

BASALT SANITATION DISTRICT

FINANCIAL STATEMENTS
AND
AUDITOR'S REPORT

DECEMBER 31, 2025

BASALT SANITATION DISTRICT
FOR THE YEAR ENDED
December 31, 2025

BOARD OF DIRECTORS

Rob Schwener – President

Pat McMahon – Vice President / Treasurer

Erik Hollerbach - Director

Patrick Maley – Director

Nick Holtkamp – Director

ADMINISTRATION

Ian Quillan – District Administrator

BASALT SANITATION DISTRICT
AUDITED FINANCIAL STATEMENTS
For the Year Ended December 31, 2025

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

INDEPENDENT AUDITOR'S REPORT

Opinions

We have audited the accompanying financial statements of the business-type activity, of the Basalt Sanitation District of Basalt, Colorado, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Basalt Sanitation District as of December 31, 2025 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Basalt Sanitation District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

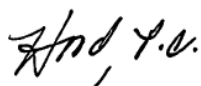
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with accounting standards generally accepted in the United States of America, which consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplemental Information

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



HOOD, P.C.
Glenwood Springs, Colorado
August 5, 2026

MANAGEMENT DISCUSSION AND ANALYSIS

BASALT SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2025

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

The management's discussion and analysis of the Basalt Sanitation District's financial performance provides an overview of the District's financial activities for the fiscal year ended December 31, 2025. The intent of the discussion and analysis is to look at the District's financial performance as a whole; it should be read in conjunction with the basic financial statements and notes to enhance the reader's understanding of the District's overall financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for the fiscal year 2025 are as follows:

- In total, the District's overall net position increased \$670,384 or 6.2%, from the previous fiscal year.
- Operating revenues accounted for \$1,375,379 or 67% of all revenues. Operating revenues consist of sewer fees and other charges. Non-operating revenues in the form of tap fees, developer contributions, governmental grants and interest income on investments accounted for \$691,267 or 33% of the District's total revenues of \$2,066,646.
- The District's operating expenses in the amount of \$1,396,262 included depreciation in the amount of \$563,096. The total operating expenses of the District increased \$33,906 or 2.5% from 2024.

USING THE BASIC FINANCIAL STATEMENTS

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

- ***Statement of Net Position*** – reports all of the District's assets and liabilities with the difference between the two reported as net position. The statement presents information about the nature and amounts in resources (assets) and the obligations to creditors (liabilities). It also provides the basis for assessing liquidity and financial flexibility of the District.
- ***Statement of Revenues, Expenses and Changes in Fund Net Position*** – reports the District's operating and non-operating revenues by major source along with operating and non-operating expenses and capital contributions.
- ***Statement of Cash Flows*** – reports the District's cash flows from operating activities, investing activities, capital and related financing activities.
The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *other supplementary information* that further explains and supports the information in the financial statements.

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

BASALT SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2025

THE DISTRICT AS A WHOLE

Statement of Net Position

The perspective of the Statement of Net Position is of the District as a whole. Following is a summary of the District's net position for the fiscal year 2025 compared to 2024:

	BUSINESS-TYPE ACTIVITIES		
	2025	2024	Increase (Decrease)
<u>ASSETS</u>			
Current Assets	\$ 2,307,563	3,210,488	\$ (902,925)
Capital Assets, Net Total Assets	9,174,221	7,664,384	1,509,837
Total Assets	11,481,784	10,874,872	606,912
<u>LIABILITIES</u>			
Current Liabilities	39,873	103,345	(63,472)
Total Liabilities	39,873	103,345	(63,472)
<u>NET POSITION</u>			
Net Investment in Capital Assets	9,174,221	7,664,384	1,509,837
Unrestricted	2,267,690	3,107,143	(839,453)
Total Net Position	\$ 11,441,911	10,771,527	\$ 670,384

Total Assets of the District increased \$606,912. The increase resulted from the capitalization of system improvements and upgrades.

Total Current Liabilities of the District decreased \$63,472. Notable decreases occurred for construction costs payable.

