

**BUENA VISTA SANITATION DISTRICT**

**BUENA VISTA, COLORADO**

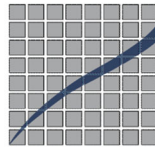
**FINANCIAL STATEMENTS**

**DECEMBER 31, 2023 AND 2022**

## TABLE OF CONTENTS

---

<b>Independent auditor's report</b>	i
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>	1
<b>BASIC FINANCIAL STATEMENTS</b>	
Statements of net position	7
Statements of revenues, expenses, and changes in net position	9
Statements of cash flows	10
Notes to financial statements	12
<b>SUPPLEMENTARY INFORMATION</b>	
Schedule of revenues and expenditures - budget compared to actual - budgetary basis	26
Reconciliation of amounts from US GAAP basis to budgetary basis	28



**BiggsKofford**

CERTIFIED PUBLIC ACCOUNTANTS

---

## INDEPENDENT AUDITOR'S REPORT

---

Board of Directors  
**Buena Vista Sanitation District**  
Buena Vista, Colorado

### Opinions

We have audited the accompanying financial statements of the business-type activities of Buena Vista Sanitation District ("District") as of and for the years ended December 31, 2023 and 2022, 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 financial position of the business-type activities of the District as of December 31, 2023 and 2022, and the respective changes in financial position and, where applicable, cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of the report. We are required to be independent of the District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### 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 the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently 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 opinion. 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 auditing standards generally accepted in the United States of America 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 auditing standards generally accepted in the United States of America, we:

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

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

## Other Matters

### *Supplementary Information*

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The supplementary information, as identified in the table of contents, is presented for purposes of additional analysis and is 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. Such information has been subjected to the auditing procedures applied in the audits 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*BiggsKofford, P.C.*

Colorado Springs, Colorado  
September 17, 2024

# **BUENA VISTA SANITATION DISTRICT**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

### **YEARS ENDED DECEMBER 31, 2023 AND 2022**

---

#### **AUDIT ASSURANCE**

The unmodified opinion of our independent external auditors, BiggsKofford, P.C., is included in this report.

This section will present management's discussion and analysis of the District's financial condition and projects for the year ended December 31, 2023. This information should be read in conjunction with the financial statements.

#### **FINANCIAL HIGHLIGHTS**

Management feels that the District's financial position is strong. The following are key financial highlights:

- For 2023, the District collected \$492,588 in tap fees.
- Excluding the Colorado Department of Corrections, sewer charges for 2023 increased by \$59,336 over 2022.
- In 2023, the District treated 219 million gallons of wastewater.
- In 2023, 963,000 gallons of septage were treated.
- There were no permit violations during 2023.
- There were variations between actual results and budgeted amounts as compared on the budgetary basis (modified cash). There was a favorable budget variance of \$905,403 for operating revenues and \$797,810 for operating expenses. The expense categories of Contract Services and Maintenance and Repair were under budget by \$621,699 and \$39,974, respectively, due to engineering not being finished for two major projects at year end. Utilities expenses were under budget by \$47,022. Legal expense was under budget by \$20,000 as the District anticipated legal costs that were not incurred.
- Total assets at year end were \$17,836,099 and total liabilities at year end were \$105,158. Of the total net position, \$13,143,629 was unrestricted and available to support short-term operations.

#### **REQUIRED FINANCIAL STATEMENTS**

The financial statements of the District report information about the District's use of accounting methods. These statements offer short-term and long-term financial information about its activities.

The Statement of Revenues, Expenses and Changes in Net Position for the District reports all of the current year's revenues and expenses. This statement measures the success of the District's operations over the previous year, and may determine whether the District has successfully recovered all its costs through its sewage disposal rates and other fees. The District's rates are based on a cost of service rate study that was conducted in 2016.

**BUENA VISTA SANITATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

---

The District's Statement of Net Position includes all of the District's assets and liabilities. It also provides information about the nature and amounts of investments in resources (assets) and obligations to District creditors (liabilities).

The final required financial statement is the Statement of Cash Flows. The primary purpose of this statement is to provide information about the District's cash receipts and cash payments during the year. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, and financing activities, and the change in cash during the year.

The notes to the financial statements provide required disclosures and other information that are essential to a full understanding of material data provided in the statements. The notes present information about the District's accounting policies, significant account balances and activities, material risks, obligations, commitments, contingencies and subsequent events, if any.

**SUMMARY OF ORGANIZATION AND BUSINESS**

Buena Vista Sanitation District is a public body organized and created by taxpaying electors of the District on March 17, 1953. The purpose of the District is to provide a complete sanitary sewer system for the District and the inhabitants thereof. In the organization petition to the Chaffee County District Court, the description of improvements to be constructed and installed was: "Sewer mains and laterals, with necessary appurtenances and incidentals to provide a complete sanitary sewer system for said District, including a sewage disposal or treatment plant." The boundaries of the District were to be identical to those of the Town of Buena Vista. However, over the years, the boundaries have changed due to numerous inclusions into the District, which were not included in annexation to the Town.

