



**Financial Report
December 31, 2022**

**Battlement Mesa Metropolitan District
Financial Report
December 31, 2022**

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INDEPENDENT AUDITOR'S REPORT

**Board of Directors
Battlement Mesa Metropolitan District
Battlement Mesa, Colorado**

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for one year after the date that the financial statements are issued.

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INDEPENDENT AUDITOR'S REPORT
Board of Directors
Battlement Mesa Metropolitan District
Battlement Mesa, Colorado

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with U.S. GAAS, we:

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

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

Required Supplementary Information

U.S. GAAP require that the Management's Discussion and Analysis in Section B 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 Management's Discussion and Analysis in Section B in accordance with U.S. GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The budgetary comparison information in section E is not a required part of the basic financial statements but is supplementary information required by U.S. GAAP. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statements themselves, and other additional procedures in accordance with U.S. GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

INDEPENDENT AUDITOR'S REPORT
Board of Directors
Battlement Mesa Metropolitan District
Battlement Mesa, Colorado

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The individual fund budgetary comparisons found in Section F are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund budgetary comparisons found in Section F are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
Avon, Colorado
June 6, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

Battlement Mesa Metropolitan District

Management's Discussion and Analysis
December 31, 2022

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

Overview of the Financial Statements

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

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

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

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

Both of the government-wide financial statements distinguish functions of the District 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 activity of the District is culture and recreation. The business-type activities of the District include the water and sewer systems and public works.

The government-wide financial statements can be found in Section C of this report.

Fund financial statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and proprietary 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 near-term inflows and outflows of expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. The District's governmental fund is the Conservation Trust Fund.

Overview of the Financial Statements (continued)

Governmental funds (continued): Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions.

The District adopts an annual appropriated budget for all its funds. The District does not have a General Fund and therefore no budgetary comparisons are presented for the General Fund.

The basic governmental fund financial statements can be found in Section C of this report.

Proprietary funds: The District maintains proprietary funds commonly known as enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District uses enterprise funds to account for its water and sewer systems and public works.

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

The basic proprietary fund financial statements can be found in Section C of this report.

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

Other information: The budgetary schedules found in Sections E and F provide a detailed comparison of the District's actual revenues and expenditures to actual amounts. As the District's proprietary funds were not adopted in a manner consistent with generally accepted accounting principles ("GAAP"), those schedules are presented on a Non-GAAP basis with reconciliation to GAAP basis.

Government-wide Financial Analysis

Battlement Mesa Metropolitan District's Net Position

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Assets:						
Current and other assets	\$ 48,137	31,856	3,321,930	3,659,612	3,370,067	3,691,468
Capital assets	-	-	4,834,837	4,403,435	4,834,837	4,403,435
Total Assets	48,137	31,856	8,156,767	8,063,047	8,204,904	8,094,903
Liabilities:						
Short-term liabilities	-	-	99,977	119,773	99,977	119,773
Long-term liabilities	-	-	15,573	14,090	15,573	14,090
Total liabilities	-	-	115,550	133,863	115,550	133,863
Net Position:						
Net investment in capital assets	-	-	4,834,837	4,403,435	4,834,837	4,403,435
Unrestricted Net Position	48,137	31,856	3,206,380	3,525,749	3,254,517	3,557,605
Total Net Position	\$ 48,137	31,856	8,041,217	7,929,184	8,089,354	7,961,040

Government-wide Financial Analysis (continued)

Traditionally, the largest portion of any district's investments is in its capital assets. Water and sewer systems are necessary in order to deliver and/or provide services to the District's residents. The District's capital assets account for 59% of its total assets. These assets are not an available source for payment of future spending.

The District's net position increased to \$8,089,354 in 2022. The increase is mainly the result of an excess of revenue over expenses in the business-type activities of \$128,314.

Battlement Mesa Metropolitan District's Change in Net Position

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	\$ -	-	2,556,455	2,486,671	2,556,455	2,486,671
Grants and contributions	16,281	12,738	263,675	194,153	279,956	206,891
General revenues:						
Other income	-	-	1,801	1,415	1,801	1,415
Gain on sale of capital assets	-	-	500	-	500	-
Investment earnings	-	-	47,473	1,152	47,473	1,152
Total Revenues	16,281	12,738	2,869,904	2,683,391	2,886,185	2,696,129
Expenses:						
Culture and recreation	-	10,000	-	-	-	10,000
Water and sewer	-	-	2,600,772	2,648,102	2,600,772	2,648,102
Public works	-	-	28,790	21,925	28,790	21,925
Association management	-	-	128,309	115,634	128,309	115,634
Total Expenses	-	10,000	2,757,871	2,785,661	2,757,871	2,795,661
Change in Net Position	16,281	2,738	112,033	(102,270)	128,314	(99,532)
Net Position - Beginning	31,856	29,118	7,929,184	8,031,454	7,961,040	8,060,572
Net Position - Ending	\$ 48,137	31,856	8,041,217	7,929,184	8,089,354	7,961,040

Governmental activities:

The governmental activities net position increased by \$16,281, as grant fund revenue exceeded contribution expenses 2022.

