

**Granby Sanitation District
Granby, Colorado**

FINANCIAL STATEMENTS

With Independent Auditor's Report

December 31, 2023 and 2022

Granby Sanitation District

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December 31, 2023 and 2022

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Granby Sanitation District
Granby, Colorado

Opinions

We have audited the accompanying financial statements of Granby Sanitation District (the 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the District as of December 31, 2023 and 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 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 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 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1 through 5 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during

our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplemental Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplemental information as identified in the table of contents is presented for purposes of additional analysis and legal compliance 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. 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 supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Fiscal Focus Partners LLC

Arvada, Colorado
June 12, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

The discussion and analysis of Granby Sanitation District's financial performance provides an overall review of the District's financial activities for the year ended December 31, 2023. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should review the information presented here in conjunction with the basic financial statements and the notes to financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

- Assets of the District exceeded its liabilities at the close of the fiscal year by \$25,614,189 (net position). Of this amount, \$3,612,452 (unrestricted net position) may be used to meet the government's ongoing obligations to its citizens and creditors.
- The District's total net position increased \$926,834 from the prior fiscal year, primarily due to the receipt of \$629,850 in tap fees and \$268,477 in net investment income.
- Operating revenues increased \$35,506 from the prior year, or 2.2%.
- Operating expenses decreased \$86,284 from the prior year, primarily due to a decrease in depreciation expense of \$44,913 and decreases of \$55,320 in plant operating expenses.
- Investment income increased \$130,259 due to continued increases in interest rates on investment balances.

Overview of the Financial Statements

The Granby Sanitation District basic financial statements included in this report are those of a special-purpose government engaged in a business-type activity, providing wastewater collection and treatment services. The statements are comprised of two components: 1) basic financial statements and 2) notes to the financial statements. This report also contains other supplemental information in addition to the basic financial statements themselves.

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
(continued)

District's operating and nonoperating revenue by source along with operating and nonoperating expenses and capital contributions.

The *Statement of Cash Flows* reports the District's cash flows from operating activities, investing, capital and noncapital activities.

The *Notes to the financial statements* provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

A budgetary comparison statement has been provided in the *supplemental information* to demonstrate compliance with the budget.

Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Granby Sanitation District, assets exceeded liabilities by \$25,614,189 at the close of the most recent fiscal year.

| Statement of Net Position | | | |
|----------------------------------|---------------|---------------|---------------|
| December 31, | | | |
| | 2023 | 2022 | 2021 |
| Current assets | \$ 4,497,802 | \$ 8,270,994 | \$ 9,237,620 |
| Capital assets | 22,734,203 | 18,402,576 | 16,276,591 |
| Total assets | 27,232,005 | 26,673,570 | 25,514,211 |
| Current liabilities | 699,519 | 800,060 | 303,648 |
| Long-term obligations | 918,297 | 1,186,155 | 1,459,993 |
| Total liabilities | 1,617,816 | 1,986,215 | 1,763,641 |
| Net position: | | | |
| Net investment in capital assets | 21,541,737 | 16,942,583 | 14,559,955 |
| Restricted | 460,000 | 401,100 | 354,700 |
| Unrestricted | 3,612,452 | 7,343,672 | 8,835,915 |
| Net position | \$ 25,614,189 | \$ 24,687,355 | \$ 23,750,570 |

Current assets are primarily composed of cash and investments. The District's unrestricted cash and investments are 6 times the cash needed to meet current liabilities.

MANAGEMENT'S DISCUSSION AND ANALYSIS
(continued)

| | Changes in Net Position | | |
|---|---|----------------------|----------------------|
| | For the Years Ended December 31, | | |
| | <u>2023</u> | <u>2022</u> | <u>2021</u> |
| Revenues | | | |
| Operating revenue | | | |
| Charges for services | \$ 1,615,327 | \$ 1,575,923 | \$ 1,512,547 |
| Town of Granby | 10,000 | 10,000 | 10,000 |
| Other operating revenue | 13,981 | 17,879 | 18,912 |
| Nonoperating revenue | | | |
| Net investment income | 268,477 | 138,218 | 3,278 |
| Capital contributions | | | |
| Tap and facility fees | 659,850 | 1,363,674 | 1,094,970 |
| Contributed assets | - | - | 7,435,643 |
| Total revenues | <u>2,567,635</u> | <u>3,105,694</u> | <u>10,075,350</u> |
| Expenses | | | |
| Operating expenses | | | |
| Utilities | 152,288 | 138,339 | 140,188 |
| Plant Operations | 692,171 | 747,491 | 683,915 |
| General and administrative expenses | 212,355 | 182,676 | 162,452 |
| Depreciation | 560,057 | 604,970 | 391,141 |
| Nonoperating income (expenses) | | | |
| Debt service | (43,141) | (52,273) | (60,659) |
| Gain (loss) on sale of assets | 12,900 | 5,000 | - |
| Amortization | 6,311 | 6,311 | 6,311 |
| Total expenses | <u>1,640,801</u> | <u>1,714,438</u> | <u>1,432,044</u> |
| Special items | | | |
| Loss on decommissioning of compost facility | - | (454,471) | - |
| Change in net position | <u>926,834</u> | <u>936,785</u> | <u>8,643,306</u> |
| Net position - beginning | <u>24,687,355</u> | <u>23,750,570</u> | <u>15,107,264</u> |
| Net position - ending | <u>\$ 25,614,189</u> | <u>\$ 24,687,355</u> | <u>\$ 23,750,570</u> |

