South Fort Collins Sanitation District

Financial Statements and
Supplementary Information

December 31, 2025 and 2024

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December 31, 2025 and 2024

Independent Auditors' Report

To the Board of Directors of
South Fort Collins Sanitation District

Opinion

We have audited the accompanying financial statements of the South Fort Collins Sanitation District (District), as of and for the years ended December 31, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the District as of December 31, 2025 and 2024, and the changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Revenues and Expenditures—Budget and Actual (Budgetary Basis) as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Baker Tilly US, LLP

Madison, Wisconsin
June 26, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)

The South Fort Collins Sanitation District (the "District") offers the readers of the District's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended December 31, 2025.

In addition to this overview and analysis based on currently known facts, decisions and conditions, the District would encourage readers to consider the information presented in the District's financial statements, which begin on page 12 of this report.

2025 FINANCIAL HIGHLIGHTS

- ❖ The assets of the District exceeded its liabilities and deferred inflows of resources at the end of the fiscal year ended December 31, 2025 by $199 million (net position). Of the net position balance, $56.7 million is unrestricted and is available to meet the District's ongoing obligations in accordance with the District's fund designations and fiscal policies.

- ❖ The District's net position increased by $9.6 million, largely due to capital contributions.

- ❖ The District's revenue from service charges, its principal operating revenue, increased by $1.8 million (24.2%) during fiscal year 2025. The primary reason was due to the 20% rate adjustment on January 2025, the first-rate change since February 2017.

- ❖ The number of customers served by the District increased by 286 taps (1.6%) in 2025, generating $5.5 million in tap fees as a major part of capital contributions. The District served a total of 17,939 taps at year end.

- ❖ The District accepted 10 new projects for the year ended December 31, 2025, representing $2.1 million in capital contributions.

- ❖ The District maintained its property tax mill levy at 0.5 mills which generated $553 thousand in revenue.

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 operates as a special district under Title 32 of the laws of the State of Colorado. Accordingly, the financial statements are prepared to account for operations similar to a business-type enterprise. The basic financial statements include statements of net position, statements of revenues, expenses, and changes in net position, and statements of cash flows shown on a comparative basis with the prior year. The notes to the financial statements are considered to be an integral part of the basic financial statements since they provide additional information needed to gain a full understanding of the data provided.

- ❖ The statement of net position presents information on all of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources. The difference between assets, and liabilities and deferred inflows of resources is reported as net position. Over time, increases and decreases in net position may provide an indication of whether the District's financial position is improving or deteriorating. The statement also provides the basis for determining the overall financial health of the District including liquidity and financial flexibility.

- ❖ The statement of revenues, expenses, and changes in net position presents information reflecting how the District's net position has changed during the fiscal year just ended. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g., service charges billed but not received at year end, invoicing from vendors received but not paid by year end and earned but unused vacation leave). This statement measures the success of the District's overall operation and can be used to determine whether the District's user fee, rates and changes are sufficient to recover operating costs.

- ❖ The statement of cash flows presents information concerning the District's cash receipts and cash payments during the year. The statement reports the cash receipts, cash payments, and net cash from operations, investing, and capital and non-capital financing activities.

FINANCIAL ANALYSIS OF THE SOUTH FORT COLLINS SANITATION DISTRICT

The financial statements of the District begin on page 12. The true picture of the financial health of the District must be tempered with the operational theory and financial control that is practiced on a daily basis by the District.

Financial Policy and Priorities

The financial goal of the District is to operate as cost efficiently as possible and similar to the practices of private enterprise. The District annually reviews its financial policies to assess their impact on financial activities. Policies that affected financial activities are as follows:

1. Growth within the District pays for its own way.
2. District operating expenses are funded from monthly sewer charges, and if revenues are more than expenses, they can be used for capital costs.
3. Tap fees are a capital investment charge for obtaining sewer service from the District and are to be used to fund capital costs.

Tab fees and monthly service charges are reviewed annually. The current level of these fees has been determined to be sufficient at this time to provide the necessary revenues to sustain operations and capital expenditures. The District also requires developers to oversize lines where applicable. In some cases, reimbursement agreements are in place between the developer and the District whereby the District collects additional fees from future developers as they attach to the line. These fees are then remitted to the initial developer.

Day-To-Day Operational Control of the District

For operational control, the District has classified all operations into two distinct funds: Enterprise and General Government.

The general government fund was funded in 2025 by a 0.50 total mill levy. This total levy funds general operations of the District.

The District operates as a self-supporting enterprise. The enterprise fund is funded by revenues received from service charges and other sources that are sufficient to cover the day-to-day operating expenses of the District. There are two segments of the enterprise fund: general operations and capital expenditures.

- The general operations segment is funded primarily from monthly service charges and other miscellaneous revenues received by the District. These revenues cover the daily administration, operations, line maintenance and if the revenues are more than expenses, they can be used for capital costs.

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Capital costs are related to acquiring, constructing, repairing, replacement, rehabilitation, or improvements to the District's long-term assets, or regulatory compliance activities and are funded by tap fees and monthly sewer charges. New collection and transmission lines are funded by developers and are treated as contributions in aid of construction. The District has historically created agreements with developers that allow for the collection of line extension fees that are reimbursable to the developer.

The District's day-to-day operational control involves many levels of planning, forecasting and budgeting. Revenues and expenses are allocated to specific District sewer related activities. The staff presents monthly financial reports to the Board for review and approval. The reports contain monthly revenues and expenditures compared to the adopted budget. This report is an essential tool that is critical to the District's long-range financial planning efforts.

Overall Financial Position and Results of Operations

Financial Analysis

A summary of the statement of net position is shown as Table A. The total net position represents the difference between the District's total assets and the total liabilities and deferred inflows of resources and are one way to measure the District's health. Increases or decreases in the District's net position are indicators of improving or deteriorating financial health. This information, along with other non-financial information such as population growth or decline, legislative changes or board policy changes, provides an integrated assessment of the District's health.

The table indicates that all of the District's finances are sound. However, it is important that on a year-to-year basis the District operates within its policies, and that on a budgetary basis the operating revenues exceed operating expenditures.

It is also important to note that in the annual budget, total expenditures may in some instances exceed the total revenues when reported on an annual basis. Because of the District Policy that growth funds capital expenditures, it is common for revenues and tap fees received in one year, to fund future years capital spending. This cash timing difference is considered in the long-term financial planning of the District. Also, funds collected from monthly service charges can be invested and used at various times to fund capital expenditures. A summary of the statement of revenues, expenses and changes in net position is shown in Table B.