Business-type activities:

Water and Sewer Fund: The Water and Sewer Fund's change in net position was an increase of \$126,824. The Water and Sewer Fund's operating revenues increased \$79,784 from 2021, while operating expenses decreased \$46,969. The increase in operating revenues was primarily due to increase in water sales from 2021. The decrease in operating expenses was primarily due to a decrease in water and sewer expense as a result of repairs and maintenance. Non-operating revenues increased by \$244,522 from 2021 due to an increase in investment income and grant revenue.

Government-wide Financial Analysis (continued)

Business-type activities (continued):

Public Works Fund: The Public Works Fund change in net position was a decrease of \$14,791. Operating revenues decreased by \$10,000 and operating expenses increased by \$6,341 from 2021. The decrease in revenues was attributed to the inability to completely fulfill the sweeping contracts due to short staffing.

Financial Analysis of the District's Funds

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

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

As of the end of the current fiscal year, the District's governmental fund reported an ending fund balance of \$48,137. The governmental fund of the District accounts for the lottery proceeds received from the State of Colorado. These funds are to be used for recreational purposes. The District does not have a General Fund, as its operations are primarily water and sewer services and public works reported in the business-type activities.

Proprietary funds: The District's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position for the proprietary funds combined at the end of the current fiscal year is \$3,206,380 and is broken down as follows: Water and Sewer Fund, \$3,152,858 and Public Works Fund, \$53,522. The net unrestricted assets are available for spending at the District's discretion.

Budget variance in the proprietary funds: The District had the following significant budget variances and is detailed as follows:

Account	Original Budget Variance Positive (Negative)	Reason
Water & Sewer Fund		
Revenues:		
Water sales	\$ (58,961)	Mild spring and fall required less irrigation than anticipated
Interest income	46,473	Conservative budgeting; significant increase in yield rates
Grant revenue	97,275	Grants received in 2022 for projects budgeted for 2021 completion
Expenditures:		
Contract labor and administrative	(22,642)	District retained services of former employee to assist with the Water and Sewer departments
Salaries, benefits and taxes	102,908	Savings in dental and health insurance rates
Repairs and maintenance	(67,072)	Higher than anticipated repairs related to water distribution
Capital outlay	180,129	Significant costs savings for pump station equipment replacement and pushing some projects back to 2023 project; non-capitalized expenditures included in repairs and maintenance but budgeted as capital outlay

Financial Analysis of the District's Funds (continued)

Account	Original Budget Variance Positive (Negative)	Reason
Public Works Fund		
<i>Revenues:</i>		
Charges for services	\$ (10,000)	Unable to fulfill annual contract due to staffing shortages
<i>Expenditures:</i>		
Repairs and maintenance	(8,453)	Multiple unanticipated repairs to street sweeper
Conservation Trust Fund		
<i>Expenditures:</i>		
Parks and recreation	9,000	No expenses in the current year

Capital assets: The District's capital assets increased by \$431,402 due to more capital additions over depreciation expense. Additional information as well as a detailed classification of the District's net capital assets can be found in the Notes to the Financial Statement in Section D of this report.

Long-term liabilities: The District's long-term liabilities increased \$5,930 as a result of an increase in accrued compensated absences. Additional information as well as a detailed classification of the District's total long-term liabilities can be found in the Notes to the Financial Statements at Section D.

Next year's budget and rates: The 2023 budget includes a \$1.00 per month increase in the base water rate (from \$19 to \$20) and an increase of 5.3% (from \$3.80 to \$4.00) per 1,000 gallons for water use above 5,000 gallons per month. The budget increases the sewer rate \$2.00 (from \$28 to \$30). The combined water and sewer funds, operating revenues, are budgeted at a 4.1% increase above the 2022 adopted budget, which is primarily due to an increase in budgeted sewer charges. Combined funds operating expenditures are budgeted at a 3.9% increase above the 2022 adopted budget. Primary factors for the increase in expenditures are the inflationary impacts especially on the costs of materials, fuel, and chemicals. The Capital fund revenues are consistent from the 2022 budget for water and sewer tap fees of \$90,000. The budget proposes to include grant funds from the Garfield County Federal Mineral Lease District in the amount of \$125,000. Interest revenues on capital funds have been significantly increased due to national increases in interest earnings on investment funds. Capital expenditures reflect an increase from 2022 budgeted amount, and budgeted items include water service line replacements, rebuilding of fire hydrants, purchase and installation of standby electric generator at the sewer plant, installation of screening capability at the RV life station, development and implementation of a new BMMD website, paving of the utilities shop yard and xeriscaping of the main office property. These is also budgeted the acquisition of capital equipment including a chlorine analyzer.

