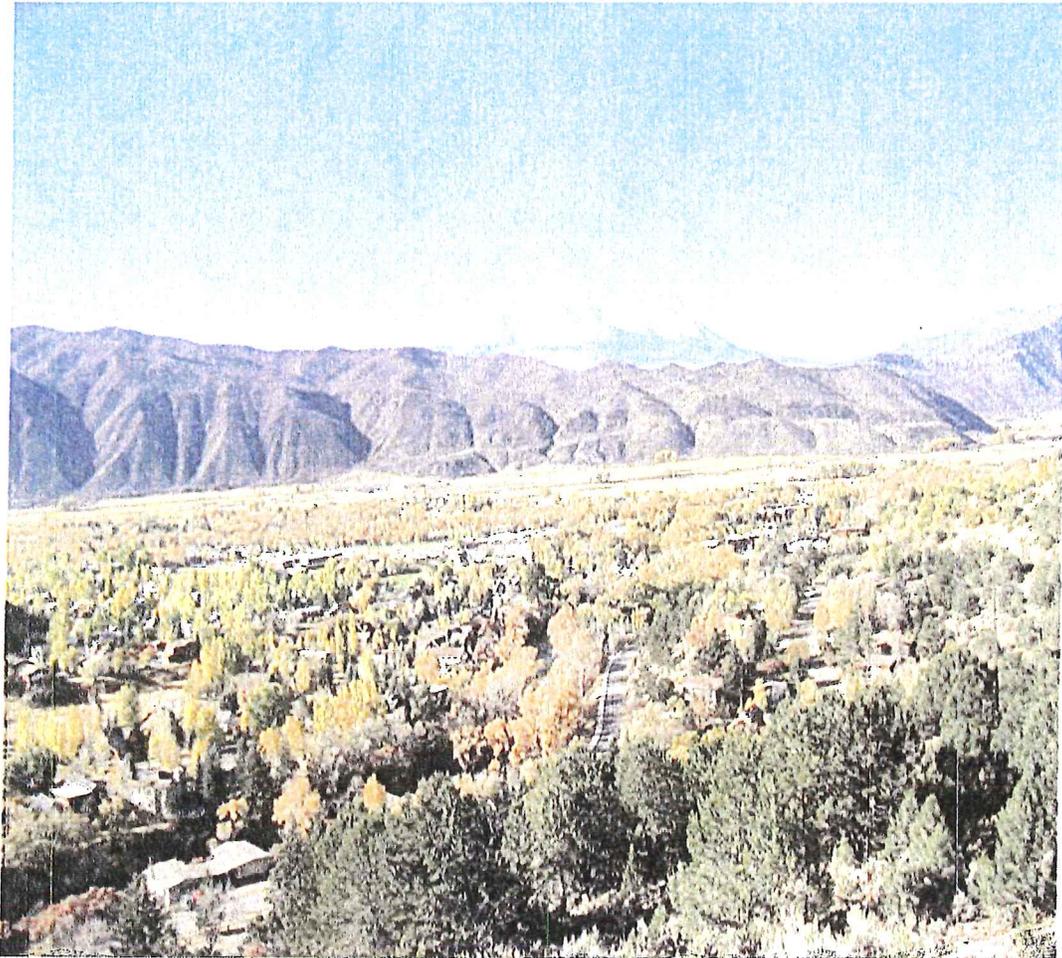


Town of Basalt

2014

Comprehensive Annual Financial Report



Town of Basalt, Colorado
 Comprehensive Annual Financial Report
 For the Year Ended December 31, 2014

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Comprehensive Annual Financial Report
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August 11, 2015

To the Citizens of the Town of Basalt, Colorado,

The Town of Basalt is pleased to submit the comprehensive annual financial report for the fiscal year ending December 31, 2014. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Town. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the Town. All disclosures necessary to enable the reader to gain an understanding of the Town's financial activities have been included.

This report includes all funds of the Town. The Town provides a range of services including police protection, water services, the construction and maintenance of streets and infrastructure, and recreational and cultural activities. There are no other entities over which the Town exercises financial accountability. Educational, fire protection, sanitary sewer, trash service and portions of the waters services are provided by separate entities.

Management's discussion and analysis immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. Management's discussion and analysis complements this letter of transmittal and should be read in conjunction with it.

ECONOMIC CONDITION AND OUTLOOK

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

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

The Town's population is 3,857 with a current total annual budget of \$8,459,335. The Town covers 2 square miles and approximately 90% of the privately-owned land has been developed. Because of its location in the Roaring Fork Valley much of Basalts' business activity is driven by the tourism trade found in the Town of Snowmass Village (TOSV) and Aspen areas.

There are two primary commercial hubs in the town with the “old” downtown anchoring the commercial area on the east side of town and the newer Willits mixed-use development anchoring the commercial area on the west side of town. Other businesses within the Town include health care facilities, several schools, Basalt Regional Library, US Post Office, Woody Creek Distillery and many support and service businesses for the area.

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

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

MAJOR TOWN INITIATIVES

The Town continues to facilitate and encourage both the improvement and redevelopment of the Pan & Fork Trailer Park. This redevelopment effort supports the continued implementation of the Town’s River Master Plan. In August of 2011 the Town and the Roaring Fork Community Development Corporation (RFCDC) jointly entered into an agreement for the purchase and eventual redevelopment of the Pan and Fork Trailer Park.

During 2014 the Town began the implementation of the Town’s River Master Plan. This included the relocation of 341 residents from the Pan & Fork Trailer Park, the reconstruction of the Roaring Fork River east of the Midland Bridge to the west about 1,500 feet. The purpose of the project was to restore the Roaring Fork River back to a more natural state and create 2.2 acres of developable property along Two Rivers Road owned by the Roaring Fork Community Development Corporation (RFCDC). In addition, the town finalized an Agreement with the Rocky Mountain Institute for the development of the Rocky Mountain Institute’s Innovation Center which when completed will bring 75 new jobs to Basalt. The Innovation Center will be located just west of the RFCDC site.

Additionally, during 2014 the Town worked to engineer, finance and plan for the construction of a Pedestrian Underpass at SH 82 and Basalt Avenue. This has been a long-term project that the Town has been contemplating for over 10 years and is critical to the development of the Southside and the enhancement of the Roaring Fork Transit Authority (RFTA) stops that were rebuilt and opened in 2013.

FUTURE TOWN INITIATIVES

The Town is committed to balancing development/redevelopment with the need to preserve the natural amenities that make Basalt such a great place to live. In doing so, Town staff has embarked on building annual work plans that meet these two goals. These work plans also include long-range financial planning elements that allow the Town Council to make strategic investments while contemplating the operational needs of the organization and community.

In 2015, the Town will continue to work on the development of a new river park and private development as was outlined in the Downtown Area Advisory Committee Report and the work of Basalt's Planning and Zoning Commission. Much of this work will require phasing over time given the large capital investment that will need to be made.

Also in 2015, the Town will begin the construction of the Basalt Avenue Underpass to improve pedestrian safety and enhance trail connections across SH 82 at Basalt Avenue. The total cost of this project will exceed \$5,000,000.

In 2015, the Town will become more active in the acquisition of Affordable Housing products to enhance our ability to recruit and retain needed employees in our community. As part of the RMI development the Town was able to swap assets -- cash for affordable housing units -- which will be deeded to the Town to be used as rental property.

In 2015 the Town will continue a review of all its revenue sources and begin to seek out new and diverse funding sources to start reducing the Towns reliance on sales tax collections. Basalt supports efforts for long-range, comprehensive capital infrastructure planning and budgeting; refining strategies for the on-going maintenance, repair and replacement of our important infrastructure assets.

The police department remains committed to improving the level of service to the community. Continue emphasis on traffic safety, particularly in our burgeoning school zones, will be a priority. The Basalt Police Department will also maintain its focus on training, keeping personnel abreast of a variety of professional trends and development opportunities.

The Town will work with the Downtown merchants to start identifying investment opportunities to bolster downtown vitality. The formation of a Basalt Downtown Business Association has greatly assisted with the visioning of the downtown area.

FINANCIAL INFORMATION

Town management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Town are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting

principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of the control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

BUDGETARY CONTROLS

The Town maintains various budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Town's governing body. Activities in the General Fund, Special Revenue Funds, Debt Service Fund and Water Fund are included in the annual appropriated budget. The legal level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is at the fund level. The Town also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts do not lapse at the year-end. However, unencumbered appropriations do lapse. As demonstrated by the statements and schedules included in the financial section of this report, the Town continues to meet its responsibility for sound financial management.

OTHER INFORMATION

Independent Audit

Colorado statutes require an annual audit of the Town's financial statements. The audit for 2014 was conducted by Blair and Associates, Certified Public Accountants and their report on the financial statements is included in the financial section of this report.

ACKNOWLEDGEMENTS

The preparation of this comprehensive annual financial report was made possible by the dedicated services of Brigitte Ironside. Our sincere appreciation is extended to all members of the staff, whose efforts made this report possible.

Respectfully submitted,

Judi Tippetts
Assistant Town Manager / Finance Director

Gloucester District

Town Judge
Prosecuting Attorney
Mayor and Town Council
Town Attorney

Planning & Zoning

Town Manager

Personnel
Utility Billings
Collections
Accounts Pay.
Audit
Budget

Assistant Town Manager /
Chief Financial Officer

Reception
Licensing
Election
Records
Court Clerk

Town Clerk

Municipal Court

Assistant to the
Town Manager

Public Gardens
and Horticulture

Public
Safety

Safety
Enforcement
Ordinance
Education
Patrol

Community
Development

Master Planning
Current Planning
Social Capital
Historic Preservation
Land Use
Code Acrm.

Water
Streets
Parks
Facilities Maint.
Fleet Maint.
Capital Projects

Public Works

Infrastructure
Needs
Long range
Planning

Engineering

Programs
Pool
Facilities Dev.

Recreation

BASALT TOWN COUNCIL MEMBERS



**Mayor
Jacque Whitsitt**



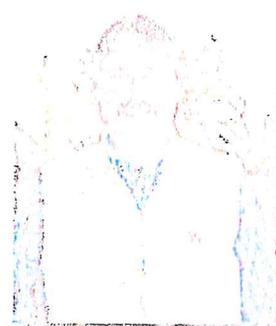
**Mayor Pro Tem,
Rob Leavitt**



**Councilor,
Bernie Grauer**



**Councilor,
Gary Tennenbaum**



**Councilor,
Mark Kittle**



**Councilor,
Rick Stevens**



**Councilor,
Herschel Ross**

List of Appointed Principal Officials

Mike Scanlon, Town Manager

Judith Tippetts, Finance Director

Pamela Schilling, Town Clerk

John Collins, Municipal Court Judge

Tom Smith, Town Attorney

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Town Council
Town of Basalt, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Basalt, Colorado, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Basalt, Colorado, as of December 31, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages B-3 through B-10 and E-1 through E-2 be presented to supplement the basic financial statements. Such information, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Basalt, Colorado's basic financial statements. The Combining Statements for the other governmental funds, Schedules of Revenues, Expenditures and Changes in Fund Balance Budget to Actual for the Governmental Funds, Schedules of Revenues, Expenditures and Changes in Available Resources-Budget and Actual-Enterprise Funds and local highway finance report are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Combining Statements for the other governmental funds, Schedules of Revenues, Expenditures and Changes in Fund Balance Budget to Actual for the Governmental Funds, Schedules of Revenues, Expenditures and Changes in Available Resources-Budget and Actual-Enterprise Funds and local highway finance report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining Statements for the other governmental funds, Schedules of Revenues, Expenditures and Changes in Fund Balance Budget to Actual for the Governmental Funds, Schedules of Revenues, Expenditures and Changes in Available Resources-Budget and Actual-Enterprise Funds and local highway finance report are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Blair and Associates, P.C.

Cedaredge, Colorado
July 29, 2015

TOWN OF BASALT
Management's Discussion and Analysis
Fiscal Year Ended December 31, 2014

As management of the Town of Basalt (the "Town"), we offer readers of the Town's basic financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended December 31, 2014. We encourage readers to consider the information presented here in conjunction with additional information provided in the financial statements.

FINANCIAL HIGHLIGHTS

- The Town's assets exceeded its liabilities by \$31,708,858 (i.e. net position) as of December 31, 2014, decrease of \$2,197,433 in comparison to the prior year.
- Governmental funds reported combined ending fund balances of \$8,943,606, decrease of \$1,021,149 in comparison with the prior year.
- The Town's fund balance for the General Fund was \$7,410,762, an increase of \$3,333 in comparison to the prior year.
- Total long-term liabilities increased by \$1,504,280 during the 2014 fiscal year with new debt issued in 2014.
- Property, sales and franchise taxes for governmental activities totaled \$6,210,799, or 96% of general revenues.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The basic statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide Financial Statements

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

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

The **statement of activities** presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position is reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses reported in this statement for some items will result in cash flows in future periods (e.g. uncollected taxes and earned but unused personal time).