Table A
Condensed Statements of Net Position

	December 31,		
	2025	**2024**	**2023**
Current Assets	$ 60,547,183	$ 54,255,872	$ 50,149,768
Capital Assets	142,765,801	137,592,707	134,675,874
Total Assets	$ 203,312,984	$ 191,848,579	$ 184,825,642
Current Liabilities	$ 2,992,791	$ 1,252,412	$ 561,581
Non-Current Liabilities	168,098	154,025	124,311
Total Liabilities	$ 3,160,889	$ 1,406,437	$ 685,892
Deferred Inflows of Resources	$ 653,578	$ 517,325	$ 630,968
Net Position			
Net Investment in Capital Assets	$ 142,765,801	$ 137,592,707	$ 134,675,874
Restricted Emergency Reserve	16,585	20,959	15,691
Unrestricted	56,716,131	52,311,151	48,817,217
Total Net Position	$ 199,498,517	$ 189,924,817	$ 183,508,782

Table B
Condensed Statements of Revenues, Expenses and Changes in Net Assets

	Year ended December 31,		
	2025	**2024**	**2023**
Total Operating Revenues	$ 9,092,073	$ 7,413,645	$ 7,203,073
Total Operating Expenses	10,256,155	9,719,294	9,386,587
Loss from Operations	(1,046,412)	(2,305,649)	(2,183,514)
Non-Operating Revenues	2,996,827	3,324,829	2,784,834
Net Income Before Contributions	1,950,415	1,019,180	601,320
Capital Contributions	7,623,285	5,396,855	8,601,583
Changes in Net Position	9,573,700	6,416,035	9,202,903
Net Assets - Beginning of Year	189,924,817	183,508,782	174,305,879
Net Assets - End of Year	$199,498,517	$189,924,817	$183,508,782

Operating activities decreased the District's net position by $1 million in 2025 compared to a decrease of $2.3 million in 2024. Key elements of this change are due to the following:

- ❖ There was an increase in operating expenses of $537 thousand or 5.5% from 2024. Excluding depreciation, operating expenses in 2025 increased $211 thousand or 3.4% from 2024. The main reason for the increase relates to the additional staff to get the new in-house management and administration team fully staffed.

Non-operating activities increased the District's net position by $3 million.

- ❖ Property tax collections $553 thousand (net of fees) and investment income $2.3 million.

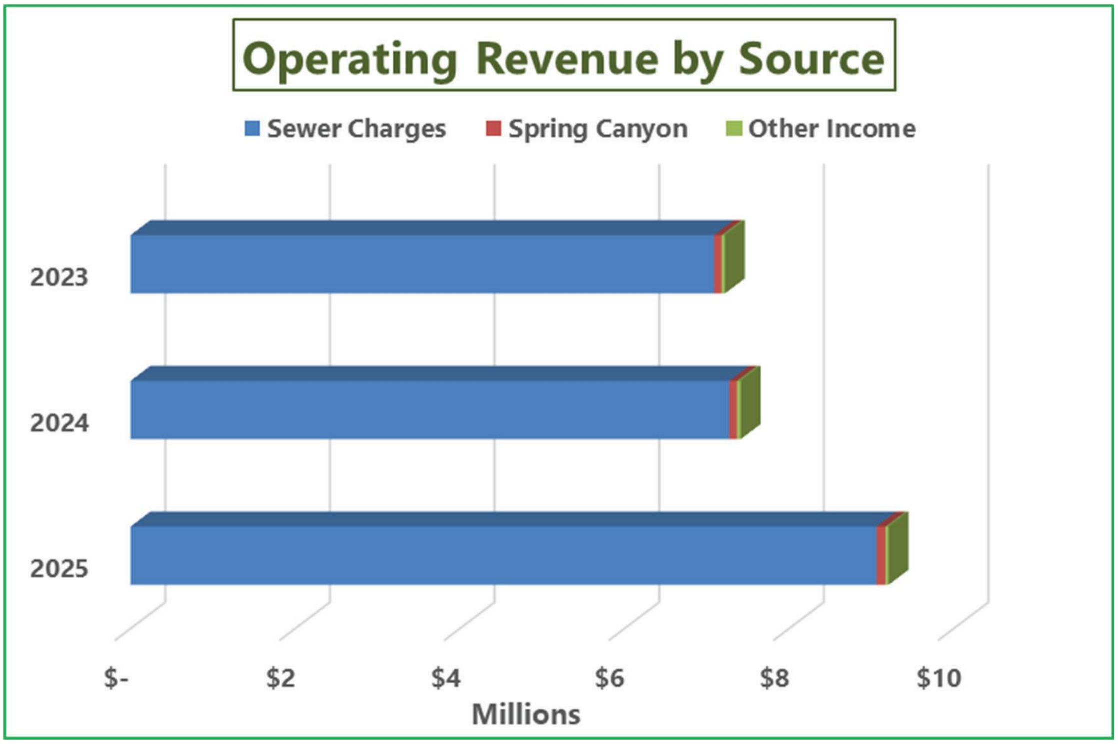
Capital contributions increased the District's net position by $7.6 million.

- ❖ Contributions of capital assets were $2.1 million. These contributions represent sewer collection lines in new subdivisions that were deeded to the District.

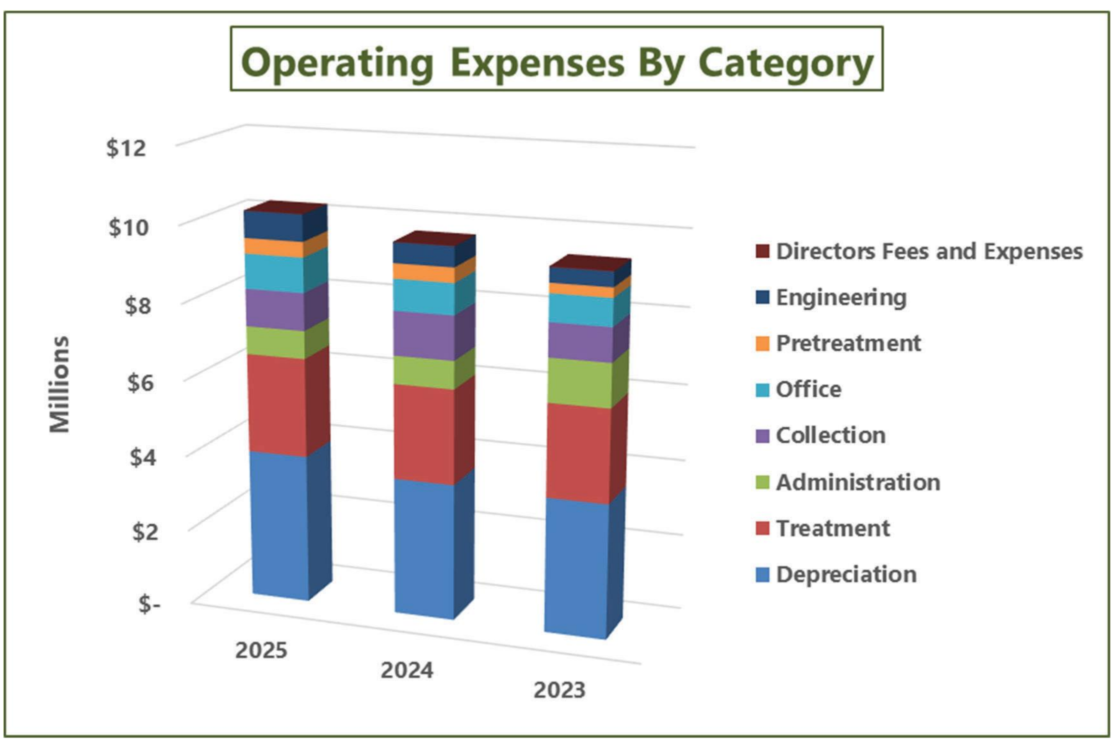
- ❖ Capital contributions from tap fees amounting to $5.5 million. Tap fees represent new residential and non-residential capital payments to the District for a capital investment charge for obtaining sanitary sewer service and are to be used to fund capital costs.