Request for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the District Manager, Battlement Mesa Metropolitan District, 401 Arroyo Drive, Parachute, Colorado 81635.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Battlement Mesa Metropolitan District
Statement of Net Position
December 31, 2022

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Assets:			
Cash and cash equivalents	-	159,822	159,822
Investments	-	3,076,076	3,076,076
Receivables, net:			
Service fees	-	133,364	133,364
Other	-	805	805
Internal balances	48,137	(48,137)	-
Property, plant and equipment, net of accumulated depreciation	-	4,834,837	4,834,837
Total Assets	<u>48,137</u>	<u>8,156,767</u>	<u>8,204,904</u>
Liabilities:			
Accounts payable	-	42,042	42,042
Accrued payroll	-	11,550	11,550
Accrued compensated absences:			
Due within one year	-	46,385	46,385
Due in more than one year	-	15,462	15,462
Customer deposits	-	111	111
Total Liabilities	<u>-</u>	<u>115,550</u>	<u>115,550</u>
Net Position:			
Net invested in capital assets	-	4,834,837	4,834,837
Unrestricted	48,137	3,206,380	3,254,517
Total Net Position	<u>48,137</u>	<u>8,041,217</u>	<u>8,089,354</u>

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

**Battlement Mesa Metropolitan District
Statement of Activities
For the Year Ended December 31, 2022**

	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Functions/Programs:						
Governmental Activities:						
Culture and recreation	-	-	16,281	16,281	-	16,281
Total Governmental Activities	-	-	16,281	16,281	-	16,281
Business-type Activities:						
Water and sewer	2,600,772	2,377,655	263,675	-	40,558	40,558
Public works	28,790	14,000	-	-	(14,790)	(14,790)
Association management	128,309	164,800	-	-	36,491	36,491
Total Business-type Activities	2,757,871	2,556,455	263,675	-	62,259	62,259
Total	2,757,871	2,556,455	279,956	16,281	62,259	78,540
General Revenues:						
Investment earnings				-	47,473	47,473
Other income				-	1,801	1,801
Total General Revenues				-	49,274	49,274
Special items:						
Gain on disposal of capital assets				-	500	500
Total Special items				-	500	500
Change in net position				16,281	112,033	128,314
Net Position - Beginning				31,856	7,929,184	7,961,040
Net Position - Ending				48,137	8,041,217	8,089,354

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

FUND FINANCIAL STATEMENTS

Battlement Mesa Metropolitan District
Balance Sheet
Governmental Fund - Conservation Trust Fund
December 31, 2022

Assets:	
Due from other funds	<u>48,137</u>
Total Assets	<u>48,137</u>
Fund Balance:	
Restricted	<u>48,137</u>
Total Fund Balance	<u><u>48,137</u></u>

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

**Battlement Mesa Metropolitan District
Statement of Revenues, Expenditures and
Changes in Fund Balance
Governmental Fund - Conservation Trust Fund
December 31, 2022**

Revenues:	
Lottery distributions	16,281
	<hr/>
Total Revenues	16,281
	<hr/>
Expenditures:	
Parks and recreation	-
	<hr/>
Total Expenditures	-
	<hr/>
Net Change in Fund Balance	16,281
	<hr/>
Fund Balance - Beginning	31,856
	<hr/>
Fund Balance - Ending	48,137
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The accompanying notes are an integral part of these financial statements.

Battlement Mesa Metropolitan District
Statement of Net Position
All Proprietary Funds
December 31, 2022
(With Comparative Actual Amounts for 2021)