The District is governed by five directors who are members of the District, and are elected by electors of the District. Directors serve four-year terms.

The District and the Colorado Department of Corrections ("CDOC") signed a service agreement in which the District would build a sewage treatment plant on land leased from CDOC, and CDOC would have reserved treatment capacity and share in the annual operating costs of the plant in proportion to its actual use as measured by the volume of sewage it contributed. In May 2000, the District moved into the new treatment plant facilities and the former lagoons were drained. The District's infrastructure assets consist of approximately 32 miles of sewer main lines. The collection system, consisting of mains, is owned and maintained by the District.

The District sets a mill levy every year and the members of the District are taxed accordingly. The taxes collected constitute a small portion of the District's total revenues (approximately 6%). The primary income for the District comes from monthly sewer charges which are set at a flat rate, septage charges, CDOC charges and sewer tap fees.

**BUENA VISTA SANITATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

---

In 2002, the District entered into an intergovernmental agreement with Chaffee County to allow persons in the unincorporated area known as Johnson Village to tap into the District main. Chaffee County formed an improvement district and constructed a collection system for Johnson Village which then discharged into the Buena Vista Sanitation sewer main. The rates for Johnson Village differ from the normal rates charged to members of the District (Johnson Village is not in the District boundaries).

In 2014, the District found it necessary to increase the user fees for the District's customers in order to support the ongoing operation of the wastewater treatment plant and maintaining of the collection system, including replacements and improvements (capital projects) that will allow the District to comply with new discharge regulations that have been mandated by the Colorado Department of Health. The wastewater user charges for the residential and commercial customers of the District are \$39.00 per month per EQR, effective November 1, 2014. The wastewater user charges for the residential and commercial customers of Johnson Village Division of the Chaffee County Sewer Enterprise to be effective on November 1, 2014 are \$34.00 per month/per active EQR and \$20.17 per month/per inactive EQR. Of the \$34.00, Chaffee County receives \$11.42, and the Buena Vista Sanitation District receives \$22.58. Of the \$20.17, Chaffee County receives \$11.42 and the District receives \$8.75. Quarterly payments are made to the County for its share of these fees.

**Condensed Statements of Net Position**

	<u>2023</u>	<u>2022</u>
<b>Current assets</b>	\$ 13,468,759	\$ 11,197,805
<b>Capital assets</b>	4,367,340	4,582,120
<b>Total assets</b>	<b>\$ 17,836,099</b>	<b>\$ 15,779,925</b>
<b>Total liabilities</b>	<b>\$ 105,158</b>	<b>\$ 61,369</b>
<b>Deferred inflows of resources</b>	<b>179,622</b>	<b>159,116</b>
<b>Net investment in capital assets</b>	4,367,340	4,582,120
<b>Restricted for emergency reserves</b>	40,350	50,447
<b>Unrestricted</b>	13,143,629	10,926,873
<b>Total net position</b>	<b>17,551,319</b>	<b>15,559,440</b>
	<b>\$ 17,836,099</b>	<b>\$ 15,779,925</b>

**BUENA VISTA SANITATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

**Condensed Statements of Revenues, Expenses and Changes in Net Position**

	<u>2023</u>	<u>2022</u>
<b>Operating revenues</b>	\$ 2,116,281	\$ 1,938,300
<b>Non-operating revenues</b>	1,227,918	613,734
<b>Total revenues</b>	<b>3,344,199</b>	<b>2,552,034</b>
<b>Collection and treatment expense</b>	477,540	796,936
<b>Depreciation expense</b>	214,780	215,721
<b>Administrative expense</b>	652,680	668,890
<b>Non-operating expense</b>	7,320	4,150
<b>Total expenses</b>	<b>1,352,320</b>	<b>1,685,697</b>
<b>Change in net position</b>	<b>1,991,879</b>	<b>866,337</b>
<b>Beginning net position</b>	15,559,440	14,693,103
<b>Ending net position</b>	<b>\$ 17,551,319</b>	<b>\$ 15,559,440</b>

**OTHER SELECTED INFORMATION**

Buena Vista Sanitation District employs five full-time employees.

The current monthly rate for a single-family home (1.0 EQR) is \$39.00, in the District. All other rates are based on the 1.0 EQR. Only those accounts in Johnson Village differ from those within the District. The monthly rate for a single-family home (1.0 EQR) outside of the District is one and a half the rate of those in the District.

Tap fees are calculated differently starting January 1, 2016. The District shall make reference to the Plumbing Code used by Chaffee County and/or the Town of Buena Vista for governing the design, construction and operation of plumbing fixtures and facilities connected to the District's system. The Drainage Fixture Unit (DFU) value assigned to any wastewater fixture type by the 2009 Plumbing Code shall be used to assign an EQR value. The District shall consider an EQR equal to 18 DFUs. The tabulated DFU value for a fixture or group of fixtures shall be divided by a value of 18 DFUs per EQR, rounded to the nearest 0.05, to give an EQR value upon which plant investment fees or tap fees shall be based.

