

Pueblo West Metropolitan District
Pueblo West, Colorado

Annual Comprehensive Financial Report

For the year ended December 31, 2025

Prepared by: Finance Department

Table of Contents

	Page
Introductory Section	
Letter of Transmittal	i
GFOA Certificate of Achievement for Excellence in Financial Reporting.....	v
Organization Chart	vi
Elected Officials	vii
Financial Section	
Independent Auditors' Report	viii
Management's Discussion and Analysis	xi
Basic Financial Statements	
<i>Government-wide Financial Statements</i>	
Statement of Net Position	1
Statement of Activities	2
<i>Fund Financial Statements</i>	
<i>Governmental Funds</i>	
Balance Sheet – Governmental Funds	3
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	4
Statement of Revenues, Expenditures and Changes in Fund Balances	5
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	6
<i>Proprietary Funds</i>	
Statement of Net Position	7-8
Statement of Revenues, Expenses and Changes in Net Position.....	9
Statement of Cash Flows.....	10
<i>Fiduciary Fund</i>	
Statement of Fiduciary Net Position	11
Statement of Changes in Fiduciary Net Position	12
<i>Notes to Financial Statements</i>	13-46
Required Supplemental Information	
Budgetary Comparison Schedule – General Fund	47
Budgetary Comparison Schedule – Conservation Trust Fund	48
Budgetary Comparison Schedule – Parks Donation Fund	49
Budgetary Comparison Schedule – Fire Tax Fund	50
Notes to Required Supplementary Information.....	51
Schedule of the District's Proportionate Share of the Net Pension Liability (Asset).....	52
Schedule of District Contributions	52

Supplemental Information

Capital Projects Fund

Schedule of Revenues, Expenditures and Change in Fund Balance —Budget and Actual	53
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Enterprise Funds

Schedule of Revenues, Expenditures and Change in Fund Balance —Budget and Actual	
Water Fund	54
Wastewater Fund	55
Community Development Fund	56
Swimming Pool Fund	57

Statistical Section

Net Position by Component	60
Change in Net Position	62
Fund Balances, Governmental Funds	66
Change in Fund Balances, Governmental Funds	68
Tax Revenue by Source, Governmental Funds	70
Property Tax Levies and Collections	71
Assessed Value and Estimated Actual Value of Taxable Property	72
Direct and Overlapping Property Tax Rates	74
Principal Property Taxpayers	76
Revenue by Source, Water Enterprise	78
Revenue by Source, Wastewater Fund	80
Revenue by Source, Community Development	81
Revenue by Source, Swimming Pool	82
Ratios of Outstanding Debt by Type	83
Ratios of General Bonded Debt Outstanding	84
Direct and Overlapping Governmental Activities Debt	85
Legal Debt Margin Information	86
Pledged Revenue Coverage	87
Demographic and Economic Statistics	88
Principal Employers	89
Full-Time Equivalent Employees by Function/Program	90
Operating Indicators by Function	92
Capital Asset Statistics by Function	94

INTRODUCTORY SECTION



PUEBLO WEST *Colorado*

June 30, 2026

To the Board of Directors and the Residents of the Pueblo West Metropolitan District:

State law requires that every general-purpose local government publish a complete set of audited financial statements. This report is published to fulfill the requirements for the fiscal year ended December 31, 2025.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Haynie and Company has issued an unmodified opinion on the Pueblo West Metropolitan District's financial statements for the year ended December 31, 2025. The independent auditor's report is located at the front of the financial section of this report.

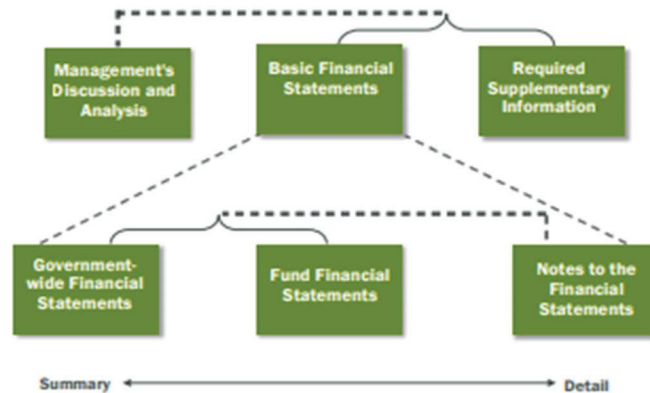
Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

The Report

The Annual Comprehensive Financial Report is presented in three (3) sections:

- The **Introduction** section includes this letter of transmittal, the District's organization chart, and certificates of achievement.
- The **Financial** section includes the independent auditors' report, Management's Discussion and Analysis (MD&A), the basic financial statements—including the government-wide financial statements comprised of the Statement of Net Position and the Statement of Activities—and the accompanying notes to the financial statements. This section also includes the fund financial statements, including the governmental funds financial statements, the proprietary funds financial statements, and the fiduciary funds financial statements. Required supplementary information other than the MD&A is also included in the financial section.

- The **Statistical** section includes selected financial and demographic information, on a multi-year basis.



Profile of the Government

The Pueblo West Metropolitan District, established in 1969, is located in southeastern Colorado and is one of the fastest growing communities in Pueblo County. It currently occupies 49.10 square miles and serves a population of approximately 33,000. The Pueblo West Metropolitan District is empowered to levy a property tax on both real and personal property located within its boundaries.

The Pueblo West Metropolitan District has operated under the council/manager form of government since 1969. Policy-making authority is vested in the Board of Directors, consisting of five members, all elected on a non-partisan basis with elections held in May of alternating years. Board members serve four-year terms, with three members elected one election and two members elected in the next election. The Board appoints the government's District Manager, who has the responsibility of all on-going management functions of the District.

In 2025 the Pueblo West Metropolitan District provided a limited range of services, including fire protection and emergency medical services, the maintenance of infrastructure, parks and recreational activities, water and wastewater services, limited covenant enforcement and other administrative and oversight functions including community development.

The Board is required to adopt a final budget no later than December 15 of the fiscal year. This annual budget serves as the foundation for the Pueblo West Metropolitan District's financial planning and control. The budget is prepared by fund and department.

Department heads may transfer resources within a department as deemed necessary. Transfers between funds, however, need special approval from the governing board.

Local Economy

Major industries located within the government's boundaries, or in proximity, include light industrial which consists of manufacturing of specialty pipes, chemicals, rail car repair services, as well as several financial institutions, retail, and other commercial businesses. Marijuana cultivation and related businesses continue to represent a significant commercial presence within Pueblo County and contribute to the area's economic activity. Pueblo West continues to experience commercial development and remains an attractive location for residential growth because of its proximity to the City of Pueblo and Colorado Springs.

Operating costs associated with providing the District's core services—including fire protection, infrastructure maintenance, parks and recreation, water and wastewater services, community development, and administrative functions—increased during 2025 as inflation continued to affect the cost of delivering these services. Residential growth began to slow in 2022 following the District's decision to limit the number of new water taps issued over a five-year period to ensure adequate long-term water supplies. This policy has moderated the pace of residential development while helping protect the District's long-term water resources. This has had a direct impact on growth in Pueblo West. The District continues to seek ways to sustain growth and development within the community, thus turning its focus to selling commercial properties.

Water and wastewater rates are reviewed annually and adjusted as necessary to recover operating costs, fund capital improvements, and support system expansion associated with growth.

Long-term financial planning

In 2019, the District's administrative building sustained severe damage, requiring staff to relocate to leased office space. In 2025, the District purchased a permanent administrative office building, along with an adjacent vacant lot for the future construction of additional office space and a boardroom. This investment reduces the District's reliance on leased facilities and supports its long-term operational and governance needs.

General Fund balance decreased during 2025 primarily as the District continued to invest in capital improvements, replace aging capital equipment, and fund strategic initiatives that support the community's long-term needs.

On January 1, 2021, the District began collecting a voter-approved temporary 1% sales tax authorized by the 2020 ballot issue to support the Pueblo West Fire Department. These revenues have been used to construct and staff a new fire station, purchase equipment, and maintain existing fire facilities. The fire sales tax continues to contribute to providing a dedicated funding source for these public safety initiatives.

On January 1, 2023, the District began collecting a separate voter-approved temporary 1% sales tax authorized by the 2022 ballot issue for the repair and maintenance of streets and roads within the District. These revenues are collected by the District and remitted to Pueblo County, which assumed responsibility for street and road maintenance effective January 1, 2023.

The Pueblo West Metropolitan District remains committed to maintaining strong financial reserves, minimizing long-term debt, and using fund balance prudently to meet current needs, while preserving its long-term financial health. Consistent with the District's fund balance policy, the General Fund maintains reserves equal to 25% of the prior year's operating expenditures, 2% of the prior year's net assets, and an additional \$500,000 contingency reserve.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Pueblo West Metropolitan District for its comprehensive annual financial report for the fiscal year ended December 31, 2024. This was the nineteenth consecutive year that the government has received this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report (ACFR). This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

The preparation of this report reflects the dedication and professionalism of the District's employees. We extend our sincere appreciation to the Finance Department and all District staff whose efforts contributed to the preparation of this report. We also thank the Board of Directors for its continued leadership and commitment to sound financial management.

Respectfully submitted,

Christian J. Heyn

Christian Heyn,
District Manager

Karen E. Cordova

Karen E. Cordova
Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Pueblo West Metropolitan District
Colorado**

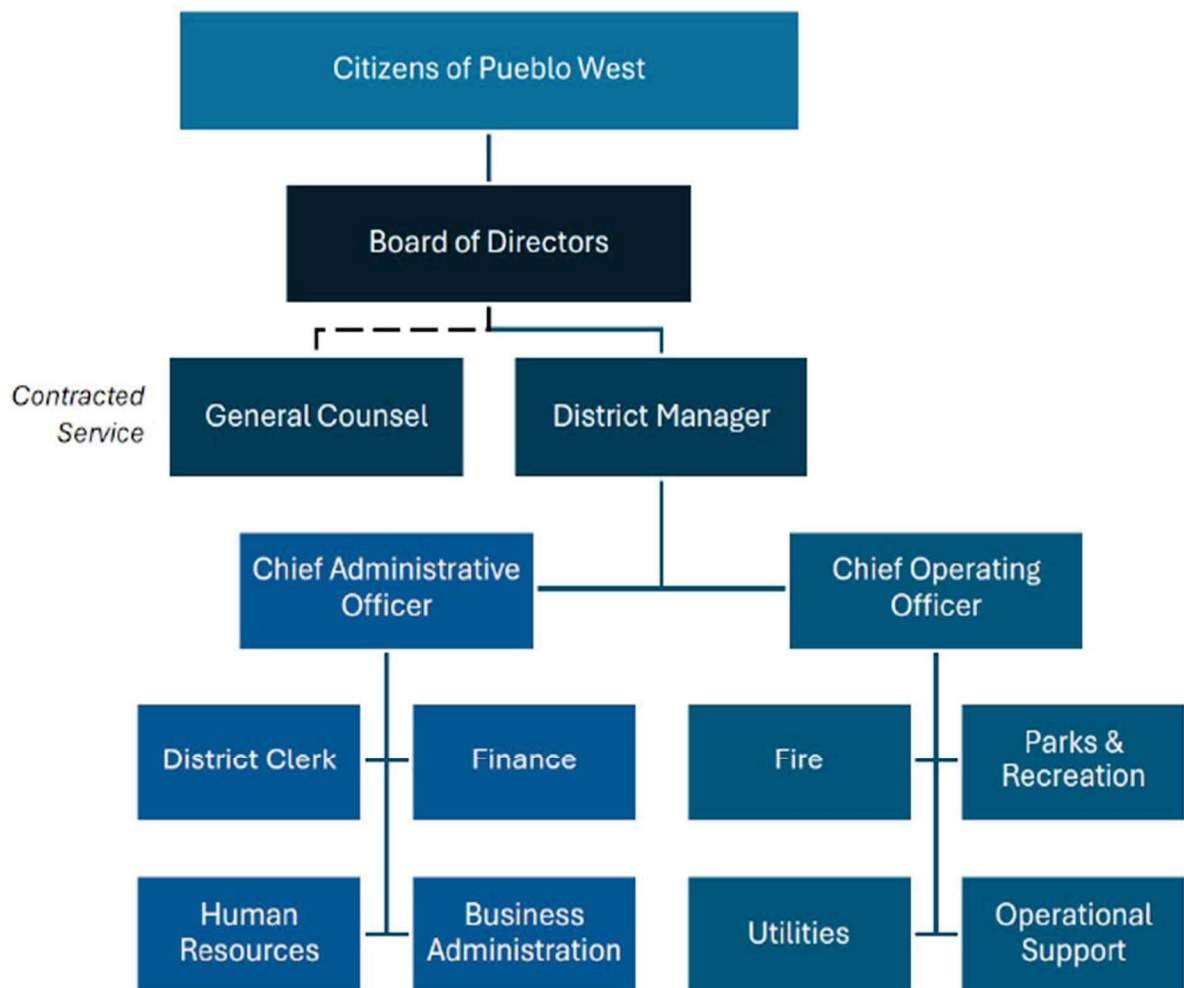
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2024

Christopher P. Morrell

Executive Director/CEO

**Pueblo West Metropolitan District
Organization Chart**





PUEBLO WEST

Colorado

Board of Directors

As of December 31, 2025

				
Brian Axworthy Vice President	Christopher Pasternak Treasurer	Gregory Roberts Secretary	Bill Vickers President	Rodney Potter
(Term expires: 2027)	(Term expires: 2029)	(Term expires: 2029)	(Term expires: 2027)	(Term expires: 2029)

FINANCIAL SECTION



Independent Auditors' Report

The Board of Directors
Pueblo West Metropolitan District
Pueblo West, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Pueblo West Metropolitan District, as of and for the year ended December 31, 2025 and the related notes to the financial statements, which collectively comprise Pueblo West Metropolitan 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 governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Pueblo West Metropolitan District, as of December 31, 2025 and the respective changes in financial position and cash flows, where applicable, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 Pueblo West Metropolitan 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 opinions.

Emphasis of Matter

As discussed in Note 18 to the financial statements, the District restated the prior year financial statements to reflect the correction of errors in previously issued financial statements. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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 Pueblo West Metropolitan 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' Responsibility 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 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 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 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and 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 audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Pueblo West Metropolitan District's basic financial statements. The individual fund schedules, as listed in the table of contents, 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the individual fund schedules, as listed in the table of contents, are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

A handwritten signature in black ink, appearing to read "Haynie", is positioned above the date and location text.

Littleton, Colorado
June 30, 2026

PUEBLO WEST METROPOLITAN DISTRICT, PUEBLO WEST, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2025

The discussion and analysis of the Pueblo West Metropolitan District's financial performance provide an overview and analysis of the District's financial activities for the fiscal year ended December 31, 2025. It should be read in conjunction with the accompanying basic financial statements. This discussion and analysis include a comparative analysis of government-wide data for year end 2024 and 2025.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the Pueblo West Metropolitan District exceeded its liabilities and deferred inflows of resources at the close of the fiscal year ending December 31, 2025, by \$171,799,151, (net position). Of this amount, \$73,115,417 (unrestricted net position) may be used to meet the government's ongoing obligations to the residents and creditors.
- The Pueblo West Metropolitan District's total net position increased by \$10,152,811 for the year ended December 31, 2025.
- As of December 31, 2025, the Pueblo West Metropolitan District's governmental funds reported a combined ending fund balances of \$26,178,098, an increase of \$1,085,321 during the year ended December 31, 2025.
- The total General Fund balance decreased by \$2,494,242 for the fiscal year ended December 31, 2025.
- The District's total debt decreased by \$547,742. The overall decrease was primarily attributable to scheduled principal payments on bonds and notes payable, which decreased by \$955,996. The District also entered into new lease agreements totaling \$994,244 while making lease principal payments of \$520,505. In addition, liabilities for compensated absences decreased by \$31,485, and subscription-based information technology arrangement (SBITA) liabilities decreased by \$31,999.
- GASB 102, Certain Risk Disclosures, was effective for fiscal year 2025. This statement requires additional note disclosures when a concentration or constraint exists, and an event associated with that concentration or constraint has occurred or begun to occur before the financial statements are issued that could cause a substantial impact on the government's financial condition. There was no significant impact to the District as a result of implementing this standard.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis serve as an introduction to the Pueblo West Metropolitan District's basic financial statements. The Pueblo West Metropolitan District's financial

statements are comprised of three components, government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the Pueblo West Metropolitan District's finances, in a manner similar to a private-sector business. The Statement of Net Position presents information on all the Pueblo West Metropolitan District's assets and deferred outflows of resources along with liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Pueblo West Metropolitan District is improving or deteriorating. The Statement of Net Position combines and consolidates governmental funds' current financial resources (short-term spendable resources) with capital assets and long-term obligations. Other nonfinancial factors should also be taken into consideration, such as changes in the District's property tax base and the condition of the District's infrastructure (i.e., water and sewer lines, etc.), to assess the overall health or financial condition of the District. The Statement of Activities presents information showing how the District's net position changed during the most recent fiscal year. All of the current year's revenues and expenditures are taken into account regardless of when cash is received or paid. Thus, revenue and expenditures are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but not used paid time off). Both the Statement of Net Position and the Statement of Activities are prepared utilizing the accrual basis of accounting and the economic resources measurement focus.

In the Statement of Net Position and the Statement of Activities, the District is divided into two kinds of activities:

- Governmental Activities – Most of the District's basic services are reported here, including fire, parks and recreation, and general administration. Property taxes, specific ownership taxes and franchise fees finance most of these activities.
- Business-type Activities – The District charges a fee to customers to help it cover all or most of the cost of certain services it provides. The District's water and wastewater systems, swimming pool and community development are reported here.

Reporting the District's Most Significant Funds

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds – not the District as a whole. Some funds are required to be established by state law and by bond covenants. However, the District establishes other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other money. The District's two kinds of funds – governmental and proprietary – utilize different accounting and approaches.

- Governmental funds – The majority of the District’s basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method identified as modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted into cash. The governmental fund statements provide a detailed short-term view of the District’s general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District’s programs. By comparing information presented for governmental funds with similar information presented for governmental activities in the government-wide statements, readers may better understand the long-term effect of the government’s near-term financing decisions. The relationships or differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is detailed in a reconciliation following the fund financial statements.

The Pueblo West Metropolitan District maintains five individual government funds. Information is presented separately in the Government Funds Balance Sheet and in the Governmental Funds Statements of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Parks Donation Fund, Capital Projects Fund, Fire Sales Tax Fund, and Conservation Trust Fund, all of which are major funds.

- Proprietary funds – the District charges customers for services it provides to them. These services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the District’s enterprise funds (a component of proprietary funds) are identical to the business-type activities that are reported in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.
- The Pueblo West Metropolitan District maintains four individual enterprise funds. The District uses enterprise funds to account for its water, wastewater, swimming pool and community development activities. The funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water, wastewater, swimming pool and community development activities, all of which are considered to be major funds of the District.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements.

THE DISTRICT AS A WHOLE – Government –Wide Financial Analysis

The District's combined net position was \$171,799,151 as of December 31, 2025. Analyzing the net position and net expenses of governmental and business-type activities separately, the governmental activities net position is \$50,343,734 and the business-type activities net position is \$121,455,417. This analysis focuses on the net position (table 1) and changes in general revenues (table 2) and significant expenses of the District's governmental and business-type activities.