The government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (*Governmental Activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*Business-type Activities*). The Governmental Activities of the Town include general government administration, police, public works, and culture and recreation. The Business-type Activities of the Town include the following utilities: water.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. The Town's funds can be divided into three categories: Governmental Funds, Proprietary Funds and Fiduciary Funds.

Governmental Funds – *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *short-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's short-term financing requirements. The accounting method is called *modified accrual* accounting.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental activities in the *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Town maintains two major government funds, the General and Bond Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund.

Proprietary Funds – The Town maintains one type of proprietary fund. *Enterprise Fund* is used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town uses a separate enterprise fund to account for its Water Fund.

Notes to Basic Financial Statements

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

As noted previously, net position may serve over time as a useful indicator of the Town's financial position. For the year ended December 31, 2014, the Town's combined assets exceeded liabilities and deferred inflows of resources by \$31,809,858. Of this amount, \$5,570,506 is unrestricted and available to meet the Town's ongoing financial obligations.

By far the largest portion of net position is the investment in capital assets (net of related debt) of \$22,661,959 (71% of net position). This amount reflects the investment in all capital assets (e.g. infrastructure, land, buildings, and equipment) less any related debt used to acquire those assets that are still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of debt, it should be noted that the resources needed to repay this debt must be provided from other sources since capital assets themselves cannot be used to liquidate these liabilities.

The following table summarizes the Town's governmental and business-type net position for 2014:

Assets	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 10,446,157	\$ 11,712,196	\$ 462,462	\$ 606,048	\$ 10,908,619	\$ 12,318,244
Capital assets	25,059,886	24,605,779	4,644,662	4,795,369	\$ 29,704,548	\$ 29,401,148
Total assets	35,506,043	36,317,975	5,107,124	5,401,417	40,613,167	41,719,392
Deferred outflows of resources						
Cost of issuance of bonds	43,933	41,923	-	-	43,933	41,923
Total assets and Deferred outflows of resources	35,549,976	36,359,898	5,107,124	5,401,417	40,657,100	41,761,315
Current liabilities	420,731	438,815	49,426	131,388	470,157	570,203
Non-current liabilities						
Compensated absences	133,675	124,071	-	-	133,675	124,071
Long term debt	6,504,676	5,010,000	537,913	608,901	7,042,589	5,618,901
Total liabilities	7,059,082	5,572,886	587,339	740,289	7,646,421	6,313,175
Deferred inflows of resources						
Deferred property taxes	1,200,821	1,160,732	-	-	1,200,821	1,160,732
Net position						
Investment in capital assets, net related debt	18,436,209	19,463,556	4,106,749	4,186,468	22,542,958	23,650,024
Restricted	3,696,394	3,088,704	-	-	3,696,394	3,088,704
Unrestricted	5,157,470	6,793,903	413,036	474,660	5,570,506	7,268,563
Total net position	\$ 27,290,073	\$ 29,346,163	\$ 4,519,785	\$ 4,661,128	\$ 31,809,858	\$ 34,007,291

An additional portion of net position, \$3,696,394, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$5,570,506 (18% of net position), may be used to meet the government's ongoing obligations to citizens and creditors.

Change in Net Position

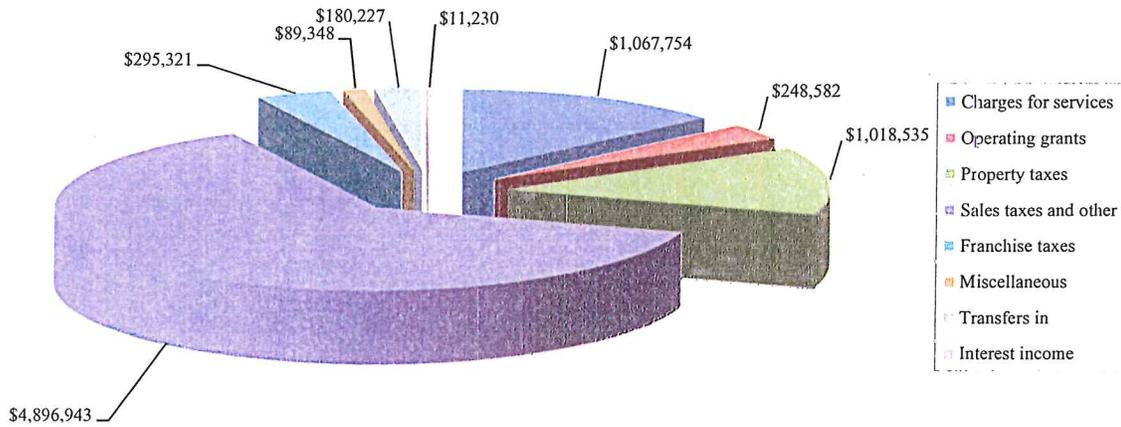
Governmental and business-type activities decreased the Town's net position by \$2,197,433 in 2014.

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues						
Program revenues						
Charges for services	\$ 1,067,754	\$ 814,284	\$ 596,664	\$ 607,562	\$ 1,664,418	\$ 1,421,846
Operating grants	248,582	252,187	-	-	248,582	252,187
Capital grants	-	-	21,964	31,459	21,964	31,459
General Revenues						
Property taxes	1,018,535	969,753	-	-	1,018,535	969,753
Sales taxes and other	4,896,943	4,671,462	-	-	4,896,943	4,671,462
Franchise taxes	295,321	298,270	-	-	295,321	298,270
Miscellaneous	89,348	223,462	-	-	89,348	223,462
Transfer in	180,227	171,645	(180,227)	(171,645)	-	-
Interest income	11,230	11,070	386	430	11,616	11,500
Total	<u>7,807,940</u>	<u>7,412,133</u>	<u>438,787</u>	<u>467,806</u>	<u>8,246,727</u>	<u>7,879,939</u>
Expenses						
General government	3,075,790	2,870,421	-	-	3,075,790	2,870,421
Public safety	1,630,753	1,375,878	-	-	1,630,753	1,375,878
Public works	4,184,009	748,985	580,130	621,517	4,764,139	1,370,502
Culture and recreation	973,478	853,533	-	-	973,478	853,533
Total expenses	<u>9,864,030</u>	<u>5,848,817</u>	<u>580,130</u>	<u>621,517</u>	<u>10,444,160</u>	<u>6,470,334</u>
Increase in net position	(2,056,090)	1,563,316	(141,343)	(153,711)	(2,197,433)	1,409,605
Beginning	<u>29,346,163</u>	<u>27,782,847</u>	<u>4,661,128</u>	<u>4,814,839</u>	<u>34,007,291</u>	<u>32,597,686</u>
Ending	<u>\$ 27,290,073</u>	<u>\$ 29,346,163</u>	<u>\$ 4,519,785</u>	<u>\$ 4,661,128</u>	<u>\$ 31,809,858</u>	<u>\$ 34,007,291</u>

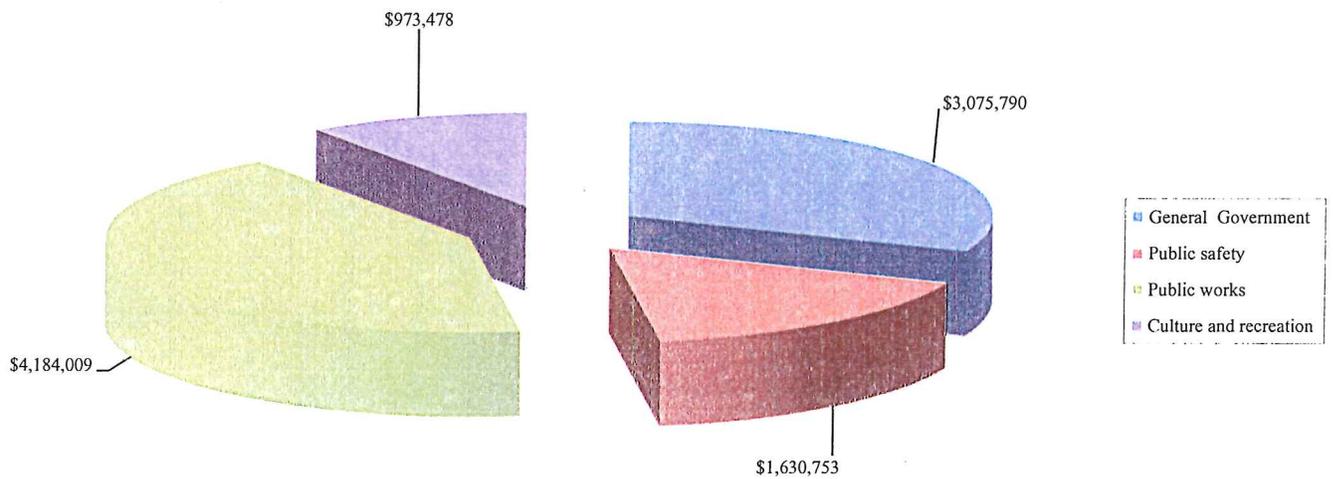
Governmental Activities

Governmental activities decreased the Town's net position by \$2,056,090.

Governmental Activities revenues for 2014



Governmental Activities expenses for 2014



Business-type Activities

Business-type activities for the year resulted in a decrease in net position of \$141,343. Charges for services accounted for 96% of total revenues.

FINANCIAL ANALYSIS OF GOVERNMENT’S FUNDS

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

As of the end of 2014, the Town’s governmental funds reported combined ending fund balances of \$8,943,606, decrease of \$1,021,149 in comparison with the prior year. Of the combined ending fund balances for all governmental funds 42% of this total amount, \$3,714,368, constitutes unassigned fund balance, which is available for appropriation at the Town’s discretion. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it is already committed to meet a State constitution mandated emergency reserve of \$247,100 and other purposes of \$4,982,138.

The Town has two major governmental funds the General and Bond Fund. At the end of 2014, unassigned fund balances of the General Fund were \$3,714,368. As a measure of the General Fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. The fund balance of the Town’s General Fund increased by \$3,333 during 2014.

Proprietary funds. The Town’s proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail.

The Town has one enterprise fund: Water Fund. At the end of 2014, the fund represented the following net position amounts:

	<u>Water</u>
Unrestricted net position	\$ 347,536
Total net position	\$ 4,519,785
Decrease in net position	\$ (141,343)

GENERAL FUND BUDGETARY HIGHLIGHTS

The Town budgeted \$8,236,546 for 2014 expenditures. Actual expenditures were \$7,496,826.

CAPITAL ASSET AND DEBT ADMINISTRATION

The Town's investment in capital assets for its governmental and business-type activities as of December 31, 2014, was \$29,704,548, an increase of \$303,401 from the prior year. As required for this year by GASB 34, the investment in capital assets includes land, buildings, building improvements, and equipment.

	Balance January 1, 2014	Additions	Dispositions	Balance December 31, 2014
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 12,813,881	\$ 473,259	\$ -	\$ 13,287,140
	<u>12,813,881</u>	<u>473,259</u>	<u>-</u>	<u>13,287,140</u>
Capital assets being depreciated				
Buildings	2,979,093	95,530	-	3,074,623
Improvements	530,371	43,225	-	573,596
Equipment	1,597,779	457,633	(129,773)	1,925,639
Infrastructure	11,885,680	-	-	11,885,680
Less accumulated depreciation	(5,201,025)	(615,540)	129,773	(5,686,792)
	<u>11,791,898</u>	<u>(19,152)</u>	<u>-</u>	<u>11,772,746</u>
Total Governmental Activities Capital Assets	<u>\$ 24,605,779</u>	<u>\$ 454,107</u>	<u>\$ -</u>	<u>\$ 25,059,886</u>

	Balance January 1, 2014	Additions	Dispositions	Balance December 31, 2014
Business-Type Activities				
Capital assets no being depreciated				
Land	\$ 256,235	\$ -	\$ -	\$ 256,235
Capital assets being depreciated				
Water rights	441,862	-	-	441,862
Wells and springs	752,672	-	-	752,672
Water plant	6,766,838	37,250	-	6,804,088
Hydro system	140,000	-	-	140,000
Machinery and equipment	60,585	75,004	-	135,589
Less accumulated depreciation	(3,622,824)	(262,960)	-	(3,885,784)
Capital assets being depreciated, net	<u>4,539,133</u>	<u>(150,706)</u>	<u>-</u>	<u>4,388,427</u>
Total business-type Activities capital assets	<u>\$ 4,795,368</u>	<u>\$ (150,706)</u>	<u>\$ -</u>	<u>\$ 4,644,662</u>

Long-term Debt

As of December 31, 2014, the Town had long-term debt as follows:

