally recognized rating agencies.
- . Bankers' acceptances of certain banks
- . Certain securities lending agreements
- . Commercial paper
- . Written repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- . Local government investment pools
- . The investing local government's own securities including certificates of participation and lease obligations.

At December 31, 2023 the District's bank deposits were entirely covered by federal depository insurance or collateralized under PDPA in accordance with state statute, and had bank balances of \$805,593 of which \$283,725 Was covered by FDIC insurance and \$521,8868 was collateralized under PDPA.

BASALT SANITATION DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2023

NOTE 2 - CASH AND INVESTMENTS, continued

A. Deposits & Investments, continued

Local Government Investment Pool (Colo Trust)

As of December 31, 2023, the District had invested \$2,512,839 in the Colorado Local Government Liquid Asset Trust (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. Substantially all securities owned by COLOTRUST are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by COLOTRUST. These pools are not required to and are not registered with the SEC. As of December 31, 2023, the District had \$797,653 invested in COLOTRUST PRIME, and \$1,715,186 invested in COLOTRUST PLUS+. Investments in local government investment pools are not categorized in terms of custodial credit risk since they are not evidenced by securities that exist in physical or book entry form.

B. Total of Cash and Cash Equivalents

A summary of the District's cash and investments at December 31, 2023 is as follows:

Checking Accounts	\$ 805,593
Colostrust Investment Pool	<u>2,512,839</u>
Total Bank Balances	3,318,432
Cash on Hand	50
Less Outstanding Items	<u>(2,547)</u>
Total Cash and Cash Equivalents	<u>\$ 3,315,935</u>

Included in cash and cash equivalents are investments rated as follows:

	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Rating Agency</u>
Colostrust (Local Govt Investment Pool)	\$ 2,512,839	AAAm	Standard & Poors

C. Risk Disclosures

Additional investment and deposit disclosures for credit risk, interest rate risk, and foreign currency risk, as required by GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, are included in the notes below.

To minimize custodial credit risk, or the risk that an insurer or other counterparty to an investment will not fulfill its obligations, state law limits District investments to those where the issuer is rated in one of the three highest rating categories by one or more nationally recognized organizations that rate such issuers. The District has deposits in Colostrust Plus+ and Colostrust Prime. Colostrust is rated AAAm by Standard & Poors.

BASALT SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 2 - CASH AND INVESTMENTS, continued

C. Risk Disclosures, continued

The concentration of credit risk, or the risk of loss attributed to the magnitude of a government's investment in a single issuer, occurs when deposits are not diversified. District policy places no limit on the amount the District may invest in any one issuer; however the District maintains general guidelines for investments to ensure proper diversification by security type and institution. All District investments are issued or explicitly guaranteed by securities of the U.S. government, or insured by the Public Depository Protection Act, or are investments in mutual fund or external investment pools, and therefore are not subject to concentration of credit risk disclosure requirements.

Interest rate risk is the extent to which changes in interest rates will adversely affect the fair value of an investment. The District maintains an investment policy that limits investment maturities to three years as a means of managing its exposure to fair value losses arising from increasing interest rates and to avoid undue concentration in any sector of the yield curve. Exceptions to this structure may be allowed where maturities can be structured to accommodate readily identifiable cash flows as approved by the Board. As of December 31, 2023, the District had no investments that were subject to interest rate risk as described above.

The District was not subject to foreign currency risk as of December 31, 2023.

NOTE 3 - CHANGES IN CAPITAL ASSETS

A summary of property, plant and equipment at December 31, 2023, follows:

	Balance <u>1/1/2023</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>12/31/2023</u>
Non-Depreciable-				
Land	\$ 95,165	\$ -	\$ -	\$ 95,165
Construction in Process	823,250	178,476	(814,996)	186,730
Depreciable-				
Land Improvements	146,410	-	-	146,410
Plant and Lines	12,282,383	1,986,988	-	14,269,371
Office Building	395,020	23,406	-	418,426
Equipment	72,748	-	-	72,748
Vehicles	121,100	-	-	121,100
Office Furniture and Equipment	<u>27,298</u>	<u>-</u>	<u>-</u>	<u>27,298</u>
Totals	13,963,374	2,188,870	(814,996)	15,337,248
Less Accumulated Depreciation	<u>(8,167,231)</u>	<u>(489,394)</u>	<u>-</u>	<u>(8,656,625)</u>
Net Fixed Assets	<u>\$ 5,796,143</u>	<u>\$ 1,699,476</u>	<u>\$ (814,996)</u>	<u>\$ 6,680,623</u>

BASALT SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 4 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

The District has elected to participate in the Colorado Special Districts Property and Liability Pool (the Pool) which is sponsored by the Special District Association (SDA) of Colorado. The Pool provides property and general liability, automobile physical damage and liability, public official's liability and machinery coverage to its members. There have been no significant reductions in coverage from the prior year and settled claims have not exceeded coverage in the last three years.