MANAGEMENT'S DISCUSSION AND ANALYSIS
(continued)

Budgetary Highlights

The District prepares its budget on the modified accrual basis of accounting to recognize the fiscal impact of capital outlay and debt repayment in addition to operations and nonoperating revenue and expenses and contributions. Depreciation is not reflected in the budget since it does not affect funds available. Funds available (current assets less current liabilities, exclusive of the current portion of long-term obligations) decreased \$3,672,321 during 2023, primarily due to capital expenditures.

Tap Fee revenue was significant during 2023 and 2022 as development in the Granby area rose during both years. Capital expenditures were primarily related to the solids handling project.

Capital Assets

The District's capital asset detail as of December 31, 2023, 2022, and 2021 was as follows:

| | Capital Assets | | |
|--------------------------------|-----------------------|----------------------|----------------------|
| | 2023 | December 31, | |
| | 2022 | 2021 | |
| Land | \$ 13,188 | \$ 13,188 | \$ 13,188 |
| Construction in progress | - | 4,247,301 | 1,061,829 |
| Sewer plant | 17,893,201 | 8,781,590 | 8,781,590 |
| Buildings | 4,845,022 | 4,845,022 | 5,583,677 |
| Collection and transmission | 8,050,072 | 8,050,072 | 8,050,073 |
| Operating equipment | 811,505 | 811,505 | 811,504 |
| Vehicles | 275,761 | 285,762 | 285,762 |
| Office furniture and equipment | 34,913 | 7,539 | 7,539 |
| Total capital assets | <u>31,923,662</u> | <u>27,041,979</u> | <u>24,595,162</u> |
| Accumulated depreciation | <u>(9,189,459)</u> | <u>(8,639,403)</u> | <u>(8,318,571)</u> |
| Net capital assets | <u>\$ 22,734,203</u> | <u>\$ 18,402,576</u> | <u>\$ 16,276,591</u> |

During 2022, the District decommissioned its compost facility and removed the building to provide space for the construction of the solids handling facility. The financial statements include a "special item" loss in the amount of \$454,471 to recognize the book value loss on the compost facility.

Additional information relating to the District's capital assets activity can be found in Note 4 of this report.

Debt Administration

As of December 31, 2023 the District had debt liabilities of \$1,192,466. This amount is a note payable to the Colorado Water Resources and Power Development Authority. Additional detail on the District's debt is in Note 5 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS
(continued)

Economic Factors and Next Year's Budget

- Granby Sanitation District services an area that includes the Town of Granby, areas adjacent to the Town, and the SilverCreek Water and Sanitation District. 2024 service fee revenues are based on an anticipated 3,679 single-family equivalent (SFE) units multiplied by a \$37.00/month/SFE sewer service fee. Approximately 1,588 SFEs are anticipated to be served within the boundaries of Granby Sanitation District, 592 served by SilverCreek Water and Sanitation District, and 1,499 serviced by the Town of Granby (outside of Granby Sanitation District boundaries). The District expects to receive \$10,000 from the Town of Granby to reimburse the District for additional administrative and operational costs resulting from the 2004 and 2006 Agreements for Treatment of Sewage between Granby Sanitation District and the Town of Granby. These revenues, in addition to any surplus of sewer service fees minus operating expenses, will be added to the unrestricted operating contingency fund, which is included in the ending fund balance. Likewise, there may be maintenance and repair items that will need to be funded from this unrestricted operating contingency fund and again, the change in this fund will be reflected in the ending fund balance. The unrestricted operating contingency fund will accumulate any surplus from year to year. Plant investment fees and interest earned on the District's investments are added to the District's capital outlay fund.
- The District will make semi-annual debt service payments for the Colorado Water Pollution Control Revolving Funds loan received in 2006 to help pay for the upgrade and expansion of the District's wastewater treatment facilities. These payments are reflected in the 2024 budget.
- The sale of twenty-five (25) plant investment fees is budgeted for 2024. Plant investment fees are \$9,690/sfe.
- Capital improvements of \$865,046 is budgeted for 2024.