	Balance			Balance December 31, 2014	Due Within One Year
	January 1, 2014	Additions	Reductions		
Governmental Activities					
Bonds payable-2013	\$ 5,010,000	\$ -	\$ (525,000)	\$ 4,485,000	\$ 525,000
Bonds payable-2014	\$ -	\$ 1,888,000	\$ -	1,888,000	233,000
Lease payable	\$ -	\$ 177,825	\$ (46,149)	131,676	42,791
Accrued compensated absences	124,071	9,604	-	133,675	-
Total	<u>\$ 5,134,071</u>	<u>\$ 2,075,429</u>	<u>\$ (571,149)</u>	<u>\$ 6,638,351</u>	<u>\$ 800,791</u>
Enterprise Activities					
Loan payable - Ruedi	\$ 81,928	\$ -	\$ (21,273)	\$ 60,655	\$ 11,414
Loan payable - CCWR	526,973	-	(49,715)	477,258	51,722
Total	<u>\$ 608,901</u>	<u>\$ -</u>	<u>\$ (70,988)</u>	<u>\$ 537,913</u>	<u>\$ 63,136</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- The Town is in excellent financial condition.
- The Town would like to maintain its General Fund unreserved fund balance of at least three to four months of reserves.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in the report or requests for additional financial information should be addressed to:

Judith Tippetts
Finance Director
Town of Basalt

Town of Basalt
Statement of Net Position
December 31, 2014

	Governmental Activities	Business - Type	Total
Assets			
Cash and cash equivalents	\$ 2,745,981	\$ (1,285)	\$ 2,744,696
Investments	2,433,795	335,283	2,769,078
Restricted cash	3,449,294	-	3,449,294
Property taxes receivable	1,081,820	-	1,081,820
Accounts receivable	548,172	115,594	663,766
Prepaid and deposits	187,095	-	187,095
Inventories	-	12,870	12,870
Capital assets, net	25,059,886	4,644,662	29,704,548
Total assets	35,506,043	5,107,124	40,613,167
Deferred outflows of resources			
Cost of Issuance of Bonds	43,933	-	43,933
Total Assets and Deferred Outflows of Resources	35,549,976	5,107,124	40,657,100
Liabilities			
Accounts payable	261,600	48,815	310,415
Accrued payroll and liabilities	95,942	-	95,942
Accrued interest payable	-	611	611
Customer deposits	63,189	-	63,189
Compensated absences	133,675	-	133,675
Non current liabilities			
Due within one year	800,791	63,136	863,927
Due in more than one year	5,703,885	474,777	6,178,662
Total liabilities	7,059,082	587,339	7,646,421
Deferred inflows of resources			
Bond premium less discounts	119,001		119,001
Deferred property taxes	1,081,820	-	1,081,820
Total Deferred inflows of resources	1,200,821	-	1,200,821
Net Position			
Invested in capital assets, net of related debt	18,436,209	4,106,749	22,661,959
Restricted for:			
Emergencies	247,100	-	247,100
Other purposes	3,449,294	-	3,449,294
Unrestricted	5,157,470	413,036	5,570,506
Total net position	\$ 27,290,073	\$ 4,519,785	\$ 31,809,858

The accompanying notes are an integral part of this statement.

**Town of Basalt
Statement of Activities
December 31, 2014**

Functions/Programs	Expenses	Program Revenues		
		Charges for Service and Fees	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General Government	\$ 3,075,790	\$ 34,484	\$ -	\$ -
Public Safety	1,630,753	80,696	-	-
Public Works	4,184,009	842,516	230,029	-
Culture and Recreation	973,478	110,058	18,553	-
Total governmental activities	<u>9,864,030</u>	<u>1,067,754</u>	<u>248,582</u>	<u>-</u>
Business-type activities:				
Water	580,130	596,664	-	21,964
Total business-type activities	<u>580,130</u>	<u>596,664</u>	<u>-</u>	<u>21,964</u>
Total primary government	<u><u>\$ 10,444,160</u></u>	<u><u>\$ 1,664,418</u></u>	<u><u>\$ 248,582</u></u>	<u><u>\$ 21,964</u></u>

General Revenues

Taxes:

Property taxes

Specific ownership

Sales taxes and miscellaneous

Franchise taxes

Miscellaneous

Investment earnings

Transfers In (out)

Total General Revenues

Changes in Net Position

Net Position-January 1

Net Position-December 31

Net (Expense) Revenue and Changes in Net Position
Primary Government

<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
\$ (3,041,306)	\$ -	\$ (3,041,306)
(1,550,057)	-	(1,550,057)
(3,111,464)	-	(3,111,464)
(844,867)	-	(844,867)
<u>(8,547,694)</u>		<u>(8,547,694)</u>
-	38,498	38,498
-	38,498	38,498
<u>(8,547,694)</u>	<u>38,498</u>	<u>(8,509,196)</u>
1,018,535	-	1,018,535
36,866	-	36,866
4,860,077	-	4,860,077
295,321	-	295,321
89,348	-	89,348
11,230	386	11,616
180,227	(180,227)	-
<u>6,491,604</u>	<u>(179,841)</u>	<u>6,311,763</u>
(2,056,090)	(141,343)	(2,197,433)
29,346,163	4,661,128	34,007,291
<u>\$ 27,290,073</u>	<u>\$ 4,519,785</u>	<u>\$ 31,809,858</u>

The accompanying notes are an integral part of this statement.

**Town of Basalt
Governmental Funds
Balance Sheet
December 31, 2014**

	General Fund	Bond Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 1,221,364	\$ 1,426,876	\$ 97,741	\$ 2,745,981
Investments	2,425,568	2,038	6,189	2,433,795
Restricted Cash	3,449,294	-	-	3,449,294
Taxes receivable	781,820	300,000	-	1,081,820
Accounts receivable	548,172	-	-	548,172
Prepaid expenses	187,095	-	-	187,095
Total assets	<u>\$ 8,613,313</u>	<u>\$ 1,728,914</u>	<u>\$ 103,930</u>	<u>\$ 10,446,157</u>
Liabilities and Fund Balance				
Liabilities:				
Accounts payable	\$ 261,600	\$ -	\$ -	\$ 261,600
Accrued payroll and liabilities	95,942	-	-	95,942
Deposit on construction	35,612	-	-	35,612
Held for developers	27,577	-	-	27,577
Total liabilities	<u>420,731</u>	<u>-</u>	<u>-</u>	<u>420,731</u>
Deferred inflows of resources				
Deferred property taxes	<u>781,820</u>	<u>300,000</u>	<u>-</u>	<u>1,081,820</u>
Fund balances:				
Restricted:				
Reserve for emergencies	247,100	-	-	247,100
Debt service payments	-	1,428,914	-	1,428,914
Parks and Recreation	-	-	103,930	103,930
Committed:				
Open space and trails	1,887,449	-	-	1,887,449
Parks	266,488	-	-	266,488
Transportation	21,433	-	-	21,433
Willits development	666,995	-	-	666,995
Highway and streets	330,997	-	-	330,997
Other projects	275,932	-	-	275,932
Unassigned	3,714,368	-	-	3,714,368
Total fund balance	<u>7,410,762</u>	<u>1,428,914</u>	<u>103,930</u>	<u>8,943,606</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 8,613,313</u>	<u>\$ 1,728,914</u>	<u>\$ 103,930</u>	<u>\$ 10,446,157</u>

The accompanying notes are an integral part of this statement.

Town of Basalt
Reconciliation of the Governmental Funds Balance
Sheet to the Statement of Net Position
December 31, 2014

Total fund balance, governmental funds \$ 8,943,606

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current period expenditures and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.

Cost of capital assets	\$ 30,746,628	
Less accumulated depreciation	<u>(5,686,742)</u>	25,059,886

Some liabilities, (such as Notes Payable, Capital Lease Contract Payable, Long-term Compensated Absences, and Bonds Payable), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Position.

Bonds payable	\$ (6,373,000)	
Bond premium and discount costs	(119,001)	
Bond issuance costs	43,933	
Leases payable	(131,676)	
Compensated absences	<u>(133,675)</u>	(6,713,419)

Net Position of Governmental Activities in the Statement of Net Position \$ 27,290,073

The accompanying notes are an integral part of this statement.

Town of Basalt
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2014

	<u>General Fund</u>	<u>Bond Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues				
Taxes	\$ 5,928,181	\$ 282,618	\$ -	\$ 6,210,799
Intergovernmental	230,029	-	18,553	248,582
Licenses, permits and fees	895,861	-	-	895,861
Charges for service	130,071	-	-	130,071
Fines and forfeitures	80,696	-	-	80,696
Miscellaneous	55,094	6,603	7	61,704
Total revenues	<u>7,319,932</u>	<u>289,221</u>	<u>18,560</u>	<u>7,627,713</u>
Expenditures				
Current:				
General government	2,866,239	45,798	-	2,912,037
Public safety	1,782,516	-	-	1,782,516
Public works	1,122,417	2,900,727	-	4,023,144
Culture and recreation	942,847	-	-	942,847
Capital outlay	555,582	-	-	555,582
Debt service payments	405,050	266,847	-	671,897
Total expenditures	<u>7,674,651</u>	<u>3,213,372</u>	<u>-</u>	<u>10,888,023</u>
Excess of revenues over expenditures	<u>(354,719)</u>	<u>(2,924,151)</u>	<u>18,560</u>	<u>(3,260,310)</u>
Other Financing (Uses)				
Proceeds from bond	-	1,888,000	-	1,888,000
Proceeds from lease	177,825	-	-	177,825
Underwriter discount	-	(6,891)	-	(6,891)
Transfers in	180,227	-	-	180,227
Total other financing (uses)	<u>358,052</u>	<u>1,881,109</u>	<u>-</u>	<u>2,239,161</u>
Net change to fund balance	3,333	(1,043,042)	18,560	(1,021,149)
Fund balance, January 1	<u>7,407,429</u>	<u>2,471,956</u>	<u>85,370</u>	<u>9,964,755</u>
Fund balance, December 31	<u>\$ 7,410,762</u>	<u>\$ 1,428,914</u>	<u>\$ 103,930</u>	<u>\$ 8,943,606</u>

The accompanying notes are an integral part of this statement.

Town of Basalt
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures,
and Changes in Fund Balances to the Statement of Activities
For the Year Ended December 31, 2014

Net change in fund balances - total governmental funds \$(1,021,149)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Fixed assets current additions	\$ 1,069,647	
Depreciation expense	(615,540)	
Excess of capital outlay over depreciation		454,107

The issuance of long-term debt(e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of the long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Bond issuance costs		2,010
Bond premium less discounts		13,222
Bonds issued		(1,888,000)
Lease payable		(177,825)

Repayment of long-term debt principal is reported as an expenditure in the governmental funds but reduces long-term liabilities in the statement of net position. 571,149

Increase in compensated absences (9,604)

Change in net position of governmental funds \$(2,056,090)

The accompanying notes are an integral part of this statement.

Town of Basalt
Statement of Net Position
Enterprise Fund
December 31, 2014

	Water Fund
Assets	
Current Assets:	
Cash and cash equivalents	\$ (1,285)
Investments	335,283
Accounts Receivable, net	115,594
Inventories	12,870
Total current assets	462,462
Noncurrent assets:	
Capital assets:	
Land and improvements	256,235
Wells, springs and water rights	1,194,534
Utility system	6,804,088
Hydro system	140,000
Equipment and furniture	135,589
Less Accumulated Depreciation	(3,885,784)
Total noncurrent assets	4,644,662
Total assets	\$ 5,107,124
 Liabilities	
Current liabilities:	
Accounts payable	48,815
Accrued interest payable	611
Current portion of long-term debt	63,136
Total current liabilities	112,562
 Noncurrent liabilities:	
Loans payable	474,777
Total noncurrent liabilities	474,777
Total liabilities	587,339
 Net Position	
Invested in capital assets, net of related debt	4,106,749
Reserve for rate covenant	65,500
Unrestricted	347,536
Total net position	\$ 4,519,785

The accompanying notes are an integral part of this statement.

Town of Basalt
Statement of Revenues, Expenses and Changes in Fund Net Position
Enterprise Fund
Year Ended December 31, 2014

	Water Fund
Operating revenues:	
Charges for services	\$ 575,891
Miscellaneous	20,773
Total operating revenues	596,664
Operating expenses:	
Personnel services	136,737
Contractual services	58,646
Utilities	25,445
Repairs and maintenance	4,617
Other supplies and expenses	63,941
Depreciation	262,960
Total operating expenses	552,346
Operating income (loss)	44,318
Nonoperating revenues (expenses):	
Interest and investment revenue	386
Transfers (out)	(180,227)
Interest expense	(27,784)
Total nonoperating revenues (expenses)	(207,625)
Income (loss) before transfers	(163,307)
Capital contributions-Tap Fees	21,964
Change in net position	(141,343)
Net position, January 1	4,661,128
Net position, December 31	\$ 4,519,785

The accompanying notes are an integral part of this statement.