The District's overall *Net Position* increased \$670,384, representing the District's net income for 2025. The District's current year operating revenues were sufficient to provide for current year operating expenses, as discussed in the following section entitled the *Statement of Net Revenues, Expenses and Changes in Fund Net Position*.

BASALT SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2025

Statement of Revenues, Expenses and Changes in Fund Net Position

The perspective of the Statement of Revenues, Expenses and Changes in Fund Net Position is of the District as a whole. This statement reflects general property taxes and service revenues and the cost of providing services to the District. The following summary reflects the overall change in net position for the fiscal year 2025 compared to 2024.

	BUSINESS-TYPE ACTIVITIES		
	2025	2024	Increase (Decrease)
<u>Revenues:</u>			
<i>Operating Revenues:</i>			
Fees & Charges	\$ 1,375,379	\$ 1,086,145	\$ 289,234
Total Operating Revenues	1,375,379	1,086,145	289,234
<i>Non-Operating Revenues:</i>			
Interest and Investment Earnings	93,371	135,235	(41,864)
Tap Fees	129,752	276,450	(146,698)
Grant Proceeds	441,722	587,106	(145,384)
Gain (Loss) on Sale of Asset	26,422	-	26,422
Total Non-Operating Revenue	691,267	998,791	(307,524)
Total Revenues and Other Financing Sources	2,066,646	2,084,936	(18,290)
<u>Expenses:</u>			
<i>Operating Expenses:</i>			
Insurance	76,760	71,735	5,025
Administrative Wage & Contract	114,165	119,143	(4,978)
Operations & Maintenance	500,410	519,077	(18,667)
Directors Fees	5,000	4,600	400
Administrative	136,831	134,934	1,897
Depreciation	563,096	512,867	50,229
Total Operating Expenses	1,396,262	1,362,356	33,906
Total Expenses and Other Financing Uses	1,396,262	1,362,356	33,906
Change in Net Position	\$ 670,384	\$ 722,580	\$ (52,196)

The majority of the District's grant revenues of \$441,722 were received from intergovernmental grant proceeds from Energy and Mineral Assistance Programs (EIAF) to offset costs associated with the Solids Handling Upgrade and Effluent Extension. The District's expenses consist of administration, operational, and depreciation on capital asset expenses.

Overall revenues and other financing sources decreased \$18,290. Tap fees decreased \$146,698 from the prior year as the District approaches capacity and saw a reduction of new permits. The district did however add 8.7 EQR's in 2025 resulting in \$129,752 of tap fee revenue.

Operating expenses increased approximately \$33,906. Depreciation of capital assets totaled \$563,096 and is included in operating expenses.

BASALT SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2025

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

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

	Total Cost of Service		Net Cost of Service	
	2025	2024	2025	2024
Operations, Maintenance & Depreciation	\$ 1,063,506	\$ 1,031,944	\$ -	\$ -
Salaries and Management Services	114,165	119,143	-	64,942
Insurance	76,760	71,735	-	71,735
Other Administrative Expenses	141,831	139,534	20,883	139,534
Total/Net Cost of Service	<u>\$ 1,396,262</u>	<u>\$ 1,362,356</u>	<u>\$ 20,883</u>	<u>\$ 276,211</u>

The District's service charges and fees provided \$1,375,379 to cover operating and administrative costs in fiscal year 2025 as compared to \$1,086,145 in fiscal year 2024. In fiscal years 2025 and 2024, other general revenues from tap fees, state and local grants and interest earnings (in the total amounts of \$691,267 and \$998,791 respectively) were used to supplement the net cost of services and build reserves. The District does not receive general revenues from property taxes used for non-operating debt service as the District's debt was retired in 2022.

THE DISTRICT'S FUNDS

Proprietary Fund - Enterprise Fund

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

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

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

BUDGET COMPARISONS

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

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

BASALT SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2025

BUDGET COMPARISONS, CONTINUED

Total budgetary based revenues of \$2,070,224 were \$371,498 less than budgetary expectations of \$2,441,722. Decreases from prior year occurred mostly in grant proceeds being less than expected.