The District's net position reflects a 53% net investment in capital assets (e.g., land, building, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to residents; consequently, these assets are not available for future spending. Although the District's net investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Table 1
Summary of Net Position
At December 31, 2025

	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Current and other assets	\$37,826,577	\$35,554,594	\$55,308,810	\$54,656,230	\$93,135,387	\$90,210,824
Capital Assets	23,770,362	19,805,711	76,046,048	72,855,017	99,816,410	92,660,728
Total Assets	61,596,939	55,360,305	131,354,858	127,511,247	192,951,797	182,871,552
Deferred outflows of resources	1,287,544	1,366,884	-	23,006	1,287,544	1,389,890
Other liabilities	1,161,589	1,275,156	1,255,694	1,542,154	2,417,283	2,817,310
Long term liabilities outstanding	1,169,242	776,522	8,643,747	9,584,209	9,812,989	10,360,731
Total liabilities	2,330,831	2,051,678	9,899,441	11,126,363	12,230,272	13,178,041
Deferred inflows of resources	10,209,918	9,437,061	-	-	10,209,918	9,437,061
Net position:						
Net investment in capital assets	22,973,145	19,442,030	67,340,305	62,923,289	90,313,450	82,365,319
Restricted for -						
TABOR	380,160	323,980		-	380,160	323,980
Aquatic Center	3,825,386	3,825,386		-	3,825,386	3,825,386
Fire sales tax	3,104,611	3,697,849		-	3,104,611	3,697,849
Parks and recreation	1,060,127	1,190,464		-	1,060,127	1,190,464
Unrestricted	19,000,305	16,758,741	54,115,112	53,484,601	73,115,417	70,243,342
Total net position	\$50,343,734	\$45,238,450	\$121,455,417	\$116,407,890	\$171,799,151	\$161,646,340

Governmental Activities

The District's general revenues decreased by 4.5% or \$923,829 compared with the prior year. Property tax revenues increased \$183,095 from the prior year and sales tax revenue increased by \$377,347. The overall decrease in general revenues was primarily due to a one-time gain recognized in 2024 from the sale of several acres of District-owned land which generated a net gain of \$992,900. Because there was no comparable land sale in 2025, general revenues were lower than the previous year.

In addition, the District did not receive its marijuana tax distribution from Pueblo County before year-end.

Table 2
General Revenues-Governmental Activities

	2025	2024	Increase (Decrease)
Taxes	\$ 8,467,266	\$ 8,284,171	\$ 183,095
Sales Taxes	8,261,545	7,884,198	377,347
Specific Ownership and other taxes	1,647,326	1,668,849	(21,523)
Unrestricted investment earnings	989,974	978,210	11,764
Gain on sale of assets	60,810	1,019,579	(958,769)
Miscellaneous	219,538	735,281	(515,743)
Total General Revenues	\$ 19,646,459	\$ 20,570,288	\$ (923,829)

Governmental and Business-type activities increased the District's net position by \$10,152,811. The key elements of this increase are as follows:

Table 3
Changes in Net Position

	Governmental Activities		Business type Activities		Total Activities	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program Revenues:						
Charges for services	\$ 327,015	\$ 390,498	\$ 19,121,276	\$ 18,402,156	\$ 19,448,291	\$ 18,792,654
Operating grants and contributions	56,901	72,208	-	-	56,901	72,208
Capital grants and contributions	1,340,872	460,992	3,039,904	3,175,642	4,380,776	3,636,634
General Revenues:						
Taxes	8,467,266	8,284,171	-	-	8,467,266	8,284,171
Sales Taxes	8,261,545	7,884,198	-	-	8,261,545	7,884,198
Specific Ownership and other taxes	1,647,326	1,668,849	-	-	1,647,326	1,668,849
Unrestricted investment earnings	989,974	978,210	1,823,962	1,883,757	2,813,936	2,861,967
Gain on sale of assets	60,810	1,019,579	234,877	30,457	295,687	1,050,036
Miscellaneous	219,538	735,281	-	182,465	219,538	917,746
Total Revenues	21,371,247	21,493,986	24,220,019	23,674,477	45,591,266	45,168,463
Expenses:						
General government	2,531,539	2,117,035	-	-	2,531,539	2,117,035
Fire protection	7,044,738	5,921,617	-	-	7,044,738	5,921,617
Streets and roads	4,151,452	3,965,851	-	-	4,151,452	3,965,851
Operational Support	402,240	345,130	-	-	402,240	345,130
Parks and Recreation	2,130,053	1,636,623	-	-	2,130,053	1,636,623
Water	-	-	13,251,656	13,254,107	13,251,656	13,254,107
Wastewater	-	-	5,413,875	5,064,340	5,413,875	5,064,340
Community Development	-	-	471,172	525,072	471,172	525,072
Swimming Pool	-	-	41,730	87,613	41,730	87,613
Total Expenses	16,260,022	13,986,256	19,178,433	18,931,132	35,438,455	32,917,388
Increase/Decrease in net position before transfers	5,111,225	7,507,730	5,041,586	4,743,345	10,152,811	12,251,075
Transfers	(5,941)	32,483	5,941	(32,483)	-	-
Increase/Decrease in net position	5,105,284	7,540,213	5,047,527	4,710,862	10,152,811	12,251,075
Net Position, January 1,	45,238,450	37,698,237	116,407,890	111,697,028	161,646,340	149,395,265
Net Position, December 31	\$ 50,343,734	\$ 45,238,450	\$ 121,455,417	\$ 116,407,890	\$ 171,799,151	\$ 161,646,340

Governmental activities

Revenues for Governmental activities remained relatively consistent with the prior year. Expenditures for governmental activities increased primarily due to higher personnel costs of approximately \$1.5 million. During 2025, the District implemented adjustments to its employee compensation plan to provide more competitive salaries, improve employee retention and better align compensation with market rates.

Parks Department expenditures also increased during 2025, primarily due to higher salary and water utility costs of \$108,129 after responsibility for irrigating the District's parks was transferred from a business-type activity to the Parks Department within the governmental activities.

General government expenditures increased during 2025 primarily due to higher personnel costs as well as increased costs for district-wide technology of \$71,932. These technology costs were previously reported in the Internal Services Fund, which was eliminated in 2024, and are now reported as General Government expenditures. Election expenses also

increased by \$66,344 compared with the prior year as the District conducted an election to fill three Board of Directors positions.

Fire Protection expenditures increased by approximately \$1.1 million compared with 2024, primarily due to higher personnel costs. The District continued its efforts to increase staffing levels toward National Fire Protection Association (NFPA) recommended minimum staffing standards while providing competitive compensation for Fire Department personnel.

Business-type activities

Revenues of the District's business-type activities including transfers were \$24,225,960 for the fiscal year ending December 31, 2025. Expenses for the District's business-type activities were \$19,178,433, resulting in an increase of net position of \$5,047,527. The change in net position is the result of several factors, including the following:

- The District's Water Fund reported total operating revenues of \$13,042,928 and capital contributions of \$2,740,479 consisting primarily of plant investment fees. The water department's operating expenses of \$13,203,344 exceeded operating revenue by \$160,416. Operating revenues increased \$1.3 million compared with the prior year primarily due to rate increases charged for metered sales and the implementation of new fees charged for water service line repairs and billing statements. Revenues also increased as a result of insurance proceeds received for damage to a water storage tank. Operating expenses remained relatively consistent with the previous year.
- The District's Wastewater Fund recorded operating revenue of \$5,821,209 and capital contributions of \$299,425, consisting of plant investment fees. Operating revenue exceeded operating expenses of \$5,220,759 by \$600,450. Operating revenue increased in 2025 primarily due to increases in sewer usage charges. Overall expenses increased as a result of adjustments to the District's compensation plan and improved employee retention, which reduced employee turnover. Excluding personnel costs, operating expenses remained relatively consistent with the previous year.
- The District's Community Development Fund recorded operating revenue of \$257,139 and no capital contributions. Charges for services include revenue from land sales. Operating expenses of \$445,310 exceeded operating revenue by \$188,171. Land sales revenue decreased significantly in 2025 as the District shifted its focus from residential land sales to commercial property sales which require longer planning, marketing and development timelines before transactions are completed. The District continues to reduce its land inventory. Personnel costs, including salaries and benefits, continued to represent the largest expenditure of the community development department.

- The District’s Swimming Pool was closed during 2025 because the facility required extensive repairs that were determined to be financially impractical. The expenses recorded were \$41,730 and consisted primarily of routine maintenance and other costs necessary to maintain the aging facility while it remained out of service.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of the fiscal year 2025, the District had \$99,816,410 invested in a broad range of capital assets, including fire equipment, buildings, parks facilities, water rights, and water and sewer infrastructure. (See Table 4). This amount represents a net increase (including additions and deductions) of \$7,155,682 or about 7.7 percent over the prior fiscal year.

The increase was primarily attributable to continued investment in the Water Fund’s water delivery system. Capital assets in the governmental activities also increased due to the purchase of a new administrative office building, construction of new park trails, and the acquisition of various capital equipment. These increases were partially offset by the annual depreciation expense.

For additional information regarding the District’s capital assets please refer to note 7 in the notes to the financial statements.

Table 4
Capital Assets
Net of Depreciation

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	\$3,675,381	\$3,590,491	\$654,138	\$654,138	\$4,329,519	\$4,244,629
Water rights		-	16,256,140	15,919,817	16,256,140	15,919,817
Construction in progress	1,244,749	1,007,322	6,815,894	13,831,888	8,060,643	14,839,210
SDS		-	4,141,688	4,313,178	4,141,688	4,313,178
Buildings	8,508,489	7,867,086	5,679,381	5,043,713	14,187,870	12,910,799
Improvements	5,511,402	4,748,869	-	-	5,511,402	4,748,869
Infrastructure	-	-	36,744,070	27,553,425	36,744,070	27,553,425
Machinery & equipment	4,073,197	2,236,245	5,216,827	5,022,308	9,290,024	7,258,553
Right of Use Asset	753,623	342,684	530,868	490,522	1,284,491	833,206
Subscription-based IT arrangements	3,521	13,014	7,042	26,028	10,563	39,042
Totals	\$23,770,362	\$19,805,711	\$76,046,048	\$72,855,017	\$99,816,410	\$92,660,728

This year's major additions over \$50,000 include:

Purcell Transmission Mains (in process)	\$ 1,997,285
Filters 5 & 6 Rehab	1,000,250
Tap 4 & 5 Joe Martinez Trail	857,111
63 Spaulding Purchase	726,602
Clarifiers 8 & 11 Rehab (in process)	455,787
Reconstruct Homer Roadway	416,391
Well Development Cyclone Trail (in process)	388,561
North Tank 140 Repairs (in process)	323,356
Purcell Blvd. Trail (in process)	317,089
Main replacement - Tract 337 (in process)	254,018
Well Development LS1 to Cattail	181,276
Looping Water Main - Frying Pan to Tenderfoot (in process)	136,128
Storage Building - Lovell Park	129,335
Civic Center Dog Park (in process)	123,047
UV System upgrade	122,311
Pixie Park playground equipment	90,337
Firestation #1 Remodel (in process)	72,250
Civic Center Trail (in process)	71,186
Vacant land purchase	64,890
Railroad tie fence repair	50,026

The District's fiscal year 2026 capital budget calls for capital projects spending of approximately \$49 million. The estimated capital expenditures for parks and recreation are \$8.5 million for the extension and creation of walking/biking trails, design of a new community aquatic center and improvements to existing facilities. The estimated capital expenditures for the construction of an administration building are budgeted at \$2.5 million. The fire department has budgeted capital expenditures in the amount of \$2.9 million for the remodel of fire station no. 1, additional capital equipment and repairs to existing facilities. The estimated capital expense for the water department is \$28 million and includes \$5.7 million for construction of tank 140, \$6.5 million for watermain replacement, and \$8.9 million for well development projects. The water department is also budgeting for ongoing improvements to the water distribution system and additional capital equipment. The estimated capital expenditure for the Wastewater department is over \$6.1 million and includes \$3.9 million for the plant upgrades and \$2.3 million for the purchase of capital equipment.

Debt

At year-end, the District had \$9,812,989 in long-term debt as compared to \$10,360,731 at the end of the prior fiscal year, a decrease of approximately 5.3% as shown in Table 5. For additional information relating to the outstanding debt of the District please refer to notes 8,9 and 10 in the notes to the financial statements.

Table 5
Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Building leases	\$ 44,170	\$ 76,135	\$ -	\$ 5,857	\$ 44,170	\$ 81,992
Vehicle Leases	753,047	276,879	538,227	502,835	1,291,274	779,714
Revenue bonds (backed by fee revenues)	-	-	8,008,296	8,966,292	8,008,296	8,966,292
Subscription -based IT arrangements	-	10,667	-	21,332	-	31,999
Compensated Absences	372,025	412,841	97,224	87,893	469,249	500,734
Totals	\$1,169,242	\$ 776,522	\$ 8,643,747	\$ 9,584,209	\$ 9,812,989	\$ 10,360,731

THE DISTRICT'S FUNDS

At the end of the District's fiscal year on December 31, 2025, the governmental funds of the district reported a combined fund balance of \$26,178,098. This ending fund balance represents an increase of \$1,085,321 for the District's governmental funds.

These changes in fund balances should be noted:

- The District's general fund balance decreased \$2,494,242 ending the year at \$10,253,619. Property tax revenue remained relatively consistent with the prior year. However, revenues declined primarily because fiscal year 2024 included approximately \$1.0 million from the sale of District-owned land, a one-time transaction that did not recur in 2025. Expenditures also increased during the year due to adjustments to the District's employee compensation plan, the transfer of certain costs previously paid by the business-type activities, and the elimination of the Internal Service Fund in the previous year, with those costs being reallocated and reported in the General Fund.
- The Fire Sales Tax Fund decreased \$566,604 from the previous year. Revenue remained consistent from the prior year. Personnel expenses increased when compared to the previous year due to the District's adjustments to its employee compensation plan to provide more competitive salaries, improve employee retention and better align compensation with market rates.
- The Capital Projects Fund increased \$4,276,504 from the previous year as transfers in from the General Fund were increased and planned projects were not started until year end. Many projects remained unfinished at year end.
- The District's conservation trust fund balance decreased by \$166,161 to \$901,034, as the number of capital projects increased.
- The Parks Donation Fund increased its fund balance by \$35,824 to \$159,093. Revenue comes from donations and a transfer of a portion of the marijuana excise tax revenue from the general fund. Expenses increased in this fund as the intent was to conduct various community events with the funds transferred from the general fund.

General Fund Budgetary Highlights

For fiscal year 2025, General Fund expenditures on a budgetary basis were \$18,363,987 as compared to the budget amount of \$18,368,698. The \$4,711 positive variance demonstrates that the District's departments are monitoring their budgets and spending within budget limits.

For fiscal year 2025, actual budgetary basis revenues totaled \$15,869,745 compared with the budgeted amount of \$14,002,898, resulting in a positive variance of \$1,866,847. Interest earnings exceeded budget due to higher-than-anticipated earnings from investments in higher yielding accounts. In addition, sales tax revenues generated from the District's 1% streets and roads sales tax exceeded budgeted expectations. Proceeds from leases also exceeded budgeted expectations, contributing to the overall favorable revenue variance.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District's elected officials consider many factors when setting the fiscal year 2026 budget, mill levy, and fees that will be charged for the business-type activities. The mill levy is determined by utilizing the Pueblo County Assessor's assessed valuation of property within the boundaries of the District tied to cost of living as determined by the Denver-Aurora-Lakewood Consumer Price Index and TABOR.

The General Fund's largest single revenue source is property taxes. The property tax rate for FY 2026 is \$0.2023 per \$1,000 valuation. Of this tax rate, 100% is utilized for General Fund activities. The estimated property tax revenue for FY 2026 is \$9,372,088.

The largest revenue source for the water fund is metered sales to general customers, estimated for 2026 at \$11 million based on three tier water rates. The second largest revenue source for the water fund is plant investment fees (PIF), estimated at \$6.1 million.

The largest revenue source for the wastewater fund is for sewer usage fees, estimated at \$4.6 million for 2026 based on rates per 1,000 gallons. The second largest revenue source for the wastewater fund is plant investment fee (PIF), estimated at \$665,000.

TABOR EXCESS

In November 2016, the citizens of the Pueblo West Metropolitan District approved Ballot Issue 5A: TABOR TIMEOUT FOR COMMUNITY POOL AND AQUATIC FACILITY to allow the District to collect, retain and spend all revenue it receives in years 2017 through 2026. Revenues collected in excess of the 5.5% property tax revenue growth limitation contained in section 29-1-301 Colorado Revised Statutes may be retained by the District for the sole purpose of funding the design, construction, maintenance or lease of a community pool and aquatic facility.

In 2025, the District did not collect any revenues in excess of the TABOR limitation.

SUBSEQUENT EVENTS

The District made the difficult decision to permanently close the outdoor swimming pool because the cost of repairing the 50+ year old facility was considered fiscally irresponsible with limited resources for capital projects while the new community indoor pool was entering its planning phase.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our residents, taxpayers, customers, and 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 questions about this report or need additional financial information, contact the Finance Department, at Pueblo West Metropolitan District's offices at 63 E. Spaulding Ave., Pueblo West, CO 81007.