Operating Activities

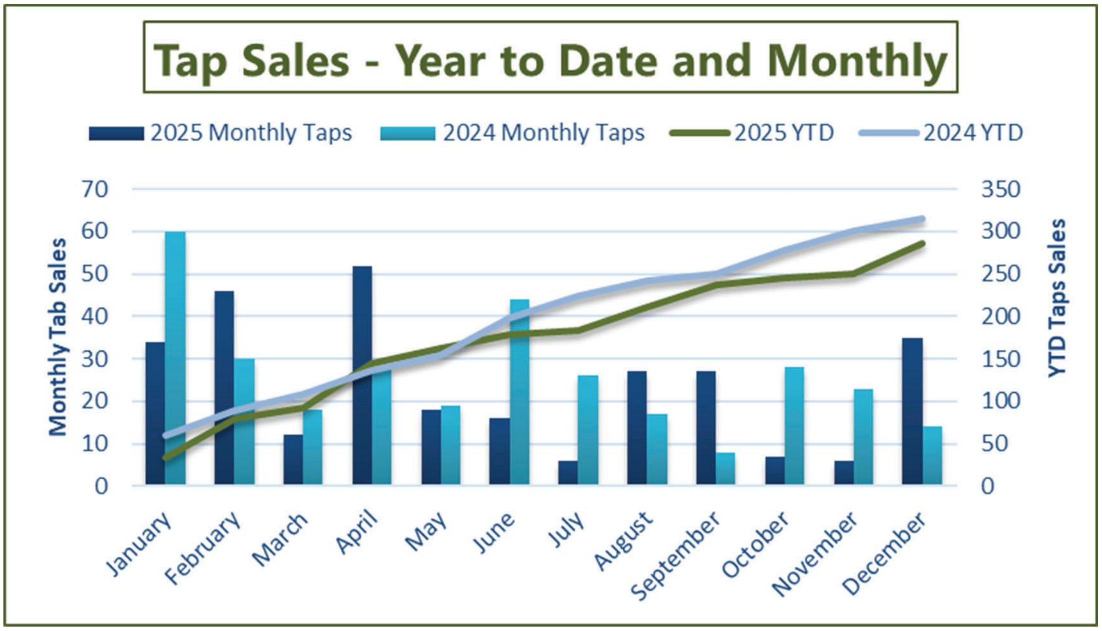
2025 Operating revenues increased the District's Net Position by $9.6 million



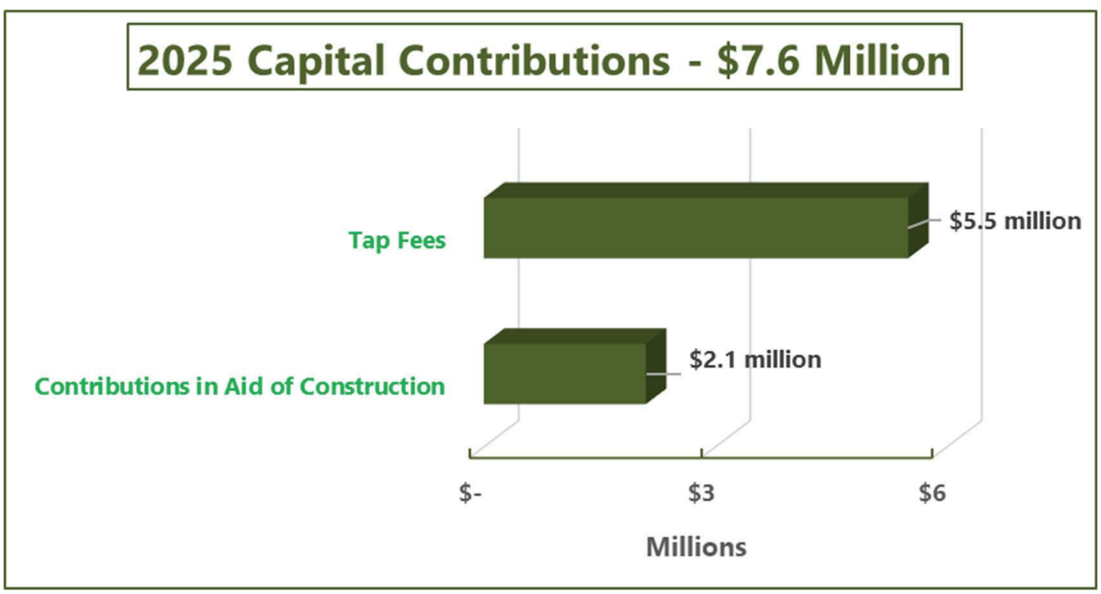
2025 Operating expenses decreased the District's Net Position by $10.3 million



Active taps grew by 286 in 2025



Capital contributions increased the District's Net Position by $7.6 million



Budgetary Highlights

The budget development process is the formal method through which the District ensures alignment between fiscal resources and organizational priorities for the upcoming year. It results in an approved budget, which is the defined plan of revenue and expense activities for the year. The approved budget is the main internal control document used to monitor and manage revenues and expenditures for the District. A schedule of revenues and expenditures - budget and actual begins on page 26 of this report.

The variance between actual expenditures and the budget amounted to a favorable $12.9 million and is summarized as follows:

- Capital expenditures were $11.4 million under budget. This is mostly due to several major capital projects being rescheduled for completion in 2026.

- Operating expenses were $1.5 million under budget. Majority of the difference was related to treatment chemicals, treatment energy, and labor costs being less than budget.

- Tap fee revenue was $3 million greater than budget.

- Interest income on investments was $1.1 million greater than budget.

- All Department operating expenses other than Finance/Office and Pretreatment had a favorable budget variance. Finance/Office difference was largely due to consulting costs related to additional accounting software implementation.

Capital Assets and Long-Term Debt

Capital Assets. The District's investment in capital assets as of December 31, 2025, amounted to $142.8 million (net of accumulated depreciation). This investment in capital assets includes land and easements, collection system lines, wastewater infrastructure, buildings and improvements, machinery, and equipment.

This is explained in greater detail in Note 4 on pages 23 and 24 of this report.