	2022		2021	
	Water and Sewer Fund	Public Works Fund	Totals	Totals
Assets:				
Current assets:				
Cash and cash equivalents	159,822	-	159,822	42,853
Investments	3,076,076	-	3,076,076	3,518,247
Receivables:				
Service fees and other	134,169	-	134,169	130,247
Due from other funds	-	53,522	53,522	64,268
Prepaid expenses	-	-	-	121
Total - Current assets	<u>3,370,067</u>	<u>53,522</u>	<u>3,423,589</u>	<u>3,755,736</u>
Non-current assets:				
Land	150,000	-	150,000	150,000
Land Improvements	14,999	-	14,999	-
Construction in process	656,078	-	656,078	357,801
Water system	5,253,081	-	5,253,081	5,103,583
Sewer system	5,723,362	-	5,723,362	5,683,426
Buildings	1,097,083	104,648	1,201,731	1,192,481
Equipment	1,743,802	121,568	1,865,370	1,612,566
Accumulated depreciation	(9,882,190)	(147,594)	(10,029,784)	(9,696,422)
Total - Non-current assets	<u>4,756,215</u>	<u>78,622</u>	<u>4,834,837</u>	<u>4,403,435</u>
Total Assets	<u>8,126,282</u>	<u>132,144</u>	<u>8,258,426</u>	<u>8,159,171</u>
Liabilities:				
Current liabilities:				
Accounts payable	53,592	-	53,592	77,836
Due to other funds	101,659	-	101,659	96,124
Compensated absences	46,385	-	46,385	41,937
Total - Current liabilities	<u>201,636</u>	<u>-</u>	<u>201,636</u>	<u>215,897</u>
Non-current liabilities:				
Customer deposits	111	-	111	111
Compensated absences	15,462	-	15,462	13,979
Total - Non-current liabilities	<u>15,573</u>	<u>-</u>	<u>15,573</u>	<u>14,090</u>
Total Liabilities	<u>217,209</u>	<u>-</u>	<u>217,209</u>	<u>229,987</u>
Net Position:				
Net investment in capital assets	4,756,215	78,622	4,834,837	4,403,435
Unrestricted	3,152,858	53,522	3,206,380	3,525,749
Total Net Position	<u>7,909,073</u>	<u>132,144</u>	<u>8,041,217</u>	<u>7,929,184</u>

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

Battlement Mesa Metropolitan District
Statement of Revenues, Expenses and Changes in Fund Net Position
All Proprietary Funds
For the Year Ended December 31, 2022
(With Comparative Actual Amounts for 2021)

	2022			2021
	Water and Sewer Fund	Public Works Fund	Totals	Totals
Operating Revenues:				
Water sales	1,443,039	-	1,443,039	1,372,189
Sewer service charges	902,026	-	902,026	900,653
Service charges	32,590	14,000	46,590	50,148
Association management fees	164,800	-	164,800	163,681
Total Operating Revenues	2,542,455	14,000	2,556,455	2,486,671
Operating Expenses:				
Administration	1,316,384	8,392	1,324,776	1,292,458
Water and sewer	939,964	-	939,964	969,608
Public works	-	16,353	16,353	6,410
Association management	128,309	-	128,309	115,634
Depreciation	344,423	4,046	348,469	401,550
Total Operating Expenses	2,729,080	28,791	2,757,871	2,785,660
Income (Loss) from Operations	(186,625)	(14,791)	(201,416)	(298,989)
Non-Operating Revenues (Expenses):				
Interest income	47,473	-	47,473	1,152
Grant revenue	222,275	-	222,275	24,960
Other income	1,801	-	1,801	1,415
Gain (loss) on disposal of capital assets	500	-	500	-
Total Non-Operating Revenues (Expenses)	272,049	-	272,049	27,527
Income Before Contributions & Transfers	85,424	(14,791)	70,633	(271,462)
Capital contribution	-	-	-	150,000
Tap fees	41,400	-	41,400	19,193
Total Contributions & Transfers	41,400	-	41,400	169,193
Change in Net Position	126,824	(14,791)	112,033	(102,269)
Net Position - Beginning	7,782,249	146,935	7,929,184	8,031,453
Net Position - Ending	7,909,073	132,144	8,041,217	7,929,184

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

Battlement Mesa Metropolitan District
Statement of Cash Flows
All Proprietary Funds
For the Year Ended December 31, 2022
(With Comparative Actual Amounts for 2021)

	<u>2022</u>			<u>2021</u>
	<u>Water and Sewer Fund</u>	<u>Public Works Fund</u>	<u>Totals</u>	<u>Totals</u>
Cash Flows From Operating Activities:				
Cash received from customers	2,373,733	14,000	2,387,733	2,318,940
Cash received from others	164,800	-	164,800	163,681
Cash payments for goods and services	(1,335,273)	(8,363)	(1,343,636)	(1,289,504)
Cash payments for salaries and benefits	(1,062,041)	(5,637)	(1,067,678)	(1,043,122)
Net Cash Provided (Used) by Operating Activities	<u>141,219</u>	<u>-</u>	<u>141,219</u>	<u>149,995</u>
Cash Flows From Non-Capital Financing Activities:				
Miscellaneous	1,802	-	1,802	1,415
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>1,802</u>	<u>-</u>	<u>1,802</u>	<u>1,415</u>
Cash Flows From Capital and Related Financing Activities:				
Grants	222,275	-	222,275	24,960
Tap fees	41,400	-	41,400	19,193
Capital outlay	(779,871)	-	(779,871)	(456,761)
Proceeds from sale of capital assets	500	-	500	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(515,696)</u>	<u>-</u>	<u>(515,696)</u>	<u>(412,628)</u>
Cash Flows From Investing Activities:				
Purchase of investments	(445,043)	-	(445,043)	(634,627)
Redemption of investments	934,678	-	934,678	290,721
Interest income	9	-	9	20
Net Cash Provided (Used) by Investing Activities	<u>489,644</u>	<u>-</u>	<u>489,644</u>	<u>(343,886)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	116,969	-	116,969	(605,104)
Cash and Cash Equivalents - Beginning	<u>42,853</u>	<u>-</u>	<u>42,853</u>	<u>647,957</u>
Cash and Cash Equivalents - Ending	<u>159,822</u>	<u>-</u>	<u>159,822</u>	<u>42,853</u>
Reconciliation of Income (Loss) from Operations to Net Cash Provided (Used) by Operating Activities:				
Income (loss) from operations	(186,625)	(14,791)	(201,416)	(298,989)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation	344,423	4,046	348,469	401,549
(Increase) decrease in accounts receivable - service fees	(3,923)	-	(3,923)	(4,160)
(Increase) decrease in due to/from other funds	5,538	10,745	16,283	2,737
(Increase) decrease in prepaid expenses	121	-	121	16,111
Increase (decrease) in compensated absences	5,930	-	5,930	(6,289)
Increase (decrease) in accounts payable	(24,245)	-	(24,245)	38,925
Increase (decrease) in customer deposits	-	-	-	111
Net Cash Provided (Used) by Operating Activities	<u>141,219</u>	<u>-</u>	<u>141,219</u>	<u>149,995</u>