Basic Financial Statements

PUEBLO WEST METROPOLITAN DISTRICT

Statement of Net Position

December 31, 2025

	PRIMARY GOVERNMENT		
	GOVERNMENTAL	BUSINESS-TYPE	
	ACTIVITIES	ACTIVITIES	TOTAL
ASSETS			
Cash and cash equivalents	\$ 1,098,607	\$ 750	\$ 1,099,357
Certificates of deposit	11,774,341	-	11,774,341
Investments	43,858,474	5,075,621	48,934,095
Receivables	12,570,100	10,290,849	22,860,949
Inventories	38,159	5,153,955	5,192,114
Internal balances	(32,051,161)	32,051,161	-
Other assets	538,057	2,416,474	2,954,531
Restricted certificates of deposit	-	320,000	320,000
Capital assets -			
Land, intangibles and construction in progress	4,920,130	23,726,172	28,646,302
Other capital assets, net of depreciation	18,850,232	52,319,876	71,170,108
Total capital assets	23,770,362	76,046,048	99,816,410
TOTAL ASSETS	61,596,939	131,354,858	192,951,797
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	1,287,544	-	1,287,544
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,287,544	-	1,287,544
LIABILITIES			
Accounts payable and accrued expenses	1,161,589	1,255,694	2,417,283
Long-term liabilities:			
Due within one year	447,807	729,209	1,177,016
Due in more than one year	721,435	7,914,538	8,635,973
TOTAL LIABILITIES	2,330,831	9,899,441	12,230,272
DEFERRED INFLOWS OF RESOURCES			
Leases	598,892	-	598,892
Property taxes	9,359,588	-	9,359,588
Pension related	251,438	-	251,438
TOTAL DEFERRED INFLOWS OF RESOURCES	10,209,918	-	10,209,918
NET POSITION			
Net investment in capital assets	22,973,145	67,340,305	90,313,450
Restricted for -			
TABOR	380,160	-	380,160
Aquatic center	3,825,386	-	3,825,386
Fire sales tax	3,104,611	-	3,104,611
Parks and recreation	1,060,127	-	1,060,127
Unrestricted	19,000,305	54,115,112	73,115,417
TOTAL NET POSITION	\$ 50,343,734	\$ 121,455,417	\$ 171,799,151

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

PUEBLO WEST METROPOLITAN DISTRICT

Statement of Activities For the Year Ended December 31, 2025

FUNCTIONS / PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Primary Government							
Governmental activities:							
General government	\$ 2,531,539	\$ 327,015	\$ -	\$ -	\$ (2,204,524)	\$ -	\$ (2,204,524)
Fire protection	7,044,738	-	-	-	(7,044,738)	-	(7,044,738)
Streets and roads	4,151,452	-	-	1,049,134	(3,102,318)	-	(3,102,318)
Operational support	402,240	-	-	291,738	(110,502)	-	(110,502)
Parks and recreation	2,130,053	-	56,901	-	(2,073,152)	-	(2,073,152)
Total Governmental Activities	16,260,022	327,015	56,901	1,340,872	(14,535,234)	-	(14,535,234)
Business-Type Activities:							
Water	13,251,656	13,042,928	-	2,740,479	-	2,531,751	2,531,751
Wastewater	5,413,875	5,821,209	-	299,425	-	706,759	706,759
Community development	471,172	257,139	-	-	-	(214,033)	(214,033)
Swimming pool	41,730	-	-	-	-	(41,730)	(41,730)
Total Business-Type Activities	19,178,433	19,121,276	-	3,039,904	-	2,982,747	2,982,747
Total Primary Government	\$ 35,438,455	\$ 19,448,291	\$ 56,901	\$ 4,380,776	\$ (14,535,234)	\$ 2,982,747	\$ (11,552,487)
General Revenues:							
Taxes:							
Property taxes					\$ 8,467,266	\$ -	\$ 8,467,266
Sales taxes					8,261,545	-	8,261,545
Specific Ownership and Other Taxes					1,647,326	-	1,647,326
Unrestricted investment earnings					989,974	1,823,962	2,813,936
Gain on sale of assets					60,810	234,877	295,687
Miscellaneous					219,538	-	219,538
Transfers					(5,941)	5,941	-
Total general revenues and transfers					19,640,518	2,064,780	21,705,298
Change in net position					5,105,284	5,047,527	10,152,811
NET POSITION, BEGINNING					45,238,450	116,407,890	161,646,340
NET POSITION, ENDING					\$ 50,343,734	\$ 121,455,417	\$ 171,799,151

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

PUEBLO WEST METROPOLITAN DISTRICT

Balance Sheet Governmental Funds December 31, 2025

	GENERAL FUND	CONSERVATION TRUST FUND	PARKS DONATION FUND	FIRE SALES TAX FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS						
Cash and cash equivalents	\$ 1,098,607	\$ -	\$ -	\$ -	\$ -	\$ 1,098,607
Certificates of deposit	11,774,341	-	-	-	-	11,774,341
Investments	43,858,474	-	-	-	-	43,858,474
Accounts receivable, net	54,785	90,000	-	-	-	144,785
Accrued interest receivable	15,187	1,030	-	3,065	-	19,282
Taxes Receivable	10,770,745	-	-	746,422	-	11,517,167
Due from other funds	-	837,825	171,747	2,408,072	11,610,540	15,028,184
Receivable from other governments	-	-	-	-	166,269	166,269
Lease receivable	722,597	-	-	-	-	722,597
Inventories	38,159	-	-	-	-	38,159
Prepaid items	440,730	-	-	97,327	-	538,057
TOTAL ASSETS	\$ 68,773,625	\$ 928,855	\$ 171,747	\$ 3,254,886	\$ 11,776,809	\$ 84,905,922
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 870,521	\$ 21,133	\$ 12,654	\$ 32,183	\$ 105,732	\$ 1,042,223
Retainage payable	-	6,688	-	-	8,663	15,351
Accrued liabilities	83,250	-	-	20,765	-	104,015
Due to other funds	47,079,345	-	-	-	-	47,079,345
TOTAL LIABILITIES	48,033,116	27,821	12,654	52,948	114,395	48,240,934
DEFERRED INFLOWS OF RESOURCES						
Property taxes	9,359,588	-	-	-	-	9,359,588
Marijuana Retail Sales Tax Pass Thru from other government	528,410	-	-	-	-	528,410
Leases	598,892	-	-	-	-	598,892
TOTAL DEFERRED INFLOWS OF RESOURCES	10,486,890	-	-	-	-	10,486,890
FUND BALANCES						
Nonspendable	478,889	-	-	97,327	-	576,216
Restricted	380,160	901,034	159,093	3,104,611	3,825,386	8,370,284
Committed	2,373,496	-	-	-	1,127,353	3,500,849
Assigned	-	-	-	-	6,709,675	6,709,675
Unassigned	7,021,074	-	-	-	-	7,021,074
TOTAL FUND BALANCES	10,253,619	901,034	159,093	3,201,938	11,662,414	26,178,098
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 68,773,625	\$ 928,855	\$ 171,747	\$ 3,254,886	\$ 11,776,809	\$ 84,905,922

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

PUEBLO WEST METROPOLITAN DISTRICT

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

December 31, 2025

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

Total fund balance - governmental funds	\$	26,178,098
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Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds:

The cost of capital assets is	35,064,729		
Less: Accumulated depreciation and amortization	(11,288,426)		
Less: Transfers capital assets out	(5,941)		
Net capital assets			23,770,362

Recognition and measurement of the net pension liability, together with pension-related deferred outflows of resources and deferred inflows of resources in financial statements prepared using the economic resources measurement focus and the accrual basis of accounting are not current financial resources and, therefore, are not reported in governmental funds

Deferred outflows of resources relating to pensions	1,287,544		
Deferred inflows of resources relating to pensions	(251,438)		
Deferred inflow of resources	528,410		1,564,516

Long-term liabilities are not due and payable from current financial resources, and therefore, are not reported as liabilities on the fund financial statements.

Long-term liabilities at year end consist of:

Obligation under right to use asset	(797,217)		
Compensated absences	(372,025)		(1,169,242)

Total net position - governmental activities	\$	50,343,734
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The accompanying notes are an integral part of these financial statements.

PUEBLO WEST METROPOLITAN DISTRICT

Governmental Funds Statement of Revenues, Expenditures and Changes in Funds Balances For the Year Ended December 31, 2025

	GENERAL FUND	CONSERVATION TRUST FUND	PARKS DONATION FUND	FIRE SALES TAX FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES:						
Property taxes	\$ 8,467,266	\$ -	\$ -	\$ -	\$ -	\$ 8,467,266
Specific ownership taxes	692,873	-	-	-	-	692,873
Franchise taxes	161,737	-	-	-	-	161,737
Sales Tax	4,130,772	-	-	4,130,773	-	8,261,545
Other taxes	264,306	-	-	-	-	264,306
Intergovernmental	-	291,738	-	-	1,049,134	1,340,872
Charges for Services	327,015	-	-	-	-	327,015
Investment earnings	815,400	44,393	-	130,181	-	989,974
Other	202,147	-	56,901	1,524	15,867	276,439
TOTAL REVENUES	<u>15,061,516</u>	<u>336,131</u>	<u>56,901</u>	<u>4,262,478</u>	<u>1,065,001</u>	<u>20,782,027</u>
EXPENDITURES:						
Current:						
Streets and roads	4,130,772	-	-	-	-	4,130,772
Fire protection	3,493,749	-	-	2,959,836	-	6,453,585
Operational support	395,686	-	-	-	-	395,686
Parks and recreation	1,525,568	7,586	117,731	-	-	1,650,885
Maintenance operations	552,387	-	-	-	-	552,387
Administration	1,827,154	-	-	-	-	1,827,154
Capital outlay	746,849	494,706	-	1,869,246	2,383,665	5,494,466
TOTAL EXPENDITURES	<u>12,672,165</u>	<u>502,292</u>	<u>117,731</u>	<u>4,829,082</u>	<u>2,383,665</u>	<u>20,504,935</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	2,389,351	(166,161)	(60,830)	(566,604)	(1,318,664)	277,092
OTHER FINANCING SOURCES (USES)						
Proceeds from sale of equipment	62,375	-	-	-	-	62,375
Issuance of debt - lease purchase	745,854	-	-	-	-	745,854
Transfers in	-	-	96,654	-	5,595,168	5,691,822
Transfers out	(5,691,822)	-	-	-	-	(5,691,822)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(4,883,593)</u>	<u>-</u>	<u>96,654</u>	<u>-</u>	<u>5,595,168</u>	<u>808,229</u>
NET CHANGE IN FUND BALANCE	(2,494,242)	(166,161)	35,824	(566,604)	4,276,504	1,085,321
FUND BALANCES, BEGINNING OF YEAR	<u>12,747,861</u>	<u>1,067,195</u>	<u>123,269</u>	<u>3,768,542</u>	<u>7,385,910</u>	<u>25,092,777</u>
FUND BALANCES, END OF YEAR	<u>\$ 10,253,619</u>	<u>\$ 901,034</u>	<u>\$ 159,093</u>	<u>\$ 3,201,938</u>	<u>\$ 11,662,414</u>	<u>\$ 26,178,098</u>

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

PUEBLO WEST METROPOLITAN DISTRICT
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended December 31, 2025

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

Total net change in fund balances - governmental funds	\$	1,085,321
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Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.

Capital outlay	5,407,439	
Depreciation and amortization expense	(1,435,280)	
Capital asset transfers	(5,941)	
Net amount		3,966,218

Proceeds from sale of capital assets are shown as an other financing source, but are reduced by the net book value of the asset to calculate the gain or loss on sale of capital assets on the statement of activities. This is the net book value of the capital assets sold.	(1,565)
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Proceeds from leases and subscription arrangements in acquisition of right of use assets not recognized in the government-wide financial statements.	(745,854)
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Proceeds from marijuana taxes not recognized in the government-wide financial statements.	528,410
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Recognition and measurement of the changes in the net pension liability, together with changes in the pension-related deferred outflows of resources and deferred inflows of resources prepared using the economic resources measurement focus and the accrual basis of accounting are not financial resources and, therefore, are not reported in governmental funds as such. Rather, pension expenditures are reported in the governmental funds when paid.	(80,378)
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The governmental funds report the proceeds from the issuance of debt obligations as an other financing source and the repayments of principal on this debt obligation as an expenditure. Interest expense is recognized as an expenditure in the governmental funds when it is due, while interest expense is recognized when incurred in the statement of activities. Net effect of these differences in the treatment of these debt obligations follows:

Principal payments on right to use asset lease obligations	301,649	
Principal payments on SBITA asset lease obligations	10,667	312,316

In the statement of activities, certain operating expenses such as compensated absences (vacation and sick leave) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amounts actually paid. This year compensated absences earned were less than amounts paid.

40,816

Change in net position of governmental activities	\$	<u>5,105,284</u>
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PUEBLO WEST METROPOLITAN DISTRICT

Proprietary Funds Statement of Net Position December 31, 2025

ASSETS	Business-Type Activities				
	Water Fund	Wastewater Fund	Community Development Fund	Swimming Pool Fund	Total Enterprise Funds
Current Assets					
Cash and cash equivalents	\$ 750	\$ -	\$ -	\$ -	\$ 750
Restricted certificates of deposit	-	320,000	-	-	320,000
Investments	5,075,621	-	-	-	5,075,621
Accounts receivable, net	1,187,909	851,563	39,708	-	2,079,180
Due from other funds	17,176,857	11,482,850	3,227,375	164,079	32,051,161
Due from other governments	-	598,363	-	-	598,363
Inventories	1,651,120	16,207	3,486,628	-	5,153,955
Prepaid expenses	1,752,975	177,779	27,904	816	1,959,474
Total Current Assets	26,845,232	13,446,762	6,781,615	164,895	47,238,504
Non-Current Assets					
Capital assets					
Land	562,263	79,188	-	12,687	654,138
Buildings and improvements	2,456,268	20,650	-	80,242	2,557,160
Treatment plant	12,226,713	15,802,521	-	-	28,029,234
Sources of supply	8,992,589	-	-	-	8,992,589
Collection, transmission and distribution system	55,855,989	23,845,287	-	-	79,701,276
Storage system	4,015,360	-	-	-	4,015,360
Equipment	9,244,192	2,410,519	-	60,894	11,715,605
Pool	-	-	-	508,363	508,363
Water rights	16,256,140	-	-	-	16,256,140
Intangible assets	5,856,585	-	-	-	5,856,585
Accumulated depreciation	(61,117,977)	(27,874,121)	-	(602,108)	(89,594,206)
Right of use assets	1,006,014	137,455	104,490	-	1,247,959
SBITA assets	32,000	-	32,000	-	64,000
Accumulated amortization	(590,194)	(80,124)	(103,731)	-	(774,049)
Construction in progress	5,139,481	1,676,413	-	-	6,815,894
Total capital assets	59,935,423	16,017,788	32,759	60,078	76,046,048
Other assets					
Notes receivable	7,613,306	-	-	-	7,613,306
Option to acquire land	457,000	-	-	-	457,000
Total other assets	8,070,306	-	-	-	8,070,306
Total Non-Current Assets	68,005,729	16,017,788	32,759	60,078	84,116,354
TOTAL ASSETS	\$ 94,850,961	\$ 29,464,550	\$ 6,814,374	\$ 224,973	\$ 131,354,858

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

PUEBLO WEST METROPOLITAN DISTRICT
Proprietary Funds
Statement of Net Position (continued)
12/31/2025

	Business-Type Activities				Total Enterprise Funds
	Water Fund	Wastewater Fund	Community Development Fund	Swimming Pool Fund	
LIABILITIES					
Current Liabilities:					
Accounts payable	\$ 784,550	\$ 180,834	\$ 10,160	\$ 247	\$ 975,791
Retainage payable	157,131	2,089	-	-	159,220
Accrued payroll	43,809	24,344	2,914	-	71,067
Accrued interest payable	-	49,616	-	-	49,616
Accrued compensated absences	41,865	4,537	2,211	-	48,613
Lease payable	169,471	20,435	13,925	-	203,831
Subscription-based IT Arrangement payable	-	-	-	-	-
Bonds payable and notes payable (net of unamortized bond premium)	-	476,765	-	-	476,765
Total Current Liabilities	<u>1,196,826</u>	<u>758,620</u>	<u>29,210</u>	<u>247</u>	<u>1,984,903</u>
Non-Current Liabilities:					
Accrued compensated absences	41,864	4,536	2,211	-	48,611
Lease payable	281,142	39,371	13,883	-	334,396
Bonds payable and notes payable (net of unamortized bond premium)	-	7,531,531	-	-	7,531,531
Total Non-Current Liabilities	<u>323,006</u>	<u>7,575,438</u>	<u>16,094</u>	<u>-</u>	<u>7,914,538</u>
TOTAL LIABILITIES	<u>1,519,832</u>	<u>8,334,058</u>	<u>45,304</u>	<u>247</u>	<u>9,899,441</u>
NET POSITION					
Net investment in capital assets	59,327,679	7,947,597	4,951	60,078	67,340,305
Unrestricted	34,003,450	13,182,895	6,764,119	164,648	54,115,112
TOTAL NET POSITION	<u>\$ 93,331,129</u>	<u>\$ 21,130,492</u>	<u>\$ 6,769,070</u>	<u>\$ 224,726</u>	<u>\$ 121,455,417</u>

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

PUEBLO WEST METROPOLITAN DISTRICT

Proprietary Funds Statement of Revenues, Expenses and Changes in Net Position For the Year Ended December 31, 2025

	Business-Type Activities				
	Water Fund	Wastewater Fund	Community Development Fund	Swimming Pool Fund	Total
OPERATING REVENUE					
Charges for services	\$ 11,647,272	\$ 5,765,702	\$ 246,500	\$ -	\$ 17,659,474
Tap connection fees	248,908	32,266	-	-	281,174
Water lease and other	1,146,748	23,241	10,639	-	1,180,628
TOTAL OPERATING REVENUES	13,042,928	5,821,209	257,139	-	19,121,276
OPERATING EXPENSES					
Salaries	2,956,266	1,679,965	225,460	2,590	4,864,281
Payroll taxes	213,819	121,015	15,854	198	350,886
Pension and benefits	609,061	336,168	51,563	174	996,966
Parts and supplies	642,492	133,256	5,014	10,936	791,698
Repairs and maintenance	303,106	81,192	-	-	384,298
Cost of sales	-	-	9,000	-	9,000
Uniforms and safety	29,823	23,490	621	1,630	55,564
Training, education and travel	43,960	6,835	1,966	1,835	54,596
Legal expense	90,714	48,811	52,221	-	191,746
Outside services	1,485,766	1,019,262	26,330	8,591	2,539,949
Insurance	418,447	117,316	10,054	2,642	548,459
Utilities	1,124,771	342,703	6,280	5,471	1,479,225
Lease and rental	77,919	8,193	(542)	-	85,570
Water assessment	2,339,064	-	-	-	2,339,064
Depreciation	2,749,506	1,277,427	29,787	7,602	4,064,322
Donations	258	-	-	-	258
Office expenses	118,372	25,126	11,702	61	155,261
TOTAL OPERATING EXPENSES	13,203,344	5,220,759	445,310	41,730	18,911,143
OPERATING INCOME (LOSS)	(160,416)	600,450	(188,171)	(41,730)	210,133
NON-OPERATING REVENUES (EXPENSES)					
Investment income	1,125,261	546,515	152,186	-	1,823,962
Gain (loss) on retirement of bonds	(23,006)	-	-	-	(23,006)
Interest and fiscal charges	(48,312)	(193,116)	(2,856)	-	(244,284)
Gain (loss) on disposal of equipment	28,655	206,222	-	-	234,877
TOTAL NON-OPERATING REVENUES (EXPENSES)	1,082,598	559,621	149,330	-	1,791,549
INCOME (LOSS)					
BEFORE CONTRIBUTIONS AND TRANSFERS	922,182	1,160,071	(38,841)	(41,730)	2,001,682
Capital contributions	2,740,479	299,425	-	-	3,039,904
Transfers In/(Out)	10,651	624	(5,334)	-	5,941
CHANGES IN NET POSITION	3,673,312	1,460,120	(44,175)	(41,730)	5,047,527
NET POSITION, BEGINNING OF YEAR	89,657,817	19,670,372	6,813,245	266,456	116,407,890
NET POSITION, END OF YEAR	\$ 93,331,129	\$ 21,130,492	\$ 6,769,070	\$ 224,726	\$ 121,455,417