Long-term debt. The District has no revenue or general obligation debt outstanding.

Next Year's Budget

The District will enter 2026 with $59 million in cash which represents an increase over 2025 of $6 million. It is anticipated that the District cash balance will decrease during 2026, as the result of planned capital expenditures.

Conditions Impacting Future Operations

- The District is expecting to see moderate tap sales for the near future. The District remains in a growth area in Northern Colorado. The proposed subdivisions in the Timnath growth area will add 3,000 to 7,000 units over the next ten years.

- As the District grows and ages, critical infrastructure will need to be monitored for preventative maintenance and potential expansion. These costs, coupled with rising construction indices, will impact the District on all future projects.

- A significant risk to the District is the ability of state and federal regulatory agencies to impose new rules on the treatment of wastewater and its discharge at any time. Maintaining compliance with any new rules has the potential to be costly to the operations of the District.

- In mid-2023, the District ended their contract related to the outsourcing of the day to day administration and established a new in-house management and administration team.

Contact

Questions concerning any of the information presented in this report or requests for additional information should be directed to the District at the following address:

Finance Manager
2560 East County Road 32
Ft. Collins, CO 80528

BASIC FINANCIAL STATEMENTS

South Fort Collins Sanitation District

Statements of Net Position
December 31, 2025 and 2024

	2025	2024
Assets		
Current Assets		
Cash and cash equivalents	$ 11,527,198	$ 7,494,847
Investments	47,546,851	45,544,364
Restricted cash and cash equivalents	16,585	20,959
Receivables	1,251,938	1,034,369
Prepaid items	204,611	161,333
Total current assets	60,547,183	54,255,872
Capital Assets		
Land, easements and construction in progress	6,432,618	4,813,021
Depreciable capital assets, net of accumulated depreciation	136,333,183	132,779,686
Total capital assets	142,765,801	137,592,707
Total assets	203,312,984	191,848,579
Liabilities, Deferred Inflows of Resources and Net Position		
Current Liabilities		
Accounts payable	2,933,427	1,114,770
Accrued expenses	7,844	91,714
Accrued compensated absences	51,520	45,928
Total current liabilities	2,992,791	1,252,412
Noncurrent Liabilities		
Accrued compensated absences	168,098	154,025
Total noncurrent liabilities	168,098	154,025
Total liabilities	3,160,889	1,406,437
Deferred Inflows of Resources		
Unearned revenue, property taxes	653,578	517,325
Total deferred inflows of resources	653,578	517,325
Net Position		
Net investment in capital assets	142,765,801	137,592,707
Restricted for emergencies	16,585	20,959
Unrestricted net position	56,716,131	52,311,151
Total net position	$ 199,498,517	$ 189,924,817

See notes to financial statements

South Fort Collins Sanitation District

Statements of Revenues, Expenses and Changes in Net Position
Years Ended December 31, 2025 and 2024

	2025	2024
Operating Revenues		
Sewer charges and other services	$ 9,209,743	$ 7,413,645
Total operating revenues	9,209,743	7,413,645
Operating Expenses		
Engineering	696,633	527,543
Pretreatment	399,375	388,542
Collection	980,196	1,149,467
Treatment	2,543,180	2,488,298
Office	912,224	815,139
Administration	782,840	732,811
Depreciation	3,931,589	3,605,374
Directors fees and expenses	10,118	12,120
Total operating expenses	10,256,155	9,719,294
(Loss) income from operations	(1,046,412)	(2,305,649)
Nonoperating Revenues		
Property taxes, net of fees	552,827	698,623
Inclusion fees	-	2,367
Interest income on investments, net of fees	2,308,468	2,605,261
Other nonoperating revenues	20,167	11,578
Gain on sale of capital assets	115,365	7,000
Total nonoperating revenues	2,996,827	3,324,829
Income before capital contributions	1,950,415	1,019,180
Capital Contributions	7,623,285	5,396,855
Change in net position	9,573,700	6,416,035
Total Net Position, Beginning	189,924,817	183,508,782
Total Net Position, Ending	$ 199,498,517	$ 189,924,817

See notes to financial statements

South Fort Collins Sanitation District

Statements of Cash Flows
Years Ended December 31, 2025 and 2024

	2025	2024
Cash Flows From Operating Activities		
Cash received from customers	$ 9,148,594	$ 7,693,688
Cash paid to suppliers	(4,159,282)	(3,889,549)
Cash paid to employees	(2,475,090)	(2,233,555)
Net cash flows from operating activities	2,514,222	1,570,584
Cash Flows From Noncapital Financing Activities		
Property taxes	573,042	695,604
Property tax TIF expenses	(57,293)	(67,252)
Property tax collection fees	37,078	70,271
Inclusion fees	-	2,367
Net cash flows from noncapital financing activities	552,827	700,990
Cash Flows From Capital and Related Financing Activities		
Contributed capital	5,493,200	3,521,600
Proceeds from the sale of capital assets	115,365	7,000
Acquisition of capital assets	(4,953,618)	(3,914,463)
Net cash flows from capital and related financing activities	654,947	(385,863)
Cash Flows From Investing Activities		
Earnings on investments	2,308,468	2,605,261
Net cash flows from investing activities	2,308,468	2,605,261
Net change in cash and cash equivalents	6,030,464	4,490,972
Cash and Cash Equivalents, Beginning	53,060,170	48,569,198
Cash and Cash Equivalents, Ending	$ 59,090,634	$ 53,060,170

See notes to financial statements

	2025	2024
Reconciliation of (Loss) Income From Operations to Net Cash Flows From Operating Activities:		
Net Cash Flows From Operating Activities		
(Loss) income from operations	$ (1,046,412)	$ (2,305,649)
Nonoperating income	20,167	11,578
Adjustments to reconcile operating (loss) income to net cash flows from operating activities:		
Depreciation	3,931,589	3,605,374
Changes in assets and liabilities:		
Receivables	(217,569)	382,108
Prepaid items	(43,278)	2,760
Accounts payable	(286,193)	(201,229)
Unearned property taxes	136,253	-
Accrued compensated absences	19,665	75,642
Net cash flows from operating activities	$ 2,514,222	$ 1,570,584
Noncash Capital and Related Financing Transactions		
Capital assets contributed	$ 2,130,085	$ 1,875,255
Capital asset additions included in accounts payable	$ 2,908,593	$ 887,613
Reconciliation of Cash to Statements of Net Position Accounts		
Cash and cash equivalents	$ 11,527,198	7,494,847
Investments	47,546,851	45,544,364
Total cash and investments	$ 59,074,049	$ 53,039,211

1. Summary of Significant Accounting Policies

Form of Organization

South Fort Collins Sanitation District (the District) is organized under the provisions of Section 32-1-305(6) of the Colorado Revised Statutes, (C.R.S.). It is a quasi-municipal corporation and a political subdivision of the State of Colorado with all powers thereof which includes the power to levy taxes against property within the District.