Requests for Information

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

District Administrator
Granby Sanitation District
P.O. Box 560
Granby, Colorado 80446-0560

BASIC FINANCIAL STATEMENTS

Granby Sanitation District
STATEMENTS OF NET POSITION
December 31, 2023 and 2022

| | 2023 | 2022 |
|--|---------------|---------------|
| ASSETS | | |
| Current assets | | |
| Cash | \$ 136,416 | \$ 156,369 |
| Cash - restricted | 460,000 | 401,100 |
| Investments | 3,827,842 | 7,638,673 |
| Accounts receivable | 2,916 | 9,292 |
| Prepaid expenses | 70,628 | 65,560 |
| Total current assets | 4,497,802 | 8,270,994 |
| Capital assets | | |
| Capital assets not being depreciated | 13,188 | 4,260,490 |
| Capital assets being depreciated, net | 22,721,015 | 14,142,086 |
| Capital assets, net | 22,734,203 | 18,402,576 |
| Total assets | \$ 27,232,005 | \$ 26,673,570 |
| LIABILITIES | | |
| Current liabilities | | |
| Accounts payable and other accrued liabilities | \$ 29,876 | \$ 297,753 |
| Retainage payable | 377,723 | 144,426 |
| Accrued compensated absences | 17,751 | 15,672 |
| Accrued interest payable | - | 3,325 |
| Unearned revenue | - | 65,046 |
| Current portion of long-term debt | 274,169 | 273,838 |
| Total current liabilities | 699,519 | 800,060 |
| Long-term obligations | 918,297 | 1,186,155 |
| Total liabilities | 1,617,816 | 1,986,215 |
| NET POSITION | | |
| Net investment in capital assets | 21,541,737 | 16,942,583 |
| Restricted | 460,000 | 401,100 |
| Unrestricted | 3,612,452 | 7,343,672 |
| Total net position | \$ 25,614,189 | \$ 24,687,355 |

The accompanying Notes to Financial Statements are an integral part of these statements.

Granby Sanitation District
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Years Ended December 31, 2023 and 2022

| | 2023 | 2022 |
|---|----------------------|----------------------|
| OPERATING REVENUES | | |
| Charges for services | \$ 1,615,327 | \$ 1,575,923 |
| Town of Granby | 10,000 | 10,000 |
| Other revenues | 13,981 | 17,879 |
| Total operating revenues | 1,639,308 | 1,603,802 |
| OPERATING EXPENSES | | |
| Utilities | 152,288 | 138,339 |
| Plant operations | 692,171 | 747,491 |
| Depreciation | 560,057 | 604,970 |
| Total operating expenses | 1,404,516 | 1,490,800 |
| GROSS PROFIT (LOSS) FROM OPERATIONS | 234,792 | 113,002 |
| GENERAL AND ADMINISTRATIVE EXPENSES | 212,355 | 182,676 |
| OPERATING INCOME (LOSS) | 22,437 | (69,674) |
| NONOPERATING REVENUES (EXPENSES) | | |
| Net investment income | 268,477 | 138,218 |
| Gain (loss) on sale of assets | 12,900 | 5,000 |
| Debt service - interest | (4,655) | (13,787) |
| Amortization of loan premium | 6,311 | 6,311 |
| Debt service - administrative costs | (38,486) | (38,486) |
| Total nonoperating revenues (expenses) | 244,547 | 97,256 |
| INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS and SPECIAL ITEMS | 266,984 | 27,582 |
| CAPITAL CONTRIBUTIONS | | |
| Tap and facility fees | 659,850 | 1,363,674 |
| Total capital contributions | 659,850 | 1,363,674 |
| SPECIAL ITEMS | | |
| (Loss) on decommissioning of compost facility | - | (454,471) |
| CHANGE IN NET POSITION | 926,834 | 936,785 |
| NET POSITION - beginning of year | 24,687,355 | 23,750,570 |
| NET POSITION - end of year | \$ 25,614,189 | \$ 24,687,355 |

The accompanying Notes to Financial Statements are an integral part of these statements.

Granby Sanitation District
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2023 and 2022

| | 2023 | 2022 |
|--|---------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Receipts from customers | \$ 1,580,638 | \$ 1,664,766 |
| Payments to suppliers for goods and services | (799,393) | (351,911) |
| Payments to employees for services | (528,287) | (443,427) |
| Net cash provided by operating activities | 252,958 | 869,428 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Acquisition of fixed assets, net of change in related payables | (4,658,388) | (3,041,000) |
| Proceeds from the sale of capital assets | 12,901 | 5,000 |
| Loan principal payments | (261,216) | (250,332) |
| Interest paid on loan | (7,980) | (17,935) |
| Administrative costs paid on loan | (38,486) | (38,486) |
| Tap and facility fees | 659,850 | 1,363,674 |
| Net cash used by capital and related financing activities | (4,293,319) | (1,979,079) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest earnings received | 268,477 | 138,312 |
| Net cash provided by investing activities | 268,477 | 138,312 |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | (3,771,884) | (971,339) |
| CASH AND CASH EQUIVALENTS - beginning of year | 8,196,142 | 9,167,481 |
| CASH AND CASH EQUIVALENTS - end of year | \$ 4,424,258 | \$ 8,196,142 |

(continued)

The accompanying Notes to Financial Statements are an integral part of these statements.