The tap fee for connection to the Buena Vista Sanitation District system shall be four thousand one hundred dollars (\$4,100) per EQR. Out-of-District connections tap fees shall be six thousand one hundred fifty dollars (\$6,150) per EQR. Tap fees must be paid at the time application is made for the permit. Tapping must occur within six months of applying. Tap fees shall be due at the time the permit is issued.

**BUENA VISTA SANITATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

---

Monthly service charges: The user charges will be based on eighteen (18) DFUs to be equal to one (1) EQR. The minimum monthly charge will be equal to one EQR. More than eighteen (18) DFUs the user charge will be 1 EQR plus percentage.

**GENERAL TRENDS AND SIGNIFICANT EVENTS**

As stated earlier, numerous subdivisions are being developed every year. If they are not within the District boundaries, inclusion must be requested and, if approved, such subdivisions become members of the District. This is a savings for them on both tap fees and monthly rates. Out-of-District rates are one and a half times the in-District rates.

**FINANCIAL CONDITION**

The District's financial condition remained strong at year end with adequate liquid assets and a reasonable level of unrestricted net position. The current financial condition, staff capabilities, operating plans and upgrade plans to meet future wastewater quality requirements are well balanced and under control.

**RESULTS OF OPERATIONS**

Operating revenues: The District's primary revenues from operations are as follows: sewer charges to in- and out-of-District customers; sewer charges to the Johnson Village Improvement District; septage receiving; and the Department of Corrections monthly charges.

Expenses: Total operating expenses for 2023 were \$1,345,000.

**FINAL COMMENTS**

The year 2023 continued a trend of strong financial performance by the District. This strength will be needed in the coming years for future expansion of the plant as this little area in the Arkansas Valley continues to grow with ever increasing development of homes and businesses.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGER**

This financial report is designed to provide our electors, customers, and creditors with a general overview of the District's finances, and to demonstrate the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Buena Vista Sanitation District's Financial Manager, Tara Espinoza, at PO Box 3069, Buena Vista, Colorado, 81211.

\* \* \* \* \*

## **BASIC FINANCIAL STATEMENTS**

**BUENA VISTA SANITATION DISTRICT**  
**STATEMENTS OF NET POSITION**  
**DECEMBER 31, 2023 AND 2022**

<b><u>ASSETS</u></b>	<b><u>2023</u></b>	<b><u>2022</u></b>
Current assets:		
Cash and investments	\$ 13,107,743	\$ 10,850,535
Cash and investments - restricted	40,350	50,447
Accounts receivable	103,896	137,707
Property taxes receivable	179,622	159,116
Prepaid insurance	37,148	-
<u>Total current assets</u>	<u>13,468,759</u>	<u>11,197,805</u>
Capital assets:		
Building	1,813,100	1,813,100
Sewage treatment facilities	5,685,142	5,685,142
Biosolid treatment beds	151,449	151,449
Sewer collection and transmission system	1,032,697	1,032,697
General equipment	1,061,647	1,061,647
Transportation equipment	141,086	141,086
	9,885,121	9,885,121
Accumulated depreciation	<u>(5,546,037)</u>	<u>(5,331,257)</u>
Total depreciable assets	4,339,084	4,553,864
Land	28,256	28,256
<u>Total capital assets</u>	<u>4,367,340</u>	<u>4,582,120</u>
<u>Total assets</u>	<u>\$ 17,836,099</u>	<u>\$ 15,779,925</u>

The accompanying notes and independent auditor's report  
should be read with these financial statements.

**BUENA VISTA SANITATION DISTRICT**  
**STATEMENTS OF NET POSITION**  
**DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b><u>LIABILITIES</u></b>		
Current liabilities:		
<u>Accounts payable</u>	\$ 60,630	\$ -
<u>Accrued liabilities</u>	44,528	47,685
<u>Prebilled charges</u>	-	13,684
<u>Total current liabilities</u>	<u>105,158</u>	<u>61,369</u>
<u>Total liabilities</u>	<u>105,158</u>	<u>61,369</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>		
<u>Deferred property taxes</u>	<u>179,622</u>	<u>159,116</u>
<b><u>NET POSITION</u></b>		
<u>Net investment in capital assets</u>	4,367,340	4,582,120
<u>Restricted for emergency reserves</u>	40,350	50,447
<u>Unrestricted</u>	<u>13,143,629</u>	<u>10,926,873</u>
<u>Total net position</u>	<u>17,551,319</u>	<u>15,559,440</u>
<u>Total liabilities, deferred inflows of resources, and net position</u>	<u>\$ 17,836,099</u>	<u>\$ 15,779,925</u>

The accompanying notes and independent auditor's report  
should be read with these financial statements.