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

PUEBLO WEST METROPOLITAN DISTRICT

Proprietary Funds

Statement of Cash Flows

For the Year Ended December 31, 2025

	Business-Type Activities				
	Water Fund	Wastewater Fund	Community Development Fund	Swimming Pool Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 12,704,944	\$ 5,717,285	\$ 230,132	\$ -	\$ 18,652,361
Cash paid for goods and services	(7,330,427)	(2,543,762)	(213,938)	(29,653)	(10,117,780)
Cash payments to employees	(3,028,987)	(1,679,965)	(225,460)	(2,590)	(4,937,002)
NET CASH FROM OPERATING ACTIVITIES	<u>2,345,530</u>	<u>1,493,558</u>	<u>(209,266)</u>	<u>(32,243)</u>	<u>3,597,579</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Advances from other funds	1,314,307	(1,662,917)	-	-	(348,610)
Advances to other funds	-	-	91,525	32,243	123,768
NET CASH FROM NON-CAPITAL FINANCING ACTIVITIES	<u>1,314,307</u>	<u>(1,662,917)</u>	<u>91,525</u>	<u>32,243</u>	<u>(224,842)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(6,985,530)	55,232	(25,630)	-	(6,955,928)
Principal paid on bonds, notes payable and lease payable	(496,974)	(481,262)	(10,667)	-	(988,903)
Proceeds from sale of fixed assets	28,655	-	-	-	28,655
Interest and fiscal charges paid on bonds and notes payable	(48,312)	(196,050)	(2,856)	-	(247,218)
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(7,502,161)</u>	<u>(622,080)</u>	<u>(39,153)</u>	<u>-</u>	<u>(8,163,394)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received (paid)	1,124,851	546,515	152,186	-	1,823,552
Acquisition of notes receivable	-	-	-	-	-
NET CASH FROM INVESTING FINANCING ACTIVITIES	<u>1,124,851</u>	<u>546,515</u>	<u>152,186</u>	<u>-</u>	<u>1,823,552</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>(2,717,473)</u>	<u>(244,924)</u>	<u>(4,708)</u>	<u>-</u>	<u>(2,967,105)</u>
CASH AND CASH EQUIVALENTS					
Beginning of Year	<u>750</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>750</u>
End of Year	<u>750</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>750</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES					
Operating income (loss)	(160,416)	600,450	(188,171)	(41,730)	210,133
Adjustments to reconcile operating income to net cash flows from operating activities					
Depreciation	2,749,506	1,277,427	29,787	7,602	4,064,322
(Increase) decrease in operating assets:					
Accounts receivable	(337,984)	(103,924)	(36,007)	-	(477,915)
Inventories/prepaid expenses	111,021	(54,005)	(2,723)	1,825	56,118
Increase (decrease) in operating liabilities:					
Accounts payable and accrued expenses	(39,603)	(226,390)	(12,152)	60	(278,085)
Deferred outflows	23,006	-	-	-	23,006
NET CASH FROM OPERATING ACTIVITIES	<u>\$ 2,345,530</u>	<u>\$ 1,493,558</u>	<u>\$ (209,266)</u>	<u>\$ (32,243)</u>	<u>\$ 3,597,579</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES					
Unrealized gain (loss) on investments - allocated	\$ (182,764)	\$ (64,211)	\$ -	\$ (16,627)	\$ (263,602)
Lease assets financing	176,210	46,564	25,616	-	248,390
Increase (decrease) in retentions payable related to capital projects	(301,287)	2,089	-	-	(299,198)

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

PUEBLO WEST METROPOLITAN DISTRICT

Statement of Fiduciary Net Position

Custodial Funds

December 31, 2025

	SUBDIVISION IMPROVEMENTS ESCROW
ASSETS	
Cash	\$ 291,245
TOTAL ASSETS	<u>291,245</u>
LIABILITIES	
Payable to developers	-
TOTAL LIABILITIES	<u>-</u>
NET POSITION	
Restricted for other organizations	291,245
TOTAL FIDUCIARY NET POSITION	<u>\$ 291,245</u>

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

PUEBLO WEST METROPOLITAN DISTRICT

Statement of Changes in Fiduciary Net Position (Deficit)

Custodial Funds

For the Year Ended December 31, 2025

	SUBDIVISION IMPROVEMENTS ESCROW
ADDITIONS	
Escrow funds received	\$ -
TOTAL ADDITIONS	-
DEDUCTIONS	
Escrow funds paid	-
TOTAL DEDUCTIONS	-
CHANGE IN FIDUCIARY NET POSITION	-
FIDUCIARY NET POSITION BEGINNING OF YEAR	291,245
FIDUCIARY NET POSITION END OF YEAR	\$ 291,245

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

Pueblo West Metropolitan District

Notes to Financial Statements

December 31, 2025

1. Summary of Significant Accounting Policies

Pueblo West Metropolitan District (the District) operates as a special district under the laws of the state of Colorado and is governed by an elected five-member board of directors. The District provides the following services as allowed for special districts: fire protection, engineering, parks and recreation, water and sanitation, and general administrative services.

The financial statements of the District have been prepared in accordance with accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting standards and financial accounting principles. The more significant accounting and reporting principles and practices used by the District are described below:

A. Reporting Entity

As noted above, the District is a special district under Colorado law and operates with an elected five-member board of directors. In defining the reporting entity for financial reporting purposes, management has considered the inclusion of potential component units in the District's reporting entity by applying criteria outlined by generally accepted accounting principles. As such, inclusion or exclusion of a potential component unit is determined by selection of governing authority, ability to significantly influence operations, potential for providing specific financial benefits or impose specific financial burdens, fiscal dependency, and whether exclusion of a potential component unit would be misleading. Based on the above, the District's reporting entity does not include any component units as defined by generally accepted accounting principles.

B. Government-wide and Fund Financial Statements

The basic financial statements include both government-wide (based on the District as a whole) and fund financial statements. The government-wide financial statements, which include the statement of net position and the statement of activities, report information on all the activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule include charges between the business-type activities/enterprise funds and the general fund. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a functional category or activity are offset by program revenues. Direct expenses are those that are clearly identifiable with a function or activity. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or activity; (2) grants and contributions that are restricted to meeting the operational requirements of a particular function or activity; and (3) grants and contributions that are restricted to meeting the capital requirements of a particular function or activity. Taxes and other items not properly included among program revenues are reported instead as general revenues. The net cost by function or business-type activity is normally covered by general revenue such as property taxes, specific ownership and other taxes, or other unrestricted revenues.

1. Summary of Significant Accounting Policies (continued)

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

The government-wide focus is more on the sustainability of the District as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The focus of the fund financial statements is on the major individual funds of the governmental and business-type categories. Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fund financial statements for the proprietary funds. The fiduciary fund, which consists only of a custodial fund, is reported using the economic resources measurement focus and uses the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied, while grants and similar items are recognized as revenue when all eligibility requirements are met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenue to be available if collected within 60 days of the end of the fiscal year. Expenditures generally are recorded when a liability is incurred as is the case with accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the liability has matured, and payment is due. General capital asset acquisitions are reported as expenditures in governmental funds, while proceeds of long-term debt and acquisitions under financed purchases are reported as other financing sources.

Property taxes, specific ownership taxes, franchise and other taxes, grant and entitlement revenues, interest and charges for services are considered revenues susceptible to accrual. Contributions and miscellaneous revenue are recorded as revenues when received in cash because they are not generally measurable until that time. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. Expenditure-driven grants recognize revenue when the qualifying expenditures have been incurred and other grant requirements have been met. Entitlements and shared revenues are recorded at the time of receipt or earlier if the accrual criteria are met.

Business-type activities and all proprietary funds are accounted for using the flow of economic resources measurement focus. With this measurement focus, all assets, deferred outflows of resources, if any, liabilities and deferred inflows of resources, if any, associated with the operation of

1. Summary of Significant Accounting Policies (continued)

these activities and funds are included on the statement of net position. Proprietary fund-type operating statements present increases (revenues) and decreases (expenses) in total net position. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary funds' principal ongoing operation. The principal operating revenues of the District's water utility, wastewater utility, community development and swimming pool activity are charges to customers for sales and services. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

GOVERNMENTAL FUNDS

The District reports the following major governmental funds:

- The General Fund is the primary operating fund of the District and is always classified as a major fund. The general fund is used to account for all financial resources of the District except those required to be accounted for in a separate fund. Major revenue sources include property taxes, sales taxes, highway users tax, specific ownership taxes and franchise taxes. Primary expenditures include general government, fire protection, engineering, and parks and recreation.
- The Conservation Trust Fund is a special revenue fund used to account for funds received from the Colorado Lottery. As stipulated by law, expenditures are limited to parks and recreation activities.
- The Parks Donation Fund is a special revenue fund used to account for contributions received for park projects and activities.
- The Fire Sales Tax Fund is a special revenue fund used to account for a temporary 1% sales tax that will sunset in 2030 to be used for Pueblo West Fire Department needs, such as construction of a new fire station, staffing, capital equipment and projects, and maintenance and upkeep.
- The Capital Projects fund is used to account for major capital outlays. Funds are generally provided by intergovernmental revenue, along with transfers from other funds.

PROPRIETARY FUNDS

The following is a description of the major proprietary funds of the District:

- The Water Fund accounts for the operations of the District's water utility. Activities of the fund include administration, operation and maintenance of the water system, along with the accumulation of resources for the payment of principal and interest on long-term debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary.
- The Wastewater Fund accounts for the operations of the District's wastewater utility. Activities of the fund include administration, operations and maintenance of the wastewater system, along with the accumulation of resources for the payment of principal and interest on long-term debt.

1. Summary of Significant Accounting Policies (continued)

All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary.

- The Community Development Fund was created January 1, 2013, and was the result of a combination of the previously reported land sales fund and committee of architecture fund. The community development fund accounts for revenues received from the sale of District-owned property acquired in 1992 from MCO Properties, Inc. and also accounts for the activities associated with the maintenance of high standards of architecture and construction, together with the enhancement of the aesthetic properties and structural soundness of the subdivided lands within the District's recorded tracts. Activities include administration and costs of sales for properties sold and these costs are financed by charges to customers.
- The Swimming Pool Fund was historically used to account for the operations of the District's swimming pool. Activities included administration and operation and maintenance with costs financed through charges to customers and a transfer from the general fund. During 2025, the swimming pool was closed, but the fund continues to be used to account for the activity associated with the new aquatic center that is currently under construction.

CUSTODIAL FUNDS

- The custodial fund is used to account for assets held by the District in an agency capacity for subdivision improvements.

D. Cash, Cash Equivalents and Investments

Cash and cash equivalents include cash on hand, along with interest and noninterest-bearing demand deposits. Investments include local government investment pools, negotiable certificates of deposit and money market mutual funds.

In accordance with generally accepted accounting principles, the District records certain investments, if held by the District, at fair value with any related unrealized gain or loss included as part of investment income.

E. Cash Equivalents

For purposes of the statement of cash flows, the District considers cash and cash equivalents to be cash on hand together with demand deposits.

F. Property Tax Revenues

Property taxes are levied based on the assessed value of property as certified by the County Assessor by the previous December 15. Assessed values are a percentage of actual values. A reevaluation of all property must be made every two years. The last reevaluation date was November 18, 2025 as noted on the Certification of Values Form.

1. Summary of Significant Accounting Policies (continued)

F. Property Tax Revenues (continued)

The taxes levied reflect 2025 property taxes that will be collected in 2026 by the Pueblo County Treasurer. Taxes collected by the Treasurer are remitted to the District on a monthly basis. These taxes are due January 1, 2026, and may be paid in two installments (February 28 and June 15) or they may be paid in full April 30. Taxes not paid in accordance with this schedule accrue interest and penalty charges and are subject to liens if not paid by November 2026.

G. Interfund Receivables/Payable

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” and “due to other funds” in the fund financial statements. The due from general fund reflects individual fund claims on the cash, certificates of deposit, and investments of the general fund. In addition, investment revenue is allocated to certain funds based on their average claim outstanding.

H. Inventories

Inventories in the water and wastewater enterprise and the general funds are recorded at cost (first-in, first-out basis) and consist of parts and expendable supplies. Land inventory in the community development enterprise fund is recorded at estimated fair value at the date of contribution to the District. Inventories are capitalized under the consumption method whereby expenditures are capitalized as inventory until used or sold.

I. Prepaid Items

Prepaid items represent payments made for expenditures to be charged to a future accounting period and are capitalized under the consumption method.

J. Lease Receivable

The District’s lease receivable is measured at the present value of lease payments expected to be received during the lease term. A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized over the term of the lease.

K. Capital Assets

Capital assets, which include land, intangible assets, buildings, infrastructure, other improvements, machinery and equipment and construction in progress, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The capitalization level was established at \$5,000 generally while no capitalization threshold was established for infrastructure. Infrastructure is capitalized only if the outlay meets the criteria established for capitalization which includes (1) increasing the capacity or operating efficiency or (2) extending the useful life of the asset. These levels were set so as to maintain a balance between accountability and managing the costs of recording and tracking these assets. Capital assets are defined as assets with an

1. Summary of Significant Accounting Policies (continued)

initial individual cost or estimated cost that equals or exceeds the limits identified above and have a useful life greater than one year. Capital assets are recorded at cost or estimated historical cost if purchased or constructed. Contributed capital assets are recorded at acquired value at the time received. Capital assets are depreciated on a straight-line basis over the useful life of the asset. Normal maintenance and repairs that do not add to the value of the asset or materially extend the useful life of the asset are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Construction-period interest is not capitalized.

<u>Description</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Buildings	5-50 years	5-50 years
Improvements	10-50 years	-
Intangibles	-	34 years
Infrastructure -		
Roads	50 years	-
Signal light	20 years	-
Water system	-	10-50 years
Wastewater system	-	10-40 years
Machinery & equipment	5-15 years	3-10 years

L. Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused paid time off benefits. Employees are allowed to accumulate these benefits up to predetermined maximums and are compensated for these accumulated benefits either through paid time off or at termination or retirement.

Accumulated paid time off is accrued when earned in the government-wide and the proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

M. Long-Term Liabilities

In the government-wide financial statements and the fund financial statements for the proprietary funds, long-term debt and other similar long-term obligations are reported as liabilities in the applicable statement of net position. Bond premiums and discounts, as well as bond insurance costs, if any, are deferred and amortized over the life of the obligation using the interest method. Other bond issue costs are recognized in the current period.

In the governmental fund financial statements, bond premium and discounts, as well as bond issue costs, are recognized during the current period. The face amount of the debt issue, along with the related discount or premium, if any, is reported as other financing sources while debt issue costs are reported as debt service expenditures.

1. Summary of Significant Accounting Policies (continued)

N. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the Statewide Retirement Plan (SRP) have been determined on the same basis as they are reported by Fire & Police Pension Association of Colorado (FPPA). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

O. Fund Equity

Governmental funds report fund balances in classifications based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Fund balances for the District's governmental funds consist of the following:

- Nonspendable – includes amounts that are (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash such as inventories, prepaid items, long-term notes receivable and fund advances, if any.
- Restricted – includes amounts that are restricted for specific purposes stipulated by external resource providers constitutionally or through enabling legislation.
- Committed – includes amounts that can only be used for the specific purposes determined by the passage of a resolution of the board of directors. Commitments may be modified or changed only by the board of directors approving a new resolution.
- Assigned – includes amounts intended to be used by the District for specific purposes that are neither restricted nor committed. Intent is expressed by the District Manager and the Director of Finance to which assigned amounts are to be used for specific purposes based on the passage of a resolution of the board of directors. Assigned amounts include appropriations of existing fund balance to eliminate a projected budgetary deficit in the subsequent year's budget.
- Unassigned – includes amounts that do not meet any of the above criteria. The District reports positive unassigned fund balances only in the general fund and negative unassigned fund balances may be reported in all funds.

In circumstances where an expenditure is incurred for a purpose for which amounts are available in multiple fund balance classifications, fund balance is reduced in the order of restricted, committed, assigned and unassigned.

In the government-wide financial statements and proprietary fund financial statements, equity is classified as net position and displayed in the following categories:

1. Summary of Significant Accounting Policies (continued)

- Net investment in capital assets – consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- Restricted net position – consists of net position with constraints placed on the use either by (a) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (b) law through constitutional provisions or enabling legislation.
- Unrestricted net position – all other net position that does not meet the definition of “restricted” or “net investment in capital assets”.

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

P. Interfund Transactions

Interfund transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as a reduction of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as interfund transfers.

Q. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

R. New Accounting Pronouncement

For 2025, the District implemented GASB Statement No. 102, “Certain Risk Disclosures.” This Statement requires governments to disclose certain concentrations or constraints that make the government vulnerable to the risk of a substantial impact. The implementation of this Statement did not have any impact on the District’s financial statements.

The GASB also issued Statement No. 103, “Financial Reporting Model Improvements.” This Statement improves key components of the financial reporting model to enhance the effectiveness of information provided in financial statements. The requirements of this Statement are effective for fiscal years ending June 30, 2026. The District has not yet determined the impact that implementation of this Statement will have on its financial statements.

1. Summary of Significant Accounting Policies (continued)

The GASB also issued Statement No. 104, “Disclosure of Certain Capital Assets.” This Statement establishes new disclosure requirements for certain types of capital assets, including those held for sale. The requirements of this Statement are effective for fiscal years ending June 30, 2026. The District has not yet determined the impact that implementation of this Statement will have on its financial statements.

S. Comparative Data

Comparative data for the prior year have been presented in certain sections of the accompanying financial statements in order to provide an understanding of changes in the District’s financial position and operations.

2. Stewardship, Compliance and Accountability

A. Budgetary Principles

The District adheres to the following procedures in establishing its budgets.

On or before October 15 of each year, the district manager submits to the Board of Directors a proposed budget for the fiscal year commencing the following January 1. The budget includes proposed expenditures and the means of financing them. Public hearings are conducted by the Board of Directors to obtain taxpayer comments. The District adopts budgets for all funds and the District uses the current financial resources measurement focus and the modified accrual basis of accounting in preparing the budgets for all funds. In addition, appropriations lapse at the end of the year.

Expenditure estimates in the annual budgets are enacted into law through the passage of an appropriation resolution. The Board of Directors may amend the original adopted budget during the year by passing a new resolution to reflect current needs and during 2025 the expenditure estimates for some of the funds were amended.

For each legally adopted annual operating budget, budgetary control exists at the total fund level. That is to say, total expenditures for each fund cannot legally exceed total appropriations for that fund.

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded to reserve that portion of the applicable appropriation, is not employed in the formal budgetary process.

3. Cash and Investments

A summary of cash and investments as of December 31, 2025, follows:

Cash on hand	\$ 1,025
Demand deposits	1,389,577
Total cash and cash equivalents	<u>\$ 1,390,602</u>
Certificates of Deposit	<u>\$ 11,774,341</u>
Investments-	
Money market mutual funds	\$ 393
Negotiable certificates of deposit (including restricted CD)	2,195,499
US agency bonds	23,698,607
CSAFE local government investment pool	10,703,751
ColoTrust local government investment pool	12,655,845
Total investments	<u>\$ 49,254,095</u>

The previous amounts are classified in the statement of net position as follows:

	Cash and Cash Equivalents	Total Certificates of Deposit	Investments
Government-wide statement of net position	\$ 1,099,357	\$ 11,774,341	\$ 49,254,095
Statement of fiduciary position	291,245	-	-
	<u>\$ 1,390,602</u>	<u>\$ 11,774,341</u>	<u>\$ 49,254,095</u>

Deposits

At December 31, 2025, the carrying amount of the District's deposits, including non-negotiable and other certificates of deposit, was \$13,163,918 and the bank balance was \$13,319,549. Of the bank balance, \$1,270,040 was covered by federal depository insurance and \$12,049,509 was collateralized in financial institutions collateral pools maintained by the individual financial institutions that hold these deposits. Colorado law requires that depository institutions must apply for and be designated as an eligible public depository before the institution can accept public fund monies. The depository institution must pledge eligible collateral as security for all public deposits held by that institution that are not insured by depository insurance. The market value of the collateral that each institution pledges as security must be equal to at least 102% of the total uninsured deposits held by that institution.