Basis of Accounting

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District applies all applicable GASB pronouncements.

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures.* This Statement requires that a government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. This standard was implemented January 1, 2025. GASB 102 was evaluated and no additional disclosures were needed.

Financial Reporting Entity

For financial reporting purposes, management has considered all potential component units in defining the District. The basic criterion for including a potential component unit is the District's ability to exercise significant operational control or financial accountability with the District. Financial relationship or operational control is determined on the basis of the District's obligation to fund deficits, responsibility for debt, budgetary authority, fiscal management, selection of governing authority and/or management and the ability to significantly influence operations.

Based on the criteria mentioned above, no other entities are considered to be component units of the District, nor is the District a component unit of any other governmental entity.

Basic Financial Statements

The District is a special-purpose government engaged only in business-type activities. As such, enterprise fund financial statements are presented.

Basis of Presentation

Proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of this fund are included on the statements of net position. Revenues and expenses are recorded in the accounting period in which they are earned or incurred, and they become measurable. Total net position is segregated into net investment in capital assets, restricted for emergencies and unrestricted net position. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net position. Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration.

Budgets and Budgetary Accounting

An annual budget and appropriation resolution is adopted by the Board of Directors in accordance with the state statutes. The budget is prepared on a basis consistent with GAAP except that capital asset additions and principal payments on debt are budgeted as expenditures, and debt proceeds are budgeted as revenues and depreciation and contributed capital assets are not budgeted.

1. On or about October 15, the District staff submits to the Board of Directors 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.

2. Public hearings are conducted at regular Board meetings to obtain taxpayer comments.

3. Prior to December 15, the budget is legally adopted by the Board of Directors.

4. Unused appropriations lapse at the end of each year.

Total appropriated expenditures for the District are as follows:

Budget	Original Budget	Total Revision	Revised
Business-Type Fund:			
Governmental function	$ 517,325	$ -	$ 517,325
Enterprise function	26,221,031	-	26,221,031

Comparison of actual operations on the accrual basis to the annual budget is not meaningful. However, a statement comparing actual (budgetary basis) to the budget is included as other supplementary information. The adjustments necessary to convert the actual revenue and expenditures to the budgetary basis are presented in the following schedule.

	2025	2024
Change in net position:	$ 9,573,700	$ 6,416,035
Depreciation	3,931,589	3,605,374
Noncash capital contributions	(2,130,085)	(1,875,255)
Acquisition of capital assets (cash and noncash)	(6,997,179)	(2,171,794)
Excess expenditures over revenues, budgetary basis	$ 4,378,025	$ 5,974,360

Assets, Liabilities, Deferred Inflows of Resources and Net Position

Cash and Cash Equivalents

The District considers all highly liquid investments purchased with an original maturity of three months or less to be cash and cash equivalents.

Investments

The District's investments consist of U.S. government securities, with original maturities of greater than three months, and are carried at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Some investments are recorded at amortized cost, in relation to the local government investment pools.

Accounts Receivable and Allowance for Doubtful Accounts

Revenues are recognized when earned. Customers are billed monthly on 30-day cycles. Accounts receivable result from the timing of billed accounts and are shown net of an allowance for doubtful accounts. User and other similar fees set from time to time by the District's governing board constitute a perpetual lien on or against the property served until paid. Such liens may be foreclosed in the same manner as provided by the laws of the State of Colorado. The District has determined that no allowance is necessary at December 31, 2025 or 2024, based on historical collection experience.

Prepaid Items

Payments made to vendors that will benefit periods beyond the end of the current calendar year are recorded as prepaid items.

Capital Assets

Capital assets purchased or acquired with an original cost or acquisition value at the date of donation, if donated, of greater than $5,000 and expected life greater than 12 months are reported at historical cost. Property replacements and improvements, which extend the lives of assets, are capitalized and subsequently depreciated. Contributed assets are reported at their acquisition value at the date received. The cost of maintenance and repairs is charged against income as incurred.

Depreciation has been computed using the straight-line method based on lives of 50 years for sewer lines and the sewage treatment plant and 3 to 20 years for equipment.

Accrued Compensated Absences Payable

In accordance with the provisions of GASB Statement No. 101, *Compensated Absences*, obligations associated with the District's vacation policy are recorded as a liability and expensed when earned to the extent that such benefits vest to the employee. Additionally, the District's sick policy is recorded as a liability and expensed as expected to be used.

The following is a summary of activity in accrued compensated absences for the years ended December 31:

	Beginning	Additions	Deletions	Ending	Current Portion
Years ending December 31:					
2025	$ 199,953	$ 226,606	$ 206,941	$ 219,618	$ 51,520
2024	124,311	242,691	167,049	199,953	45,928

Accrued Expenses

Accrued Expenses represent incurred expenses that were not paid during the year. At December 31, 2025 and 2024, accrued expenses were $7,844 and $91,714, respectively.

Deferred Inflows of Resources

In addition to liabilities, the statements of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The District reports unearned property tax revenue as a deferred inflow of resources.

Net Position

Net position is classified in the following categories:

Net Investment in Capital Assets - This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt, if any, that are attributable to the acquisition, construction or improvement of these assets reduce this category.

Restricted Net Position - This category represents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position - This category represents the net position of the District, which is not restricted for any project or other purpose. A deficit will require future funding.

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.

Operating Revenues and Expenses

The District distinguishes between operating revenues and expenses and nonoperating items in the statements of revenues, expenses and changes in net position. Operating revenues and expenses generally result from providing services in connection with the District's purpose of providing sanitary sewer services to its customers. Operating revenues consist of charges to customers for services provided. Operating expenses include the cost of service, administrative expenses and depreciation expense. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses or capital contributions.

Connection Fees

Potential customers seeking to connect to the sewer treatment system must make a formal, written request to the District. If the application is approved, the applicant may purchase a tap by paying a tap fee of $6,200 per single-family equivalent (SFE). District plant investment fees for nonresidential customers are based on the size of the water tap.

Property Taxes

Property taxes are levied in December and attach as an enforceable lien on property as of January 1 of the following year. Taxes are payable in two installments on the last day of February and June 15, or in full on April 30. The District uses the Larimer County Treasurer to bill and collect its property taxes. Taxes levied in December 2025 are recorded as taxes receivable and deferred inflows of resources as of December 31, 2025.

Contributions in Aid of Construction

Contributions of cash and collection and transmission lines to the District by developers, customers or by agreements with others are treated as capital contributions on the District's statements of revenues, expenses and changes in net position.

Use of Estimates

Preparation of the District's financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent items at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Effect of New Accounting Standards on Current Period Financial Statements

GASB has approved GASB Statement No. 103, *Financial Reporting Model Improvements,* Statement No. 104, *Disclosure of Certain Capital Assets,* and Statement No. 105, *Subsequent Events*. When they become effective, application of these standards may restate portions of these financial statements.