Total budgetary based expenses in the amount of \$2,909,677 were \$215,761 less than budget appropriations of \$3,125,438. The most notable budgetary expense savings occurred for capital outlay, chemical and lab testing, and engineering fees.

CAPITAL ASSETS

At the end of fiscal year 2025, the District had \$9,174,222 invested in capital assets. The following reflects the balances of the current and prior fiscal years:

<i>(Net of Depreciation and Amortization)</i>	BUSINESS-TYPE ACTIVITIES	
	2025	2024
Land	\$ 95,165	\$ 95,165
Depreciable Land and Improvements	75,944	82,547
Depreciable Plant and Lines	7,811,290	5,614,437
Depreciable Buildings	228,145	245,133
Depreciable Equipment	1,386	32,242
Depreciable Office Furniture	27,810	1,664
Depreciable Vehicles	74,867	18,535
Construction-in-Progress	859,614	1,574,662
Total capital assets	<u>\$ 9,174,222</u>	<u>\$ 7,664,385</u>

MAJOR INITIATIVES

Environmental Process Control, Inc. (EPC) continues as the District's outside contractor to serve as its Operator in Responsible Charge (ORC) of the Wastewater Facility. Installation of new Solids Handling equipment was finished in 2025. Due to Colorado Department of Public Health requirements, legal action was taken to condemn a portion of a Conservation Easement adjacent to the Wastewater Treatment Facility in order to construct a 200 foot long extension to the Wastewater Plant's effluent pipe to the main channel of the Roaring Fork River. A DOLA matching Grant was awarded to the District in Fall of 2024 at the beginning of the Effluent Pipe extension project which is the next major project at the Treatment Facility. The District provides updates to DOLA staff as the Effluent pipe extension project proceeds with completion expected in early 2026. The District Engineer and Treatment Plant Staff have been identifying the next replacements of major treatment equipment which is a priority under the Capital Improvement Plant and Engineering Study. The goal of the District is to always produce a discharge that does not affect or threaten the health or water quality of the Roaring Fork River.

**BASALT SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2025**

MAJOR INITIATIVES – *CONTINUED*

The District's sewer capacity analysis concluded in early 2024. The system capacity analysis identified areas in need of repair and replacement. Replacement of under-sized or damaged sewer mains were identified as a priority in the 10-year capital plan. Design and permitting for replacement of an original sewer line that is 50+ years old and runs under the Fryingpan River continued in 2025, with construction expected in Winter of 2025 and completion in 2026. The District received a matching Grant from DOLA for replacement of the Fryingpan River sewer crossing.

ECONOMIC CONDITION AND OUTLOOK

The real estate market in the District has remained strong, while major development activity has begun to taper off as expected. The Town of Basalt's Urban Growth Boundary is almost built-out, there are a few parcels remaining for potential annexation. Tap sales were modest in 2025 which constrains the District's ability to fund major capital improvements. Construction of single-family units in the Stott's Mill development continued in 2025, the 49 lots will not be fully built out for many years so Tap sales will become available as those homes are built. The Basalt Center Circle Re-development began in 2025 with the demolition of the old building and construction of a new multi-use building. Due to the build out of the District in the next few years, it is expected that tap sales will begin to dry up and the District will need to rely on its service fees to fund its activities, both operation and capital. There will be some redevelopment and infill that will help going forward.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

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

BASIC FINANCIAL STATEMENTS

BASALT SANITATION DISTRICT
STATEMENT OF NET POSTION - PROPRIETARY FUND
For the Year Ended December 31, 2025

ASSETS

Current Assets:

Cash and Investments	\$ 2,205,310
Receivables – Net:	
Accounts Receivable	17,533
Grants	1,194
Property Taxes	<u>83,526</u>
Total Current Assets	<u>2,307,563</u>

Non-Current Assets

Capital Assets - Net of Accumulated Depreciation	<u>9,174,221</u>
Total Non-Current	<u>9,174,221</u>
 Total Assets	 <u><u>\$ 11,481,784</u></u>

LIABILITIES

Current Liabilities:

Accounts Payable	\$ 28,313
Accrued Salaries and Taxes	<u>11,560</u>
Total Current Liabilities	<u>39,873</u>
 Total Liabilities	 <u>39,873</u>