**BUENA VISTA SANITATION DISTRICT**  
**STATEMENTS OF REVENUES, EXPENSES, AND**  
**CHANGES IN NET POSITION**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b><u>OPERATING REVENUES</u></b>		
Charges for services	\$ 1,403,038	\$ 1,343,702
Sewer revenues - Department of Corrections	635,885	517,191
Septage receiving	76,658	74,357
Inspection fees and service review	700	3,050
Total operating revenues	<u>2,116,281</u>	<u>1,938,300</u>
<b><u>OPERATING EXPENSES</u></b>		
Collection and treatment	477,540	796,936
Salaries, wages, and related costs	489,634	446,332
Administrative	163,046	222,558
Depreciation	214,780	215,721
Total operating expenses	<u>1,345,000</u>	<u>1,681,547</u>
Operating income	<u>771,281</u>	<u>256,753</u>
<b><u>NON-OPERATING REVENUES (EXPENSES)</u></b>		
Property taxes	158,682	142,276
Specific ownership taxes	34,738	19,857
Interest income	541,910	152,686
County Treasurer fees	(7,320)	(4,150)
Net non-operating revenues (expenses)	<u>728,010</u>	<u>310,669</u>
Income before contributions	1,499,291	567,422
Capital contributions (tap fees)	<u>492,588</u>	<u>298,915</u>
Change in net position	1,991,879	866,337
Net position, beginning of year	<u>15,559,440</u>	<u>14,693,103</u>
Net position, end of year	<u>\$ 17,551,319</u>	<u>\$ 15,559,440</u>

The accompanying notes and independent auditor's report  
should be read with these financial statements.

**BUENA VISTA SANITATION DISTRICT**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Cash received from customers/operations	\$ 2,150,092	\$ 1,968,507
Cash payments to suppliers for goods and services	(630,788)	(1,003,030)
Payments for employees for services	(492,791)	(453,432)
Net cash flows from operating activities	<u>1,026,513</u>	<u>512,045</u>
<b><u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u></b>		
Property taxes and specific ownership taxes, net of fees	<u>186,100</u>	<u>157,983</u>
Net cash flows from non-capital financing activities	<u>186,100</u>	<u>157,983</u>
<b><u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u></b>		
Tap fees received	<u>492,588</u>	<u>298,915</u>
Net cash flows from capital and related financing activities	<u>492,588</u>	<u>298,915</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Interest income	<u>541,910</u>	<u>152,686</u>
Net cash flows from investing activities	<u>541,910</u>	<u>152,686</u>
Net change in cash and investments	<u>2,247,111</u>	<u>1,121,629</u>
Cash and investments, beginning of year	<u>10,900,982</u>	<u>9,779,353</u>
Cash and investments, end of year	<u><u>\$ 13,148,093</u></u>	<u><u>\$ 10,900,982</u></u>

The accompanying notes and independent auditor's report  
should be read with these financial statements.

**BUENA VISTA SANITATION DISTRICT**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<b>2023</b>	<b>2022</b>
<b><u>RECONCILIATION OF OPERATING INCOME TO</u></b>		
<b><u>NET CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Operating income	\$ 771,281	\$ 256,753
Adjustments to reconcile operating income to net cash flows from operating activities:		
Depreciation	214,780	215,721
Changes in assets and liabilities related to operations:		
Accounts receivable	33,811	30,207
Prepaid insurance	(37,148)	-
Accounts payable	60,630	-
Accrued liabilities	(3,157)	7,100
Prebilled charges	(13,684)	2,264
<b>Net cash flows from operating activities</b>	<b>\$ 1,026,513</b>	<b>\$ 512,045</b>

The accompanying notes and independent auditor's report should be read with these financial statements.

# BUENA VISTA SANITATION DISTRICT

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

---

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Buena Vista Sanitation District ("District") was organized in 1953 to provide a complete sanitary sewer system, including a sewage disposal or treatment plant. The District serves the town of Buena Vista ("Town") in Chaffee County, Colorado ("County"), and certain portions of properties outside the Town that have been annexed during the years subsequent to organization.

The governing body consists of a five-member board of directors elected by the residents of the District.

The District grants credit to its customers, all of whom are local residents and businesses. The basic operations of the District are financed by sewage treatment revenues and property taxes levied and collected by the County.

The District follows the Governmental Accounting Standards Board ("GASB") accounting pronouncements which provide guidance for determining which governmental activities, organizations, and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's financial reporting. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

#### Financial reporting entity

The District's policy is to include in the financial statements all funds, enterprises, account groups, departments, agencies, boards, commissions, and other material component units for which the District is considered to be financially accountable.

The District is considered a special independent district by Colorado Revised Statutes and as such, is not to be included with any other governmental authority. Accordingly, the District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

#### Basis of accounting

The accounts of the District are organized on the basis of an enterprise fund. Enterprise funds are used to account for operations that are financed and operated in a manner similar to a private business enterprise.