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

NOTES TO THE FINANCIAL STATEMENTS

Battlement Mesa Metropolitan District
Notes to the Financial Statements
December 31, 2022

I. Summary of Significant Accounting Policies

The Battlement Mesa Metropolitan District (the "District") is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act. The District was organized under the provisions of the Colorado Revised Statutes ("CRS"), 32-1-101 to 1307, as amended. The present District is a consolidation of the former Battlement Mesa Metropolitan District and Consolidated Metropolitan District. The former Battlement Mesa Metropolitan District was a consolidation of Battlement Mesa Water and Sanitation District and Saddleback Metropolitan District. The purposes of the District are to provide metropolitan district facilities, programs and services for parks and recreation, streets, mosquito control, safety and fire protection, through provision and maintenance of fire hydrants, and water and sanitation services to the residents of the District. The management of the District is primarily through an elected Board of Directors which oversees administration, operations, and maintenance functions.

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

A. Reporting Entity

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

Based on the criteria above, the District is not financially accountable for any other entity nor is the District a component unit of any other government.

B. Government-wide and Fund Financial Statements

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. Culture and recreation are classified as governmental activities. The District's water and sewer utilities, public works, and association management are classified as business-type activities.

Battlement Mesa Metropolitan District
Notes to the Financial Statements
December 31, 2022
(Continued)

I. Summary of Significant Accounting Policies (continued)

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

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions and business-type activities (culture and recreation, utilities, etc.). The functions are also supported by general government revenues (investment earnings). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues and operating and capital grants. Program revenues must be directly associated with the function or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The government-wide focus is on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

C. Fund Financial Statements

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

The fund focus is on current available resources and budget compliance.

The District reports the following governmental fund:

The *Conservation Trust Fund* accounts for lottery proceeds required to be expended solely on park and recreation improvements.

The District reports the following proprietary or business-type funds:

The *Water and Sewer Fund* accounts for the operations of the water and sewer plants and association management.

The *Public Works Fund* accounts for the operations of street sweeping.

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

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

1. Long-term Economic Focus and Accrual Basis

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

Battlement Mesa Metropolitan District
Notes to the Financial Statements
December 31, 2022
(Continued)

I. Summary of Significant Accounting Policies (continued)

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

2. Current Financial Focus and Modified Accrual Basis

The governmental fund financial statements use the current financial focus and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter (60 days) to be used to pay liabilities of the current period. Expenditures are generally recognized when the related liability is incurred. The exception to this general rule is that principal and interest on general long-term debt, if any, is recognized when due.

3. Financial Statement Presentation

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

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

E. Financial Statement Accounts

1. Cash and Cash Equivalents, and Investments

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within 3 months of the date acquired by the District. The District has a policy of central cash management for all funds.

Investments are stated at fair value. The change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

Battlement Mesa Metropolitan District
Notes to the Financial Statements
December 31, 2022
(Continued)

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

5. Compensated Absences

The District has adopted a policy regarding compensated absences. It is the policy of the District to provide paid leave time for vacation, sick time, and holiday pay. To be eligible, the employee must be a full-time, permanent employee who has completed a six month probationary period. Qualified employees accumulate paid leave at a rate of 192 hours a year. Qualified employees can also accumulate longevity pay at the rate of 8 hours per year for the first ten years of service and 4 hours a year for each year of service from eleven to thirty years. Paid leave time may accumulate up to 240 hours. Any hours in excess of 240 can be disposed of by: 1) using it as vacation, 2) converting it to retirement at 80%, 3) being paid for the excess at a rate of 80%, or 4) being paid a maximum accumulation on termination of 100% up to 240 hours.