NET POSITION

Invested in Capital Assets, Net of Related Debt	9,174,221
Unrestricted	<u>2,267,690</u>
Total Net Position	<u>11,441,911</u>
 Total Liabilities and Net Position	 <u><u>\$ 11,481,784</u></u>

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

BASALT SANITATION DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET POSITION - PROPRIETARY FUND
For the Year Ended December 31, 2025

<u>OPERATING REVENUES</u>	
Service Fees	\$ 1,357,433
Other Operating Revenues	17,946
Total Operating Revenues	<u>1,375,379</u>
<u>COLLECTION AND TREATMENT EXPENSES</u>	
Chemicals	32,951
License and Permits	3,684
Line Maintenance and Repair	49,937
Plant Maintenance and Repair	112,775
Plant operator	231,645
Sludge Removal	1,418
Supplies	6,502
Utilities - Plant	61,498
Depreciation	563,096
Total Collections and Treatment Expenses	<u>1,063,506</u>
<u>ADMINISTRATIVE EXPENSES</u>	
Administrative Wage and Contract	114,165
Audit	9,000
Bank Fees	5,000
Condo Association Fees	4,394
Consulting	14,768
Computer Expenses	5,294
Development Review Fees	2,987
Director's Fees	5,000
Dues and Subscriptions	2,497
Engineering	11,816
Insurance	76,760
Legal	24,050
Office Expense	13,677
Payroll Expense	21,447
Postage	3,329
Printing Copies	745
Telephone	2,529
Training and Employee Benefits	14,556
Utilities - Office	742
Total Administrative Expenses	<u>332,756</u>
Total Operating Expense	<u>1,396,262</u>
Operating Income (Loss)	<u>(20,883)</u>
<u>NON-OPERATING REVENUE (EXPENSES):</u>	
Tap Fees	129,752
DOLA Grant Proceeds	441,722
Interest Income	93,371
Gain (Loss) on Sale of Asset	26,422
Total Non-Operating Revenue (Expense)	<u>691,267</u>
Change in Net Position	670,384
Net Position, Beginning of Year	<u>10,771,527</u>
Net Position, End of Year	<u>\$ 11,441,911</u>

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

BASALT SANITATION DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
For the Year Ended December 31, 2025

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash Received from Customers	\$ 1,484,334
Cash Payments to Employees	(370,604)
Cash Payments for Goods and Services	<u>(534,142)</u>
Net Cash Provided By Operating Activities	<u>579,588</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Tap Fees	129,752
Payments for Capital Acquisitions	(2,076,511)
Sale of Assets	30,000
Proceeds from Grants	<u>807,089</u>
Net Cash Flows From Capital And Related Financing Activities	<u>(1,109,670)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Interest on Investments	<u>93,371</u>
Net Cash Provided From Investing Activities	<u>93,371</u>

NET INCREASE (DECREASE) IN CASH (436,711)

CASH AT BEGINNING OF YEAR 2,642,021

CASH AT END OF YEAR \$ 2,205,310

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:

Operating Income (Loss)	\$ (20,883)
<i>Adjustments:</i>	
Depreciation	563,096
(Increase) Decrease in Accounts Receivables	108,955
(Increase) Decrease in Other Current Assets	(8,107)
Increase (Decrease) in Accounts Payable	(65,126)
Increase (Decrease) in Accrued Salaries	(2,750)
Increase (Decrease) in Accrued Compensated Absences	<u>4,403</u>
Net Cash (Used) by Operating Activities	<u><u>\$ 579,588</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS

BASALT SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. FINANCIAL REPORTING ENTITY

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

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

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

B. BASIS OF PRESENTATION/BASIC FINANCIAL STATEMENTS

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

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

BASALT SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

B. BASIS OF PRESENTATION/BASIC FINANCIAL STATEMENTS, continued

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

C. BASIS OF ACCOUNTING

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

D. CAPITAL ASSETS

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

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

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

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

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

BASALT SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

E. BUDGETS AND BUDGETARY ACCOUNTING

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

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

The District legally adopted an annual budget for the District's funds for 2025 and an amended was adopted on December 10, 2025 to approve additional appropriations related to capital improvement expenditures.