See independent auditor's report.

# BUENA VISTA SANITATION DISTRICT

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

---

The District's financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when the liabilities are incurred. Depreciation is computed and recorded as an operating expense. Expenditures for capital assets are shown as increases in assets.

### Use of estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America ("US GAAP") requires the District to use estimates and assumptions. Those estimates and assumptions affect the reported balances of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses. Actual results could vary from the estimates that were used.

### Operating revenues and expenses

The District distinguishes between operating revenues and expenses and non-operating items in the statements of revenues, expenses, and changes in net position. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the District's purpose of providing sanitation services to its customers. Operating revenues consist of charges to customers for services provided. Operating expenses include the cost of service, administrative expenses, depreciation, and amortization. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses or capital contributions.

### Budgets and budgetary accounting

Budgetary comparison schedules are provided as supplementary information as required by the Colorado Revised Statutes.

The District is required by state law to adopt an annual budget. The budget is prepared on a cash basis which differs from US GAAP. The supplementary information compares the budgeted activity to the actual activity and reconciles such to the actual revenues earned and expenses incurred as shown in the financial statements.

Once a budget is approved, it can be amended in accordance with state provisions only by approval of a majority of the members of the board of directors. A copy of the adopted resolution must be filed with the State Division of Local Governments.

The District's budget establishes control over the following categories of expenditures: general operating, capital outlay, contingency, general fund reserve, and emergency fund reserve. Unexpended budgeted amounts lapse at year end. Contributions of sewer lines are not reflected as a budgetary revenue item or expenditure as they do not generate or require the use of available funds.

See independent auditor's report.

# BUENA VISTA SANITATION DISTRICT

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

---

### Cash and investments

For purposes of the statements of cash flows, the District considers cash deposits and all highly liquid investments (including restricted assets) with initial maturities of three months or less to be cash equivalents.

### Accounts receivable

Accounts receivable of the District consist of sewage collection service charges receivable including amounts due from the Department of Corrections. Accounts receivable are unsecured and are stated at the amount the District expects to collect. The District maintains allowances for doubtful accounts for estimated losses resulting from the inability of its customers to make required payments. Management considers the following factors when determining the collectability of specific customer accounts: customer creditworthiness, past transaction history with the customer, current economic industry trends, and changes in customer payment terms. If the financial condition of the District's customers were to deteriorate, adversely affecting their ability to make payments, additional allowances would be required. As of December 31, 2023 and 2022, accounts receivable are considered fully collectable and no allowance for doubtful accounts has been recorded.

Accounts receivable include \$14,430 and \$9,680 of certified accounts for the years ended December 31, 2023 and 2022, respectively. Certified accounts are past-due customer accounts for sewer service charges, which have been turned over to the Chaffee County Treasurer for collection. These certified accounts are considered fully collectable.

### Property taxes

The District has recorded annual property taxes assessed in the current year, to be collected in the following year, as receivable at December 31 of the current year offset by a deferred revenues account. The amounts of assessments receivable and deferred revenues as of December 31, 2023 and 2022 were \$179,622 and \$159,116, respectively. The County handles the levying and the collecting of the taxes. The taxes are levied on December 15 of each year and are due January 1 of the following year. For purposes of collections, taxpayers can pay half of the tax liability in February with the remaining half due in July, or the entire amount may be paid in April. If the taxes remain unpaid, the County may file liens beginning in October of each year. Assessed taxes are anticipated to be fully collected within one year.

Property taxes, net of estimated uncollectable taxes, are recorded initially as deferred revenues in the year they are levied and measurable. The deferred property tax revenues are recorded as revenues in the year they are available or collected.

See independent auditor's report.

# BUENA VISTA SANITATION DISTRICT

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

---

### Capital assets

It is the District's policy to capitalize items that cost more than \$5,000 and have useful lives in excess of one year. Capital assets are recorded at cost except for those assets that have been contributed which are stated at estimated fair value at the date of contribution or at the developer's cost. Depreciation is computed using the straight-line method over the estimated useful lives as follows:

Building	40 years
Sewage treatment facilities	34 years
Biosolid treatment beds	34 years
Sewer collection and transmission system	33 - 50 years
General equipment	5 - 10 years
Transportation equipment	5 - 10 years

Maintenance and repairs are charged to expense as incurred. Major improvements are capitalized and depreciated or amortized. At the time of retirement or disposition of depreciable assets, the related cost and accumulated depreciation are removed from the accounts, and the resulting gain or loss is reflected in change in net position.

Costs of certain engineering, feasibility, environmental and other studies are capitalized until the related projects become operational. When projects become operational, the related costs are included in property and equipment and depreciated over the estimated useful lives of the assets.

### Deferred inflows of resources

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District reports unavailable revenues from one source, property taxes. This amount is deferred and recognized as an inflow of resources in the year the property taxes are levied and budgeted for.