6. Long-term Obligations

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of the governmental fund. The remaining portion of such obligations is reported in the governmental activities column of the government-wide financial statements. Long-term obligations for proprietary funds are recognized when the related liability is incurred, regardless of the timing of the related cash flows.

7. Categories and Classification of Fund Balance

Governmental accounting standards establish fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications include Non-spendable, Restricted, Committed, Assigned, and Unassigned. These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance. Fund Balance can have different levels of restraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the general fund. The general fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance.

The District classifies governmental fund balances as follows:

Non-spendable – includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements.

Battlement Mesa Metropolitan District
Notes to the Financial Statements
December 31, 2022
(Continued)

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

7. Categories and Classification of Fund Balance (continued)

Spendable Fund Balance:

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

Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority which is Board of Directors. The District's original budget legislation begins with combining historical data, assessment of needs for the upcoming year and the Board of Directors platform to review, and/or make changes to each department's budget. Before year end, a budgetary committee will meet again with each department for final review and approval of preliminary budget. The Budget is then formally presented to Board of Directors via an advertised public process for their review, revisions and final approval by year end. All subsequent budget requests made during the year, after Board of Directors approval, must be presented via a public process and again approval by Board of Directors.

Assigned – includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Board of Directors or its management designee.

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

The District uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. The District does not have a formal minimum fund balance policy.

In addition to the above note disclosure, GASB 54 requires disclosure of the following fund definitions:

Special Revenue Funds:

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The term "proceeds of specific revenue sources" establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund.

Battlement Mesa Metropolitan District
Notes to the Financial Statements
December 31, 2022
(Continued)

I. Summary of Significant Accounting Policies (continued)

F. Significant Accounting Policies

1. Use of Estimates

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

2. Restricted and Unrestricted Resources

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

II. Stewardship, Compliance, and Accountability

A. Budgetary Information

In the fall of each year, the District's Board of Directors formally adopts a budget with appropriations by fund for the ensuing year pursuant to the Colorado Local Budget Law. The proprietary funds were adopted on a non-GAAP budgetary basis and have been reconciled to a GAAP basis below:

	Water and Sewer Fund	Public Works Fund
Income (Loss) from Operations	\$ (356,597)	(10,745)
Non-operating Revenues (Expenses)	47,973	-
Reconciliation to GAAP basis:		
Capital outlay	779,871	-
Depreciation	(344,423)	(4,046)
Change in net position - GAAP basis	\$ 126,824	(14,791)

Annual appropriations are adopted for all funds. For 2022, the District's Public Works Fund had expenditures in excess of appropriations.

Battlement Mesa Metropolitan District
Notes to the Financial Statements
December 31, 2022
(Continued)

III. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

Custodial Credit Risk, Colorado Local Government Liquid Asset Trust (the "Trust"), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commission administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. The District holds all funds in COLOTRUST PLUS+. COLOTRUST PLUS+ can invest in U.S. Treasury, government agencies, and in the highest-rate commercial paper. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as a safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. The Trust is rated AAAM by Standard and Poor's and is measured at net asset value. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

B. Receivables

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

	Water and Sewer
Receivables:	
Service fees	\$ 133,364
Other	805
Gross receivables	134,169
Less: allowance for uncollectibles	-
Net receivables	\$ 134,169

Battlement Mesa Metropolitan District
Notes to the Financial Statements
December 31, 2022
(Continued)

III. Detailed Notes on All Funds (continued)

C. Capital Assets

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

	Beginning Balance 1/1/2022	Increases	Decreases	Ending Balance 12/31/2022
Business-type Activities:				
Capital assets, not being depreciated:				
Land	\$ 150,000	-	-	150,000
Construction in progress	357,801	298,277	-	656,078
Total Capital Assets, Not Being Depreciated	507,801	298,277	-	806,078
Capital assets, being depreciated:				
Water system	5,103,583	149,498	-	5,253,081
Sewer system	5,683,426	39,936	-	5,723,362
Building	1,192,481	9,250	-	1,201,731
Equipment and vehicles	1,612,566	267,911	(15,107)	1,865,370
Land improvements	-	14,999	-	14,999
Total Capital Assets Being Depreciated	13,592,056	481,594	(15,107)	14,058,543
Less Accumulated Depreciation for:				
Sewer system	(4,073,778)	(126,870)	-	(4,200,648)
Water system	(4,177,768)	(118,275)	-	(4,296,043)
Building	(339,189)	(29,810)	-	(368,999)
Equipment and vehicles	(1,105,687)	(72,014)	15,107	(1,162,594)
Land improvements	-	(1,500)	-	(1,500)
Total Accumulated Depreciation	(9,696,422)	(348,469)	15,107	(10,029,784)
Total Capital Assets Being Depreciated, Net	3,895,634	133,125	-	4,028,759
Business-type Activities Capital Assets, Net	\$ 4,403,435	431,402	-	4,834,837