Generally, the eligible collateral in the collateral pools is held by the depository institution or its agent in the name of the depository institution.

3. Cash and Investments (continued)

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk. At December 31, 2025, deposits with a bank balance of \$12,049,509 are uninsured but are not exposed to custodial credit risk because they are collateralized with securities held by the pledging financial institution's agent in the name of the depositing institution.

Investments

The District is subject to the provisions of Colorado Revised Statutes 24-75-601 which are entitled "Concerning Investment in Securities by Public Entities". This law, among other things, outlines the types of securities that public entities in Colorado may acquire and hold as investments. These include U.S. Government and agency securities, certain bonds of political subdivisions, banker's acceptances, commercial paper, local government investment pools, repurchase agreements, money market funds, guaranteed investment contracts and U.S. dollar-denominated corporate or bank debt. The statute also includes a provision limiting any investment to a five-year maturity unless the governing body authorizes a longer period.

As of December 31, 2025, the District has the following investments and maturities:

				Investment Maturities (in years)	
<u>Investment Type</u>	<u>Net Asset Value</u>	<u>Amortized Cost</u>	<u>Fair Value</u>	<u>Less Than 1</u>	<u>1 - 5</u>
<u>Reported as Investments:</u>					
Money market mutual funds	\$ 393	\$ -	\$ -	\$ 393	\$ -
Negotiable certificates of deposit	-	-	2,195,499	1,460,976	734,523
US agency bonds	-	-	23,698,607	6,674,136	17,024,471
CSAFE local government investment pool	-	10,703,751	-	10,703,751	-
ColoTrust local government investment pool	12,655,845	-	-	12,655,845	-
	<u>\$ 12,656,238</u>	<u>\$ 10,703,751</u>	<u>\$ 25,894,106</u>	<u>\$ 31,495,101</u>	<u>\$ 17,758,994</u>

At December 31, 2025, the District had invested \$12,655,845 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 three portfolios, COLOTRUST PRIME and

3. Cash and Investments (continued)

COLOTRUST PLUS+ and EDGE. 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.

As of December 31, 2025, the District had invested balances of \$10,703,751 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, Certain External Investment Pools and Pool Participants. 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 and is measured at amortized cost. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.

Interest rate risk – The District does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk – State law provides that local government investment pools may only invest in securities in which all participating local governments may individually invest. The District has no investment policy that would further limit its investment choices. As of December 31, 2025, the District's investment in Colo Trust and CSAFE is rated AAAm by Standard and Poor's and Moody's. The District's investments in US agency securities is rated at AA+ by Standard and Poor's and AAA by Moody's.

The District categorizes, if applicable, its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; level 2 inputs are significant other observable inputs; level 3 inputs are significant unobservable inputs. The District's recurring fair value measurements as of December 31, 2025 consist of the District's Colo Trust and money market mutual fund holdings and are not subject to the fair value hierarchy disclosures as outlined under generally accepted accounting principles.

Pueblo West Metropolitan District
Notes to Financial Statements (continued)
December 31, 2025

3. Cash and Investments (continued)

The District's investments in CSAFE are measured at amortized cost. The District's investments in ColoTrust and money market funds are measured at net asset value. Both methodologies approximate fair value. The investments do not have any unfunded commitments, redemption restrictions or redemption notice periods. ColoTrust portfolio investments are limited to those allowed under C.R.S. 24-75-601.

Negotiable certificates of deposit and US agency securities are valued using a matrix pricing model (Level 2).

4. Receivables

Receivables at December 31, 2025 consist of the following:

		Governmental Activities					Total
		General Fund	Conservation Trust Fund	Parks Donation Fund	Fire Tax Fund	Capital Projects Fund	
Taxes -							
	Property	\$ 9,359,588	\$ -	\$ -	\$ -	\$ -	\$ 9,359,588
	Sales Tax	746,421	-	-	746,422	-	1,492,843
	Specific Ownership	48,947	-	-	-	-	48,947
	Real Estate	10,837	-	-	-	-	10,837
	Franchise	38,383	-	-	-	-	38,383
	Marijuana Excise	38,159	-	-	-	-	38,159
	Retail Sales Pass Through	528,410	-	-	-	-	528,410
Interest		15,187	1,030	-	3,065	-	19,282
Lease receivable		722,597	-	-	-	-	722,597
Accounts		54,785	90,000	-	-	-	144,785
Other governments		-	-	-	-	166,269	166,269
		<u>\$ 11,563,314</u>	<u>\$ 91,030</u>	<u>\$ -</u>	<u>\$ 749,487</u>	<u>\$ 166,269</u>	<u>\$ 12,570,100</u>

The property taxes receivable noted above is reported as a deferred inflow of resources in both the statement of net position and the governmental funds balance sheet as it represents taxes levied for a future period.

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4. Receivables (continued)

	Business-Type Activities				
	Water Fund	Wastewater Fund	Community Development Fund	Swimming Pool Fund	Total
Accounts	\$ 1,196,595	\$ 842,713	\$ 35,760	\$ -	\$ 2,075,068
Interest	21,314	13,667	3,948	-	38,929
Other governments	-	598,363	-	-	598,363
Notes	7,613,306	-	-	-	7,613,306
Less: allowance for uncollectible accounts	(30,000)	(4,817)	-	-	(34,817)
	<u>\$ 8,801,215</u>	<u>\$ 1,449,926</u>	<u>\$ 39,708</u>	<u>\$ -</u>	<u>\$ 10,290,849</u>
Amounts not scheduled for collection during the subsequent year	\$ 7,613,306	\$ -	\$ -	\$ -	\$ 7,613,306

The notes receivable reported above are the result of an intergovernmental agreement with the County of Pueblo, Colorado (the County) related to the acquisition of and operation of Desert Hawk golf course at Pueblo West. The golf course is considered an activity of the County and, in accordance with the agreement, the District advanced \$1,450,000 towards the purchase of the golf course with \$170,000 of this advance considered a non-interest bearing loan and the remaining \$1,280,000 considered an irrevocable option to acquire the title to all or some of the additional properties identified in the agreement. Since finalizing the intergovernmental agreement with the County, the District has exercised its option to acquire certain of the identified properties totaling \$823,000, thus reducing the option balance to \$457,000 at December 31, 2019.

This amount is reported with other assets in the government-wide statement of net position. The agreement also provides that the charges for untreated water provided by the District to the golf course until January 1, 2011 that are not covered by the annual revenues of the golf course shall be treated as non-interest bearing loans. The District is also required to annually advance, beginning in 2001, 50% of all cash disbursements in excess of revenues that will also be considered non-interest bearing loans. This provision was changed for the calendar year 2005 going forward such that the District would fund one-half of the annual debt service requirements, along with certain other modifications. Repayment of all of these notes and advances is solely from the excess revenues over cash disbursements of the golf course and is limited to \$500,000 per year.

A summary of the notes receivable/other assets under this agreement at December 31, 2025 is as follows:

Non-interest bearing note receivable for operating/debt service subsidy	\$ 6,078,478
Non-interest bearing note receivable for acquisition of capital assets/other items	255,000
Non-interest bearing note receivable for water provided	<u>1,279,828</u>
	7,613,306
Option to acquire land	<u>457,000</u>
	<u>\$ 8,070,306</u>

5. Lease Receivables

Lease receivables held in Governmental Activities at December 31, 2025 consists of the following:

The District entered into an agreement with Comcast of Colorado IV, LLC to lease cell tower usage on June 11, 2019, with a 10-year term ending on June 11, 2029. Monthly payments begin at \$3,000/month with an annual increase of 3% per year. In addition, the lease receivable was discounted using a rate of 3.5%.

The District entered into an agreement with San Isabel Electric Association, Inc. to lease cell tower usage on July 27, 2010, with an initial 5-year term ending on July 27, 2015. The lease contains four additional 5-year options with two additional terms having been automatically renewed. Monthly payments begin at \$400/month and automatically renew at that rate unless they are renegotiated under the terms of the contract. In addition, the lease receivable was discounted using a rate of 3.5%.

The District entered into an agreement with CommNet, Cellular, Inc. d/b/a Verizon Wireless to lease cell tower usage on August 4, 2021, with an initial 5-year term ending on August 4, 2026. The lease contains four additional 5-year options which automatically renew unless terminated by either party. Monthly payments begin at \$2,100/month with an annual increase of 2% per year. In addition, the lease receivable was discounted using a rate of 3.5%.

The District entered into an agreement with AT&T Wireless PCS, LLC to lease cell tower usage on September 10, 2002, with an initial 5-year term ending on September 10, 2007. The lease contains four additional 5-year options which automatically renew unless terminated by either party. Monthly payments begin at \$1,200/month with an annual increase of 15% per year. In addition, the lease receivable was discounted using a rate of 3.5%.

The District entered into an agreement with VoiceStream PCS II (T-Mobile), to lease cell tower usage on February 3, 2003, with an initial 5-year term ending on February 3, 2008. The lease contains four additional 5-year options which automatically renew unless terminated by either party. Monthly payments begin at \$1,200/month with an annual increase of 15% per year. In addition, the lease receivable was discounted using a rate of 3.5%.

The District entered into an agreement with Nextel West Corporation (Sprint) to lease cell tower usage on October 23, 2001, with an initial 5-year term ending on October 23, 2006. The lease contains four additional 5-year options which automatically renew unless terminated by either party. Monthly payments begin at \$1,200/month with an annual increase of 15% per year. In addition, the lease receivable was discounted using a rate of 3.5%. The final payment on the lease was made on November 2, 2023. The Lease terminated in December 2023 due to the combination of Sprint and T-Mobile, which occurred in April of 2020.

The District entered into an agreement with Dish Network to lease cell tower usage on March 1, 2024, with an initial 5-year term ending on February 28, 2029. The lease contains four additional 5-year options which automatically renew unless terminated by either party. Monthly payments begin at \$2,100/month with an annual increase of 3% per year. In addition, the lease receivable was discounted using a rate of 3.5%.

5. Lease Receivables (continued)

A summary of current year activity related to these lease agreements is as follows:

Lease	Lease Receivable	Lease Revenue	Lease Interest Revenue
Comcast of Colorado, IV, LLC	\$ 16,612	\$ 2,690	\$ 687
San Isabel Electric	38,460	3,389	1,411
Verizon	478,648	9,899	17,022
AT&T	40,594	23,248	1,938
T-Mobile	39,141	26,485	1,875
Sprint	27,006	30,521	1,531
Dish Network	82,136	22,524	3,306
Total	<u>\$ 722,597</u>	<u>\$ 118,756</u>	<u>\$ 27,770</u>

Annual lease receivable and related interest are as follows:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2026	\$ 119,814	\$ 23,517	\$ 143,331
2027	72,478	19,922	92,400
2028	47,331	17,952	65,283
2029	25,898	16,570	42,468
2030	22,650	15,787	38,437
2031-2035	111,805	67,167	178,972
2036-2040	127,630	46,563	174,193
2041-2045	171,695	20,627	192,322
2046-2049	23,296	351	23,647
Total	<u>\$ 722,597</u>	<u>\$ 228,456</u>	<u>\$ 951,053</u>

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6. Interfund Receivables/Payables/Transfers

The following interfund receivables and payables are included in the fund financial statements at December 31, 2025:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Governmental funds -		
General fund	\$ -	\$ 47,334,294
Conservation trust	837,825	-
Parks donation fund	171,747	-
Fire sales tax fund	2,474,966	-
Capital projects fund	11,610,540	-
Enterprise funds -		
Water fund	17,291,643	-
Wastewater fund	11,547,035	-
Community development fund	3,236,459	-
Swimming pool fund	164,079	-
	<u>\$ 47,334,294</u>	<u>\$ 47,334,294</u>

The amounts reported as due from other funds and due to other funds are reflective of the time lag between the date that (1) interfund goods and services are provided or reimbursable expenditures occur; (2) transactions are recorded in the accounting system; and (3) payments between funds are made. All amounts reflected as due from other funds are expected to be collected in the subsequent year.

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6. Interfund Receivables/Payables/Transfers (continued)

Transfers for the year ended December 31, 2025, are as follows:

	<u>Transfers in</u>	<u>Transfers out</u>
Governmental funds -		
General Fund	\$ -	\$ (5,697,763)
Parks Donation	96,654	-
Capital projects	<u>5,595,168</u>	<u>-</u>
Total governmental funds	<u>5,691,822</u>	<u>(5,697,763)</u>
Enterprise funds -		
Water fund	11,274	(623)
Wastewater fund	624	-
Community Development fund	<u>-</u>	<u>(5,334)</u>
Total enterprise funds	<u>11,898</u>	<u>(5,957)</u>
Governmental activities		
ROU assets	<u>-</u>	<u>-</u>
	<u>\$ 5,703,720</u>	<u>\$ (5,703,720)</u>

The transfer of \$5,691,822 from the general fund to the Capital Projects fund represents construction of capital projects. The transfer of \$96,654 from the General fund to the Parks Donation fund represents funds for capital projects. The transfer of \$5,941 from the Water fund to the General fund was to expense lease activity to the correct fund.

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Pueblo West Metropolitan District
Notes to Financial Statements (continued)
December 31, 2025

7. Capital Assets

Governmental capital assets activity for the year ended December 31, 2025 was as follows:

	Balance January 1, 2025	Additions	Deletions	Adjustments	Balance December 31, 2025
Governmental activities:					
Non-depreciable assets:					
Land	\$ 3,590,491	\$ 84,890	\$ -	\$ -	\$ 3,675,381
Construction in progress	1,007,322	608,810	(304,167)	(67,216)	1,244,749
Total non-depreciable assets	4,597,813	693,700	(304,167)	(67,216)	4,920,130
Depreciable assets:					
Buildings	9,459,358	862,687	-	-	10,322,045
Improvements	8,736,671	1,260,097	-	(1,723)	9,995,045
Machinery & equipment	5,976,393	2,235,299	(270,216)	-	7,941,476
Right of use	1,125,620	745,854	-	(23,382)	1,848,092
Subscription-based IT arrangements	32,000	-	-	-	32,000
Total depreciable assets	25,330,042	5,103,937	(270,216)	(25,105)	30,138,658
Less accumulated depreciation for:					
Buildings	(1,592,272)	(221,284)	-	-	(1,813,556)
Improvements	(3,987,802)	(495,841)	-	-	(4,483,643)
Machinery & equipment	(3,740,148)	(398,347)	270,216	-	(3,868,279)
Right of use	(782,936)	(311,533)	-	-	(1,094,469)
Subscription-based IT arrangements	(18,986)	(9,493)	-	-	(28,479)
Total accumulated depreciation	(10,122,144)	(1,436,498)	270,216	-	(11,288,426)
Depreciable assets, net	15,207,898	3,667,439	-	(25,105)	18,850,232
Governmental activities assets, net	\$ 19,805,711	\$ 4,361,139	\$ (304,167)	\$ (92,321)	\$ 23,770,362
Lease payable					(797,217)
Net investment in capital assets					\$ 22,973,145

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Pueblo West Metropolitan District
Notes to Financial Statements (continued)
December 31, 2025

7. Capital Assets (continued)

Business-type capital assets activity for the year ended December 31, 2025 was as follows:

	Balance January 1, 2025	Additions	Deletions	Adjustments	Balance December 31, 2025
Business-type activities:					
Non-depreciable assets:					
Land	\$ 654,138	\$ -	\$ -	\$ -	\$ 654,138
Construction in progress	13,831,888	4,318,242	(11,334,236)	-	6,815,894
Intangible assets - water rights	15,919,817	336,323	-	-	16,256,140
Total non-depreciable assets	30,405,843	4,654,565	(11,334,236)	-	23,726,172
Depreciable assets:					
Infrastructure	81,400,569	11,308,657	-	-	92,709,226
Buildings	29,631,139	1,463,618	-	-	31,094,757
Machinery & equipment	10,872,706	888,391	(45,492)	-	11,715,605
SDS intangible assets	5,856,585	-	-	-	5,856,585
Right to use asset	971,816	248,390	-	27,752	1,247,958
Subscription-based IT arrangements	64,000	-	-	-	64,000
Total depreciable assets	128,796,815	13,909,056	(45,492)	27,752	142,688,131
Less accumulated depreciation/amortization for:					
Infrastructure	(53,847,144)	(2,118,011)	-	-	(55,965,155)
Buildings	(24,587,426)	(827,950)	-	-	(25,415,376)
Machinery & equipment	(5,850,398)	(692,120)	43,740	-	(6,498,778)
SDS intangible assets	(1,543,407)	(171,490)	-	-	(1,714,897)
Right to use asset	(481,294)	(235,797)	-	-	(717,091)
Subscription-based IT arrangements	(37,972)	(18,986)	-	-	(56,958)
Total accumulated depreciation/amortization	(86,347,641)	(4,064,354)	43,740	-	(90,368,255)
Depreciable assets, net	42,449,174	9,844,702	(1,752)	27,752	52,319,876
Business-type activities assets, net	\$ 72,855,017	\$ 14,499,267	\$ (11,335,988)	\$ 27,752	\$ 76,046,048
Less outstanding capital debt					(8,008,296)
Less retainage payable					(159,220)
Less lease payable					(538,227)
Net investment in capital assets					\$ 67,340,305

During the year, the District disposed of machinery and equipment with a cost of \$45,492 and accumulated depreciation of \$43,740, resulting in a loss of \$1,752.

The amount reported above for the southern delivery system represents the District's beneficial interest in Colorado Springs Utilities southern delivery system water project. The construction of the project was completed in 2016 with an in-service date of April 2016. The District will continue to incur ongoing operating costs.

7. Capital Assets (continued)

Depreciation and amortization expense, including adjustments, was charged to functions/programs as follows:

Governmental activities -	
General government	\$ 284,027
Fire protection	551,701
Engineering	51,347
Parks and recreation	528,743
Streets and roads	20,680
	<u>\$ 1,436,498</u>
Water fund	\$ 2,749,507
Wastewater fund	1,277,428
Community development	29,787
Swimming pool	7,602
	<u>\$ 4,064,324</u>

8. Lease Arrangements

The following is a summary of changes in lease liabilities for the Fiscal Year Ended December 31, 2025 related to Governmental Activities:

	Balance January 1, 2025	Additions	Payments/ Reductions	Balance December 31, 2025	Due Within One Year
<u>Governmental activities:</u>					
Building Leases	\$ 76,135	\$ 87,054	\$ (119,018)	\$ 44,171	\$ 44,287
Vehicle Leases	276,879	658,800	(182,632)	753,047	217,507
Total governmental activities	<u>\$ 353,014</u>	<u>\$ 745,854</u>	<u>\$ (301,650)</u>	<u>\$ 797,218</u>	<u>\$ 261,794</u>

The District entered into an agreement for administrative office, community development, and engineering office space. The original leases were for \$138,880 and \$79,856, with monthly payments of \$4,921 and \$2,829. The interest rate for these leases was 3.50% with an initial term of 2 years ending on December 31, 2022. The District renewed these leases in September and October 2023 for \$157,398 and \$83,171, respectively, with monthly payments of \$6,800 and \$3,600. The interest rate for these leases was 3.5% with a term of 2 years ending in September and October 2025. This agreement was paid off by December 31, 2025. The District has entered into an agreement for an additional office space for operational support in 2025. The original lease was for \$83,571, with monthly payments of \$3,482. The interest rate is 3.5% with a term of 2 years ending January 2027.