Town of Basalt
Statement of Cash Flows
Enterprise Fund
Year Ended December 31, 2014

	Water Fund
Cash Flows From Operating Activities	
Cash received from customers	\$ 579,616
Cash payments to suppliers for goods and services	(234,611)
Cash payments for employees	(136,737)
Net cash provided (used) by operating activities	208,268
 Cash Flows from Noncapital Financing Activities	
Capital contributions-tap fees	21,964
Net cash provided (used) by noncapital financing activities	21,964
 Cash Flows from Capital and Related Financing Activities	
Transfers (out)	(180,227)
Acquisition of capital assets	(112,253)
Interest expense	(27,784)
Principal payment on loans	(70,988)
Net cash provided (used) by capital and related financing activities	(391,252)
 Cash Flows from Investing Activities	
Interest on investments	386
Net increase (decrease) in cash and equivalents	(160,634)
Cash balances, January 1	494,632
Cash balances, December 31	\$ 333,998
 Reconciling of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ 44,318
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation expense	262,960
Assets (increase) decrease:	
Accounts receivable	(17,048)
Liabilities increase (decrease):	
Accounts payable	(81,699)
Accrued interest payable	(263)
Total adjustments	163,950
Net cash provided (used) by operating activities	\$ 208,268

The accompanying notes are an integral part of this financial statement

Town of Basalt
Notes to the Financial Statements
December 31, 2014

Note 1 - Summary of Significant Accounting Policies

The financial statements of the Town of Basalt, Colorado (the Town) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the Town's accounting policies are described below:

A. Financial Reporting Entity

The Town operates under a Home Rule Charter and a Council - Manager Form of government with seven elected Council members. As required by accounting principles generally accepted in the United States of America, these financial statements present the Town of Basalt (the primary government).

The Town has examined their relationship with potential component units based on the criteria in GASB No. 14. Based on that examination, the Town has determined that the Town has no component units.

The financial statements of the Town consist only of the funds and account groups of the Town. The Town has no oversight responsibility for any other governmental entity since no other entities are considered to be controlled by or dependent on the Town. Control or dependence is determined on the basis of budget, adoption, taxing authority, funding, and appointment of the respective governing board.

B. Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the activities of the Town and its component unit. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes, charges for services and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on user charges for support.

Town of Basalt
Notes to the Financial Statements
December 31, 2014

Note 1 - Summary of Significant Accounting Policies (continued)

B. Government-wide Financial Statements (continued)

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

C. Fund Financial Statements

The accounts of the Town are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

All governmental funds are accounted for on a flow of current financial resources basis. Balance sheets for these funds generally include only current assets and current liabilities. Reported fund balances are considered a measure of available, spendable resources. Operating statements for these funds present a summary of available, spendable resources and expenditures for the period.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The Town reports the following major governmental funds:

- The General Fund is the Town's primary operating fund. It accounts for all financial resources of the Town, except those required to be accounted for in another fund.
- The Bond Fund, which accounts for debt service payments on bonds Revenues are mainly generated by property taxes.

Town of Basalt
Notes to the Financial Statements
December 31, 2014

Note 1 - Summary of Significant Accounting Policies (continued)

C. Fund Financial Statements (continued)

The remaining governmental funds are aggregated and presented as nonmajor funds. Those funds include:

- The Conservation Trust Fund, which accounts for State of Colorado lottery funds to be used for parks and recreation services and capital investment.

Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. Enterprise funds are considered major funds because of community interests in the activities and sources of funding supporting these operations.

The Town reports the following major enterprise fund business-type activities:

- Water Fund, which account for all operations of the Town's water services. They are primarily financed by user charges.

D. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the enterprise fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The modified accrual basis of accounting is used by all governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. Exceptions to this general rule include principal and interest on general long-term debt which is recognized when due, and compensated absences which are recognized when the obligations are expected to be liquidated with expendable available resources.

Town of Basalt
Notes to the Financial Statements
December 31, 2014

Note 1 - Summary of Significant Accounting Policies (continued)

D. Measurement Focus and Basis of Accounting (continued)

Those revenues susceptible to accrual are interest revenue and charges for services. Entitlement revenues are not susceptible to accrual because generally, they are not measurable until received. Grant revenues are recognized as they are earned.

The accrual basis of accounting is utilized by enterprise funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

E. Cash and Cash Equivalents

For the purposes of the statement of cash flows of the enterprise funds, cash and cash equivalents consist of operating and restricted cash and highly liquid securities with an initial maturity of three months or less.

F. Investments

Investments are stated at fair value based on quoted market values with the exception of money market funds and external investment pools which are stated at cost which is equal to fair value.

G. Use of Estimates

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

H. Property Taxes

Property taxes for the current year are levied and attach as a lien on property the following January 1. They are payable in full by April 30 or in two equal installments due February 28 and June 15. Property taxes levied in the current year and collected in the following year are reported as a receivable at December 31. However, since the taxes are not available to pay current liabilities, the receivable is recorded as deferred inflow of resources in the governmental and enterprise funds.

Town of Basalt
Notes to the Financial Statements
December 31, 2014

Note 1 - Summary of Significant Accounting Policies (continued)

I. Restricted Assets

Certain proceeds from developers as well as other resources are classified as restricted assets on the balance sheet because their use is limited by applicable laws, ordinances or contracts.

J. Capital Assets

Capital assets, which include property, equipment and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capitalized assets are defined by the Town as assets that have a useful life of one or more years, and for which the initial, individual value equals or exceeds \$ 5,000.

All purchased assets are valued at cost where historical records are available and at estimated historical costs where no historical records exist. Donated assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that does not add to the value of an asset or materially extend asset life is not capitalized.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

<u>Asset Class</u>	<u>Useful Life</u>
Buildings	50 years
Building and Other Improvements	25 years
Water Systems	20–50 years
Furniture and Equipment	5-10 years
Infrastructure	25–40 years

Public domain assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are examples of infrastructure assets. Infrastructure assets are distinguished from other capitalized assets as their useful life often extends beyond most other capital assets and are stationary in nature. General infrastructure assets are those associated with or arising from governmental activities.

Town of Basalt
Notes to the Financial Statements
December 31, 2014

Note 1 - Summary of Significant Accounting Policies (continued)

K. Long-Term Liabilities

In the government-wide financial statements, and enterprise fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or enterprise fund type statement of net position. Bond issuance costs, as well as applicable bond premium and discounts, are deferred and amortized over the term of the related debt using the straight-line method of amortization.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

Certain of the Town's general obligation bonds, revenue bonds, special assessments bonds and capital leases are serviced from property taxes and other revenues of the Bond Fund. Other general obligation bonds are serviced from the enterprise funds. The long-term compensated absences are serviced from revenues of the General Fund from future appropriations.

L. Accrued Liabilities for Compensated Absences

It is the Town's policy to permit employees to accumulate earned but unused vacation benefits. In the government-wide statements, vacation pay is accrued when incurred and reported as a liability of the governmental and business-type activities. In the governmental funds, vacation pay that is expected to be liquidated with expendable available financial resources is reported as expenditure and a fund liability of the governmental fund that will pay it. Amounts not expected to be liquidated with expendable available financial resources are not reported as expenditure.

Town of Basalt
Notes to the Financial Statements
December 31, 2014

Note 1 - Summary of Significant Accounting Policies (continued)

M. Net Position

Net position represent the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition or construction of improvements on those assets. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors, laws or regulations of other governments.

N. Interfund Transactions

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. At year end, outstanding balances between funds are reported as “due to/from other funds.” Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

O. Inventory

Inventory in the Water Fund is valued at a lower cost (first in – first out) or market.

P. Fund Equity

Beginning with fiscal year 2011, the Town implemented GASB Statement 54 “Fund Balance Reporting and Governmental Fund Type Definitions”. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Non-spendable fund balance amounts that are not in spendable form (such as inventory) or are required to be maintained intact;

Town of Basalt
Notes to the Financial Statements
December 31, 2014

Note 1 - Summary of Significant Accounting Policies (continued)

P. Fund Equity

- Restricted fund balance-amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions or by enabling legislation;
- Committed fund balance-amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance-amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance-amounts that are available for any purpose; positive amounts are reported only in the general fund.

When expenditures are incurred for purposes for which both restricted and unrestricted net position are available, the Town considers restricted funds to have been spent first. When expenditures are incurred for which committed, assigned, or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Town Council has provided otherwise in its commitment or assignment actions.

Note 2 - Reconciliation of Government-wide and Fund Financial Statements

The governmental funds balance sheet includes reconciliation between *fund balances - total governmental funds* and *net position - governmental activities* as reported in the government-wide statement of net position. Additionally, the governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between *net change in fund balances - total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. The enterprise fund statement of net position and statement of revenues, expenses and changes in net position also includes reconciliation to the government-wide statement of net position and activities.

These reconciliations detail items that require adjustment to convert from the current resources measurement and modified accrual basis for government fund statements to the economic resources measurement and full accrual basis used for government-wide statements. However, certain items having no effect on measurement and basis of accounting were eliminated from the governmental fund statements during the consolidation of governmental activities.

Town of Basalt
Notes to the Financial Statements
December 31, 2014

Note 3 - Tax, Spending and Debt Limitations

In November 1992 Colorado voters approved Amendment 1 to the state Constitution which is commonly known as the Taxpayer's Bill of Rights or the TABOR Amendment. The amendment applies to all units of local government and limits taxes, spending, revenue, and multi-year debt (excepting bond refundings to lower interest rates and adding employees to pension plans). The amendment does not apply to units of local government that are defined as an "Enterprise". The Town does not qualify as an "Enterprise".

The amendment defined the Town's year end, December 31, 1992, as the initial base year for purposes of defining compliance with the amendment. The amendment defines inflation and local growth. Future years' revenue, based upon prior years revenue, is only allowed to increase based upon the inflationary and local growth factors. Revenue received in excess of the prior years must be refunded to the voters on some reasonable basis, unless the voters were to approve retention of the excess revenue by the Town.

The Town placed a question on the April 1994 ballot that would permit the Town to keep and spend state grants, all sales tax and property tax revenues without limiting in any year the amount of other revenues that may be collected. The ballot language specified that there was to be no increase in the operating mill levy.

The ballot question was approved by the voters.

The amendment requires the Town to establish an "Emergency Reserve" which must be equal to 3% of current year's spending. Conditions under which these reserves may be spent are severely limited.

The Town believes that it is in compliance with the provisions of TABOR, as it is currently understood. Many of the provisions may not become fully understood without judicial review.

Note 4 - Budgets

An operating budget is adopted each fiscal year on a basis which differs from generally accepted accounting principles insofar as certain receipts, such as tap fees, are recognized as revenue for budgetary purposes in proprietary funds when they otherwise would not be. Certain expenditures, such as proprietary fund depreciation, are recognized for generally accepted accounting principles basis, but are not recognized for budgetary purposes.

Town of Basalt
Notes to the Financial Statements
December 31, 2014

Note 4 - Budgets (continued)

Appropriations are made by the Town Council by means of supplemental appropriations at any time during the fiscal year. The cumulative effect of all supplemental appropriations is reflected in the budget comparison statements in the financial statements. The appropriations are adopted, and may not be exceeded on a total fund basis. The Town could be in violation of the Colorado budget law because expenditures exceeded budgetary amounts in the Bond Fund. The details of the budget calendar are outlined below:

- September 1: Statutory deadline for submission of proposed budget estimated by Town budget officer.
 - October 15: Statutory deadline of submission of proposed budget to the Board of Trustees.
 - October 20: Deadline for submission of request for excess levy to State Division of Local Governments with sufficient time to go to election, if denied.
 - December 10: Changes in assessed valuation made by the assessors will be made once only by a single notification to the County Commissioners or other body authorized by law to levy property tax and to the Department of Local Affairs.
 - December 15: Statutory deadline for certification of mill levies to the Board of County Commissioners unless an election for increased property tax revenue is being held.
 - December 22: Statutory deadline for Board of County Commissioners to levy taxes and certify the levies.
- On or before December 31, the Town shall enact an ordinance appropriating the budget for the ensuing fiscal year.
 - The Town does not use an encumbrance system for budgetary control.

Town of Basalt
Notes to the Financial Statements
December 31, 2014

Note 5 - Cash and Investments

	Government-wide Statement <u>of Net Position</u>
Cash and cash equivalents	\$ 2,744,696
Investments	2,769,078
Temporarily restricted assets	<u>3,449,294</u>
Total	<u>\$ 8,963,068</u>

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 is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to the aggregate uninsured deposits. Collateral in the pool is considered to be equal to depository insurance pursuant to definitions listed in GASB Statement No. 40. At December 31, 2014, the bank balance of the Town's deposits was \$ 2,859,041 of which \$ 1,000,000 was covered by federal depository insurance and \$ 1,859,041 was collateralized under PDPA.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest. Authorized investments include obligations of the United States and certain U.S. government agency securities; certain international agency securities; general obligation and revenue bonds of U.S. local government entities; bankers' acceptances of certain banks; commercial paper; local government investment pools; written repurchase agreements collateralized by certain authorized securities; certain money market funds; and, guaranteed investment contracts. The Town's investment policy follows Colorado statutes. At December 31, 2014 the Town's investments included funds held in Colotrust and Financial Investors Trust.

Town of Basalt
Notes to the Financial Statements
December 31, 2014

Note 5 - Cash and Investments (continued)

The Town had invested \$ 6,218,372 in the Colorado Government Liquid Asset Trust (COLOTRUST), an investment vehicle established for local government entities in Colorado to pool surplus funds. COLOTRUST operates similarly to a money market fund and each share is equal in value to \$1.00. Investments of COLOTRUST consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury securities. A designated custodial bank provides safekeeping and depository services to COLOTRUST in connection with the direct investment and withdrawal functions of COLOTRUST. Substantially all securities owned by COLOTRUST are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by COLOTRUST. These pools are not required to and are not registered with the SEC. COLOTRUST's funds are rated AAAM by Standard and Poor's, Fitch's and Moody's rating services.