Granby Sanitation District
STATEMENTS OF CASH FLOWS
 (continued)
 Years Ended December 31, 2023 and 2022

| | 2023 | 2022 |
|---|-------------------|-------------------|
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES | | |
| Operating income (loss) | \$ 22,437 | \$ (69,674) |
| Adjustments to reconcile operating income (loss) to net cash provided by operating activities | | |
| Depreciation | 560,057 | 604,970 |
| Change in assets and liabilities: | | |
| (Increase) decrease in: | | |
| Accounts receivable | 6,376 | (4,082) |
| Prepaid expenses | (5,068) | (725) |
| Increase (decrease) in: | | |
| Accounts payable | (267,877) | 277,344 |
| Unearned revenue | (65,046) | 65,046 |
| Accrued compensated absences | 2,079 | (3,451) |
| Total adjustments | 230,521 | 939,102 |
| Net cash provided by operating activities | \$ 252,958 | \$ 869,428 |

The accompanying Notes to Financial Statements are an integral part of these statements.

Granby Sanitation District

NOTES TO FINANCIAL STATEMENTS

December 31, 2023 and 2022

Note 1 – Definition of reporting entity

Granby Sanitation District (the District), a quasi-municipal corporation and political subdivision of the State of Colorado, is governed pursuant to the provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located in Grand County, Colorado. The District was established to provide sewage removal and treatment for the users within the District's boundaries.

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 legal entity. 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.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

Note 2 – Summary of significant accounting policies

The more significant accounting policies of the District are described as follows:

The accounting policies of the District conform to generally accepted accounting principles as applicable to governmental units accounted for as a proprietary enterprise fund. The enterprise fund is used since the District's powers are related to those operated in a manner similar to a private utility system where net income and capital maintenance are appropriate determinations of accountability. The District follows Governmental Accounting Standards Board pronouncements.

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.

Basis of Accounting

The District's financial statements are reported using the accrual basis of accounting. Revenue is recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. Depreciation is computed and recorded as an operating expense. Expenditures for capital assets are shown as increases in assets and payments on loans are recorded as reductions in liabilities. Tap fees, inclusion fees, and contributed assets from developers are recorded as capital contributions when received or collectible.

Granby Sanitation District

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2023 and 2022

Operating revenues and expenses

The District distinguishes between operating revenues and expenses from nonoperating 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 sewer services to its customers. Operating revenues consist of charges to customers for service provided. Operating expenses include the cost of service, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses or capital contributions.

Cash equivalents

For purposes of the Statement of Cash Flows, the District considers cash deposits (including certificates of deposit) and highly liquid investments with original maturities of three months or less from the date of acquisition, to be cash equivalents.

Accounts receivable, allowance for doubtful accounts

User fees and tap fees constitute a perpetual lien on or against property served until paid. Such liens may be foreclosed upon as provided by the State of Colorado. Therefore, no provision for uncollectible receivables has been made in the financial statements.

Property Taxes

Service fees and other revenues have been sufficient for funding operations and debt service. Therefore, the District's Board of Directors elected not to certify a mill levy to the Grand County Commissioners for tax collection in 2023 and 2022.

Capital assets

Capital assets include land, buildings, collection system, and equipment and vehicles. Capital assets are defined by the District as those assets with an initial, individual cost of \$5,000 or greater. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation or at the developer's cost.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. Interest incurred during the construction phase of capital assets is not included as part of the capitalized value of the assets constructed.

Granby Sanitation District

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2023 and 2022

Depreciation expense has been computed using the straight-line method over the following estimated economic useful lives:

| | |
|------------------------|---------------|
| Buildings | 20-50 years |
| Collection system | 33 years |
| Equipment and vehicles | 5 to 10 years |

Compensated absences

The District has a policy that allows employees to accumulate unused vacation benefits up to a certain maximum number of hours. Compensated absences are accrued when incurred in the financial statements.

Capital contributions

Sewer lines contributed to the District by developers are recorded as capital contributions and additions to the sewer system when received. Tap fees and inclusions fees are recorded as capital contribution revenue when received.

Debt original issue premium

Loan premiums are deferred and amortized over the life of the loan using the straight-line method which approximates the interest method.