8. Lease Arrangements (continued)

The vehicle leases the District entered into are for various vehicle leases from 2020 to 2028. All leases are from 48-60 months and range in monthly payments from \$90 to \$1,012 and have interest rates from 3.5% to 8.62%.

Annual lease obligations and related interest are as follows:

Year Ending	Governmental Activities		
December 31,	Principal	Interest	Total
2026	\$ 261,794	\$ 45,906	\$ 307,700
2027	209,330	30,007	239,337
2028	194,376	15,974	210,350
2029	91,844	3,973	95,817
2030	39,873	422	40,295
Total	<u>\$ 797,217</u>	<u>\$ 96,282</u>	<u>\$ 893,499</u>

The following is a summary of changes in lease liabilities for the Fiscal Year Ended December 31, 2025 related to Business-Type Activities:

	Balance January 1, 2025	Additions	Payments/ Reductions	Balance December 31, 2025	Due Within One Year
<u>Business-type activity:</u>					
Community Development					
Buildings	\$ 5,857	\$ -	\$ (5,857)	\$ -	\$ -
Vehicles	19,454	25,616	(17,262)	27,808	13,925
Water Fund					
Vehicles	441,921	176,210	(167,518)	450,613	169,471
Sewer Fund					
Vehicles	41,460	46,564	(28,218)	59,806	20,435
Total business-type activities	<u>\$ 508,692</u>	<u>\$ 248,390</u>	<u>\$ (218,855)</u>	<u>\$ 538,227</u>	<u>\$ 203,831</u>

The vehicle leases the District entered into are for various vehicle leases from 2020 to 2029. All leases are for 48-60 months and range in monthly payments from \$111 to \$1,029 and have interest rates from 3.5% to 8.62%.

8. Lease Arrangements (continued)

Annual lease obligations and related interest are as follows:

Year Ending	Business-Type Activities		
December 31,	Principal	Interest	Total
2026	\$ 203,831	\$ 36,671	\$ 240,502
2027	193,166	19,902	213,068
2028	117,122	5,967	123,089
2029	24,108	479	24,587
Total	<u>\$ 538,227</u>	<u>\$ 63,019</u>	<u>\$ 601,246</u>

9. Subscription-based IT Arrangements

The following is a summary of changes in subscription-based IT arrangement liabilities for the Fiscal Year Ended December 31, 2025 related to Governmental Activities:

	Balance January 1, 2025	Additions	Payments/ Reductions	Balance December 31, 2025	Due Within One Year
<u>Governmental activities:</u>					
Subscription-based IT arrangements	\$ 10,667	\$ -	\$ (10,667)	\$ -	\$ -
Total governmental activities	<u>\$ 10,667</u>	<u>\$ -</u>	<u>\$ (10,667)</u>	<u>\$ -</u>	<u>\$ -</u>

The District entered into an agreement with OpenGov for software services, support, and professional services. The annual payment is \$32,000. The subscription term ends May 15, 2026. The payments are allocated equally between the General Fund, the Community Development Fund, and the Water Fund.

The following is a summary of changes in subscription-based IT arrangement liabilities for the Fiscal Year Ended December 31, 2025 related to Business-Type Activities:

	Balance January 1, 2025	Additions	Payments/ Reductions	Balance December 31, 2025	Due Within One Year
<u>Business-type activity:</u>					
Community Development					
Subscription-based IT arrangements	\$ 10,666	\$ -	\$ (10,666)	\$ -	\$ -
Water Fund					
Subscription-based IT arrangements	<u>\$ 10,666</u>	<u>-</u>	<u>(10,666)</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>\$ 21,332</u>	<u>\$ -</u>	<u>\$ (21,332)</u>	<u>\$ -</u>	<u>\$ -</u>

Pueblo West Metropolitan District
Notes to Financial Statements (continued)
December 31, 2025

10. Long-Term Debt

The following is a summary of changes in long-term liabilities in the government-wide financial statements for the year ended December 31, 2025:

	Balance January 1, 2025	Additions	Payments/ Reductions	Balance December 31, 2025	Due Within One Year
<u>Governmental activities:</u>					
Leases	\$ 353,014	\$ 745,854	\$ (301,651)	\$ 797,217	\$ 261,794
Subscription-based IT arrangements	10,667	-	(10,667)	-	-
Compensated absences	412,841	89,014	(129,830)	372,025	186,013
Total governmental activities	<u>\$ 776,522</u>	<u>\$ 834,868</u>	<u>\$ (442,148)</u>	<u>\$ 1,169,242</u>	<u>\$ 447,807</u>

The compensated absences liability is serviced by the general fund.

	Balance January 1, 2025	Additions	Payments/ Reductions	Balance December 31, 2025	Due Within One Year
<u>Business-type activity:</u>					
Revenue bonds					
Water and wastewater refunding revenue series 2016	\$ 495,000	\$ -	\$ (495,000)	\$ -	\$ -
Notes payable					
Clean water series 2011A	2,159,757	-	(251,679)	1,908,078	257,532
Clean water series 2018A	6,134,005	-	(197,445)	5,936,560	205,361
Unamortized premium	177,530	-	(13,872)	163,658	13,872
Leases	508,692	248,390	(218,855)	538,227	203,831
Subscription-based IT arrangements	21,332	-	(21,332)	-	-
Compensated absences	87,893	18,817	(9,486)	97,224	48,613
Total business-type activities	<u>\$ 9,584,209</u>	<u>\$ 267,207</u>	<u>\$ (1,207,669)</u>	<u>\$ 8,643,747</u>	<u>\$ 729,209</u>

The water and wastewater refunding series 2016 bonds are serviced by the District's water fund; the clean water series 2011A and 2018A notes payable are serviced by the District's wastewater fund and the compensated absences liability is serviced by the water, wastewater and community development funds.

10. Long-Term Debt (continued)

The following is a description of each individual issue for the business-type activities:

Note

\$5,232,582 clean water note payable series 2011A with Colorado Water Resources and Power Development Authority; interest rate of 2.23%; due in annual installments including principal, interest and administrative fees ranging from \$313,023 to \$322,524 through August 2032 \$ 1,908,078

\$7,218,304 clean water note payable series 2018A with Colorado Water Resources and Power Development Authority; interest rate of 3.69%; due in annual installments including principal, interest and administrative fees ranging from \$316,647 to \$358,773 through August 2048 5,936,560

Total business-type activities \$ 7,844,638

The debt service requirements for the revenue bonds and note payable are as follows:

Year Ending December 31,	Business-type Activities			
	Note Payable (2011A)		Note Payable (2018A)	
	Principal	Interest	Principal	Interest
2026	\$ 257,532	\$ 24,284	\$ 205,361	\$ 94,794
2027	257,532	22,326	208,085	89,294
2028	263,385	18,574	212,604	84,044
2029	263,385	14,852	220,755	78,794
2030	275,091	11,245	223,876	73,294
2031-2035	591,153	11,478	1,186,927	302,419
2036-2040	-	-	1,279,712	206,450
2041-2048	-	-	2,399,240	140,000
	<u>\$ 1,908,078</u>	<u>\$ 102,759</u>	<u>\$ 5,936,560</u>	<u>\$ 1,069,089</u>

The above-described series 2016 revenue refunding bonds, clean water series 2011A, and clean water series 2018A notes payable are secured by the irrevocable first lien on the net revenues of the District's water and wastewater enterprise funds. The loan agreement requires the establishment of a reserve fund equal to three months of operating expenses, excluding depreciation. The required reserve has been established in accordance with the loan agreement. The series 2016 refunding bonds, the clean water series 2011A and clean water series 2018A notes payable do not constitute a debt or indebtedness of the District within the meaning of any constitutional or statutory provision or limitation, nor are they considered or held to be general obligations of the District.

11. Defined Benefit Pension Plan

General Information about the Pension Plan

Plan description. The Statewide Retirement Plan (SRP) is a cost-sharing multiple-employer defined benefit pension plan. The Plan consists of four components: Defined Benefit Component, Hybrid Defined Benefit Component, Social Security Component and Money Purchase Component. The Plan currently has 230 participating employer fire and police departments.

The Defined Benefit Component and Social Security Component cover substantially all full-time employees of participating fire or police departments in Colorado hired on or after April 8, 1978, provided that they are not already covered by a statutorily exempt plan. Employers once had the option to withdraw from the Plan, but a change in state statutes eliminated this option effective January 1, 1988, unless the employer elects and is determined to be eligible to participate in the Statewide Money Purchase Plan.

In 2003, legislation was enacted that allows departments who cover their firefighters and police officers in money purchase plans to elect coverage under the Plan. As of August 5, 2003, clerical and other personnel from fire districts whose services are auxiliary to fire protection may also participate in the Plan. As of January 1, 2020, Colorado police and sheriff departments who participate in Social Security have the option of affiliating for coverage under the Plan.

The Plan assets are in the Fire & Police Members' Benefit Investment Fund Long-Term Pool and the Fire & Police Members' Self-Directed Investment Fund (for Deferred Retirement Option Plan (DROP) assets and Money Purchase Component assets). The Long-Term Pool is designed primarily for open plans with a longer time horizon, appropriate risk tolerance, and lower liquidity needs. The investment return assumption is 7.00 percent.

Members participating in DROP or in the Money Purchase Component choose among various investment options offered by an outside investment manager.

The Plan is administered by the Fire & Police Pension Association of Colorado (FPPA). FPPA issues a publicly available annual comprehensive financial report that can be obtained on FPPA's website at <http://www.FPPAco.org>.

Benefits provided. The FPPA Board of Directors may change the retirement age on an annual basis, depending upon the results of the actuarial valuation and other circumstances. The Normal Retirement Age should not be less than age 55 or more than age 60. Any member with at least 25 years of service may retire at any time after age 55 and shall be eligible for a normal retirement pension. Members with combined age and years of service totaling 80 or more, with a minimum age of 50 also qualify for a normal retirement pension.

A member is eligible for retirement after attainment of age 55 with at least five years of credited service. A member is eligible for an early retirement after completion of 30 years of service or attainment of age 50 with at least five years of credited service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis.

11. Defined Benefit Pension Plan (continued)

The annual retirement benefit for the Defined Benefit Component is 2.0 percent of the average of the member's highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent of the average of the member's highest three years' base salary for each year of service thereafter.

Beginning January 1, 2007, the annual normal retirement benefit for the Social Security Component is 1.0 percent of the average of the member's highest three years base salary for each year of credited service up to then years plus 1.25 percent of the average of the member's highest three years' base salary for each year thereafter. Prior to 2007, the benefit for members of the Social Security Component will be reduced by the amount of social security income the member receives annually, calculated as if the social security benefit started as of age 62.

The annual retirement benefit of the Hybrid Defined Benefit Component is 1.9 percent of the average of the member's highest three years' base salary for each year of credited service through December 31, 2022 and 1.5 percent of the average of the member's highest three years' base salary for each year of credited service after January 1, 2023.

Benefits paid to retired members and beneficiaries may be increased annually on October 1 via cost of living adjustment (COLA). COLAs may be compounding or non-compounding. The increase in benefits, if any, is based on the FPPA Board of Director's discretion. Compounding COLAs can range from 0 percent to the higher of 3 percent or the Consumer Price Index for Urban Wage Earners and Clerical Workers. Non-compounding COLAs take into consideration the investment returns, compounding COLAs and other economic factors. COLAs may begin once the retired member has been receiving retirement benefits for at least 12 calendar months prior to October 1.

Upon termination, the vested account balance within the Money Purchase Component becomes available to the member.

Upon termination, a member may elect to have their member contributions, along with 5.0 percent as interest, returned as a lump sum distribution in lieu of a retirement benefit.

Contributions

Contribution rates for the Plan are set by state statute. The FPPA Board of Directors may further increase the required contributions, equally between employer and member, upon approval through an election of both employers and members.

Members of the Defined Benefit Component contribute 12.0 percent of base salary. In 2020, legislation was enacted to increase the employer contributions rate to the Plan beginning in 2021. Employer contribution rates will increase 0.5 percent annually through 2030 to a total of 13.0 percent of base salary. These increases result in a combined contribution rate of 25.0 percent of base salary in 2030. In 2024, the total combined member and employer contribution rate was 22.0 percent.

11. Defined Benefit Pension Plan (continued)

Contributions from Defined Benefit Component members and employers of plans reentering the Defined Benefit Component are established by resolution and approved by the FPPA Board of Directors. The continuing rate of contribution for reentry groups is determined for each reentry group. The additional contribution amount is determined locally and may be paid by the member, the employer or split 50/50. Per the 2020 legislation, the required employer contribution rate for reentry departments also increases 0.5 percent annually. These increases result in a minimum combined contribution rate of 25.2 percent in 2030. In 2024, the total minimum required member and employer contribution rate was 22.2 percent.

A member of the Plan may elect to make voluntary after-tax contributions to the Money Purchase Component of the Plan. Additional voluntary contributions from the employer are made on a pre-tax basis.

Within the Money Purchase Component, members are always fully vested in their own contributions, as well as the earnings on those contributions. Vesting in the employer's contributions within the Money Purchase Component, and earnings on those contributions occurs according to the vesting schedule set by the plan document at 20 percent per year after the first year of service and to be 100 percent vested after five years of service or the attainment of age 55. Employer and member contributions are invested in funds at the discretion of members.

A member of the Plan may elect to make voluntary after-tax contributions to the Money Purchase Component of the Plan. Additional voluntary contributions from the employer are made on a pre-tax basis.

Contributions to the pension plan from the Pueblo West Metro District were \$355,221 for the year ended December 31, 2025.

Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2025, the District reported a liability of \$0 for its proportionate share of the net pension liability. The net pension liability as of December 31, 2024, is based upon the January 1, 2025, actuarial valuation. The actuarially determined contributions as of December 31, 2024, are based upon the January 1, 2024, actuarial valuation.

The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At December 31, 2024, the District's proportion was approximately 0.2528 percent, an increase of 0.0102 percent from the prior year.

Actuarial Assumptions. The actuarial valuations for the Statewide Retirement Plan were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2024. The valuations used the following actuarial assumptions and other inputs:

11. Defined Benefit Pension Plan (continued)

	Total Pension Liability	Actuarial Determined Contributions
Actuarial Valuation Date	January 1, 2025	January 1, 2024
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, Open
Amortization Period	N/A	30 Years
Long-term Investment Rate of Return, net*	7.0%	7.0%
Projected Salary Increases*	4.25% - 11.25%	4.25% - 11.25%
Cost of Living Adjustments (COLA)	0%	0%
*Includes Inflation at	2.5%	2.5%

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the Pub-2010 Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, and then projected using the ultimate values of the MP-2020 projection scale for all years. The pre-retirement mortality assumption uses Pub-2010 Safety Healthy Employee Mortality Tables for males and females, amount-weighted, and then projected with the MP-2020 Ultimate projection scale. The pre-retirement non-duty mortality tables are adjusted to 60% multiplier. The on-duty mortality rate is 0.00015.

For determining the actuarially determined contributions, the post-retirement mortality tables for non-disabled retirees uses the Pub-2010 Safety Healthy Annuitant Mortality Tables projected with the ultimate values of the MP-2020 projection scale. The pre-retirement off-duty mortality tables are adjusted to 60% of the MP-2020 mortality tables for active employees. The on-duty mortality rate is 0.00015.

At least every five years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2022 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Company, based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2024. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent). Best estimates of arithmetic real rates of return for each major asset class

11. Defined Benefit Pension Plan (continued)

included in the Fund's target asset allocation as of December 31, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	33%	7.00%
Equity Long/Short	6%	6.20%
Private Markets	34%	8.80%
Fixed Income - Rates	7%	5.00%
Fixed Income - Credit	7%	6.50%
Absolute Return	9%	5.70%
Cash	4%	4.20%
Total	100%	

Discount Rate. The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the Statewide Retirement Plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

As of the measurement period ending December 31, 2024, the COLA assumption, which was previously 0.00%, was revised to reflect the true nature of Board's Benefits Policy which includes a variable COLA and supplemental payments. Consistent with Board's policy, the new COLA assumption will fluctuate from year to year depending on plan experience and is the long-term COLA assumption which results in no Net Pension Asset. If current assets do not support Total Pension Liabilities using a COLA assumption of greater than 0.00%, then a COLA assumption of 0.00% will be used and a Net Pension Liability will be reported.

Projected benefit payments are required to be discounted to their actuarial present values using a single discount rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 4.08 percent (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting single discount rate is 7.00 percent.

11. Defined Benefit Pension Plan (continued)

Sensitivity Analysis. Regarding the sensitivity of the net pension liability/(asset) to changes in the single discount rate, the following presents the plan's net pension liability/(asset), calculated using a single discount rate of 7.00 percent, as well as what the plan's net pension liability/(asset) would be if it were calculated using a single discount rate that is one percent lower or one percent higher:

	1% Decrease (6.00%)	Current Decrease (7.00%)	1% Decrease (8.00%)
Proportionate share of the net pension liability (asset)	\$ 1,233,414	\$ -	\$ -

The net pension liability of \$0 reflects a reserve for cost of living adjustments and to manage adverse experience of each stated discount rate above

Other Information. For the year ended December 31, 2025, the District recognized pension expense related to this plan of \$435,601. At December 31, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of resources	Deferred Inflows of resources
Difference between Expected and Actual Experience	\$ 607,363	\$ 18,998
Changes of Assumptions or other Inputs	217,370	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	86,282	-
Changes in Proportion and Differences between Contributions Recognized and Proportionate Share of Contributions	21,308	232,440
Contributions Subsequent to Measurement Date	355,221	-
Total	<u>\$ 1,287,544</u>	<u>\$ 251,438</u>

The \$355,221 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2026.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31,	Amortization
2026	\$ 216,773
2027	334,448
2028	(8,788)
2029	1,565
2030	49,100
Thereafter	87,785
	<u>\$ 680,883</u>

12. Defined Contribution Pension Plan

The average of the expected remaining service lives of all members in the plan, including active and inactive members, is 8.3043 years determined as of the beginning of the December 31, 2024 measurement period.

The District contributes to an Internal Revenue Code (IRC) 401(a) plan (the Plan) for all its full-time and part-time employees and the Plan is administered by Mission Square Retirement.

Benefit terms, including contribution requirements, for the Plan are established and may be amended by the Board of Directors. The Plan allows employees to defer a portion of their compensation as provided by the IRC. Employees may defer 5% of their compensation and the District has elected to contribute 5% of each participant's compensation. For the year ended December 31, 2024, employer contributions totaled \$499,967.