The budget for the Enterprise Fund is adopted on a Non-GAAP basis and is reconciled from GAAP basis in the supplemental information provided at the end of this report.

BASALT SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

F. CONTRIBUTED CAPITAL

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

G. COMPENSATED ABSENCES

The District's policy is to permit employees to accumulate vacation and sick leave earned but not used. Employees may accrue and rollover up to 50% of their annual vacation hours and 48 hours of sick leave. Employees are paid for vacation hours accumulated but not used upon termination of employment; however, accumulated sick leave is not payable upon termination.

H. PROPERTY TAXES RECEIVABLE AND DEFERRED INFLOWS OF RESOURCES

Property taxes are levied on December 15 and attach as an enforceable lien on property on January 1st of the following year. They may be paid in either one installment (no later than April 30th) or two equal installments (not later than February 28th and June 15th) without interest or penalty. Taxes which are not paid within the prescribed time bear interest at the rate of (1%) per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 16th.

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

I. CASH AND CASH EQUIVALENTS/ FAIR VALUE MEASUREMENT

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

The District reports its investments using the fair value measurements established by generally accepted accounting principles. As such, fair value hierarchy categorizes the inputs used to measure the fair value into three levels. Level 1 inputs are quoted market prices in active markets for identical investments; Level 2 inputs include quoted prices in active markets for similar investments, or other observable inputs; and Level 3 inputs are unobservable inputs. At December 31, 2025, the District's investments in Colo Trust were reported at the net asset value per share, measured utilizing quoted prices in active markets for similar investments (Level 2 inputs).

BASALT SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

J. CUSTOMER ACCOUNTS RECEIVABLE

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

K. ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS

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

L. USE OF ESTIMATES

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

M. RESTRICTED ASSETS

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

NOTE 2 - CASH AND INVESTMENTS

A. Deposits & Investments

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. The eligible depository is required to pledge to the Colorado Division of Banking a pool of collateral having a market value that at all times exceeds 102% of uninsured aggregate public deposits. The eligible collateral is determined by the PDPA, which includes obligations of the United States, the State of Colorado, Local Colorado governments, and obligations secured by first lien mortgages on real property located in the state. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The State Regulatory Commission for banks and financial services is required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. There is no custodial credit risk for public deposits collateralized under PDPA.

BASALT SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE 2 - CASH AND INVESTMENTS, continued

A. Deposits & Investments, continued

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

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

BASALT SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE 2 - CASH AND INVESTMENTS, continued

A. Deposits & Investments, continued

At December 31, 2025 the District's bank deposits were entirely covered by federal depository insurance or collateralized under PDPA in accordance with state statute, and had bank balances of \$1,467,265 of which \$258,431 was covered by FDIC insurance and \$1,208,834 was collateralized under PDPA.

Local Government Investment Pool (Colo Trust)

As of December 31, 2025, the District had invested \$1,236,798 in the Colorado Local Government Liquid Asset Trust (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. Substantially all securities owned by COLOTRUST are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by COLOTRUST. These pools are not required to and are not registered with the SEC. As of December 31, 2025, the District had \$362,176 invested in COLOTRUST PRIME, and \$874,622 invested in COLOTRUST PLUS+. Investments in local government investment pools are not categorized in terms of custodial credit risk since they are not evidenced by securities that exist in physical or book entry form.

B. Total of Cash and Cash Equivalents

A summary of the District's cash and investments at December 31, 2025 is as follows:

Checking Accounts	\$ 1,467,265
Colotrust Investment Pool	<u>1,236,798</u>
Total Bank Balances	2,704,063
Cash on Hand	50
Less Outstanding Items	<u>(498,803)</u>
Total Cash and Cash Equivalents	<u><u>\$ 2,205,310</u></u>

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

	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Rating Agency</u>
Colotrust (Local Govt Investment Pool)	\$1,236,798	AAAm	S&P

BASALT SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE 2 - CASH AND INVESTMENTS, continued

C. Risk Disclosures

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

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

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

Interest rate risk is the extent to which changes in interest rates will adversely affect the fair value of an investment. The District maintains an investment policy that limits investment maturities to three years as a means of managing its exposure to fair value losses arising from increasing interest rates and to avoid undue concentration in any sector of the yield curve. Exceptions to this structure may be allowed where maturities can be structured to accommodate readily identifiable cash flows as approved by the Board. As of December 31, 2025, the District had no investments that were subject to interest rate risk as described above.