### Net position

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

### Reclassifications

Certain prior year balances and amounts have been reclassified to conform to the current year presentation.

See independent auditor's report.

# BUENA VISTA SANITATION DISTRICT

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

### Subsequent events

The District has evaluated subsequent events through the date of the attached independent auditor's report, the date these financial statements were available to be issued.

## 2. CASH AND INVESTMENTS

Cash and investments are classified in the accompanying financial statements as follows as of December 31,:

	<u>2023</u>	<u>2022</u>
Cash and investments	\$ 13,107,743	\$ 10,850,535
Cash and investments - restricted	<u>40,350</u>	<u>50,447</u>
	<u>\$ 13,148,093</u>	<u>\$ 10,900,982</u>

The carrying amounts of cash and investments, which equal estimated fair value, are as follows as of December 31,:

	<u>2023</u>	<u>2022</u>
Deposits with financial institutions	\$ 2,522,160	\$ 1,316,012
Investments	<u>10,625,933</u>	<u>9,584,970</u>
	<u>\$ 13,148,093</u>	<u>\$ 10,900,982</u>

### Deposits with financial institutions

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 on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits.

The state commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2023, the District had cash deposits with a bank balance of \$2,599,525 and a carrying balance of \$2,522,160. At December 31, 2022, the District had cash deposits with a bank balance of \$1,647,995 and a carrying balance of \$1,316,012.

See independent auditor's report.

# BUENA VISTA SANITATION DISTRICT

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

---

### Restricted cash

The District has restricted cash of \$40,350 and \$50,447 as of December 31, 2023 and 2022, respectively, related to emergency reserve requirements of TABOR.

### Investments

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

The District generally limits its concentration of investments to those listed below, which are believed to have minimal credit risk, minimal interest rate risk, and no foreign currency risk. Additionally, the District is not subject to concentration risk disclosure requirements or subject to investment custodial credit risk for investments that are in the possession of another party.

The Colorado Revised Statutes limit investment maturities to five years or less unless otherwise formally approved by the board of directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

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 US government agency securities
- Certain international agency securities
- General obligation and revenue bonds of US local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certificates of deposit in Colorado PDPA approved banks or savings banks
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

As of December 31, the District had the following in investments:

<u>Investments</u>	<u>Maturity</u>	<u>2023</u>	<u>2022</u>
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted average under 60 days	<u>\$ 10,625,933</u>	<u>\$ 9,584,970</u>

See independent auditor's report.

# BUENA VISTA SANITATION DISTRICT

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

---

### COLOTRUST

The District invested in the Colorado Local Government Liquid Asset Trust ("COLOTRUST" or "Trust"), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all state statutes governing the Trust. The Trust offers three portfolios: COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE.

COLOTRUST PRIME and COLOTRUST PLUS+, which operate similarly to a money market fund in which each share is equal in value to \$1, offer daily liquidity. Both portfolios may invest in US Treasury securities and repurchase agreements collateralized by US Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of US government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

COLOTRUST EDGE, a variable net asset value ("NAV") local government investment pool, offers weekly liquidity and is managed to approximate a \$10 transactional share price. COLOTRUST EDGE may invest in US Treasury securities, repurchase agreement collateralized by US Treasury securities, certain obligations of US government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

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. The custodian's internal records segregate investments owned by the Trust. COLOTRUST PRIME and COLOTRUST PLUS+ are rated AAAM by Standard & Poor's. COLOTRUST EDGE is rated AAAs/S1 by FitchRatings. COLOTRUST records its investment at fair value and the District records its investment in COLOTRUST at NAV as determined by fair value. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.

See independent auditor's report.

# BUENA VISTA SANITATION DISTRICT

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

### 3. CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2023 follows:

	Balance at 01-01-2023	Increases	Decreases	Balance at 12-31-23
Non-depreciable assets:				
Land	\$ 28,256	\$ -	\$ -	\$ 28,256
Depreciable assets:				
Building	1,813,100	-	-	1,813,100
Sewage treatment facilities	5,685,142	-	-	5,685,142
Biosolid treatment beds	151,449	-	-	151,449
Sewer collection and transmission system	1,032,697	-	-	1,032,697
General equipment	1,061,647	-	-	1,061,647
Transportation equipment	141,086	-	-	141,086
Total depreciable assets	9,885,121	-	-	9,885,121
Less accumulated depreciation:				
Building	(704,594)	(45,328)	-	(749,922)
Sewage treatment facilities	(2,572,951)	(113,515)	-	(2,686,466)
Biosolid treatment beds	(82,405)	(4,454)	-	(86,859)
Sewer collection and transmission system	(909,643)	(15,642)	-	(925,285)
General equipment	(950,031)	(21,115)	-	(971,146)
Transportation equipment	(111,633)	(14,726)	-	(126,359)
Total accumulated depreciation	(5,331,257)	(214,780)	-	(5,546,037)
Total capital assets, net	\$ 4,582,120	\$ (214,780)	\$ -	\$ 4,367,340

See independent auditor's report.