Budgets

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year-end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The total appropriation can only be modified upon completion of notification and publication requirements.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires that District management make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Granby Sanitation District

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2023 and 2022

Note 3 – Cash and investments

Cash and investments are reflected in the December 31, 2023 and 2022 Statements of Net Position as follows:

| | <u>2023</u> | <u>2022</u> |
|----------------------------|---------------------|---------------------|
| Cash | \$ 136,416 | \$ 156,369 |
| Cash - restricted | 460,000 | 401,100 |
| Investments | <u>3,827,842</u> | <u>7,638,673</u> |
| Total cash and investments | <u>\$ 4,424,258</u> | <u>\$ 8,196,142</u> |

Cash and investments as of December 31, 2023 and 2022 consist of the following:

| | <u>2023</u> | <u>2022</u> |
|--------------------------------------|---------------------|---------------------|
| Cash on hand | \$ 200 | \$ 200 |
| Deposits with financial institutions | 136,216 | 156,169 |
| Investments | <u>4,287,842</u> | <u>8,039,773</u> |
| Total cash and investments | <u>\$ 4,424,258</u> | <u>\$ 8,196,142</u> |

At December 31, 2023 and 2022, the District's cash deposits had bank balances of \$194,919 and \$145,287, respectively, and carrying balances of \$136,216 and \$156,169, respectively.

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. As of December 31, 2023 and 2022, the federal insurance limits were \$250,000. 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 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.

Custodial credit risk - deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District has not adopted a deposit policy for custodial credit risk. As of December 31, 2023 and 2022, none of the District's bank balances were exposed to custodial credit risk.

Granby Sanitation District

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2023 and 2022

Investments

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

The District primarily limits its investments to local government investments pools, 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 custodial credit risk for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest including the following:

- Obligations of the United States, certain U.S. government agency securities and securities of the World Bank
- General obligation and revenue bonds of U.S. local government entities
- Certain certificates of participation
- Certain securities lending agreements
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements certain reverse repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

As of December 31, 2023 and 2022, the District had the following investments:

| | | <u>2023</u> | <u>2022</u> |
|---|---|----------------------------|----------------------------|
| Colorado Surplus Asset Fund Trust (CSAFE) | Weighted average maturity less than 60 days | \$ 2,507,954 | \$ 4,843,245 |
| Colorado Liquid Asset Trust (Colotrust) | Weighted average maturity less than 60 days | <u>1,779,888</u> | <u>3,196,528</u> |
| Total investments | | <u><u>\$ 4,287,842</u></u> | <u><u>\$ 8,039,773</u></u> |

Granby Sanitation District

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2023 and 2022

CSAFE

During 2023 and 2022, The District invested in the Colorado Surplus Asset Fund Trust (CSAFE), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all state statutes governing the Trust. The Trust currently offers two portfolios – CSAFE CASH FUND and CSAFE CORE.

CSAFE CASH FUND operates similar to a money market fund, with each share valued at \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds, and highest rated commercial paper, and any security allowed under CRS 24-75-601.

CSAFE CORE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$2.00 transactional share price. CSAFE CORE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE CASH FUND is rated AAmmf and CSAFE CORE is rated AAf/S1 by Fitch Ratings. CSAFE records its investments at amortized cost and the District records its investments in CSAFE at net asset value as determined by amortized cost. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

At December 31, 2023 and 2022 the District holds all its investments in the CSAFE CASH FUND portfolio.

COLOTRUST

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST), 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 currently offers three portfolios – COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE.

Granby Sanitation District

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2023 and 2022

COLOTRUST PRIME and COLOTRUST PLUS+, which operate similarly to a money market fund and each share is equal in value to \$1.00, offer daily liquidity. 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, 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 \$10.00 transactional share price. COLOTRUST EDGE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

A designated custodial bank serves as custodian for COLOTRUST'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 COLOTRUST. COLOTRUST PRIME and COLOTRUST PLUS+ are rated AAAM by Standard & Poor's. COLOTRUST EDGE is rated AAAs1 by Fitch Ratings. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.

The District held the following COLOTRUST portfolios at December 31, 2023 and 2022:

| | <u>2023</u> | <u>2022</u> |
|-----------------|---------------------|---------------------|
| COLOTRUST PRIME | \$ 1,260,891 | \$ 2,703,859 |
| COLOTRUST PLUS+ | 518,997 | 492,669 |
| Total COLOTRUST | <u>\$ 1,779,888</u> | <u>\$ 3,196,528</u> |

Restricted cash and investments

In accordance with the terms of the Colorado Water Resource and Power Development Authority Loan (see Note 5) the District is required to maintain an operating reserve equal to three months of operation and maintenance expenses, excluding depreciation of the sewer system, as set forth in the annual budget for the current fiscal year but in no event greater than \$1,250,000. At December 31, 2023 and 2022, the required operating reserve was \$420,000 and \$362,000, respectively.

Granby Sanitation District

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2023 and 2022

The District had restricted cash of \$40,000 and \$39,100, for emergencies as required by Article X, Section 20 of the Constitution of the State of Colorado (see Note 9), as of December 31, 2023 and 2022, respectively.