The District was not subject to foreign currency risk as of December 31, 2025.

NOTE 3 - CHANGES IN CAPITAL ASSETS

A summary of property, plant and equipment at December 31, 2025, follows:

	Balance 1/1/25	Additions	Deletions	Balance 12/31/25
Non-Depreciable:				
Land	\$ 95,165	\$ -	\$ -	\$ 95,165
Construction in Process	1,574,662	1,983,812	(2,698,860)	859,614
Depreciable:				
Land Improvements	146,410	-	-	146,410
Plant and Lines	14,344,554	2,711,262	-	17,055,816
Office Building	441,269	-	-	441,269
Equipment	83,419	-	-	83,419
Vehicles	121,100	80,297	(35,783)	165,613
Office Furniture & Equipment	27,298	-	-	27,298
Total Capital Assets	16,833,877	4,775,370	(2,734,643)	18,874,604
Less Accumulated Depreciation	(9,169,492)	(530,891)	-	(9,700,383)
Net Capital Assets	<u>\$ 7,664,385</u>	<u>\$ 4,244,479</u>	<u>\$ (2,734,643)</u>	<u>\$ 9,174,221</u>

BASALT SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE 4 - RISK MANAGEMENT

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

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

The District pays annual premiums to the Pool for liability, property and public officials' liability coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula. The Pool made no distributions to the District in the year ended December 31, 2025. The District does provide employee health and accident insurance for full-time employees.

NOTE 5 - DEFERRED COMPENSATION PLAN -

The District adopted a Deferred Compensation Plan (Plan) within the scope of Section 457 of the Internal Revenue Code. The Basalt Sanitation District is the Plan Administer and Benefit Trust Company is the Trustee. No employees participated in 2025.

NOTE 6 - MONEY PURCHASE PENSION PLAN

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

Full-time employees become eligible after six months of service with the District and are required, as a condition of employment, to participate in the Plan immediately upon eligibility. The District contributes 2 to 6% of eligible compensation based on years of service, the total covered payroll for the year subject to participation was \$243,400 compared to total payroll of \$274,701. Participants are 100% vested in employer contributions after three years. The District has no other liability under the plan. The District contributed \$14,604 for eligible employees in 2025. Additional information can be obtained from Benefit Trust Company:

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

BASALT SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE 7 - CONTINGENCIES

During the normal course of business, the District incurs claims and other assertions against it from various agencies and individuals. Management of the District and their legal representatives feel none of these claims or assertions are significant enough that they would materially affect the fairness of the presentation of the financial statements at December 31, 2025.

NOTE 8 - TABOR AMENDMENT – REVENUES AND SPENDING LIMITATIONS

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

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

NOTE 9 - LEASE COMMITMENTS

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

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

BASALT SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE 10 - COMPENSATED ABSENCES

Compensated absences consist of the accrual for vacation and sick time earned by the District's employees but not taken by December 31, 2025. Total accrued compensated absences as of year-end for business-type activities were \$4,403.

NOTE 11 - SUBSEQUENT EVENTS

Management has evaluated events subsequent to December 31, 2025 through the issuance date of this report. There have been no material events noted during this period that would impact the result reflected in this report or the District's results going forward.