Note 6 - Single Audit

In 2014 the Town of Basalt had no single audit requirement under the Single Audit Act of 1984 because the Town expended federal assistance of less than \$500,000 during the year.

Note 7 - Restricted Assets

The Town has restricted cash and investments in the General Fund for the following purposes:

Developers and etc.	<u>\$ 3,449,294</u>
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Note 8 - Budget to Actual Presentation

The following schedule presents a reconciliation of expenditures on a GAAP basis with expenditures on a budgetary basis.

	Water Fund
Expenditures on a GAAP basis	\$ 760,357
Add:	
Capital outlay and construction cost	112,253
Debt principal payments	70,988
Deduct:	
Depreciation expense	<u>(262,960)</u>
Expenditures on a budgetary basis	<u>\$ 680,638</u>

Town of Basalt
Notes to the Financial Statements
December 31, 2014

Note 9 - Bonds and Loans Payable

	Balance			Balance	Due Within
	January 1, 2014	Additions	Reductions		
Governmental Activities					
Bonds payable-2013	\$ 5,010,000	\$ -	\$ (525,000)	\$ 4,485,000	\$ 525,000
Bonds payable-2014	-	1,888,000	-	1,888,000	233,000
Lease payables - TYMCO, Inc.	-	177,825	(46,149)	131,676	42,791
Accrued compensated absences	124,071	9,604	-	133,675	-
Total	\$ 5,134,071	\$ 2,075,429	\$ (571,149)	\$ 6,638,351	\$ 800,791
Enterprise Activities					
Loan payable - Ruedi	\$ 81,928	\$ -	\$ (21,273)	\$ 60,655	\$ 11,414
Loan payable - CCWR	526,973	-	(49,715)	477,258	51,722
Total	\$ 608,901	\$ -	\$ (70,988)	\$ 537,913	\$ 63,136

A. Loan Payable Ruedi Reservoir

The Town entered into a loan with Ruedi Reservoir for water rights July 12, 1999. The note on the water rights has an interest rate of 3.04% and repayment is to be made over twenty five years. Payment is due January 1 of each year. The following is a payment schedule of the loan:

Year	Annual Payment	Principal	Interest
2015	\$ 13,262	\$ 11,414	\$ 1,848
2016	13,262	11,762	1,500
2017	13,262	12,120	1,142
2018	13,262	12,490	772
2019	13,261	12,869	392
	<u>\$ 66,309</u>	<u>\$ 60,655</u>	<u>\$ 5,654</u>

B. Bonds Payable- Series 2013 Bonds

On August 23, 2011 the Town issued general obligation bonds series 2011 and separate, detached, registered coupons. The proceeds will be used for the purpose of retiring the series 2001 bonds. Interest on the 2011 bonds is payable semiannually on June 1 and December 1 commencing on June 1, 2012. The bond bears an interest rate 3.23%, calculated based on a 360-day year of twelve 30-day months. The bonds are to mature on December 1, 2021.

Town of Basalt
Notes to the Financial Statements
December 31, 2014

Note 9 - Bonds and Loans Payable – (continued)

The bonds are subject to optional redemption prior to maturity on any business day at redemption price described below.

The bonds are subject to mandatory sinking fund redemption, at a redemption price equal to 100% of the principal amount to be so redeemed, plus accrued interest thereon, on each December 1 of the years and in the amounts as follows:

Debt Service Schedule Bonds

Year	Interest Rate	Payment	Principal	Interest
2015	2.00%	\$ 624,075	\$ 525,000	\$ 99,075
2016	2.00%	618,575	530,000	88,575
2017	2.00%	617,975	540,000	77,975
2018	2.00%	612,175	545,000	67,175
2019	2.00%	606,275	550,000	56,275
2020	2.50%	610,275	565,000	45,275
2021	2.00%	606,150	575,000	31,150
2022	3.00%	344,650	325,000	19,650
2023	2.00%	339,900	330,000	9,900
Total		<u>\$ 4,980,050</u>	<u>\$ 4,485,000</u>	<u>\$ 495,050</u>

C. Bonds Payable- Series 2014 Bonds

On October 15, 2014 the Town issued general obligation bonds series 2014 and separate, detached, registered coupons. Interest on the 2014 bonds is payable semiannually on June 1 and December 1 commencing on June 1, 2015. The bond bears an interest rate 2.70%, calculated based on a 360-day year of twelve 30-day months. The bonds are to mature on December 1, 2021.

Debt Service Schedule Bonds

Year	Interest Rate	Payment	Principal	Interest
2015	2.70%	\$ 290,490	\$ 233,000	\$ 57,490
2016	2.70%	296,685	252,000	44,685
2017	2.70%	297,881	260,000	37,881
2018	2.70%	303,861	273,000	30,861
2019	2.70%	304,490	281,000	23,490
2020	2.70%	305,903	290,000	15,903
2021	2.70%	307,073	299,000	8,073
Total		<u>\$ 2,106,383</u>	<u>\$ 1,888,000</u>	<u>\$ 218,383</u>

Town of Basalt
Notes to the Financial Statements
December 31, 2014

Note 9 - Bonds and Loans Payable – (continued)

D. Loan Payable - CWR and PDA

The Town borrowed \$ 948,246 in December 19, 2002, from the Colorado Water Resources and Power Development Authority (CWR and PDA) for the construction of a micro-filtration water treatment plant. The term of the loan will be semi annual payments of \$ 35,150.12 for 20 years at an annual interest rate of 4%. The following is a detailed breakdown of the debt service payments:

	<u>Annual</u> <u>Payments</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 70,300	\$ 51,722	\$ 18,578
2016	70,300	53,811	16,489
2017	70,300	55,986	14,314
2018	70,300	58,247	12,053
2019	70,300	60,601	9,699
2020 to 2022	<u>211,120</u>	<u>196,891</u>	<u>14,229</u>
Total	<u>\$ 562,620</u>	<u>\$ 477,258</u>	<u>\$ 85,362</u>

In 2014, the Town met the required reserve and rate covenant.

E. Lease Payable – TYMCO, Inc.

The Town borrowed \$ 177,825 on April 29, 2014, from the TYMCO, Inc. for the purchase of a street sweeper. The term of the lease will be annual payments of \$ 46,149.21 for 4 years at an annual interest rate of 2.25%, with an advance payment made in 2014. The following is a detailed breakdown of the debt service payments:

	<u>Annual</u> <u>Payments</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 46,149	\$ 42,791	\$ 3,358
2016	46,149	43,883	2,266
2017	<u>46,149</u>	<u>45,002</u>	<u>1,147</u>
Total	<u>\$ 138,447</u>	<u>\$ 131,676</u>	<u>\$ 6,771</u>

D. Treatment of compensated absences

The Town determined that accrual in the General Fund of accrued vacation and holiday leave was not expected to be paid with currently available resources. The amount of \$ 133,675 accrued at December 31, 2014 is reported on the statement of net position.

Town of Basalt
Notes to the Financial Statements
December 31, 2014

Note 10 - Defined Benefit Pension Plan

The Town of Basalt contributes to the Statewide Defined Plan, a cost-sharing multiple-employer defined benefit pension plan administered by the Colorado Fire and Police Pension Association (FPPA). The Statewide Defined Benefit Plan provides retirement benefits for members and beneficiaries. Death and disability coverage is provided for members through the Statewide Death and Disability Plan which is also administered by the Colorado Fire and Police Pension Association. This is a non-contributory plan. All full-time paid police officers of the Town are members of the two plans. Title 31, Article 30 to the Colorado Revised Statutes (CRS), as amended, assigns the authority to establish benefit provisions to the state legislature. FPPA issued a publicly available annual financial report that includes financial statements and required supplementary information for both plans. That report may be obtained by contacting the FPPA of Colorado, 5290 DTC Parkway, Suite 100, Englewood, CO 80111 or calling FPPA at 770-3772 in the Denver Metro area, or 1-800-332-FPPA (3772) from outside Denver Metro area.

Basis of accounting for the Statewide Defined Benefit Plan: The Financial Statements of the Statewide Defined Benefit Plan are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. The Statewide Defined Benefit Plan investments are presented at Fair Value except for short-term investments which are recorded at cost, which approximates Fair Value.

Plan members and the Town are required to contribute at a rate set by statute. The contribution rate for members and the Town are established under Title 31, Article 30, Part 1 of the CRS, as amended. The contribution rate for members is 8% of covered salary and for the Town is 8% of covered salary. The Town contributions to the Statewide Defined Benefit Plan for the years ending December 31, 2013 and 2014 were \$ 78,487 and \$ 63,253 respectively.

Note 11- Allowance for Uncollectible Accounts Receivable

Because the Town of Basalt can impose a lien on property for uncollected utility charges, no allowance for uncollectible accounts receivable is provided.

Note 12- Risk Management

The town is exposed to various risk of loss related to torts; theft of; injuries to employees; and natural disasters. The town pays an annual premium to a commercial insurance carrier for property/casualty and for its workmen's compensation insurance coverage.

Town of Basalt
Notes to the Financial Statements
December 31, 2014

Note 13- Interfund Transfers

A schedule of interfund transfers during the year ended December 31, 2014 follows:

<u>Fund</u>	<u>Transfers in</u>	<u>Transfers Out</u>
General	\$ 180,227	\$ -
Water		180,227
Total	<u>\$ 180,227</u>	<u>\$ 180,227</u>

Note 14- Employee Benefits

A. Deferred Compensation

The Town offers its employees a deferred compensation plan created in accordance with internal revenue Code Section 457. The plan, available to all Town employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseen non-reimbursed emergency.

B. Retirement Plan

The Town participates in the Hunter Benefits Consulting Group, Inc. (HBCG), which is a qualified plan as defined by IRS Code Section 401 (A). The plan provides retirement benefits through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings.

There are no unfunded past service liabilities. All full-time employees are required to participate in the plan upon the first day of the payroll period following the employee's date of hire. The Town is required to contribute 4% of employee compensation excluding overtime. The employee is required to contribute an amount equal to the Town's contribution. Employees are immediately vested in their participant contributions and become vested in employer contributions to the plan over a six-year period.

The Town's total payroll for 2014 was \$2,685,691 and covered payroll was \$1,848,625. During 2014, the Town and employees made the required 5% contribution amounting to \$91,580, for a total of \$183,160.

Town of Basalt
Notes to the Financial Statements
December 31, 2014

Note 14- Capital Assets

Capital assets activity for the year ended December 31, 2014 was as follows:

	Balance January 1, 2014	Additions	Dispositions	Balance December 31, 2014
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 12,813,881	\$ 473,259	\$ -	\$ 13,287,140
	<u>12,813,881</u>	<u>473,259</u>	<u>-</u>	<u>13,287,140</u>
Capital assets being depreciated				
Buildings	2,979,093	95,530	-	3,074,623
Improvements	530,371	43,225	-	573,596
Equipment	1,597,779	457,633	(129,773)	1,925,639
Infrastructure	11,885,680	-	-	11,885,680
Less accumulated depreciation	(5,201,025)	(615,540)	129,773	(5,686,792)
	<u>11,791,898</u>	<u>(19,152)</u>	<u>-</u>	<u>11,772,746</u>
Total Governmental Activities Capital Assets	<u>\$ 24,605,779</u>	<u>\$ 454,107</u>	<u>\$ -</u>	<u>\$ 25,059,886</u>
Business-Type Activities				
Capital assets no being depreciated				
Land	\$ 256,235	\$ -	\$ -	\$ 256,235
Capital assets being depreciated				
Water rights	441,862	-	-	441,862
Wells and springs	752,672	-	-	752,672
Water plant	6,766,838	37,250	-	6,804,088
Hydro system	140,000	-	-	140,000
Machinery and equipment	60,585	75,004	-	135,589
Less accumulated depreciation	(3,622,824)	(262,960)	-	(3,885,784)
Capital assets being depreciated, net	<u>4,539,133</u>	<u>(150,706)</u>	<u>-</u>	<u>4,388,427</u>
Total business-type Activities capital assets	<u>\$ 4,795,368</u>	<u>\$ (150,706)</u>	<u>\$ -</u>	<u>\$ 4,644,662</u>

Depreciation expense was charged to functions/programs of the Town as follows:

General government	\$ 273,988
Public safety	62,007
Culture and recreation	30,631
Public works, including infrastructure	<u>248,914</u>
Total depreciation expenses	<u>\$ 615,540</u>
Water	<u>\$ 262,960</u>

Town of Basalt
Notes to the Financial Statements
December 31, 2014

Note 15- Reinstatement of Net Position

The Town reinstated net position for the governmental funds for assets that were reclassified as restricted in the amount of \$280,117. Net position was originally stated at \$29,626,280 in 2013 was reinstated to \$29,346,163.