Note 4 – Capital assets

Capital asset activity for the year ended December 31, 2023 was as follows:

| | Balance at December 31, 2022 | Increases | Decreases | Balance at December 31, 2023 |
|---|------------------------------------|----------------------|---------------------|------------------------------------|
| Capital assets, not being depreciated | | | | |
| Land | \$ 13,188 | \$ - | \$ - | \$ 13,188 |
| Construction in progress | 4,247,301 | 4,864,310 | 9,111,611 | - |
| Total capital assets, not being depreciated | <u>4,260,489</u> | <u>4,864,310</u> | <u>9,111,611</u> | <u>13,188</u> |
| Capital assets being depreciated | | | | |
| Sewer plant | 8,781,590 | 9,111,611 | - | 17,893,201 |
| Buildings | 4,845,022 | - | - | 4,845,022 |
| Collection and transmission | 8,050,072 | - | - | 8,050,072 |
| Operating equipment | 811,505 | - | - | 811,505 |
| Vehicles | 285,761 | - | 10,000 | 275,761 |
| Office furniture and equipment | 7,539 | 27,374 | - | 34,913 |
| Total capital assets being depreciated | <u>22,781,489</u> | <u>9,138,985</u> | <u>10,000</u> | <u>31,910,474</u> |
| Less accumulated depreciation for | | | | |
| Sewer plant | 2,527,308 | 188,614 | - | 2,715,922 |
| Buildings | 4,553,685 | 86,308 | - | 4,639,993 |
| Collection and transmission | 566,192 | 238,469 | - | 804,661 |
| Operating equipment | 732,530 | 29,113 | - | 761,643 |
| Vehicles | 252,153 | 17,553 | 10,000 | 259,706 |
| Office equipment | 7,534 | - | - | 7,534 |
| Total accumulated depreciation | <u>8,639,402</u> | <u>560,057</u> | <u>10,000</u> | <u>9,189,459</u> |
| Total capital assets being depreciated, net | <u>14,142,087</u> | <u>8,578,928</u> | <u>-</u> | <u>22,721,015</u> |
| Capital assets, net | <u>\$ 18,402,576</u> | <u>\$ 13,443,238</u> | <u>\$ 9,111,611</u> | <u>\$ 22,734,203</u> |

Granby Sanitation District

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2023 and 2022

Capital asset activity for the year ended December 31, 2022 was as follows:

| | Balance at December 31, 2021 | Increases | Decreases | Balance at December 31, 2022 |
|---|------------------------------------|---------------------|-------------------|------------------------------------|
| Capital assets, not being depreciated | | | | |
| Land | \$ 13,188 | \$ - | \$ - | \$ 13,188 |
| Construction in progress | 1,061,876 | 3,185,425 | - | 4,247,301 |
| Total capital assets, not being depreciated | <u>1,075,064</u> | <u>3,185,425</u> | <u>-</u> | <u>4,260,489</u> |
| Capital assets being depreciated | | | | |
| Sewer plant | 8,781,590 | - | - | 8,781,590 |
| Buildings | 5,583,677 | - | 738,655 | 4,845,022 |
| Collection and transmission | 8,050,072 | - | - | 8,050,072 |
| Operating equipment | 811,505 | - | - | 811,505 |
| Vehicles | 285,761 | - | - | 285,761 |
| Office furniture and equipment | 7,539 | - | - | 7,539 |
| Total capital assets being depreciated | <u>23,520,144</u> | <u>-</u> | <u>738,655</u> | <u>22,781,489</u> |
| Less accumulated depreciation for | | | | |
| Sewer plant | 2,339,261 | 188,047 | - | 2,527,308 |
| Buildings | 4,724,327 | 113,543 | 284,185 | 4,553,685 |
| Collection and transmission | 327,723 | 238,469 | - | 566,192 |
| Operating equipment | 684,430 | 48,100 | - | 732,530 |
| Vehicles | 235,342 | 16,811 | - | 252,153 |
| Office equipment | 7,534 | - | - | 7,534 |
| Total accumulated depreciation | <u>8,318,617</u> | <u>604,970</u> | <u>284,185</u> | <u>8,639,402</u> |
| Total capital assets being depreciated, net | <u>15,201,527</u> | <u>(604,970)</u> | <u>454,470</u> | <u>14,142,087</u> |
| Capital assets, net | <u>\$ 16,276,591</u> | <u>\$ 2,580,455</u> | <u>\$ 454,470</u> | <u>\$ 18,402,576</u> |

Depreciation expense of \$560,057 and \$604,970 for the years ended December 31, 2023 and 2022, respectively, was charged to sewer operations.

During 2022, the District decommissioned its compost facility. The net book value of \$454,471 is presented as a "special item" loss on the Statement of Revenues, Expenses, and Changes in Net Position.