# BUENA VISTA SANITATION DISTRICT

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

An analysis of the changes in capital assets for the year ended December 31, 2022 follows:

	Balance at 01-01-2022	Increases	Decreases	Balance at 12-31-22
Non-depreciable assets:				
Land	\$ 28,256	\$ -	\$ -	\$ 28,256
Depreciable assets:				
Building	1,813,100	-	-	1,813,100
Sewage treatment facilities	5,685,142	-	-	5,685,142
Biosolid treatment beds	151,449	-	-	151,449
Sewer collection and transmission system	1,032,697	-	-	1,032,697
General equipment	1,061,647	-	-	1,061,647
Transportation equipment	141,086	-	-	141,086
Total depreciable assets	9,885,121	-	-	9,885,121
Less accumulated depreciation:				
Building	(659,266)	(45,328)	-	(704,594)
Sewage treatment facilities	(2,458,495)	(114,456)	-	(2,572,951)
Biosolid treatment beds	(77,951)	(4,454)	-	(82,405)
Sewer collection and transmission system	(894,001)	(15,642)	-	(909,643)
General equipment	(928,916)	(21,115)	-	(950,031)
Transportation equipment	(96,907)	(14,726)	-	(111,633)
Total accumulated depreciation	(5,115,536)	(215,721)	-	(5,331,257)
Total capital assets, net	\$ 4,797,841	\$ (215,721)	\$ -	\$ 4,582,120

Depreciation expense for the years ended December 31, 2023 and 2022 totaled \$214,780 and \$215,721, respectively.

See independent auditor's report.

# BUENA VISTA SANITATION DISTRICT

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

---

### 4. NET POSITION

The basic financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted, and unrestricted. Net investment in capital assets reflects the portion of net position that is associated with non-liquid, capital assets. As of December 31, 2023 and 2022, the District had net investment in capital assets as follows:

	<u>2023</u>	<u>2022</u>
Capital assets, net of accumulated depreciation	<u>\$ 4,367,340</u>	<u>\$ 4,582,120</u>

Restricted net position includes items that are restricted for use either externally by creditors, grantors or contributors, or by laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had restricted net positions as of December 31, 2023 and 2022, as follows:

	<u>2023</u>	<u>2022</u>
Restricted for emergency reserves (see Note 10)	<u>\$ 40,350</u>	<u>\$ 50,447</u>

Unrestricted net position consists of net assets that do not meet the definition of net position invested in capital assets or restricted. The District's unrestricted net position totaled \$13,143,629 and \$10,926,873 as of December 31, 2023 and 2022, respectively.

### 5. CONCENTRATIONS

#### Accounts receivable

As of December 31, 2022, 32% of accounts receivable was from one customer.

#### Revenues

As of December 31, 2023 and 2022, 30% and 27%, respectively, of operating revenues were from one customer.

### 6. 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.

See independent auditor's report.

# BUENA VISTA SANITATION DISTRICT

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

---

The District is a member of the Colorado Special Districts Property and Liability Pool ("Pool") as of December 31, 2023 and 2022. The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery, and workers' compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, property, public officials' liability, and workers' compensation 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.

### 7. EMPLOYEE BENEFIT PLAN

The District offers a Section 457 Deferred Compensation Plan for which employees are eligible beginning on their first day of employment. The District contributes 3% of employees' salaries for the calendar year. All contributions made under the plan are fully vested and nonrefundable. The District contributed \$11,217 and \$10,241 to the plan for the years ended December 31, 2023 and 2022, respectively.

### 8. COMMITMENTS AND INTERGOVERNMENTAL AGREEMENTS

#### Colorado Department of Corrections

As part of the construction of a new treatment facility, the District entered into an intergovernmental agreement with the Colorado Department of Corrections ("CDOC"). The Buena Vista Correctional Facility abandoned its previous sewage facility and utilized the services of a new facility. Under the agreement, CDOC leases to the District the land used for the new facility and paid 29.9% of the total cost related to planning, designing, and constructing the new facility. The District owns the new facility and is responsible for its operations. The service agreement approved in May 2001, as amended November 3, 2016, sets forth the user rates for the services, including a monthly minimum charge. The agreement also provided for a connection fee in 2001, which was recorded as a tap fee. As allowed in the agreement and on October 17, 2017, the District's board of directors approved a resolution increasing the wastewater user charges under this agreement.

See independent auditor's report.

# BUENA VISTA SANITATION DISTRICT

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

---

### Johnson Village

In 2002, the District entered into an intergovernmental agreement with the Board of County Commissioners of the County. The County constructed and installed wastewater collection lines in an area known as Johnson Village. The County entered into an agreement with the District for the operations of the system, and for the billing and collection of the District's and County's service fees. The District remits the County's portion of the service fees to the County quarterly. During the years ended December 31, 2023, and 2022, total charges to Johnson Village users were \$35,361 and \$19,163, respectively. As of December 31, 2023 and 2022, no service fees were payable to the County.