The District pays annual premiums to the Pool for liability, property and public officials' liability coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula. The Pool made no distributions to the District in the year ended December 31, 2023. The District does provide employee health and accident insurance for full time employees.

NOTE 5 - DEFERRED COMPENSATION PLAN -

The District adopted a Deferred Compensation Plan (Plan) within the scope of Section 457 of the Internal Revenue Code. The Basalt Sanitation District is the Plan Administer and Benefit Trust Company is the Trustee. No employees participated in 2023.

NOTE 6 - MONEY PURCHASE PENSION PLAN

The District adopted a defined contribution Money Purchase Pension Plan (Plan) within the scope of Section 401(a) of the Internal Revenue Code to provide retirement benefits exclusively for the participants and their beneficiaries. Benefit Trust Company is the Trustee for plan assets held in the Basalt Sanitation District Money Purchase Pension Plan Trust (Trust). Pension expense is recognized equal to contributions that the terms of the plan require in return for employee service in that year, as reduced by forfeitures under the plan. There are no forfeiture provisions from employee accounts under the plan beyond vesting as described in the following paragraph, and the District has no legal obligation for paying benefits.

Full-time employees become eligible after six months of service with the District and are required, as a condition of employment, to participate in the Plan immediately upon eligibility. The District contributes 2% of eligible compensation and total covered payroll for the year subject to participation was \$85,500 compared to total payroll of \$272,680. Participants are 100% vested in employer contributions after three years. The District has no other liability under the plan. The District contributed \$3,081 for one eligible employee in 2023. Additional information can be obtained from Benefit Trust Company:

Trust Agreement of Equitable Financial Life Insurance Company
5901 College Blvd., Ste. 200, Overland Park, KS 66211

BASALT SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 7 - CONTINGENCIES

During the normal course of business, the District incurs claims and other assertions against it from various agencies and individuals. Management of the District and their legal representatives feel none of these claims or assertions are significant enough that they would materially affect the fairness of the presentation of the financial statements at December 31, 2023.

NOTE 8 - TABOR AMENDMENT – REVENUES AND SPENDING LIMITATIONS

In November 1992, Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments.

The Amendment provides that governmental entities that qualify as an “Enterprise” are not subject to the Amendment. An enterprise is defined as a Government owned business authorized to issue its own revenue bonds and receives less than 10% of its total annual revenue from state and local government grants. Management believes that the District qualifies as an “Enterprise” and, therefore, is not subject to the Amendment. The Amendment is complex and subject to judicial interpretation; however, the District believes it is in compliance with the requirements of the Amendment.

NOTE 9 - LEASE COMMITMENTS

Governmental Accounting Standards Board (GASB) Statement No. 87, Leases, and Statement No. 96, Subscription-Based Information Technology Arrangements, require recognition of certain items on the government-wide Statement of Net Assets and related note disclosures. Under these requirements, the District must determine whether a contract falls under these requirements at inception and subsequently measure, classify and recognize such commitments with contractual terms longer than twelve months. When applicable, right-to-use assets and associated obligations are included as Right-to-use Assets and Present Value of Liability, respectively, in the Statement of Net Assets. Any assets represent the District’s right to use an underlying asset for the contract term and any associated liabilities represent the District’s obligation to make payments, subject to annual appropriation. Operating right-of-use assets and associated liabilities are recognized based on the present value of future minimum payments to be made over the expected term, generally using the risk-free discount rate at the commencement date in determining the present value of future payments

The District has identified no commitments for leases or subscription-based information technology arrangements requiring recognition or disclosure under the requirements of GASB.

NOTE 10 - SUBSEQUENT EVENTS

Management has evaluated events subsequent to December 31, 2023 through the issuance date of this report. There have been no material events noted during this period that would impact the result reflected in this report or the District’s results going forward.