Granby Sanitation District

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2023 and 2022

Note 5 – Long term obligations

The following is an analysis of the changes in the District's long-term obligations for the year ended December 31, 2023:

| | Balance at December 31, 2022 | Additions | Reductions | Balance at December 31, 2023 | Due Within One Year |
|------------------------------|------------------------------------|-------------|-------------------|------------------------------------|---------------------------|
| Direct Placement Borrowings: | | | | | |
| Loan | \$ 1,425,804 | \$ - | \$ 261,216 | \$ 1,164,588 | \$ 267,858 |
| Unamortized premium | 34,189 | - | 6,311 | 27,878 | 6,311 |
| | <u>\$ 1,459,993</u> | <u>\$ -</u> | <u>\$ 267,527</u> | <u>\$ 1,192,466</u> | <u>\$ 274,169</u> |

The following is an analysis of the changes in the District's long-term obligations for the year ended December 31, 2022:

| | Balance at December 31, 2021 | Additions | Reductions | Balance at December 31, 2022 | Due Within One Year |
|------------------------------|------------------------------------|-------------|-------------------|------------------------------------|---------------------------|
| Direct Placement Borrowings: | | | | | |
| Loan | \$ 1,676,136 | \$ - | \$ 250,332 | \$ 1,425,804 | \$ 267,527 |
| Unamortized premium | 40,500 | - | 6,311 | 34,189 | 6,311 |
| | <u>\$ 1,716,636</u> | <u>\$ -</u> | <u>\$ 256,643</u> | <u>\$ 1,459,993</u> | <u>\$ 273,838</u> |

On May 1, 2006, the District entered into a \$4,810,728 loan agreement with the Colorado Water Resource and Power Development Authority (CWRPDA). The loan proceeds were used for sewer treatment plant upgrades. Payments of principal and interest are to be made semi-annually beginning August 1, 2006 through August 1, 2027. CWRPDA refunded its underlying bonds in 2016 and passed refunding credits on to the District in the amount of \$340,444.

Total annual payments of interest and principal vary from \$265,275 to \$317,002. The annual interest rate on this loan varies between .19% and 2.37%. Interest on this loan is subsidized by a federal grant. The District has committed to various covenants that must be maintained to avoid events of default. The most significant covenant is for the District to establish rates and fees in amounts sufficient to pay loan and operating requirements. In the event of a default, the lender has the option to take any action pursuant to the loan agreement or to take legal action to require the District to cure such default, including the appointment of a receiver of the sanitary sewer system of the District, which serves as collateral for the loan.

Granby Sanitation District

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2023 and 2022

Annual debt service requirements for the loan are anticipated as follows:

| Year Ended December 31, | Principal | Interest | Total |
|----------------------------|---------------------|-----------------|--------------------|
| 2024 | \$ 267,858 | \$ 7,980 | \$ 275,838 |
| 2025 | 277,542 | 1,891 | 279,433 |
| 2026 | 299,310 | - | 299,310 |
| 2027 | 319,878 | - | 319,878 |
| | <u>\$ 1,164,588</u> | <u>\$ 9,871</u> | <u>\$1,174,459</u> |

Debt authorization

At December 31, 2023, the District had no authorized but unissued indebtedness.

Note 6 – Net position

The District’s net position consists of three components – net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets. As of December 31, 2023 and 2022, the District had net investment in capital assets calculated as follows:

| | 2023 | 2022 |
|---|----------------------|----------------------|
| Capital assets, net | \$ 22,734,203 | \$ 18,402,576 |
| Current portion of outstanding long-term obligations | (274,169) | (273,838) |
| Noncurrent portion of outstanding long-term obligations | (918,297) | (1,186,155) |
| Net investment in capital assets | <u>\$ 21,541,737</u> | <u>\$ 16,942,583</u> |

Restricted position includes net position that is restricted for use either externally imposed by creditors, grantors, contributors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. The purposes for the restrictions of net position are described in Note 3. As of December 31, 2023 and 2022, the District had restricted net position as follows:

| | 2023 | 2022 |
|------------------------------------|-------------------|-------------------|
| Loan operating reserve requirement | \$ 420,000 | \$ 362,000 |
| Emergency reserves | 40,000 | 39,100 |
| Total restricted | <u>\$ 460,000</u> | <u>\$ 401,100</u> |

The District’s unrestricted net position as of December 31, 2023 and 2022 was \$3,612,452 and \$7,343,672, respectively.

Granby Sanitation District

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2023 and 2022

Note 7 – Retirement commitments

The District provides pension benefits for all of its full-time employees through a defined contribution plan administered by the ICMA Retirement Corporation. The plan is authorized under Internal Revenue Code Section 401. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate from the date of employment. The District requires that both the employee and the District contribute an amount equal to 7.65% of the employee's salary each month, although larger contributions can be made by employees. The contributions for each employee vest immediately.

The District's total gross payroll for employees during 2023 and 2022 was \$369,168 and \$397,524, respectively. The employees' and District's contributions were \$27,099 and \$27,170 each in 2023 and 2022, respectively. The plan was fully funded as of December 31, 2023 and 2022.

Note 8 – Risk management

The District is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The District carries commercial insurance for these risks of loss, including workers compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage during the past three fiscal years.

The District self-insures against worker's compensation claims. The Board of Directors has reserved \$66,000 for future claims.

Note 9 – Tax, spending and debt limitation

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.

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 its operations qualifies for this exclusion.