2. Cash and Investments

Cash Deposits

Custodial Credit Risk

This is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits. The District's deposit policy is in accordance with C.R.S. 11-10.5-101, Colorado Public Deposit Protection Act (PDPA), which governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The financial institution is allowed to create a single collateral pool for all public funds held. The pool is maintained by another institution, or held in trust for all of the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The institution's internal records identify collateral by depositor, and as such, these deposits are considered uninsured but collateralized. 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. At December 31, 2025, the District had deposits with financial institutions with a carrying amount of $11,543,733. The bank balances with the financial institutions were $11,855,618, of which, $250,000 was covered by federal depository insurance. The remaining balance of $11,605,618 was collateralized with securities held by the financial institutions' agents but not in the District's name. At December 31, 2024, the District had deposits with financial institutions with a carrying amount of $7,515,756. The bank balances with the financial institutions were $7,530,487 of which $250,000 was covered by federal depository insurance. The remaining balance of $7,280,487 was collateralized with securities held by the financial institutions' agents but not in the District's name.

Cash deposits and cash equivalents held by the District at December 31, 2025 and 2024, were as follows:

	2025	2024
Petty cash	$ 50	$ 50
Cash on deposit with financial institutions	11,543,733	7,515,756
Total cash and cash equivalents	$ 11,543,783	$ 7,515,806

Investments

Credit Risk

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which the District may invest, which include:

- Certificates of deposit with an original maturity in excess of three months
- Certain obligations of the United States and U.S. Government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Banker's acceptance of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

District policy is to hold investments until maturity.

Interest Rate Risk

The District's investment policy, established July 11, 1994, follows the guidelines and limitations set forth by the C.R.S. The policy limits investment maturities to five years or less from the date of purchase. This limit on investment maturities is a means of limiting exposure to fair value fluctuations arising from increasing interest rates.

There were no investments subject to interest rate risk held by the District at December 31, 2025 and 2024.

Local Government Investment Pools

As of December 31, 2025 and 2024, the District had invested balances of $18,781,576 and $17,995,133 in CSAFE, an investment vehicle established for local government entities in Colorado to pool surplus funds for investment purposes. CSAFE is a highly liquid fund operating similarly to a money market-like fund and each share is equal in value to $1.00. CSAFE measures all of its investment at amortized cost in accordance with GASB Statement No. 79. CSAFE invests primarily in United States Treasuries, United States Agencies, Primary Dealer Repurchase Agreements, highly rated commercial paper, AAAm rated money market funds, highly rated corporate bonds and Colorado Depositories. The weighted average maturity of the portfolio shall not exceed 60 days and the weighted average life of the portfolio shall not exceed 120 days. CSAFE is rated AAAm by Standard & Poor's. The District reports this investment value at amortized cost.

At December 31, 2025 and 2024, the District had invested $28,765,275 and $27,549,231 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 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+. COLOTRUST PRIME invests only in U.S. Treasury and government agencies. 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.

3. Receivables

Receivables at December 31, 2025 and 2024, consisted of the following:

	2025	2024
Trade accounts receivable	$ 598,360	$ 517,044
Property tax receivable	653,578	517,325
Total receivables	$ 1,251,938	$ 1,034,369

4. Capital Assets

The following is a summary of capital asset activity for the year ended December 31, 2025:

	Beginning	Additions	Deletions/ Reclassifications	Ending
Capital assets, not being depreciated:				
Construction in progress	$ 3,875,449	$ 6,804,911	$ (5,185,314)	$ 5,495,046
Land and easements	937,572	-	-	937,572
Total capital assets, not being depreciated	4,813,021	6,804,911	(5,185,314)	6,432,618
Capital assets, being depreciated:				
Sewer lines	97,581,783	2,130,085	1,576,117	101,287,985
Sewage treatment plant	78,991,053	-	3,609,197	82,600,250
Equipment	2,223,534	181,954	(395,757)	2,009,731
Total capital assets, being depreciated	178,796,370	2,312,039	4,789,557	185,897,966
Less accumulated depreciation for:				
Sewer lines	(31,935,055)	(1,983,988)	-	(33,919,043)
Sewage treatment plant	(12,847,038)	(1,696,821)	-	(14,543,859)
Equipment	(1,234,591)	(250,780)	383,490	(1,101,881)
Total accumulated depreciation	(46,016,684)	(3,931,589)	383,490	(49,564,783)
Total capital assets, being depreciated, net	$ 132,779,686	$ (1,619,550)	$ 5,173,047	$ 136,333,183
Capital assets, net	$ 137,592,707	$ 5,185,361	$ (12,267)	$ 142,765,801

The following is a summary of capital asset activity for the year ended December 31, 2024:

	Beginning	Additions	Deletions	Ending
Capital assets, not being depreciated:				
Construction in progress	$ 903,586	$ 3,635,378	$ (663,515)	$ 3,875,449
Land and easements	937,572	-	-	937,572
Total capital assets, not being depreciated	1,841,158	3,635,378	(663,515)	4,813,021
Capital assets, being depreciated:				
Sewer lines	95,042,943	2,538,840	-	97,581,783
Sewage treatment plant	78,859,745	131,308	-	78,991,053
Equipment	1,367,782	880,196	(24,444)	2,223,534
Total capital assets, being depreciated	175,270,470	3,550,344	(24,444)	178,796,370
Less accumulated depreciation for:				
Sewer lines	(30,016,928)	(1,918,127)	-	(31,935,055)
Sewage treatment plant	(11,263,649)	(1,583,389)	-	(12,847,038)
Equipment	(1,155,177)	(103,858)	24,444	(1,234,591)
Total accumulated depreciation	(42,435,754)	(3,605,374)	24,444	(46,016,684)
Total capital assets, being depreciated, net	$ 132,834,716	$ (55,030)	$ -	$ 132,779,686
Capital assets, net	$ 134,675,874	$ 3,580,348	$ (663,515)	$ 137,592,707

5. Commitments and Contingency

Risk Management

The District is exposed to various risks of loss related to torts, thefts of, damage to or destruction of assets, errors and omissions or acts of God. The District is a member of the Colorado Special Districts Property and Liability Pool (CSDPLP). The CSDPLP is an organization composed of approximately 1,150 members created by intergovernmental agreement to provide property and general liability, automobile physical damage and liability, public officials liability and boiler and machinery coverage to its members. The CSDPLP provides coverage for property claims up to the values declared and liability and public official's coverage for claims up to $1,000,000. There have been no significant reductions in insurance coverage from prior years and settlements have not exceeded insurance coverage for each of the past three fiscal years.

At December 31, 2024, CSDPLP has assets of $86,648,039, liabilities of $57,746,885 and surplus of $28,901,154. The liability includes no long-term debt. Total underwriting revenues for 2024 amounted to $32,245,532 and total underwriting expenses were $30,236,676 resulting in an excess of underwriting revenues over expenses of $2,008,856. The amount of the District's share of these amounts is less than 1%.