D. Interfund Receivables, Payables, and Transfers

Interfund receivables and payables as of December 31, 2022 were as follows:

	Receivable	Payable
Public Works Fund	\$ 53,522	-
Conservation Trust Fund	48,137	-
Water and Sewer Fund	-	101,659
Total	\$ 101,659	101,659

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. The balances result from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

Battlement Mesa Metropolitan District
Notes to the Financial Statements
December 31, 2022
(Continued)

III. Detailed Notes on All Funds (continued)

E. Long-term Liabilities – Business-type Activities

Changes in the District's long-term liabilities are as follows:

	Beginning Balance 1/1/2022	Additions (Deletions)	Ending Balance 12/31/2022	Due Within One Year
Compensated absences	\$ 55,917	5,930	61,847	46,385
Total Liabilities	\$ 55,917	5,930	61,847	46,385

IV. Other Information

A. Service Agreement – Town of Parachute

In 2000, the former Battlement Mesa Metropolitan District entered into an agreement (the "Agreement") with the Town of Parachute ("Town") to provide the Town with water and sewer services until December 31, 2002. The Agreement also called for the Town to pay for tap fees to the former Battlement Mesa Metropolitan District. The Agreement included two annual renewal terms. In 2003 the Agreement was amended to extend the Agreement until December 31, 2005. Effective in 2007, the District entered into an agreement with the former Battlement Mesa Metropolitan District to assign the Agreement over to the District. The Agreement was amended again in 2007, between the District and the Town, to extend the term of the Agreement to five years, with an option of renewing the Agreement on an annual basis. In 2022, the District recognized sewer charges and tap fees from the Town in the amount of \$138,969.

B. Service Agreement – Street Sweeping

In 2022, the District entered into an agreement with Battlement Mesa Service Association (the "Association") to provide the sweeping of gravel, dirt and debris from the streets located within the Association. However, due to their sweeping employee unexpectedly leaving as well as the struggle to find a replacement, the District was not able to fulfill the full contract and only billed a portion of the contract amount.

C. Management Agreement

In 2022, the District entered into a management agreement the Association with to manage the day-to-day operation of the Association. The agreement commenced on January 1, 2022, and ended December 31, 2022. As part of the agreement the District received \$117,000 in management fees and \$47,800 for other services in 2022. The District entered into another management agreement with the Association to commence on January 1, 2023 and end December 31, 2023.

Battlement Mesa Metropolitan District
Notes to the Financial Statements
December 31, 2022
(Continued)

IV. Other Information (continued)

D. Retirement Plan

District employees are eligible to participate in a deferred compensation plan created in accordance with Internal Revenue Code section 457 (the "Deferred Compensation Plan"). The Deferred Compensation Plan, which is administered by the District, allows employees the opportunity to defer a portion of their salary until future years. All compensation deferred under the Deferred Compensation Plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are to be held in trust for the exclusive benefit of the participants and their beneficiaries. Amounts contributed to the Deferred Compensation Plan are not available to employees until termination, retirement, death, or unforeseeable emergency.

Participants may elect to defer any percentage of their annual compensation, provided that the total annual contribution does not exceed limitations established by the Internal Revenue Service. The District matches up to the first 5% of employee contributions.

The contributions for 2022 were \$58,362 by the employees and \$30,128 by the District. As of December 31, 2022, there were no outstanding contribution liabilities.

E. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and general liability. The District carries commercial coverage for these risks and does not expect claims to exceed their coverage. There have been no reductions in coverage from 2021 to 2022 and settlements have not exceeded coverage in the past year.

F. Contingencies - Claims

During the normal course of business, the District incurs claims and other assertions against it from various agencies and individuals. Management of the District and their legal representatives feel none of these claims or assertions are significant enough that they would materially affect the fairness of the presentation of the financial statements at December 31, 2022.

G. Sunforce Solutions International-I, Inc. Agreements

In September 2014, the District entered into a power purchase agreement and land lease agreement with Sunforce Solutions International-I, Inc. ("Sunforce"), in which the District leases certain land for the installation, operation, maintenance, repair, replacement and improvement of solar energy facility to Sunforce and the District shall purchase energy from Sunforce under the terms of the agreements. The initial terms of the agreements are for 20 years and include the option of up to four extensions of five years.

H. Related Party

During 2022, the District incurred \$1,162 of expenses to Media Dynamics for website maintenance. Media Dynamics is owned by a Board member of the District. At December 31, 2022, there were no amounts owed to Media Dynamics.