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

Granby Sanitation District

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2023 and 2022

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.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate fiscal year spending limits and qualification as an Enterprise will require judicial interpretation.

* * * * *

SUPPLEMENTAL INFORMATION

Granby Sanitation District
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUNDS AVAILABLE - BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended December 31, 2023

| | Original and Final Budgeted Amounts | Actual Amounts | Variance Favorable (Unfavorable) |
|-----------------------------|--|---------------------------|---|
| REVENUES | | | |
| Sewer service charges | \$ 1,611,202 | \$ 1,615,327 | \$ 4,125 |
| Sewer tap fees | 484,500 | 629,850 | 145,350 |
| Facility fees | - | 30,000 | 30,000 |
| Other revenues | - | 15,671 | 15,671 |
| Town of Granby | 10,000 | 10,000 | - |
| Animal shelter rent | 11,210 | 11,210 | - |
| Net investment income | 35,375 | 268,477 | 233,102 |
| Total Revenues | <u>2,152,287</u> | <u>2,580,535</u> | <u>428,248</u> |
| EXPENDITURES | | | |
| Administration | | | |
| Directors' fees | 9,600 | 5,100 | 4,500 |
| Election | 5,000 | 59 | 4,941 |
| Insurance | 62,230 | 53,619 | 8,611 |
| Permit fees | 8,300 | 7,827 | 473 |
| Office | 32,250 | 29,248 | 3,002 |
| Legal | 30,000 | 10,072 | 19,928 |
| Audit | 8,450 | 8,100 | 350 |
| Dues | 8,150 | 7,775 | 375 |
| Salary | 176,220 | 90,555 | 85,665 |
| Total Administration | <u>340,200</u> | <u>212,355</u> | <u>127,845</u> |
| Utilities | | | |
| Telephone | 20,000 | 17,580 | 2,420 |
| Plant heat | 36,141 | 19,368 | 16,773 |
| Electricity | 125,640 | 112,002 | 13,638 |
| Trash removal | 3,520 | 3,338 | 182 |
| Total Utilities | <u>185,301</u> | <u>152,288</u> | <u>33,013</u> |

(continued)

Granby Sanitation District
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUNDS AVAILABLE - BUDGET AND ACTUAL (BUDGETARY BASIS)
(continued)

Year Ended December 31, 2023

| | Original and Final Budgeted Amounts | Actual Amounts | Variance Favorable (Unfavorable) |
|---|--|---------------------------|---|
| Plant Operations | | | |
| Plant maintenance | 102,800 | 41,765 | 61,035 |
| Collection system | 28,500 | 14,422 | 14,078 |
| Engineering | 15,000 | 13,683 | 1,317 |
| Salaries | 408,549 | 275,592 | 132,957 |
| Benefits | 346,472 | 168,784 | 177,688 |
| Payroll taxes | 9,213 | 7,307 | 1,906 |
| Training and travel | 6,000 | 2,653 | 3,347 |
| Auto and truck | 18,000 | 5,825 | 12,175 |
| Supplies | 190,640 | 135,714 | 54,926 |
| Compliance lab test | 28,950 | 26,426 | 2,524 |
| Total Plant Operations | <u>1,154,124</u> | <u>692,171</u> | <u>461,953</u> |
| Capital outlay | 4,785,165 | 4,658,388 | 126,777 |
| Principal payments on loan | 307,682 | 261,216 | 46,466 |
| Debt service - loan interest | - | 4,655 | (4,655) |
| Debt service - loan administrative costs | - | 38,486 | (38,486) |
| Contingency and emergency reserve | 2,378,482 | - | 2,378,482 |
| Total Expenditures and Reserves | <u>9,150,954</u> | <u>6,019,559</u> | <u>3,131,395</u> |
| EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES | (6,998,667) | (3,439,024) | 3,559,643 |
| BEGINNING FUNDS AVAILABLE | <u>6,998,667</u> | <u>7,889,198</u> | <u>890,531</u> |
| ENDING FUNDS AVAILABLE | <u>\$ -</u> | <u>\$ 4,450,174</u> | <u>\$ 4,450,174</u> |

Granby Sanitation District
RECONCILIATION OF ACTUAL (BUDGETARY BASIS) TO STATEMENT
OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Year Ended December 31, 2023

| | | |
|--|-----------|--------------------|
| Revenues (budgetary basis) | <u>\$</u> | 2,580,535 |
| Total revenues per Statement of Revenues, Expenses and Changes in Net Position | | <u>2,580,535</u> |
| Expenditures (budgetary basis) | | 6,019,559 |
| Depreciation and amortization | | 553,746 |
| Loan principal payment | | (261,216) |
| Capital outlay | | <u>(4,658,388)</u> |
| Total expenses per Statement of Revenues, Expenses and Changes in Net Position | | <u>1,653,701</u> |
| Change in net position per Statement of Revenues, Expenses and Changes in Net Position | <u>\$</u> | <u>926,834</u> |