SUPPLEMENTAL INFORMATION

BASALT SANITATION DISTRICT
BUDGET AND ACTUAL COMPARISON - REVENUES
PROPRIETARY FUND
For the Year Ended December 31, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Unfavorable)</u>
<u>BUDGETARY OPERATING REVENUES</u>				
Sewer Service Fees	\$ 1,073,752	\$ 1,073,752	\$ 1,065,670	\$ (8,082)
Developmental Review Fees	14,500	14,500	33,671	19,171
Inspection Fees	500	500	200	(300)
Late Payment Fees	10,500	10,500	10,070	(430)
Miscellaneous Revenue	<u>2,000</u>	<u>2,000</u>	<u>5,025</u>	<u>3,025</u>
Total Budgetary Operating Revenues	<u>1,101,252</u>	<u>1,101,252</u>	<u>1,114,636</u>	<u>13,384</u>
<u>BUDGETARY NON-OPERATING REVENUES</u>				
General Property Taxes	124,800	124,800	128,202	3,402
Specific Ownership Taxes	5,200	5,200	6,099	899
Tap Fees	260,000	260,000	341,833	81,833
Developer Contributions	-	-	555,308	555,308
Grant Income	245,000	245,000	36,499	(208,501)
Interest Income	<u>16,650</u>	<u>16,650</u>	<u>127,474</u>	<u>110,824</u>
Total Budgetary Non-Operating Revenues	<u>651,650</u>	<u>651,650</u>	<u>1,195,415</u>	<u>543,765</u>
Total Budgetary Based Revenues	<u>\$ 1,752,902</u>	<u>\$ 1,752,902</u>	<u>\$ 2,310,051</u>	<u>\$ 557,149</u>

The accompanying notes are an integral part of these financial statements

BASALT SANITATION DISTRICT
BUDGET AND ACTUAL COMPARISON - EXPENDITURES
PROPRIETARY FUND
For the Year Ended December 31, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Unfavorable)</u>
<u>BUDGETARY OPERATING EXPENSES</u>				
Administrative Wage & Contract	\$ 108,000	\$ 108,000	\$ 108,979	\$ (979)
Audit Fee	9,000	9,000	9,000	-
Bank Fees	3,300	3,300	4,124	(824)
Chemicals and lab	31,500	31,500	20,424	11,076
Condo Association Fees	5,000	5,000	4,330	670
Consulting	10,000	10,000	-	10,000
Computer Expense	14,000	14,000	5,010	8,990
Development Review Fees	45,000	45,000	8,932	36,068
Director Fees	7,000	7,000	4,500	2,500
Dues & Subscriptions	3,000	3,000	2,442	558
Election Expense	25,000	25,000	81	24,919
Engineering	45,000	45,000	41,470	3,530
Insurance	52,945	52,945	55,963	(3,018)
Legal	21,000	21,000	2,637	18,363
License and Permits	5,800	5,800	7,506	(1,706)
Office Expense	7,500	7,500	12,053	(4,553)
Payroll Taxes	28,000	28,000	21,062	6,938
Plant Operator	218,000	218,000	214,389	3,611
Plant Supplies	12,000	12,000	12,118	(118)
Postage	5,000	5,000	1,241	3,759
Printing – Copies	2,500	2,500	1,471	1,029
Repair and Maintenance - Lines	113,000	113,000	58,964	54,036
Repair and Maintenance - Plant	36,500	36,500	100,202	(63,702)
Sludge Removal	19,000	19,000	2,276	16,724
Telephone	2,400	2,400	1,935	465
Training & Employee Benefits	10,000	10,000	10,686	(686)
Utilities - Office	1,200	1,200	504	696
Utilities - Plant	74,180	74,180	68,570	5,610
Total Budgetary Operating Expenses	<u>914,825</u>	<u>914,825</u>	<u>780,869</u>	<u>133,956</u>
<u>BUDGETARY NON-OPERATING EXPENSES</u>				
Treasurers Fees	12,000	12,000	5,375	6,625
Capital Outlay	1,184,500	1,184,500	1,277,873	(93,373)
Total Budgetary Non-Operating Expenses	<u>1,196,500</u>	<u>1,196,500</u>	<u>1,283,248</u>	<u>(86,748)</u>
Total Budgetary Appropriations	<u>\$ 2,111,325</u>	<u>\$ 2,111,325</u>	<u>\$ 2,064,117</u>	<u>\$ 47,208</u>

The accompanying notes are an integral part of these financial statements