The employees are fully vested in their own contributions and the earnings on those contributions, along with the District's contributions and earnings on those contributions upon the completion of 30 days of service.

13. Net Position

Restricted net position represents net position whose uses are subject to constraints that are either (1) legally imposed by creditors (such as debt covenants), grantors, or laws or regulations of other governments, or (2) imposed by law through constitutional provisions or enabling legislation. Restricted net position at December 31, 2025 for governmental activities is as follows:

TABOR	\$ 380,160
Aquatic center	3,825,386
Fire sales tax	3,104,611
Parks and recreation	<u>1,060,127</u>
	<u>\$ 8,370,284</u>

Restricted for tabor – This represents approximately 3% of the District's 2025 fiscal year spending as that term is defined in the Colorado constitution. Under these provisions of the constitution, this portion of the District's net position can be used for declared emergencies only and the District must maintain 3% or more of its fiscal year spending in this restricted account.

Restricted for aquatic center – This represents revenues in excess of Tabor limits to be used for the design, construction, maintenance or lease of a community pool and aquatic center.

Restricted for fire sales tax – This represents fund balance of the fire sales tax fund. A 1% Fire Tax was approved in November 2020 by voters for a period of 10 years for sole purpose of serving the Pueblo West Fire Department construction of Fire Station 2. The current budgeted amount is \$ 7.8 million.

13. Net Position (continued)

Restricted for parks and recreation – This caption represents the fund balance of the conservation trust fund and parks donation fund.

14. Fund Balances

At December 31, 2025, fund balances for governmental funds consist of the following:

	<u>General Fund</u>	<u>Conservation Trust Fund</u>	<u>Parks Donation Fund</u>	<u>Fire Sales Tax Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
Nonspendable:						
Prepaid items	\$ 440,730	\$ -	\$ -	\$ 97,327	\$ -	\$ 538,057
Inventories	38,159	-	-	-	-	38,159
Restricted:						
Tabor	380,160	-	-	-	-	380,160
Aquatic center	-	-	-	-	3,825,386	3,825,386
Parks and recreation	-	901,034	159,093	-	-	1,060,127
Fire sales tax	-	-	-	3,104,611	-	3,104,611
Committed:						
Minimum reserve	2,373,496	-	-	-	-	2,373,496
Aquatic center	-	-	-	-	1,127,353	1,127,353
Assigned						
Subsequent years expenditures	-	-	-	-	6,709,675	6,709,675
Unassigned:	7,021,074	-	-	-	-	7,021,074
Total	<u>\$ 10,253,619</u>	<u>\$ 901,034</u>	<u>\$ 159,093</u>	<u>\$ 3,201,938</u>	<u>\$ 11,662,414</u>	<u>\$ 26,178,098</u>

The Board has committed \$2,373,496 of total general fund expenditures and transfers as a minimum reserve for major unanticipated emergencies. In the capital projects fund, the Board has committed \$1,127,353 for the Aquatic Center.

15. Risk Management

The District is exposed to various risks of loss related to torts, property and casualty, errors and omissions, injuries to employees and health claims. Risks of loss from property and casualty coverage, errors and omissions and injuries to employees are covered by the District's participation in the Colorado Special District's property and liability and workmen's compensation pools which is a separate independent governmental public entity risk pool formed through intergovernmental agreement by member special districts to provide defined liability, property and workmen's compensation coverage. The aggregate limit of losses paid by the pool for property claims is limited to \$1,000,000 with commercial company reinsurance covering any losses in excess of that amount up to \$3,000,000. All other risks of loss are handled by the purchase of commercial insurance. Settled claims from the liability pool and commercial policies have not exceeded the insurance coverage in the last three years.

16. Other Post Employment Benefits (OPEB)

New Hire Fire and Police Death and Disability

The District contributes to the statewide, cost-sharing, multiple-employer death and disability plan administered by the Colorado Fire and Police Pension Association (FPPA). The statewide plan provides death and disability benefits for those new hires employed after January 1, 1997 and their beneficiaries. Title 31, Article 30 of the Colorado Revised Statutes (CRS), as amended, assigns the authority to establish benefit provisions to the state legislature. FPPA issues a publicly available financial report that includes the statewide death and disability plan. That report may be obtained by writing to FPPA of Colorado, Stanford Place II, 7979 East Tufts Avenue, Suite 150, Denver, Colorado, 80237, or by calling FPPA at 303-770-3772 in the Denver metro area or 1-800-332-3772 from outside the metro area.

Plan members and the District are required to contribute at a rate set by statute. The contribution requirements of plan members of the District are established under Title 31, Article 30, part 10 of the CRS, as amended. The contribution rate for members is 1.50% of covered salary and for the District the contribution rate is also 1.50% of covered salary. The District contributions to the statewide death and disability plan for the years ended December 31, 2025, 2024, 2023, and 2022 were \$62,231, \$47,773, \$38,157, and \$29,223, equal to its required contributions for each year. All contributions are made by members or on behalf of members to the Statewide Death & Disability Plan. As such, the employers' actuarial determined contribution is zero. Additionally, as the participating employers are not mandated to fund the Statewide Death & Disability Plan, employers are not subject to reporting under GASB Statement No. 75.

17. Commitments and Contingencies

Colorado voters passed an amendment to the state constitution in November 1992 which contains several limitations, including revenue raising, spending abilities and other specific requirements affecting state and local governments. The amendment, commonly known as the Tabor amendment, is complex and subject to judicial interpretation; however, the District believes it is in compliance with the requirements of the amendment. The District has made certain interpretations of the amendment's language in order to determine its compliance.

At December 31, 2025, the District did not have any outstanding construction commitments.

18. Subsequent Events

Management has evaluated subsequent events through June 30, 2026, and no material events were identified requiring disclosure.

PUEBLO WEST METROPOLITAN DISTRICT

Required Supplementary Information

PUEBLO WEST METROPOLITAN DISTRICT

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances—Budget and Actual For the Year Ended December 31, 2025

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES AND OTHER FINANCING SOURCES				
Taxes				
Property taxes	\$ 8,510,098	\$ 8,510,098	\$ 8,467,266	\$ (42,832)
Specific ownership taxes	500,000	500,000	692,873	192,873
Franchise taxes	152,000	152,000	161,737	9,737
Sales Tax	3,900,000	3,900,000	4,130,772	230,772
Other taxes	464,750	464,750	264,306	(200,444)
Charges for Services	235,550	235,550	327,015	91,465
Investment earnings	205,000	205,000	815,400	610,400
Grants	35,000	35,000	-	(35,000)
Proceeds from leases	-	-	745,854	745,854
Sale of equipment	-	-	62,375	62,375
Other	500	500	202,147	201,647
TOTAL REVENUES AND OTHER FINANCING SOURCES	14,002,898	14,002,898	15,869,745	1,866,847
EXPENDITURES AND OTHER FINANCING USES				
Current:				
Streets and roads	3,900,000	3,900,000	4,130,772	(230,772)
Fire protection	3,255,336	3,578,572	3,493,749	84,823
Project Development	445,007	445,007	395,686	49,321
Parks and recreation	1,954,386	1,954,386	1,525,568	428,818
Maintenance Operations	645,367	645,367	552,387	92,980
Administration	2,161,445	2,161,445	1,827,154	334,291
Capital outlay	-	-	746,849	(746,849)
Transfers	3,822,600	5,683,921	5,691,822	(7,901)
TOTAL EXPENDITURES AND OTHER FINANCING USES	16,184,141	18,368,698	18,363,987	4,711
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(2,181,243)	(4,365,800)	(2,494,242)	1,871,558
FUND BALANCES, BEGINNING OF YEAR	9,554,547	9,265,214	12,747,861	3,482,647
FUND BALANCES, END OF YEAR	\$ 7,373,304	\$ 4,899,414	\$ 10,253,619	\$ 5,354,205

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

PUEBLO WEST METROPOLITAN DISTRICT

Conservation Trust Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances—Budget and Actual For the Year Ended December 31, 2025

	ORIGINAL/ FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES AND OTHER FINANCING SOURCES			
Lottery Proceeds	\$ 200,000	\$ -	\$ (200,000)
Intergovernmental	-	291,738	291,738
Investment earnings	15,000	44,393	29,393
Other	90,000	-	(90,000)
TOTAL REVENUES AND OTHER FINANCING SOURCES	305,000	336,131	31,131
EXPENDITURES AND OTHER FINANCING USES			
Current:			
Parks and recreation	-	7,586	(7,586)
Administration	10,000	-	10,000
Capital outlay	959,371	494,706	464,665
TOTAL EXPENDITURES AND OTHER FINANCING USES	969,371	502,292	467,079
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(664,371)	(166,161)	498,210
FUND BALANCES, BEGINNING OF YEAR	1,201,923	1,067,195	(134,728)
FUND BALANCES, END OF YEAR	\$ 537,552	\$ 901,034	\$ 363,482

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

PUEBLO WEST METROPOLITAN DISTRICT

Parks Donation Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances—Budget and Actual For the Year Ended December 31, 2025

	ORIGINAL/ FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES AND OTHER FINANCING SOURCES			
Taxes			
Other	\$ 89,100	\$ 56,901	\$ (32,199)
Transfers	92,400	96,654	4,254
TOTAL REVENUES AND OTHER FINANCING SOURCES	181,500	153,555	(27,945)
EXPENDITURES AND OTHER FINANCING USES			
Current:			
Parks and recreation	181,500	117,731	63,769
TOTAL EXPENDITURES AND OTHER FINANCING USES	181,500	117,731	63,769
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	-	35,824	35,824
FUND BALANCES, BEGINNING OF YEAR	128,704	123,269	(5,435)
FUND BALANCES, END OF YEAR	\$ 128,704	\$ 159,093	\$ 30,389

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

PUEBLO WEST METROPOLITAN DISTRICT

Fire Sales Tax Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances—Budget and Actual For the Year Ended December 31, 2025

	ORIGINAL/ FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES AND OTHER FINANCING SOURCES			
Taxes			
Sales Tax	\$ 3,900,000	\$ 4,130,773	\$ 230,773
Investment earnings	35,000	130,181	95,181
Other	-	1,524	1,524
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>3,935,000</u>	<u>4,262,478</u>	<u>327,478</u>
EXPENDITURES AND OTHER FINANCING USES			
Current:			
Fire protection	2,977,735	2,959,836	17,899
Capital outlay	4,322,459	1,869,246	2,453,213
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>7,300,194</u>	<u>4,829,082</u>	<u>2,471,112</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>(3,365,194)</u>	<u>(566,604)</u>	<u>2,798,590</u>
FUND BALANCES, BEGINNING OF YEAR	<u>3,768,542</u>	<u>3,768,542</u>	<u>-</u>
FUND BALANCES, END OF YEAR	\$ <u><u>403,348</u></u>	\$ <u><u>3,201,938</u></u>	\$ <u><u>2,798,590</u></u>

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

BUDGETARY INFORMATION

The District adheres to the following procedures in establishing the budgetary data reflected in the budgetary comparison schedules.

On or before the first board meeting in October, the district manager submits to the board of directors a proposed budget for the fiscal year commencing the following January 1. The budget includes proposed expenditures and the means of financing them. Public hearings are conducted by the board of directors to obtain taxpayer comments. The District adopts budgets for all its funds, including proprietary funds, and each fund uses the current financial resources measurement focus and the modified accrual basis of accounting in preparing the budgets.

Expenditure estimates in the annual budgets are enacted into law through the passage of an appropriation resolution. The board of directors may amend the original adopted budget during the year by passing a new resolution to reflect current needs. During 2025, the budget was amended to include a transfer from the General Fund to the Capital Projects Fund for 30% of the prior year's excise tax revenue for the Aquatic Center project.

For each legally adopted budget, budgetary control exists at the total fund level. That is to say, total expenditures for each fund cannot legally exceed appropriations for that fund.

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to preserve that portion of the applicable appropriation, is not employed in the formal budgetary process. In addition, appropriations lapse at year end.

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PUEBLO WEST METROPOLITAN DISTRICT

Retirement Plan Supplementary Information

For the Year Ended December 31, 2025

Schedule of Proportionate Share of the Net Pension

Year Ending*	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll	Net Pension Liability as a Percentage of Member Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability
12/31/2015	-0.20%	\$ (3,484)	\$ 958,138	-0.36%	100.10%
12/31/2016	0.20%	71,978	1,019,463	7.06%	98.21%
12/31/2017	0.18%	(263,522)	1,074,238	-24.53%	106.30%
12/31/2018	0.18%	223,817	1,146,638	19.52%	95.20%
12/31/2019	0.17%	(94,609)	1,229,838	-7.69%	101.90%
12/31/2020	0.18%	(390,835)	1,414,763	-27.63%	106.70%
12/31/2021	0.18%	(964,642)	1,429,757	-67.47%	116.20%
12/31/2022	0.23%	(203,261)	1,992,311	-10.20%	97.60%
12/31/2023	0.24%	-	2,398,583	0.00%	100.00%
12/31/2024	0.25%	-	2,804,861	0.00%	100.00%

* The data provided in this schedule is based as of the measurement date of the Authority's net pension liability, which is as of the beginning of the year.

Schedule of Employer Contributions

Year Ending	Statutorily Required Contributions	Actual Employer Contributions	Contribution Excess/(Deficiency)	Actual Covered Member Payroll	Contributions as a Percentage of Covered Payroll
12/31/2016	\$ 81,551	\$ 81,551	\$ -	\$ 1,019,463	8.0%
12/31/2017	85,939	85,939	-	1,074,238	8.0%
12/31/2018	91,731	91,731	-	1,146,638	8.0%
12/31/2019	98,387	98,387	-	1,229,838	8.0%
12/31/2020	113,181	113,181	-	1,414,763	8.0%
12/31/2021	121,529	121,529	-	1,429,757	8.5%
12/31/2022	179,308	179,308	-	1,992,311	9.0%
12/31/2023	226,412	226,412	-	2,398,583	9.4%
12/31/2024	275,596	275,596	-	2,804,861	9.8%
12/31/2025	355,221	355,221	-	3,437,998	10.3%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

PUEBLO WEST METROPOLITAN DISTRICT

Additional Information

PUEBLO WEST METROPOLITAN DISTRICT

Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances—Budget and Actual For the Year Ended December 31, 2025

		ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES AND OTHER FINANCING SOURCES					
Transfers In	\$	3,730,200	\$ 5,591,521	\$ 5,595,168	\$ 3,647
Intergovernmental		3,114,897	3,114,897	1,049,134	(2,065,763)
Other		-	-	15,867	15,867
TOTAL REVENUES AND OTHER FINANCING SOURCES		<u>6,845,097</u>	<u>8,706,418</u>	<u>6,660,169</u>	<u>(2,046,249)</u>
EXPENDITURES AND OTHER FINANCING USES					
Capital outlay		<u>12,386,505</u>	<u>12,386,505</u>	<u>2,383,665</u>	<u>10,002,840</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES		<u>12,386,505</u>	<u>12,386,505</u>	<u>2,383,665</u>	<u>10,002,840</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES					
		<u>(5,541,408)</u>	<u>(3,680,087)</u>	<u>4,276,504</u>	<u>7,956,591</u>
FUND BALANCES, BEGINNING OF YEAR		<u>3,841,174</u>	<u>7,591,997</u>	<u>7,385,910</u>	<u>(206,087)</u>
FUND BALANCES, END OF YEAR	\$	<u><u>(1,700,234)</u></u>	\$ <u><u>3,911,910</u></u>	\$ <u><u>11,662,414</u></u>	\$ <u><u>7,750,504</u></u>

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

PUEBLO WEST METROPOLITAN DISTRICT

Water Fund

Statement of Revenues, Expenditures and Changes in Net Position For the Year Ended December 31, 2025

	ORIGINAL/ FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES AND OTHER FINANCING SOURCES			
Charges for services	\$ 13,166,900	\$ 11,647,272	\$ (1,519,628)
Tap connection fees	260,000	248,908	(11,092)
Water lease and other	4,250,000	1,146,748	(3,103,252)
Investment income	500,000	1,125,261	625,261
Capital contributions	-	2,740,479	2,740,479
Transfers In/(Out)	-	10,651	10,651
Gain (loss) on disposal of equipment	-	28,655	28,655
TOTAL REVENUES AND OTHER FINANCING SOURCES	18,176,900	16,947,974	(1,228,926)
EXPENDITURES AND OTHER FINANCING USES			
Current			
Salaries	3,536,541	2,956,266	580,275
Payroll taxes	270,545	213,819	56,726
Pension and benefits	912,397	609,061	303,336
Parts and supplies	2,548,550	642,492	1,906,058
Repairs and maintenance	-	303,106	(303,106)
Uniforms and safety	61,000	29,823	31,177
Training, education and travel	83,300	43,960	39,340
Legal expense	110,000	90,714	19,286
Outside services	1,578,375	1,485,766	92,609
Insurance	459,100	418,447	40,653
Utilities	933,100	1,124,771	(191,671)
Lease and rental	347,800	77,919	269,881
Water assessment	2,685,500	2,339,064	346,436
Donations	5,000	258	4,742
Office expenses	151,700	118,372	33,328
Gain (loss) on retirement of bonds	-	23,006	(23,006)
Capital outlay	32,570,595	6,985,530	25,585,065
Debt service -			
Principal	495,000	-	495,000
Interest costs	9,656	48,312	(38,656)
TOTAL EXPENDITURES AND OTHER FINANCING USES	46,758,159	17,510,686	29,247,473
CHANGE IN FUND BALANCE, BUDGETARY BASIS	\$ (28,581,259)	\$ (562,712)	\$ 28,018,547
ADJUSTMENTS FROM BUDGETARY BASIS TO GAAP BASIS			
Depreciation expense		\$ (2,749,506)	
Capital outlay		<u>6,985,530</u>	
CHANGES IN NET POSITION - GAAP BASIS		3,673,312	
NET POSITION, BEGINNING OF YEAR		<u>89,657,817</u>	
NET POSITION, END OF YEAR		<u><u>\$ 93,331,129</u></u>	

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

PUEBLO WEST METROPOLITAN DISTRICT

Wastewater Fund

Statement of Revenues, Expenditures and Changes in Net Position For the Year Ended December 31, 2025