REQUIRED SUPPLEMENTARY INFORMATION

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

	<u>2022</u>		<u>Final Budget Variance Positive (Negative)</u>	<u>2021</u>
	<u>Original and Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Lottery distributions	9,000	16,281	7,281	12,738
Total Revenues	<u>9,000</u>	<u>16,281</u>	<u>7,281</u>	<u>12,738</u>
Expenditures:				
Parks and recreation	9,000	-	9,000	10,000
Total Expenditures	<u>9,000</u>	<u>-</u>	<u>9,000</u>	<u>10,000</u>
Change in Fund Balance	-	16,281	16,281	2,738
Fund Balance - Beginning	-	31,856	31,856	29,118
Fund Balance - Ending	<u>-</u>	<u>48,137</u>	<u>48,137</u>	<u>31,856</u>

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

SUPPLEMENTARY INFORMATION

Battlement Mesa Metropolitan District
Schedule of Revenues and Expenditures
Budget (Non-GAAP Basis) and Actual With Reconciliation to GAAP Basis
Water and Sewer Fund
For the Year Ended December 31, 2022
(With Comparative Actual Amounts for 2021)

	2022		Final Budget Variance Positive (Negative)	2021
	Original and Final Budget	Actual		Actual
Revenues:				
Water sales	1,502,000	1,443,039	(58,961)	1,372,189
Sewer service charges	900,000	902,026	2,026	900,653
Charges for service	25,000	32,590	7,590	26,148
Association management fees	157,000	164,800	7,800	163,681
Other income	-	1,801	1,801	1,415
Grant revenue	125,000	222,275	97,275	24,960
Tap fees	90,000	41,400	(48,600)	19,193
Total Revenues	2,799,000	2,807,931	8,931	2,508,239
Operating Expenses:				
Administration:				
Accounting and audit	15,600	14,510	1,090	14,000
Contract labor and administrative	10,000	32,642	(22,642)	24,896
Insurance	100,000	91,568	8,432	95,844
Legal	7,000	1,188	5,812	2,910
Landscaping	6,500	4,781	1,719	7,596
Repairs and maintenance	6,000	7,304	(1,304)	5,015
Office supplies, postage, and miscellaneous	97,000	96,300	700	87,354
Salaries, benefits and taxes	1,171,000	1,068,092	102,908	1,043,375
Water & Sewer Plants:				
Repairs and maintenance	479,000	546,072	(67,072)	589,825
Utilities	321,000	367,788	(46,788)	355,769
Sewer processing charges	28,000	24,178	3,822	22,189
Water purchases	2,000	1,925	75	1,825
Association management:				
Office supplies, postage, and miscellaneous	17,600	26,719	(9,119)	13,360
Salaries, benefits and taxes	120,500	101,590	18,910	102,274
Capital outlay:				
Capital outlay	960,000	779,871	180,129	456,781
Total Operating Expenses	3,341,200	3,164,528	176,672	2,823,013
Income (Loss) from Operations	(542,200)	(356,597)	185,603	(314,774)
Non-operating Revenues (Expenses):				
Interest income	1,000	47,473	46,473	1,152
Gain on disposal of assets	-	500	500	-
Total Non-operating Revenues (Expenses)	1,000	47,973	46,973	1,152
Change in Net Position - Budget Basis	(541,200)	(308,624)	232,576	(313,622)
Reconciliation to GAAP Basis:				
Capitalized assets		779,871		456,781
Depreciation		(344,423)		(397,504)
Capital contribution		-		150,000
Change in Net Position - GAAP Basis		126,824		(104,345)
Net Position - Beginning		7,782,249		7,886,594
Net Position - Ending		7,909,073		7,782,249

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

Battlement Mesa Metropolitan District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis
Public Works Fund
For the Year Ended December 31, 2022
(With Comparative Actual Amounts for 2021)

	2022			2021
	Original and Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:				
Charges for service	24,000	14,000	(10,000)	24,000
Total Revenues	<u>24,000</u>	<u>14,000</u>	<u>(10,000)</u>	<u>24,000</u>
Operating expenses:				
Administration:				
Insurance	1,400	1,400	-	1,400
Office supplies, postage, and miscellaneous	1,000	1,356	(356)	500
Salaries and benefits	9,600	5,636	3,964	9,568
Public Works:				
Repairs and maintenance	7,900	16,353	(8,453)	6,410
Total Operating Expenses	<u>19,900</u>	<u>24,745</u>	<u>(4,845)</u>	<u>17,878</u>
Income (Loss) from Operations	4,100	(10,745)	(14,845)	6,122
Reconciliation to GAAP Basis:				
Depreciation		(4,046)		(4,046)
Change in Net Position - GAAP Basis		(14,791)		2,076
Net Position - Beginning		<u>146,935</u>		<u>144,859</u>
Net Position - Ending		<u><u>132,144</u></u>		<u><u>146,935</u></u>

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