6. Defined Contribution Plan

Effective January 1, 1989, the District established a defined contribution plan, the South Fort Collins Sanitation District 401 Qualified Plan, under Internal Revenue Code Section 401, covering all full-time employees with service of six months or more. Each participant is required to contribute 3% of base pay when eligible. The District contributes 6% of base pay taxable earnings for the plan year on behalf of each participant. The participants are fully vested in employee contributions immediately, and after five years for employer contributions. Employer contributions are to be invested only in guaranteed funds, and employee contributions are unrestricted.

The District's contributions to the plan for the years ending December 31, 2025, 2024 and 2023 were $125,660, $106,569 and $75,626, respectively.

7. 457 Deferred Compensation Plan

The District offers its employees a deferred compensation plan (the Plan), created in accordance with Internal Revenue Code Section 457. The Plan is funded by voluntary member contributions of up to a maximum limit set by the IRS ($23,500 and $23,000 for the calendar years 2025 and 2024, respectively). Catch-up contributions of up to $7,500 for calendar years 2025 and 2024, were allowed for participants who had attained age 50 before the close of the plan year. All assets and income of the Plan are held in trust for the exclusive benefit of the participants and their beneficiaries. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. For the years ended December 31, 2025 and 2024, the District did not make any contributions to the Plan.

8. Tabor Compliance

In November 1992, Colorado voters passed an amendment (The Amendment or TABOR) to the State Constitution (Article X, Section 20) which limits the revenue raising and spending abilities of state and local governments. The limits on property taxes, revenue and "fiscal year spending" include allowable annual increases tied to inflation and local growth in construction valuation. Fiscal year spending, as defined by the Amendment, excludes spending from certain revenue and financing sources such as federal funds, gifts, property sales, fund transfers, damage awards and the fund reserves (balances). The Amendment requires voter approval for an increase in the mill levy or tax rates, new taxes or creation of multi-year debt. Revenue earned in excess of the "spending limit" must be refunded or approved to be retained by the District under specified voting requirements by the entire electorate.

On August 9, 1995, the District passed a resolution, "Continuing and Clarifying the Establishment of a Sanitation Activity Enterprise." This resolution was passed after much research by legal counsel regarding the status of the District following the passage of the Amendment. Because the District qualifies as an enterprise fund as defined by paragraph 2 (d), Section 20, Article X of the Colorado Constitution, it was determined that the District's Sanitation Enterprise Fund is therefore exempt from the requirements and limitations of Section 20, Article X of the Colorado Constitution.

The Amendment also requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by the Amendment, exclude economic conditions, revenue shortfalls or salary or fringe benefit increases. These reserves are required to be 3% or more of fiscal year spending (excluding bonded debt service). The District has restricted $16,585 and $20,959 as of December 31, 2025 and 2024, respectively, for emergencies as defined by TABOR.

The Amendment is complex and subject to judicial interpretation.

9. Subsequent Events

The District evaluated subsequent events through June 26, 2026, the date these financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure.

SUPPLEMENTARY INFORMATION

South Fort Collins Sanitation District

Schedule of Revenues and Expenditures - Budget and Actual (Budgetary Basis)
Year Ended December 31, 2025
(With Comparative Amounts for the Year Ended December 31, 2024)

	2025				
	Budget - Original	Budget - Final	Actual Amounts (Budgetary Basis)	Variance - Favorable (Unfavorable)	2024 Actual
Enterprise Function					
Revenues					
Operating Revenues/Transfers					
Sewer service charges	$ 9,120,031	$ 9,120,031	$ 9,209,743	$ 89,712	$ 7,413,645
Special charges	-	-	-	-	-
Other	500	500	-	(500)	-
Total operating revenues	9,120,531	9,120,531	9,209,743	89,212	7,413,645
Nonoperating Revenues					
Tap fees	2,500,000	2,500,000	5,493,200	2,993,200	3,521,600
Earnings on investments	1,200,000	1,200,000	2,308,468	1,108,468	2,605,261
Inclusion fees	2,500	2,500	-	(2,500)	2,367
Other nonoperating revenues	46,000	46,000	20,167	(25,833)	11,578
Intergovernmental, grants	44,000	44,000	-	(44,000)	-
Sale of assets	5,000	5,000	115,365	110,365	7,000
Total nonoperating revenues	3,797,500	3,797,500	7,937,200	4,139,700	6,147,806
Total revenues	12,918,031	12,918,031	17,146,943	4,228,912	13,561,451
Expenditures - Operating					
Treatment					
Treatment permit, NPDES	89,300	89,300	57,930	31,370	55,707
Treatment process control	24,650	24,650	12,506	12,144	16,113
Treatment biomonitoring	-	-	-	-	2,545
Treatment biosolids	7,500	7,500	10,019	(2,519)	8,482
Water quality	22,000	22,000	12,393	9,607	89,567
Screening/grit removal, headworks	37,200	37,200	30,440	6,760	41,049
Aeration-blower-step feed process	25,925	25,925	17,661	8,264	3,188
Aeration, CSSD	194,950	194,950	166,107	28,843	71,542
Aeration, Orbal	-	-	34,187	(34,187)	13,854
Clarifiers	94,900	94,900	10	94,890	1,774
Biosolids, ATAD	18,550	18,550	22,239	(3,689)	15,649
Biosolids, dewatering	668,950	668,950	468,167	200,783	108,225
Disinfection, UV/filters	60,100	60,100	66,546	(6,446)	40,852
Treatment chemicals	-	-	-	-	450,575
Treatment facility energy	925,000	925,000	558,397	366,603	607,664
Admin/laboratory building	15,000	15,000	10,978	4,022	13,883
Mobile trailer office	-	-	-	-	51,289
Collections building	5,000	5,000	6,264	(1,264)	150
Generator	12,800	12,800	7,191	5,609	6,501
Treatment facility grounds	33,100	33,100	40,769	(7,669)	25,846
Shop building	7,900	7,900	10,312	(2,412)	6,000
Storage building	1,500	1,500	-	1,500	2,333
Tank	15,000	15,000	-	15,000	183
Vehicle maintenance building	2,250	2,250	1,304	946	2,006
Farm land	-	-	-	-	705
Treatment facility water	10,500	10,500	9,185	1,315	8,795
Treatment fleet	5,750	5,750	7,081	(1,331)	12,808
Treatment supporting services	43,600	43,600	25,433	18,167	27,251
Treatment training and development	4,150	4,150	814	3,336	2,000
Treatment safety	7,000	7,000	13,397	(6,397)	6,631
Treatment labor/benefits	956,013	956,013	953,850	2,163	795,131
Total treatment	3,288,588	3,288,588	2,543,180	745,408	2,488,298

South Fort Collins Sanitation District

Schedule of Revenues and Expenditures - Budget and Actual (Budgetary Basis)
Year Ended December 31, 2025
(With Comparative Amounts for the Year Ended December 31, 2024)