Town of Basalt
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
General Fund

For the Year Ended December 31, 2014

Revenues	Budgeted Amount			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Taxes	\$ 5,365,334	\$ 5,365,334	\$ 5,928,181	\$ 562,847
Intergovernmental	233,460	233,460	230,029	(3,431)
Licenses, permits and fees	262,960	262,960	895,861	632,901
Charges for service	153,200	153,200	130,071	(23,129)
Fines and forfeitures	50,570	50,570	80,696	30,126
Miscellaneous	61,321	61,321	55,094	(6,227)
Total revenue	<u>6,126,845</u>	<u>6,126,845</u>	<u>7,319,932</u>	<u>1,193,087</u>
Expenditures				
General government	2,470,233	2,470,233	2,866,239	(396,006)
Public safety	1,718,756	1,718,756	1,782,516	(63,760)
Public works	1,238,494	1,238,494	1,168,566	69,928
Culture and recreation	834,040	834,040	942,847	(108,807)
Capital outlay	1,616,122	1,616,122	377,757	1,238,365
Debt service	358,901	358,901	358,901	-
Total expenditures	<u>8,236,546</u>	<u>8,236,546</u>	<u>7,496,826</u>	<u>739,720</u>
Excess of revenues over (under) expenditures	(2,109,701)	(2,109,701)	(176,894)	1,932,807
Other financing sources (uses)				
Operating transfers in	171,645	171,645	180,227	8,582
Total other financing sources	<u>171,645</u>	<u>171,645</u>	<u>180,227</u>	<u>8,582</u>
Excess (deficiency) of revenue and other sources over (under) expenditures	(1,938,056)	(1,938,056)	3,333	1,941,389
Fund Balance-January 1	5,479,848	5,479,848	7,407,289	1,927,441
Fund Balance-December 31	<u>\$ 3,541,792</u>	<u>\$ 3,541,792</u>	<u>\$ 7,410,622</u>	<u>\$ 3,868,830</u>

The accompanying notes are an integral part of this financial statement

Town of Basalt
Schedule of Revenues, Expenditures and Changes in Fund Balances- Budget and Actual
Bond Fund
For the Year Ended December 31, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
Revenues				
Property taxes	\$ 282,618	\$ 282,618	\$ 282,618	\$ -
Rental revenue	-	-	6,600	6,600
Interest income	-	-	3	3
Bond proceeds	-	-	1,881,109	1,881,109
Total revenues	<u>282,618</u>	<u>282,618</u>	<u>2,170,330</u>	<u>1,887,712</u>
Expenditures				
Treasurer's fees	3,500	3,500	3,500	-
Administration fees	650	650	275	375
Supplies	-	-	4,629	(4,629)
Legal & Professional	-	-	37,394	(37,394)
Engineering and design	10,000	10,000	2,900,727	-
Debt service				
Principal	216,000	216,000	230,000	(14,000)
Interest	62,468	62,468	36,847	25,621
Total expenditures	<u>292,618</u>	<u>292,618</u>	<u>3,213,372</u>	<u>(2,920,754)</u>
Excess revenues over (under) expenditures	(10,000)	(10,000)	(1,043,042)	(1,033,042)
Fund Balance-January 1	22,932	22,932	2,471,956	2,449,024
Fund Balance-December 31	<u>\$ 12,932</u>	<u>\$ 12,932</u>	<u>\$ 1,428,914</u>	<u>\$ 1,415,982</u>

The accompanying notes are an integral part of this financial statement

**Town of Basalt
Combining Balance Sheet
Other Governmental Funds
December 31, 2014**

	Conservation Trust Trust Fund
Assets	
Cash and cash equivalents	\$ 97,741
Investments	6,189
Total assets	<u>\$ 103,930</u>
Liabilities and Fund Balances	
Liabilities:	
Accounts payable	\$ -
Total liabilities	<u>-</u>
Fund balances:	
Unreserved:	103,930
Total fund balances	<u>103,930</u>
Total liabilities and fund balances	<u>\$ 103,930</u>

Town of Basalt
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds
December 31, 2014

	Conservation Trust Fund
REVENUES	
Intergovernmental	\$ 18,553
Interest earnings	7
Total revenues	18,560
 EXPENDITURES	
Current:	
Culture and recreation	-
Total expenditures	-
 Change in fund balance	 18,560
Fund balance, January 1	85,370
Fund balance, December 31	\$ 103,930

Town of Basalt
Schedule of Revenues, Expenditures and Changes in Fund Balances- Budget and Actual
Conservation Trust Fund
For the Year Ended December 31, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Grants	\$ 15,200	\$ 15,200	\$ 18,553	\$ 3,353
Interest income	9	9	7	(2)
Total revenues	<u>15,209</u>	<u>15,209</u>	<u>18,560</u>	<u>3,351</u>
Expenditures				
Park improvements	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess revenues over (under) expenditures	15,209	15,209	18,560	3,351
Fund Balance-January 1	79,858	79,858	85,370	5,512
Fund Balance-December 31	<u>\$ 95,067</u>	<u>\$ 95,067</u>	<u>\$ 103,930</u>	<u>\$ 8,863</u>

Town of Basalt
Statement of Revenues, Expenditures and Changes in Available Resources - Budget and Actual
Water Fund
For the Year Ended December 31, 2014

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Revenues				
User charges	\$ 585,000	\$ 585,000	\$ 575,891	\$ (9,109)
Other revenues	2,000	2,000	20,773	18,773
Tap fees	2,000	2,000	21,964	19,964
Interest income	500	500	386	(114)
Total revenues	<u>589,500</u>	<u>589,500</u>	<u>619,014</u>	<u>29,514</u>
Expenses				
Source				
Water rights	10,000	10,000	9,534	466
Utilities	4,500	4,500	2,631	1,869
Capital expenditures	32,200	32,200	45,506	(13,306)
Total source	<u>46,700</u>	<u>46,700</u>	<u>57,671</u>	<u>(10,971)</u>
Treatment				
Repair and maintenance	12,000	12,000	1,483	10,517
Chemical	8,000	8,000	7,450	550
Equipment and operations	1,000	1,000	6,438	(5,438)
Utilities	7,000	7,000	8,656	(1,656)
Total treatment	<u>28,000</u>	<u>28,000</u>	<u>24,027</u>	<u>3,973</u>
Lines				
Professional services	10,000	10,000	2,659	7,341
Equipment operation	3,000	3,000	-	3,000
Repairs, maintenance and supplies	14,000	14,000	3,134	10,866
Utilities	13,000	13,000	11,503	1,497
Capital expenditures	14,000	14,000	13,216	784
Total lines	<u>54,000</u>	<u>54,000</u>	<u>30,512</u>	<u>23,488</u>
Administration				
Salaries	132,499	132,499	106,918	25,581
Payroll taxes	9,953	9,953	7,575	2,378
Employee benefits	36,967	36,967	22,244	14,723
Professional services	41,500	41,500	55,987	(14,487)
Supplies and printing	500	500	1,038	(538)
Telephone	3,600	3,600	2,655	945
Miscellaneous	5,950	5,950	4,628	1,322
Overhead	180,227	180,227	180,227	-
Capital expenditures	79,800	79,800	88,385	(8,585)
Total administration	<u>490,996</u>	<u>490,996</u>	<u>469,657</u>	<u>21,339</u>
Debt service	<u>83,562</u>	<u>83,562</u>	<u>98,771</u>	<u>(15,209)</u>
Total expenses	<u>703,258</u>	<u>703,258</u>	<u>680,638</u>	<u>22,620</u>
Excess of revenues over (under) expenditures	(113,758)	(113,758)	(61,624)	52,134
Available resources-January 1	560,457	560,457	409,160	(151,297)
Available resources-December 31	<u>\$ 446,699</u>	<u>\$ 446,699</u>	<u>\$ 347,536</u>	<u>\$ (99,163)</u>

Town of Basalt
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended December 31, 2014

Revenues	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Taxes				
Property tax	\$ 728,509	\$ 728,509	\$ 735,917	\$ 7,408
Specific ownership	26,700	26,700	36,866	10,166
Sales tax	4,305,225	4,305,225	4,812,798	507,573
Lodging tax	29,000	29,000	31,619	2,619
Cigarette	16,000	16,000	15,660	(340)
Franchise	259,900	259,900	295,321	35,421
Total taxes	5,365,334	5,365,334	5,928,181	562,847
Licenses and permits				
SIF and other fees	5,000	5,000	124,459	119,459
Building permits	150,000	150,000	406,973	256,973
Contractor license & testing	11,000	11,000	13,095	2,095
Liquor license	4,000	4,000	4,870	870
Business license	12,000	12,000	18,025	6,025
Affordable housing rent	33,360	33,360	29,700	(3,660)
Willits lane fees	10,000	10,000	47,244	37,244
Energy impact fee	-	-	3,500	3,500
Transfer assessment fees RFC	17,500	17,500	17,000	(500)
RETA-Willits and Sopris Meadows	20,000	20,000	220,473	200,473
Transportation fee	-	-	9,772	9,772
Other	100	100	750	650
Total licenses and permits	262,960	262,960	895,861	632,901
Intergovernmental				
Grants	15,000	15,000	19,498	4,498
Highway users	113,660	113,660	119,979	6,319
County road and bridge	90,000	90,000	76,631	(13,369)
Motor vehicle	14,800	14,800	13,921	(879)
Total intergovernmental	233,460	233,460	230,029	(3,431)
Charges for services				
Administrative fees	171,645	171,645	180,227	8,582
Zoning	22,000	22,000	10,689	(11,311)
Cemetery	1,000	1,000	150	(850)
Pool fees	51,200	51,200	41,039	(10,161)
Park dedication fees	-	-	200	200
Recreation fees	70,000	70,000	68,819	(1,181)
Miscellaneous sales	9,000	9,000	9,174	174
Total charges for services	324,845	324,845	310,298	(14,547)

Town of Basalt
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended December 31, 2014

Revenues (continued)	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Fines and forfeitures				
Traffic	\$ 39,950	\$ 39,950	\$ 50,908	\$ 10,958
Other	10,620	10,620	29,788	19,168
Total fines and forfeitures	<u>50,570</u>	<u>50,570</u>	<u>80,696</u>	<u>30,126</u>
Miscellaneous				
Interest	8,000	8,000	11,220	3,220
Rent	5,000	5,000	2,225	(2,775)
Sale of assets	-	-	49,175	49,175
Refunds of expenditures	15,000	15,000	14,042	(958)
Other Revenue	33,321	33,321	(21,568)	(54,889)
Total miscellaneous	<u>61,321</u>	<u>61,321</u>	<u>55,094</u>	<u>(6,227)</u>
Total Revenues	<u>6,298,490</u>	<u>6,298,490</u>	<u>7,500,159</u>	<u>1,201,669</u>
Expenditures				
General government				
Legislative				
Salaries	72,000	72,000	72,000	-
Payroll taxes and etc.	5,628	5,628	5,603	25
Supplies	10,000	10,000	5,916	4,084
Dues	42,000	42,000	32,883	9,117
Economic development	50,000	50,000	16,777	33,223
Training/ Education	5,000	5,000	150	4,850
Communications	10,340	10,340	20,680	(10,340)
Travel	2,000	2,000	92	1,908
Miscellaneous	-	-	-	-
Basalt Stimulus	14,000	14,000	37,106	(23,106)
Trustee Disc. Fund	162,500	162,500	130,652	31,848
Total legislative	<u>373,468</u>	<u>373,468</u>	<u>321,859</u>	<u>51,609</u>
Judicial				
Professional fees	26,240	26,240	19,723	6,517
Data Processing	1,200	1,200	2,690	(1,490)
Total judicial	<u>27,440</u>	<u>27,440</u>	<u>22,413</u>	<u>5,027</u>
Elections				
Judges and supplies	7,200	7,200	12,613	(5,413)
Total elections	<u>\$ 7,200</u>	<u>\$ 7,200</u>	<u>\$ 12,613</u>	<u>\$ (5,413)</u>

Town of Basalt
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended December 31, 2014