REQUIRED SUPPLEMENTARY INFORMATION

BASALT SANITATION DISTRICT
BUDGET AND ACTUAL COMPARISON - REVENUES
PROPRIETARY FUND
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual Amounts Budget Basis	Variance with Final Budget Positive (Unfavorable)
<u>BUDGETARY OPERATING REVENUES</u>				
Sewer Service Fees	\$ 1,358,280	\$ 1,358,280	\$ 1,357,433	\$ (847)
Developmental Review Fees	5,000	5,000	2,153	(2,847)
Inspection Fees	300	300	100	(200)
Late Payment Fees	9,000	9,000	10,122	1,122
Miscellaneous Revenue	3,000	3,000	5,571	2,571
Total Budgetary Operating Revenues	<u>1,375,580</u>	<u>1,375,580</u>	<u>1,375,379</u>	<u>(201)</u>
<u>BUDGETARY NON-OPERATING REVENUE</u>				
Tap Fees	125,000	125,000	129,752	4,752
Grant Income	851,142	851,142	441,722	(409,420)
Interest Income	90,000	90,000	93,371	3,371
Sale of Assets	-	-	30,000	30,000
Total Budgetary Non-Operating Revenues	<u>1,066,142</u>	<u>1,066,142</u>	<u>694,845</u>	<u>(371,297)</u>
Total Budgetary Based Revenues	<u>\$ 2,441,722</u>	<u>\$ 2,441,722</u>	<u>2,070,224</u>	<u>\$ (371,498)</u>
<u>RECONCILIATION TO GAAP</u>				
Adjustments:				
(Gain) Loss on sale of Asset Adj			(3,578)	
Total Adjustments			<u>(3,578)</u>	
Total Revenue GAAP Basis			<u>\$ 2,066,646</u>	

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

BASALT SANITATION DISTRICT
BUDGET AND ACTUAL COMPARISON - EXPENDITURES
PROPRIETARY FUND
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual Amounts Budget Basis	Variance with Final Budget Positive (Unfavorable)
<u>BUDGETARY OPERATING EXPENSES</u>				
Administrative Wage & Contract	\$ 116,785	\$ 116,785	\$ 114,165	\$ 2,620
Audit Fee	9,000	9,000	9,000	-
Bank Fees	4,000	4,000	5,000	(1,000)
Chemicals and lab	49,000	49,000	32,951	16,049
Condo Association Fees	5,000	5,000	4,394	606
Consulting	15,000	15,000	14,768	232
Computer Expense	4,500	4,500	5,294	(794)
Development Review Fees	3,000	3,000	2,987	13
Director Fees	7,000	7,000	5,000	2,000
Dues & Subscriptions	3,300	3,300	2,497	803
Election Expense	3,000	3,000	-	3,000
Engineering	45,000	45,000	11,816	33,184
Insurance	81,050	81,050	76,760	4,290
Legal	20,000	20,000	24,050	(4,050)
License and Permits	11,000	11,000	3,684	7,316
Office Expense	7,500	7,500	13,677	(6,177)
Payroll Taxes	30,000	30,000	21,447	8,553
Plant Operator	254,000	254,000	231,645	22,355
Plant Supplies	10,000	10,000	6,502	3,498
Postage	3,750	3,750	3,329	421
Printing – Copies	1,500	1,500	745	755
Repair and Maintenance - Lines	80,000	80,000	49,937	30,063
Repair and Maintenance - Plant	69,000	69,000	112,775	(43,775)
Sludge Removal	6,000	6,000	1,418	4,582
Telephone	2,200	2,200	2,529	(329)
Training & Employee Benefits	20,000	20,000	14,556	5,444
Utilities - Office	770	770	742	28
Utilities - Plant	64,000	64,000	61,498	2,502
Total Budgetary Operating Expenses	925,355	925,355	833,166	92,189
<u>BUDGETARY NON-OPERATING</u>				
Capital Outlay	1,584,000	2,200,083	2,076,511	123,572
Total Budgetary Non-Operating	1,584,000	2,200,083	2,076,511	123,572
Total Budgetary Appropriations	\$ 2,509,355	\$ 3,125,438	2,909,677	\$ 215,761
<u>RECONCILIATION TO GAAP</u>				
Adjustments:				
Depreciation			563,096	
Capitalized Capital Outlay			(2,076,511)	
Total Adjustments			(1,513,415)	
Total Expenditures GAAP Basis			\$ 1,396,262	

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