	2025				
	Budget - Original	Budget - Final	Actual Amounts (Budgetary Basis)	Variance - Favorable (Unfavorable)	2024 Actual
Collections					
Boyd Lake	$ 6,440	$ 6,440	$ 9,210	$ (2,770)	$ 4,915
Crossroads	21,440	21,440	10,542	10,898	24,507
H25	5,510	5,510	16,258	(10,748)	6,034
Highland Meadows	15,510	15,510	36,653	(21,143)	24,659
McClelland	5,510	5,510	7,688	(2,178)	7,601
Old Boyd	6,440	6,440	5,974	466	6,425
Ptarmigan	110,510	110,510	91,786	18,724	87,251
Jetting	50,000	50,000	10,032	39,968	90,126
Pipe inspection	110,049	110,049	6,333	103,716	84,718
Pipe repair and maintenance	65,000	65,000	16,602	48,398	92,885
Line locates	120,000	120,000	110,551	9,449	94,574
Pipe easements	-	-	6,350	(6,350)	14,061
Collection fleet	20,000	20,000	34,893	(14,893)	16,431
Collections supporting services	10,000	10,000	13,910	(3,910)	6,985
Collections safety	7,500	7,500	12,502	(5,002)	7,066
Collections training and development	5,000	5,000	4,153	847	2,749
Collections labor/benefits	754,547	754,547	586,759	167,788	578,480
Total collections	1,313,456	1,313,456	980,196	333,260	1,149,467
Pretreatment					
Pretreatment permitting	1,000	1,000	-	1,000	115
Pretreatment compliance	10,000	10,000	9,978	22	79
Pretreatment fleet	2,500	2,500	3,454	(954)	4,900
Pretreatment sampling/lab tests	40,000	40,000	32,749	7,251	45,416
Pretreatment public education	-	-	88	(88)	120
FOG program	6,000	6,000	4,106	1,894	4,301
Pretreatment training and development	2,000	2,000	3,754	(1,754)	849
Pretreatment labor/benefits	330,213	330,213	345,246	(15,033)	332,762
Total pretreatment	391,713	391,713	399,375	(7,662)	388,542
Management					
Board	-	-	13,040	(13,040)	14,367
Legal	45,000	45,000	13,699	31,301	34,159
Insurance, liability & property	155,000	155,000	141,705	13,295	124,036
Safety	10,000	10,000	1,188	8,812	(2,592)
Management fleet	2,000	2,000	5,955	(3,955)	4,684
Administration	-	-	5,582	(5,582)	1,462
Communications	18,000	18,000	23,212	(5,212)	65,116
Computer	30,000	30,000	26,130	3,870	30,840
Office	21,000	21,000	45,516	(24,516)	19,636
Mobile trailer office	42,000	42,000	48,444	(6,444)	-
Farm land	800	800	745	55	-
Workplace engagement	15,000	15,000	12,550	2,450	16,626
Management training and development	2,500	2,500	1,741	759	830
Labor/benefits	490,897	490,897	443,333	47,564	423,647
Total management	832,197	832,197	782,840	49,357	732,811
Finance					
Accounting	1,500	1,500	-	1,500	1,100
Audit	31,000	31,000	31,558	(558)	29,992
Collections fees	14,500	14,500	10,315	4,185	12,354
Accounting software	35,000	35,000	138,052	(103,052)	28,861
Training and development	2,750	2,750	-	2,750	-
Treasury management	14,400	14,400	12,122	2,278	9,461
Payroll	5,000	5,000	7,051	(2,051)	5,615
Employee-related	5,000	5,000	4,093	907	4,951
Management	1,000	1,000	190	810	6,136
Billing banking/lockbox	55,000	55,000	35,574	19,426	39,540
Billing information system	34,000	34,000	33,440	560	32,640
Billing processing	150,000	150,000	166,925	(16,925)	249,068
Finance labor/benefits	530,160	530,160	472,904	57,256	395,421
Total finance	879,310	879,310	912,224	(32,914)	815,139

South Fort Collins Sanitation District

Schedule of Revenues and Expenditures - Budget and Actual (Budgetary Basis)
Year Ended December 31, 2025
(With Comparative Amounts for the Year Ended December 31, 2024)

	2025				
	Budget - Original	Budget - Final	Actual Amounts (Budgetary Basis)	Variance - Favorable (Unfavorable)	2024 Actual
Engineering					
Development reviews	$ 50,000	$ 50,000	$ 13,058	$ 36,942	$ 40,451
GIS/CAD development	90,000	90,000	66,957	23,043	78,966
Mapping, surveying	-	-	138	(138)	2,815
Manhole, surveying	50,000	50,000	45,522	4,478	21,344
Small engineering activities	12,000	12,000	372	11,628	7,718
District master planning	50,000	50,000	-	50,000	-
Utility plan	150,000	150,000	119,398	30,602	-
Wet well testing	3,000	3,000	-	3,000	-
CIP Level 5 (ROM) cost estimating	25,000	25,000	-	25,000	-
Collection system access	40,000	40,000	-	40,000	-
Office site/space feasibility	-	-	-	-	24,522
Ptarmigan sewershed modeling	-	-	-	-	19,418
Ptarmigan force main and evaluation study	-	-	-	-	19,766
Easements	20,000	20,000	124	19,876	2,139
Easement research	30,000	30,000	-	30,000	-
Title searches	1,500	1,500	-	1,500	-
Inclusion legal notices	2,000	2,000	-	2,000	159
Training and development	1,000	1,000	1,689	(689)	743
Engineering labor/benefits	585,267	585,267	449,375	135,892	309,502
Total engineering	1,109,767	1,109,767	696,633	413,134	527,543
Total operating expenditures	7,815,031	7,815,031	6,314,448	1,500,583	6,101,800
Capital					
Operating	8,409,750	8,409,750	6,986,864	1,422,886	2,158,654
Nonoperating	9,986,250	9,986,250	-	9,986,250	-
Total capital	18,396,000	18,396,000	6,986,864	11,409,136	2,158,654
Total expenditures	26,211,031	26,211,031	13,301,312	12,164,311	8,260,454
Enterprise (loss) income	(13,293,000)	(13,293,000)	3,845,631	(7,935,399)	5,300,997
Governmental Function					
Revenues					
Property and specific ownership tax	517,325	517,325	552,827	35,502	698,623
Expenses and Transfers					
Larimer County treasurer fees	13,824	13,824	10,315	3,509	13,140
Board of directors	28,000	28,000	10,118	17,882	12,120
Transfer out	475,501	475,501	-	475,501	-
Total expenditures	517,325	517,325	20,433	496,892	25,260
(Deficiency) excess revenues over expenditures	-	-	532,394	(461,390)	673,363
(Deficiency) excess of budgetary revenues over budgetary expenditures	$ (13,293,000)	$ (13,293,000)	$ 4,378,025	$ (8,396,789)	$ 5,974,360