Expenditures (continued)	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Executive				
Salaries	\$ 202,286	\$ 202,286	\$ 213,905	\$ (11,619)
Payroll taxes	15,475	15,475	14,618	857
Employee benefits	34,970	34,970	29,810	5,160
Legal services	22,500	22,500	89,880	(67,380)
Litigation	7,500	7,500	131	7,369
Other professional	484,500	484,500	588,154	(103,654)
Telephone	1,800	1,800	1,800	-
Travel	5,000	5,000	7,454	(2,454)
Miscellaneous	25,500	25,500	30,638	(5,138)
Capital outlay	130	130	135	(5)
Manager housing	24,000	24,000	24,784	
Community discretionary funds	20,000	20,000	50,237	(30,237)
Total executive	843,661	843,661	1,051,546	(207,885)
Finance				
Salaries	188,431	188,431	193,168	(4,737)
Payroll taxes	14,415	14,415	13,707	708
Employee benefits	34,242	34,242	28,681	5,561
Employee appreciation	2,500	2,500	5,084	(2,584)
Data processing fees	10,000	10,000	5,667	4,333
Professional fees	7,000	7,000	6,750	250
Supplies	1,500	1,500	1,141	359
Credit card and bank fees	1,750	1,750	401	1,349
Training	3,000	3,000	1,683	1,317
Travel	250	250	237	13
Treasurer's fees	14,000	14,000	15,480	(1,480)
Other	2,100	2,100	1,812	288
Capital expenditures	130	130	135	(5)
Total finance	279,318	279,318	273,946	5,372
Administration				
Salaries	85,757	85,757	86,384	(627)
Payroll taxes	6,560	6,560	6,478	82
Employee benefits	16,545	16,545	18,898	(2,353)
Equipment lease	12,000	12,000	24,907	(12,907)
Office supplies	19,000	19,000	20,973	(1,973)
Travel	100	100	167	(67)
Advertising	12,500	12,500	58,799	(46,299)
Insurance and bonds	95,000	95,000	33,604	61,396
Town code	1,500	1,500	571	929
Professional services	12,000	12,000	27,225	(15,225)
Miscellaneous	2,500	2,500	5,319	(2,819)
Capital expenditures	130	130	134	(4)
Total administration	263,592	263,592	283,459	(19,867)

Town of Basalt
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended December 31, 2014

Expenditures (continued)	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Planning and zoning				
Salaries	\$ 262,846	\$ 262,846	\$ 358,872	\$ (96,026)
Payroll taxes	20,108	20,108	26,885	(6,777)
Employee benefits	46,919	46,919	68,290	(21,371)
Office supplies	9,200	9,200	14,354	(5,154)
Professional service	75,000	75,000	147,889	(72,889)
Travel	200	200	-	200
Other	10,950	10,950	9,694	1,256
Capital expenditures	9,000	9,000	12,075	(3,075)
Total planning and zoning	<u>434,223</u>	<u>434,223</u>	<u>638,059</u>	<u>(203,836)</u>
Building operation and maintenance				
Salaries	50,288	50,288	52,280	(1,992)
Payroll taxes	3,847	3,847	3,503	344
Employee benefits	17,019	17,019	15,541	1,478
Contract labor	19,000	19,000	26,179	(7,179)
Supplies	7,000	7,000	13,745	(6,745)
Telephone	11,000	11,000	10,751	249
Utilities and refuse removal	60,800	60,800	66,961	(6,161)
Maintenance and repair	29,000	29,000	35,229	(6,229)
Other	7,377	7,377	4,426	2,951
Capital expenditures	36,000	36,000	33,729	2,271
Total building operations and maintenance	<u>241,331</u>	<u>241,331</u>	<u>262,344</u>	<u>(21,013)</u>
Total general government	<u>2,470,233</u>	<u>2,470,233</u>	<u>2,866,239</u>	<u>(396,006)</u>
Public safety - Police Department				
Salaries	790,832	790,832	805,603	(14,771)
Payroll taxes	17,149	17,149	17,005	144
Pension plan	68,757	68,757	67,932	825
Employee benefits	162,117	162,117	136,892	25,225
Office supplies	42,677	42,677	71,116	(28,439)
Investigation	2,500	2,500	5,050	(2,550)
Memberships and dues	20,953	20,953	19,190	1,763
Professional service	5,600	5,600	4,464	1,136
Uniforms	13,585	13,585	12,847	738
Telephone	9,720	9,720	12,292	(2,572)
Utilities	16,284	16,284	22,402	(6,118)
Training	28,273	28,273	14,634	13,639
Insurance and bonds			100	(100)
Communications	176,058	176,058	171,137	4,921
Equipment leasing	2,256	2,256	2,022	234
Capital expenditures	191,348	191,348	284,405	(93,057)
Miscellaneous	5,650	5,650	282	5,368
Total police department	<u>\$ 1,553,759</u>	<u>\$ 1,553,759</u>	<u>\$ 1,647,373</u>	<u>\$ (93,614)</u>

Town of Basalt
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended December 31, 2014

Expenditures (continued)	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Building inspection				
Salaries	\$ 102,571	\$ 102,571	\$ 103,341	\$ (770)
Payroll taxes	7,847	7,847	7,851	(4)
Employee benefits	18,729	18,729	18,201	528
Office supplies and books	450	450	447	3
Telephone	300	300	515	(215)
Data Processing	1,500	1,500	2,484	(984)
Miscellaneous	1,400	1,400	155	1,245
Professional Services	30,000	30,000	-	30,000
Capital expenditures	2,200	2,200	2,149	51
Total planning and zoning	164,997	164,997	135,143	29,854
Total public safety	1,718,756	1,718,756	1,782,516	(63,760)
Public works				
Engineering		-		
Salaries	112,000	112,000	84,050	27,950
Payroll taxes	8,568	8,568	6,430	2,138
Employee benefits	19,868	19,868	16,403	3,465
Professional Fees	25,000	25,000	14,570	10,430
Flood Plain Administration	3,000	3,000	2,686	314
Capital Expenditures	260	260	269	(9)
Total Engineering	168,696	168,696	124,408	44,288
Streets				
Salaries	158,375	158,375	177,598	(19,223)
Payroll taxes	12,116	12,116	13,078	(962)
Employee benefits	36,711	36,711	33,515	3,196
Supplies	22,000	22,000	17,748	4,252
Street repair and maintenance	286,500	286,500	240,206	46,294
Equipment maintenance	4,000	4,000	5,500	(1,500)
Miscellaneous	7,750	7,750	17,628	(9,878)
Uniforms	725	725	944	(219)
Snow removal	10,000	10,000	53,763	(43,763)
Street lighting	14,000	14,000	16,632	(2,632)
Capital expenditures	356,882	356,882	260,109	96,773
Total street and alleys	909,059	909,059	836,721	72,338
Motor pool				
Salaries	39,300	39,300	44,701	(5,401)
Payroll taxes	3,006	3,006	3,420	(414)
Employee benefits	8,518	8,518	3,647	4,871
Contract labor	6,000	6,000	2,266	3,734
Equipment repair and maintenance	12,000	12,000	16,879	(4,879)
Fuel	47,000	47,000	59,443	(12,443)
Miscellaneous	1,500	1,500	1,307	193
Capital expenditures	125,000	125,000	101,392	23,608
Fleet allocation	(242,324)	(242,324)	(233,331)	(8,993)
Total motor pool	\$ -	\$ -	\$ (276)	\$ 276

Town of Basalt
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended December 31, 2014

Expenditures (continued)	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Public Works Administration				
Salaries	\$ 106,976	\$ 106,976	\$ 159,477	\$ (52,501)
Payroll taxes	8,184	8,184	11,992	(3,808)
Employee benefits	19,794	19,794	23,043	(3,249)
Dues and memberships	1,500	1,500	834	666
Professional fees	1,000	1,000	3,067	(2,067)
Supplies	2,500	2,500	274	2,226
Travel	250	250	-	250
Training	2,500	2,500	343	2,157
Telephone	6,000	6,000	4,090	1,910
Repair and maintenance	2,000	2,000	729	1,271
Miscellaneous	6,300	6,300	-	6,300
Capital expenditures	3,735	3,735	3,864	(129)
Total public works administration	<u>160,739</u>	<u>160,739</u>	<u>207,713</u>	<u>(46,974)</u>
Total public works	<u>1,238,494</u>	<u>1,238,494</u>	<u>1,168,566</u>	<u>69,928</u>
Culture and recreation				
Cemetery				
Maintenance	1,500	1,500	22	1,478
Capital outlay	2,000	2,000	52	1,948
Total cemetery	<u>3,500</u>	<u>3,500</u>	<u>74</u>	<u>3,426</u>
Pool				
Salaries	60,000	60,000	60,264	(264)
Payroll taxes	4,934	4,934	4,610	324
Employee benefits	2,223	2,223	1,431	792
Operating supplies	6,000	6,000	11,242	(5,242)
Utilities	15,000	15,000	20,557	(5,557)
Incentive program	4,500	4,500	1,036	3,464
Repair and maintenance	5,000	5,000	13,844	(8,844)
Uniforms	1,500	1,500	1,914	(414)
Chemicals	5,000	5,000	5,469	(469)
Capital expenditures	-	-	-	-
Miscellaneous	2,400	2,400	2,669	(269)
Total pool	<u>\$ 106,557</u>	<u>\$ 106,557</u>	<u>\$ 123,036</u>	<u>\$ (16,479)</u>

Town of Basalt
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended December 31, 2014

Expenditures (continued)	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Recreation				
Salaries	62,654	62,654	62,340	314
Payroll taxes	4,793	4,793	4,404	389
Employee benefits	17,513	17,513	16,629	884
Contract labor	55,000	55,000	50,547	4,453
Advertising	1,500	1,500	1,593	(93)
Equipment	3,000	3,000	3,344	(344)
Dues and memberships	500	500	480	20
Program supplies	7,000	7,000	11,664	(4,664)
Printing / brochures	2,000	2,000	1,582	418
Uniforms	9,500	9,500	7,888	1,612
Office supplies	1,000	1,000	472	528
Telephone	18,000	18,000	4,921	13,079
IGA-REI (in kind)	8,800	8,800	75,352	(66,552)
Capital expenditures	10,238	10,238	12,261	(2,023)
Miscellaneous	6,500	6,500	2,159	4,341
Total recreation	\$ 207,998	\$ 207,998	\$ 255,636	\$ (47,638)

Town of Basalt
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended December 31, 2014

Expenditures (continued)	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Public Gardens				
Salaries	\$ 180,584	\$ 180,584	\$ 146,316	\$ 34,268
Payroll taxes	13,815	13,815	11,189	2,626
Employee benefits	34,012	34,012	22,381	11,631
Professional fees	500	500	-	500
Dues and memberships	1,400	1,400	389	1,011
Training and education	1,800	1,800	717	1,083
Materials and operating supplies	23,000	23,000	26,968	(3,968)
Weed Management Education	750	750	-	750
Contract labor	75,000	75,000	167,993	(92,993)
Uniforms	2,125	2,125	894	1,231
Small equipment and tools	2,500	2,500	368	2,132
Fleet allocation	38,779	38,779	40,121	(1,342)
Telephone	720	720	1,399	(679)
Utilities	8,000	8,000	13,016	(5,016)
Portable toilets	4,100	4,100	3,194	906
Repair and maintenance-irrigation	6,000	6,000	2,966	3,034
Repair and maintenance-small equipment	3,000	3,000	1,079	1,921
Repair and maintenance-facilities	2,000	2,000	1,071	929
Seed and forest garden	15,000	15,000	13,746	1,254
Capital outlay	32,250	32,250	25,115	7,135
Tree management	28,000	28,000	42,279	(14,279)
Total Public Gardens	473,335	473,335	521,201	(47,866)
Town sharing				
Discretionary Expenditures	42,650	42,650	42,900	(250)
Total town sharing	42,650	42,650	42,900	(250)
Total culture and recreation	834,040	834,040	942,847	(108,807)
Capital Outlay	1,616,122	1,616,122	377,757	(1,238,365)
Debt Service	358,901	358,901	358,901	-
Total expenditures	8,236,546	8,236,546	7,496,826	739,720
Excess of revenues over (under) expenditures	(1,938,056)	(1,938,056)	3,333	1,941,389
Fund Balance-January 1	5,479,848	5,479,848	7,407,289	1,927,441
Fund Balance-December 31	\$ 3,541,792	\$ 3,541,792	\$ 7,410,622	\$ 3,868,830