## 9. 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 is a member of the Colorado Special Districts Property and Liability Pool ("Pool"). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery, and workers' compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal 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.

## 10. TAX, SPENDING AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights ("TABOR"), contains tax, spending, revenue and debt limitations which apply to the state of Colorado and all local governments within the state of Colorado.

Spending and revenue limits are determined based on the prior fiscal year spending adjusted for allowable increases based upon inflation and local growth. Fiscal year spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the fiscal year spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish emergency reserves. These reserves must be at least 3% of fiscal year spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

See independent auditor's report.

# **BUENA VISTA SANITATION DISTRICT**

## **NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2023 AND 2022**

---

Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR. The District's management believes a significant portion of its operations qualifies for this exclusion.

On May 7, 1996, an election was held in which the voters in the District approved the authorization of the District to retain and spend all tap fee revenues collected in excess of the spending limits established by TABOR. This authorization was granted for a period of 40 years.

\* \* \* \* \*

See independent auditor's report.

## **SUPPLEMENTARY INFORMATION**

**BUENA VISTA SANITATION DISTRICT**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET COMPARED TO ACTUAL**  
**BUDGETARY BASIS**  
**YEAR ENDED DECEMBER 31, 2023**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b><u>REVENUE</u></b>			
Charges for services	\$ 1,265,000	\$ 1,299,142	\$ 34,142
Sewer revenues - Department of Corrections	550,000	635,885	85,885
Tap connection fees	190,000	492,588	302,588
Septage receiving	80,000	76,658	(3,342)
Inspection fees and service review	2,900	700	(2,200)
Property taxes	141,000	158,682	17,682
Specific ownership tax	16,000	34,738	18,738
Interest income	90,000	541,910	451,910
Total revenues	<u>\$ 2,334,900</u>	<u>\$ 3,240,303</u>	<u>\$ 905,403</u>
<b><u>EXPENDITURES</u></b>			
Sewage collection and transmission:			
Contract services	\$ 750,000	\$ 128,301	\$ 621,699
Laboratory	35,000	37,230	(2,230)
Maintenance and repair	45,000	5,026	39,974
Miscellaneous	6,500	2,556	3,944
Supplies	25,000	38,743	(13,743)
Vehicle	20,000	8,970	11,030

See independent auditor's report.

**BUENA VISTA SANITATION DISTRICT**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET COMPARED TO ACTUAL**  
**BUDGETARY BASIS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Administration:			
Accounting and auditing	\$ 16,750	\$ 16,032	\$ 718
Computer	4,000	1,327	2,673
County Treasurer fees	7,500	7,320	180
Customer relations	5,000	8,922	(3,922)
Directors fees	8,000	6,100	1,900
Discharge permit	12,000	8,174	3,826
Dues and publications	3,300	3,142	158
Election	12,000	1,577	10,423
Employee benefits	72,908	60,294	12,614
Engineering	75,000	83,704	(8,704)
Insurance	42,000	(136)	42,136
Legal	30,000	10,000	20,000
Miscellaneous	5,000	3,622	1,378
Meeting expense	-	1,326	(1,326)
Payroll taxes	30,747	32,048	(1,301)
Postage	5,500	5,066	434
Office supplies	3,000	1,304	1,696
Salaries	400,345	397,292	3,053
Training	5,500	1,322	4,178
Utilities	315,300	268,278	47,022
<b>Total expenditures</b>	<b>1,935,350</b>	<b>1,137,540</b>	<b>797,810</b>
<b>Income - budgetary basis</b>	<b>\$ 399,550</b>	<b>\$ 2,102,763</b>	<b>\$ 1,703,213</b>

See independent auditor's report.

**BUENA VISTA SANITATION DISTRICT**  
**RECONCILIATION OF AMOUNTS FROM US GAAP BASIS TO BUDGETARY BASIS**  
**YEAR ENDED DECEMBER 31, 2023**

---

The accompanying Schedule of Revenues and Expenditures - Budget Compared to Actual on pages 26 - 27 presents comparisons of the legally adopted budget with actual data on a budgetary basis. Because accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America, a reconciliation of resulting differences in revenues and expenditures for the year ended December 31, 2023, is presented below.

Total revenue and receipts per financial statements (operating revenues, non-operating revenues and capital contributions)		\$ 3,344,199
Less:		
Revenue accruals and non-cash adjustments for the period ended December 31, 2023		(103,896)
Total actual revenue and receipts per the budget		<u>\$ 3,240,303</u>
Total expenses and capital expenditures per financial statements		\$ 1,352,320
Less:		
Depreciation		(214,780)
Total actual expenses and capital expenditures per the budget		<u>\$ 1,137,540</u>

See independent auditor's report.