TOWN OF BASALT
Net (Expenses) Revenues and Changes in Net Position
2005-2014

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Primary Government										
Governmental activities										
General government	\$ 1,496,926	\$ 1,803,466	\$ 2,004,463	\$ 1,417,987	\$ 2,384,176	\$ 1,870,866	\$ 2,050,593	\$ 2,345,304	\$ 2,870,421	\$ 3,075,790
Public Safety	\$ 982,008	\$ 1,203,989	\$ 1,259,492	\$ 1,345,478	\$ 1,517,178	\$ 1,300,935	\$ 1,405,174	\$ 1,200,108	\$ 1,375,878	\$ 1,630,753
Public Works in Administration	\$ 838,158	\$ 883,911	\$ 595,876	\$ 1,594,875	\$ 851,598	\$ 866,179	\$ 673,729	\$ 785,863	\$ 748,965	\$ 4,184,009
Culture & Recreation	\$ 867,955	\$ 705,654	\$ 707,894	\$ 743,686	\$ 730,278	\$ 639,315	\$ 614,361	\$ 792,321	\$ 853,533	\$ 973,478
Total governmental activities	\$ 4,185,047	\$ 4,607,020	\$ 4,567,725	\$ 5,101,826	\$ 5,483,230	\$ 4,667,295	\$ 4,743,857	\$ 5,123,696	\$ 5,848,817	\$ 9,864,030
Business-type activities										
Water	\$ 579,899	\$ 678,114	\$ 776,909	\$ 725,069	\$ 793,706	\$ 470,130	\$ 687,776	\$ 625,654	\$ 621,517	\$ 580,130
Total business-type activities expenses	\$ 579,899	\$ 678,114	\$ 776,909	\$ 725,069	\$ 793,706	\$ 470,130	\$ 687,776	\$ 625,654	\$ 621,517	\$ 580,130
Total primary government expenses	\$ 4,764,946	\$ 5,285,134	\$ 5,344,634	\$ 5,826,895	\$ 6,276,936	\$ 5,137,425	\$ 5,431,633	\$ 5,749,350	\$ 6,470,334	\$ 10,444,160
Revenues										
Governmental activities										
Program Revenues										
Charges for services	\$ 52,326	\$ 101,976	\$ 137,064	\$ 79,845	\$ 71,926	\$ 33,900	\$ 31,215	\$ 42,545	\$ 119,807	\$ 34,484
General government	\$ 30,437	\$ 23,464	\$ 19,588	\$ 23,085	\$ 28,175	\$ 23,132	\$ 27,465	\$ 19,967	\$ 36,311	\$ 80,696
Public Safety	\$ 906,602	\$ 1,141,656	\$ 1,225,771	\$ 798,655	\$ 101,009	\$ 123,191	\$ 315,221	\$ 257,388	\$ 527,065	\$ 842,516
Culture & Recreation	\$ 101,629	\$ 120,155	\$ 132,770	\$ 374,745	\$ 135,970	\$ 117,238	\$ 120,918	\$ 120,890	\$ 129,101	\$ 110,058
Total governmental program revenues	\$ 1,080,994	\$ 1,387,251	\$ 1,515,173	\$ 1,276,430	\$ 337,080	\$ 297,461	\$ 494,519	\$ 440,790	\$ 814,284	\$ 1,067,754
Operating grants										
General government	\$ 181,523	\$ 214,576	\$ 238,762	\$ 221,943	\$ 338,246	\$ 552,691	\$ 277,402	\$ 227,787	\$ 231,471	\$ 230,029
Public Safety	\$ 15,840	\$ 23,482	\$ 227,261	\$ 134,414	\$ 15,310	\$ 14,512	\$ 15,461	\$ 19,318	\$ 20,716	\$ 18,553
Total governmental activities operating grants	\$ 197,363	\$ 238,058	\$ 466,023	\$ 356,357	\$ 353,556	\$ 567,203	\$ 292,863	\$ 247,105	\$ 252,187	\$ 248,582
Capital Grants										
General government	\$ -	\$ -	\$ -	\$ 940,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public Safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public Works in Administration	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Culture & Recreation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total governmental activities capital grants	\$ -	\$ -	\$ -	\$ 940,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total governmental activities program revenues	\$ 1,289,357	\$ 1,625,309	\$ 1,981,196	\$ 2,572,787	\$ 353,556	\$ 567,203	\$ 787,382	\$ 247,105	\$ 252,187	\$ 248,582
Business-type activities										
Charges for services	\$ 521,787	\$ 633,779	\$ 591,332	\$ 640,420	\$ 566,440	\$ 621,270	\$ 556,267	\$ 769,254	\$ 607,562	\$ 596,664
Water	\$ 521,787	\$ 633,779	\$ 591,332	\$ 640,420	\$ 566,440	\$ 621,270	\$ 556,267	\$ 769,254	\$ 607,562	\$ 596,664
Total Business-type operating revenue	\$ 521,787	\$ 633,779	\$ 591,332	\$ 640,420	\$ 566,440	\$ 621,270	\$ 556,267	\$ 769,254	\$ 607,562	\$ 596,664

TOWN OF BASALT
Net (Expenses) Revenues and Changes in Net Position
2005-2014

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Continued										
Operating grants and contributions										
Water	\$ 87,294	\$ 88,837	\$ 64,700	\$ 92,550	\$ 24,624	\$ 3,913	\$ 49,797	\$ 97,921	\$ 31,459	\$ 21,964
Total business-type capital grants	\$ 87,294	\$ 88,837	\$ 64,700	\$ 92,550	\$ 24,624	\$ 3,913	\$ 49,797	\$ 97,921	\$ 31,459	\$ 21,964
Net (expense) revenue	\$ (2,896,690)	\$ (2,981,711)	\$ (2,586,529)	\$ (2,529,039)	\$ (4,792,594)	\$ (3,802,631)	\$ (3,956,475)	\$ (4,435,801)	\$ (4,782,346)	\$ (8,547,694)
Governmental activities	\$ 29,182	\$ 44,502	\$ (120,877)	\$ 7,901	\$ (202,642)	\$ 153,053	\$ (81,712)	\$ 241,621	\$ 17,504	\$ 38,498
Business-type activities	\$ (2,867,508)	\$ (2,937,209)	\$ (2,707,406)	\$ (2,521,138)	\$ (4,995,236)	\$ (3,547,578)	\$ (4,038,187)	\$ (4,194,280)	\$ (4,764,842)	\$ (8,509,196)
Total primary government net (expense) revenue	\$ (2,838,326)	\$ (2,892,707)	\$ (2,646,706)	\$ (2,513,237)	\$ (5,197,838)	\$ (3,394,525)	\$ (4,120,179)	\$ (3,952,659)	\$ (4,747,338)	\$ (8,470,698)
General Revenues and Other Changes in Net Position										
Governmental activities										
Taxes										
Property taxes	\$ 700,118	\$ 734,784	\$ 771,353	\$ 791,842	\$ 841,878	\$ 885,718	\$ 913,882	\$ 935,876	\$ 969,753	\$ 1,018,535
Specific ownership	\$ 38,845	\$ 44,054	\$ 39,857	\$ 35,503	\$ 32,235	\$ 29,783	\$ 26,106	\$ 28,532	\$ 37,833	\$ 36,866
Sales tax and miscellaneous	\$ 2,356,957	\$ 2,614,409	\$ 3,974,056	\$ 4,341,160	\$ 3,790,983	\$ 3,767,485	\$ 3,749,352	\$ 3,962,863	\$ 4,633,629	\$ 4,860,077
Franchise taxes	\$ 200,886	\$ 260,442	\$ 232,222	\$ 266,669	\$ 263,859	\$ 274,488	\$ 281,290	\$ 286,704	\$ 296,270	\$ 295,321
Intergovernmental										
Miscellaneous	\$ 42,624	\$ 80,682	\$ 252,925	\$ 390,010	\$ 97,121	\$ 179,760	\$ 141,896	\$ 127,057	\$ 223,462	\$ 89,348
Grants and contributions not restricted	\$ 632,525	\$ 651	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income	\$ 130,250	\$ 213,393	\$ 230,601	\$ 145,101	\$ 61,420	\$ 24,779	\$ 16,030	\$ 17,016	\$ 11,070	\$ 11,616
Sale of Assets	\$ 169,744	\$ 150,208	\$ 160,268	\$ 180,796	\$ 186,050	\$ 190,000	\$ 186,368	\$ 183,128	\$ 171,645	\$ -
Transfers	\$ 4,271,949	\$ 4,297,660	\$ 5,778,141	\$ 6,954,171	\$ 5,281,014	\$ 5,354,120	\$ 5,314,924	\$ 5,503,176	\$ 6,345,662	\$ 6,311,763
Total governmental activities	\$ 7,741,717	\$ 124,373	\$ 138,210	\$ 59,041	\$ 7,834	\$ 3,501	\$ 1,204	\$ 748	\$ 430	\$ 386
Business-type activities										
Miscellaneous	\$ 77,417	\$ 124,373	\$ 132,983	\$ 59,041	\$ 7,834	\$ (190,000)	\$ (186,368)	\$ (163,128)	\$ (171,645)	\$ (180,227)
Investment income	\$ 4,349,366	\$ 4,422,033	\$ 5,911,124	\$ 7,023,212	\$ 5,288,848	\$ 5,167,621	\$ 5,129,760	\$ 5,340,796	\$ 6,174,447	\$ 6,131,922
Sale of Assets										
Transfers										
Total Business-type activities	\$ 4,426,783	\$ 4,546,406	\$ 6,044,107	\$ 7,082,253	\$ 5,296,682	\$ 5,000,621	\$ 5,043,840	\$ 5,177,676	\$ 6,002,802	\$ 5,951,695
Total Primary Government	\$ 1,588,391	\$ 653,690	\$ 491,404	\$ 470,013	\$ 938,176	\$ 1,000,085	\$ 883,666	\$ 550,517	\$ 254,121	\$ 838,863
Governmental activities										
Change in Net Position	\$ 1,375,259	\$ 1,315,949	\$ 3,191,612	\$ 4,435,132	\$ 488,420	\$ 1,551,489	\$ 1,358,449	\$ 1,067,375	\$ 1,067,375	\$ (2,056,090)
Net Position, January 1	\$ 13,300,096	\$ 14,675,355	\$ 15,944,551	\$ 19,136,163	\$ 23,571,295	\$ 24,085,651	\$ 25,637,140	\$ 26,995,589	\$ 26,995,589	\$ 29,346,163
Infrastructure Net Position ²										
Prior Period Adjustment	\$ (153,257)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Position December 31	\$ 14,675,355	\$ 15,838,047	\$ 19,136,163	\$ 23,571,295	\$ 24,059,715	\$ 25,637,140	\$ 26,995,589	\$ 28,062,964	\$ 28,062,964	\$ 27,290,073
Business-type activities										
Change in Net Position	\$ 106,599	\$ 168,875	\$ 12,106	\$ 66,942	\$ (194,808)	\$ (31,446)	\$ (266,876)	\$ 79,141	\$ 79,141	\$ (141,343)
Net Position, January 1	\$ 4,879,438	\$ 4,994,243	\$ 5,173,780	\$ 5,191,886	\$ 5,258,828	\$ 5,064,020	\$ 5,032,574	\$ 4,735,688	\$ 4,735,688	\$ 4,661,128
Prior Period Adjustment	\$ 8,206	\$ 16,662	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Position December 31	\$ 4,994,243	\$ 5,179,780	\$ 5,191,886	\$ 5,258,828	\$ 5,064,020	\$ 5,032,574	\$ 4,765,698	\$ 4,814,839	\$ 4,814,839	\$ 4,519,785
Total Primary Government	\$ 19,669,598	\$ 21,017,827	\$ 24,328,049	\$ 28,830,123	\$ 29,123,735	\$ 30,669,714	\$ 31,761,287	\$ 32,877,803	\$ 32,877,803	\$ 31,809,858

TOWN OF BASALT
NET ASSETS BY COMPONENT
2005-2014
(Accrual Basis of Accounting)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental Activities										
Capital assets net of related debt	\$ 10,998,749	\$ 11,277,045	\$ 14,263,155	\$ 16,466,162	\$ 17,781,272	\$ 19,368,810	\$ 20,994,949	\$ 21,819,133	\$ 19,463,556	\$ 18,436,209
Restricted	822,332	1,341,302	1,145,615	993,931	958,843	908,627	2,590,994	2,840,041	3,088,704	3,696,394
Unrestricted	2,853,274	3,326,204	3,727,393	6,111,202	5,319,600	5,359,703	3,409,646	3,403,790	7,074,020	5,157,470
Total Governmental activities net of related debt	\$ 14,675,355	\$ 15,944,551	\$ 19,136,163	\$ 23,571,295	\$ 24,059,715	\$ 25,637,140	\$ 26,995,589	\$ 28,062,964	\$ 29,626,280	\$ 27,290,073
Business Type Activities										
Capital assets net of related debt	\$ 2,598,017	\$ 2,489,197	\$ 2,374,406	\$ 2,275,715	\$ 2,911,807	\$ 2,685,263	\$ 4,330,189	\$ 4,259,817	\$ 4,186,468	\$ 4,106,749
Restricted	-	-	-	-	-	65,500	-	-	-	-
Unrestricted	2,398,226	2,690,683	2,817,480	2,983,113	2,152,213	2,251,811	405,509	555,022	474,660	413,036
Total Business-Type Activities net of related debt	\$ 4,994,243	\$ 5,179,780	\$ 5,191,886	\$ 5,258,828	\$ 5,064,020	\$ 5,002,574	\$ 4,735,698	\$ 4,814,839	\$ 4,661,128	\$ 4,519,785
Primary Government										
Capital assets net of related debt	\$ 13,597,766	\$ 13,766,242	\$ 16,637,561	\$ 18,741,877	\$ 20,693,079	\$ 22,054,073	\$ 25,325,138	\$ 26,078,950	\$ 23,650,024	\$ 22,542,958
Restricted	822,332	1,341,302	1,145,615	993,931	958,843	974,127	2,590,994	2,840,041	3,088,704	3,696,394
Unrestricted	5,249,500	6,016,787	6,544,873	9,094,315	7,471,813	7,611,514	3,815,155	3,958,812	7,548,680	5,570,506
Total Primary Government net assets	\$ 19,669,598	\$ 21,124,331	\$ 24,328,049	\$ 28,830,123	\$ 29,123,735	\$ 30,639,714	\$ 31,731,287	\$ 32,877,803	\$ 34,287,408	\$ 31,809,858

Financial Trends