	ORIGINAL/FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES AND OTHER FINANCING SOURCES			
Charges for services	\$ 4,995,000	\$ 5,765,702	\$ 770,702
Tap connection fees	27,000	32,266	5,266
Water lease and other	265,000	23,241	(241,759)
Investment income	200,000	546,515	346,515
Capital contributions	-	299,425	299,425
Transfers In/(Out)	-	624	624
Gain (loss) on disposal of equipment	-	206,222	206,222
TOTAL REVENUES AND OTHER FINANCING SOURCES	5,487,000	6,873,995	1,386,995
EXPENDITURES AND OTHER FINANCING USES			
Salaries	1,757,762	1,679,965	77,797
Payroll taxes	134,469	121,015	13,454
Pension and benefits	506,240	336,168	170,072
Parts and supplies	209,900	133,256	76,644
Repairs and maintenance	112,000	81,192	30,808
Uniforms and safety	27,600	23,490	4,110
Training, education and travel	16,100	6,835	9,265
Legal expense	35,000	48,811	(13,811)
Outside services	772,004	1,019,262	(247,258)
Insurance	141,800	117,316	24,484
Utilities	361,300	342,703	18,597
Lease and rental	40,700	8,193	32,507
Office expenses	43,600	25,126	18,474
Capital outlay	3,130,000	244,193	2,885,807
Debt service -			
Principal	449,124	462,996	(13,872)
Interest costs	203,916	193,116	10,800
TOTAL EXPENDITURES AND OTHER FINANCING USES	7,941,515	4,843,637	3,097,878
CHANGE IN FUND BALANCE, BUDGETARY BASIS	\$ (2,454,515)	\$ 2,030,358	\$ 4,484,873
ADJUSTMENTS FROM BUDGETARY BASIS TO GAAP BASIS			
Principal paid		\$ 462,996	
Depreciation expense		(1,277,427)	
Capital outlay		244,193	
CHANGES IN NET POSITION - GAAP BASIS		1,460,120	
NET POSITION, BEGINNING OF YEAR		19,670,372	
NET POSITION, END OF YEAR		\$ 21,130,492	

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

PUEBLO WEST METROPOLITAN DISTRICT

Community Development Fund Statement of Revenues, Expenditures and Changes in Net Position For the Year Ended December 31, 2025

	ORIGINAL/ FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES AND OTHER FINANCING SOURCES			
Charges for services	\$ 350,000	\$ 246,500	\$ (103,500)
Water lease and other	-	10,639	10,639
Investment income	60,000	152,186	92,186
Transfers In/(Out)	-	(5,334)	(5,334)
TOTAL REVENUES AND OTHER FINANCING SOURCES	410,000	403,991	(6,009)
EXPENDITURES AND OTHER FINANCING USES			
Salaries	268,860	225,460	43,400
Payroll taxes	21,119	15,854	5,265
Pension and benefits	86,889	51,563	35,326
Parts and supplies	2,500	5,014	(2,514)
Cost of sales	-	9,000	(9,000)
Uniforms and safety	1,000	621	379
Training, education and travel	2,080	1,966	114
Legal expense	16,000	52,221	(36,221)
Outside services	130,230	26,330	103,900
Insurance	9,400	10,054	(654)
Utilities	5,000	6,280	(1,280)
Lease and rental	33,700	(542)	34,242
Office expenses	14,900	11,702	3,198
Capital Outlay	-	25,630	(25,630)
Debt service -			
Principal	-	10,667	(10,667)
Interest costs	-	2,856	(2,856)
TOTAL EXPENDITURES AND OTHER FINANCING USES	591,678	454,676	137,002
CHANGE IN FUND BALANCE, BUDGETARY BASIS	\$ (181,678)	\$ (50,685)	\$ 130,993
ADJUSTMENTS FROM BUDGETARY BASIS TO GAAP BASIS			
Principal Additions		\$ 10,667	
Depreciation expense		(29,787)	
Capital outlay		25,630	
CHANGES IN NET POSITION - GAAP BASIS		(44,175)	
NET POSITION, BEGINNING OF YEAR		6,813,245	
NET POSITION, END OF YEAR		\$ 6,769,070	

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

PUEBLO WEST METROPOLITAN DISTRICT

Swimming Pool Fund

Statement of Revenues, Expenditures and Changes in Net Position

For the Year Ended December 31, 2025

	ORIGINAL/ FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES AND OTHER FINANCING SOURCES			
Charges for services	\$ 33,700	\$ -	\$ (33,700)
TOTAL REVENUES AND OTHER FINANCING SOURCES	33,700	-	(33,700)
EXPENDITURES AND OTHER FINANCING USES			
Salaries	48,258	2,590	45,668
Payroll taxes	3,692	198	3,494
Pension and benefits	965	174	791
Parts and supplies	25,248	10,936	14,312
Uniforms and safety	2,160	1,630	530
Training, education and travel	2,200	1,835	365
Outside services	13,931	8,591	5,340
Insurance	3,400	2,642	758
Utilities	13,600	5,471	8,129
Office expenses	600	61	539
TOTAL EXPENDITURES AND OTHER FINANCING USES	114,054	34,128	79,926
CHANGE IN FUND BALANCE, BUDGETARY BASIS	\$ (80,354)	\$ (34,128)	\$ 46,226
ADJUSTMENTS FROM BUDGETARY BASIS TO GAAP BASIS			
Depreciation expense		\$ (7,602)	
CHANGES IN NET POSITION - GAAP BASIS		(41,730)	
NET POSITION, BEGINNING OF YEAR		266,456	
NET POSITION, END OF YEAR		\$ 224,726	

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

PUEBLO WEST METROPOLITAN DISTRICT

Statistical Section

STATISTICAL SECTION

This part of the Pueblo West Metropolitan District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being has changed over time	58
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source which is the property tax	68
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current level of outstanding debt and the District's ability to issue additional debt in the future.	81
Demographics and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	86
Operating Information These schedules contain service and infrastructure data to help the reader understands how the information in the District's financial report relates to the services the District provides and the activities it performs.	90

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

PUEBLO WEST METROPOLITAN DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	<u>2016</u>	<u>2017</u>	<u>2018</u>	
Governmental Activities				
Net investment in capital assets	\$ 11,713,622	\$ 12,085,136	\$ 11,287,921	
Restricted	632,169	676,947	712,964	
Unrestricted	3,109,212	3,868,629	5,710,777	*
Total Governmental Activities Net Position	<u>\$ 15,455,003</u>	<u>\$ 16,630,712</u>	<u>\$ 17,711,662</u>	*
Business-Type Activities				
Net investment in capital assets	\$ 47,114,165	\$ 46,614,012	\$ 41,161,662	
Restricted	-	-	-	
Unrestricted	35,723,375	38,554,469	48,291,621	
Total Business-Type Activities Net Position	<u>\$ 82,837,540</u>	<u>\$ 85,168,481</u>	<u>\$ 89,453,283</u>	
Primary Government				
Net investment in capital assets	\$ 58,827,787	\$ 58,699,148	\$ 52,449,583	
Restricted	632,169	676,947	712,964	
Unrestricted	38,832,587	42,423,098	54,002,398	
Total Primary Government Net Position	<u>\$ 98,292,543</u>	<u>\$ 101,799,193</u>	<u>\$ 107,164,945</u>	*

* Prior period adjustment related to retail marijuana sales tax pass-thru from Pueblo County

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$ 12,329,998	\$ 12,871,992	\$ 12,003,799	\$ 12,787,613	\$ 13,843,755	\$ 19,442,030	\$ 22,973,145
883,000	1,678,317	2,550,494	2,550,494	10,283,603	9,037,679	8,370,284
7,204,803	7,690,246	12,122,015	17,700,998	13,547,732	16,758,741	19,000,305
<u>\$ 20,417,801</u>	<u>\$ 22,240,555</u>	<u>\$ 26,676,308</u>	<u>\$ 33,039,105</u>	<u>\$ 37,675,090</u>	<u>\$ 45,238,450</u>	<u>\$ 50,343,734</u>
\$ 43,933,066	\$ 46,572,805	\$ 48,336,266	\$ 52,944,077	\$ 59,278,207	\$ 62,923,289	\$ 67,340,305
-	-	-	-	-	-	-
49,745,402	53,414,651	59,733,832	57,117,204	52,425,788	53,484,601	54,115,112
<u>\$ 93,678,468</u>	<u>\$ 99,987,456</u>	<u>\$ 108,070,098</u>	<u>\$ 110,061,281</u>	<u>\$ 111,703,995</u>	<u>\$ 116,407,890</u>	<u>\$ 121,455,417</u>
\$ 56,263,064	\$ 59,444,797	\$ 60,340,065	\$ 65,731,690	\$ 73,121,962	\$ 82,365,319	\$ 90,313,450
883,000	1,678,317	2,550,494	2,550,494	10,283,603	9,037,679	8,370,284
56,950,205	61,104,897	71,855,847	74,818,202	65,973,520	70,243,342	73,115,417
<u>\$ 114,096,269</u>	<u>\$ 122,228,011</u>	<u>\$ 134,746,406</u>	<u>\$ 143,100,386</u>	<u>\$ 149,379,085</u>	<u>\$ 161,646,340</u>	<u>\$ 171,799,151</u>

PUEBLO WEST METROPOLITAN DISTRICT
CHANGE IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	<u>2016</u>	<u>2017</u>	<u>2018</u>
EXPENSES			
Governmental activities -			
General government	\$ 809,965	\$ 832,283	\$ 483,889
Fire protection	2,377,078	2,423,181	2,332,527
Streets and roads	2,626,296	1,799,271	2,536,546
Engineering	595,961	641,026	648,414
Parks and recreation	986,251	1,030,512	1,332,465
Interest on long-term debt	12,683	12,343	9,037
Total governmental activities expenses	<u>7,408,234</u>	<u>6,738,616</u>	<u>7,342,878</u>
Business-type activities -			
Water	8,089,985	8,252,928	8,361,645
Wastewater	2,947,805	2,449,753	3,173,004
Community Development	342,210	387,802	365,939
Swimming pool	103,471	89,123	89,826
Total business-type activities expenses	<u>11,483,471</u>	<u>11,179,606</u>	<u>11,990,414</u>
 TOTAL PRIMARY GOVERNMENT EXPENSES	 <u>\$ 18,891,705</u>	 <u>\$ 17,918,222</u>	 <u>\$ 19,333,292</u>
 PROGRAM REVENUE			
Governmental activities -			
Charges for services	\$ 315,258	\$ 290,100	\$ 300,215
Operating grants and contributions	1,766,648	1,474,875	1,677,796
Capital grants and contributions	24,012	959,621	351,625
Total governmental activities program revenue	<u>2,105,918</u>	<u>2,724,596</u>	<u>2,329,636</u>
Business-type activities -			
Charges for services -			
Water			
Water Usage	7,640,016	7,053,460	8,331,239
Transfer Fee	20,295	29,758	16,629
Penalty	95,215	97,390	95,881
Turn On Fees	42,016	40,509	46,187
Hydrant Water	62,844	58,636	78,526
Other	241,408	126,734	395,152
Sewer			
Sewer Usage	2,342,781	2,798,796	3,255,337
Other	352,488	181	847
Community Development			
Sale of Land	1,135,282	74,498	27,500
Fees	67,441	96,629	110,998
Other	1,348	250	86
Swimming pool	33,867	36,000	42,200
Operating grants and contributions	55,157	29,998	-
Capital grants and contributions	1,407,917	2,307,139	3,259,696
Total business-type activities program revenue	<u>13,498,075</u>	<u>12,749,978</u>	<u>15,660,278</u>
 TOTAL PRIMARY GOVERNMENT PROGRAM REVENUE	 <u>15,603,993</u>	 <u>15,474,574</u>	 <u>17,989,914</u>

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$ 757,654	\$ 1,065,823	\$ 650,709	\$ 705,508	\$ 1,124,369	\$ 2,117,035	\$ 2,531,539
2,636,353	3,033,398	3,261,096	3,857,889	4,777,405	5,921,617	7,044,738
2,016,357	2,313,791	3,637,916	1,814,114	4,512,086	3,965,851	4,151,452
616,289	707,040	886,357	937,207	576,996	345,130	402,240
1,151,408	1,229,455	1,292,832	1,457,243	1,521,030	1,636,623	2,130,053
14,515	10,885	7,952	18,479	12,252	-	-
<u>7,192,576</u>	<u>8,360,392</u>	<u>9,736,862</u>	<u>8,790,440</u>	<u>12,524,138</u>	<u>13,986,256</u>	<u>16,260,022</u>
8,934,429	9,769,675	10,830,286	11,771,513	13,836,082	13,254,107	13,251,656
3,249,515	3,453,725	4,139,960	4,351,646	5,083,930	5,064,340	5,413,875
515,968	705,519	859,259	464,959	485,563	525,072	471,172
86,425	23,985	31,798	81,892	98,576	87,613	41,730
<u>12,786,337</u>	<u>13,952,904</u>	<u>15,861,303</u>	<u>16,670,010</u>	<u>19,504,151</u>	<u>18,931,132</u>	<u>19,178,433</u>
<u>\$ 19,978,913</u>	<u>\$ 22,313,296</u>	<u>\$ 25,598,165</u>	<u>\$ 25,460,450</u>	<u>\$ 32,028,289</u>	<u>\$ 32,917,388</u>	<u>\$ 35,438,455</u>
\$ 239,734	\$ 385,494	\$ 518,379	\$ 549,015	\$ 376,497	\$ 390,498	\$ 327,015
1,923,326	1,431,675	1,636,645	1,518,598	524,266	72,208	56,901
857,063	1,092,246	410,482	851,328	935,103	460,992	1,340,872
<u>3,020,123</u>	<u>2,909,415</u>	<u>2,565,506</u>	<u>2,918,941</u>	<u>1,835,866</u>	<u>923,698</u>	<u>1,724,788</u>
8,008,423	9,012,796	8,839,401	8,814,356	8,866,281	9,911,810	10,437,165
21,502	17,307	29,457	29,270	22,089	19,992	24,450
87,990	90,571	238,395	389,766	312,085	306,074	324,822
57,988	13,636	26,985	39,554	45,585	49,397	49,384
63,386	64,539	83,402	98,286	101,925	85,386	75,534
487,526	550,162	770,039	581,489	770,017	1,327,736	2,131,573
3,288,160	3,653,340	4,109,423	4,517,681	4,622,469	4,919,817	5,418,378
19,400	88,172	173,710	70,169	379,839	436,578	402,831
499,482	572,263	1,576,752	290,000	239,300	1,120,781	35,760
176,499	204,740	274,055	153,448	176,389	190,034	210,740
231	1,312	193	10,205	63	1,203	10,639
43,996	206	78	31,758	35,699	33,348	-
-	18,183	7,130	-	-	-	-
<u>3,351,534</u>	<u>5,418,068</u>	<u>7,323,392</u>	<u>3,632,887</u>	<u>3,326,102</u>	<u>3,175,642</u>	<u>3,039,904</u>
<u>16,106,117</u>	<u>19,705,295</u>	<u>23,452,412</u>	<u>18,658,869</u>	<u>18,897,843</u>	<u>21,577,798</u>	<u>22,161,180</u>
<u>19,126,240</u>	<u>22,614,710</u>	<u>26,017,918</u>	<u>21,577,810</u>	<u>20,733,709</u>	<u>22,501,496</u>	<u>23,885,968</u>

PUEBLO WEST METROPOLITAN DISTRICT
CHANGE IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	<u>2016</u>	<u>2017</u>	<u>2018</u>
NET (EXPENSE) REVENUE			
Governmental activities	(5,302,316)	(4,014,020)	(5,013,242)
Business-type activities	<u>2,014,604</u>	<u>1,772,138</u>	<u>3,669,864</u>
TOTAL PRIMARY GOVERNMENT NET EXPENSE	<u>\$ (3,287,712)</u>	<u>\$ (2,241,882)</u>	<u>\$ (1,343,378)</u>
GENERAL REVENUE AND OTHER CHANGES IN NET POSITION			
Governmental activities -			
Property taxes	\$ 4,450,020	\$ 4,606,390	\$ 4,751,237
Sales taxes	-	-	-
Franchise and other taxes	549,823	770,662	1,394,772 *
Unrestricted investment earnings	34,891	65,395	82,634
Other	14,791	94,960	138,337
Transfers	<u>135,271</u>	<u>(347,678)</u>	<u>(272,788)</u>
Total governmental activities	<u>5,184,796</u>	<u>5,189,729</u>	<u>6,094,192</u>
Business-type activities -			
Unrestricted investment earnings	91,993	152,330	315,550
Other	-	58,795	26,600
Transfers	<u>(135,271)</u>	<u>347,678</u>	<u>272,788</u>
Total business-type activities	<u>(43,278)</u>	<u>558,803</u>	<u>614,938</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 5,141,518</u>	<u>\$ 5,748,532</u>	<u>\$ 6,709,130</u>
CHANGE IN NET POSITION			
Governmental activities	\$ (117,520)	\$ 1,175,709	\$ 1,080,950 *
Business-type activities	<u>1,971,326</u>	<u>2,330,941</u>	<u>4,284,802</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 1,853,806</u>	<u>\$ 3,506,650</u>	<u>\$ 5,365,752</u>

* Prior period adjustment related to retail marijuana sales tax pass-thru from Pueblo County

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
(4,053,196)	(5,450,977)	(7,171,356)	(5,871,498)	(10,688,272)	(13,062,558)	(14,535,234)
<u>3,319,780</u>	<u>5,752,391</u>	<u>7,591,109</u>	<u>1,988,860</u>	<u>(606,308)</u>	<u>2,646,666</u>	<u>2,982,747</u>
<u>\$ (733,416)</u>	<u>\$ 301,414</u>	<u>\$ 419,753</u>	<u>\$ (3,882,638)</u>	<u>\$ (11,294,580)</u>	<u>\$ (10,415,892)</u>	<u>\$ (11,552,487)</u>
\$ 4,870,849	\$ 5,539,447	\$ 5,694,788	\$ 6,675,386	\$ 6,754,513	\$ 8,284,171	\$ 8,467,266
-	-	3,772,735	4,261,470	7,796,368	7,884,198	8,261,545
1,259,105	1,716,422	2,031,747	1,556,239	1,315,093	1,668,849	1,647,326
92,662	27,692	(33,684)	(139,987)	755,936	978,210	989,974
824,568	183,362	155,648	39,171	(718,717)	1,754,860	280,348
<u>(287,850)</u>	<u>(193,191)</u>	<u>(305,888)</u>	<u>(372,263)</u>	<u>(575,938)</u>	<u>32,483</u>	<u>(5,941)</u>
<u>6,759,334</u>	<u>7,273,732</u>	<u>11,315,346</u>	<u>12,020,016</u>	<u>15,327,255</u>	<u>20,602,771</u>	<u>19,640,518</u>
593,141	344,642	(23,423)	(431,504)	1,941,991	1,883,757	1,823,962
24,412	18,766	145,157	61,564	(268,908)	212,922	234,877
<u>287,850</u>	<u>193,191</u>	<u>305,888</u>	<u>372,263</u>	<u>575,938</u>	<u>(32,483)</u>	<u>5,941</u>
<u>905,403</u>	<u>556,599</u>	<u>427,622</u>	<u>2,323</u>	<u>2,249,021</u>	<u>2,064,196</u>	<u>2,064,780</u>
<u>\$ 7,664,737</u>	<u>\$ 7,830,331</u>	<u>\$ 11,742,968</u>	<u>\$ 12,022,339</u>	<u>\$ 17,576,276</u>	<u>\$ 22,666,967</u>	<u>\$ 21,705,298</u>
\$ 2,706,138	\$ 1,822,755	\$ 4,143,990	\$ 6,148,518	\$ 4,638,983	\$ 7,540,213	\$ 5,105,284
<u>4,225,183</u>	<u>6,308,990</u>	<u>8,018,731</u>	<u>1,991,183</u>	<u>1,642,713</u>	<u>4,710,862</u>	<u>5,047,527</u>
<u>\$ 6,931,321</u>	<u>\$ 8,131,745</u>	<u>\$ 12,162,721</u>	<u>\$ 8,139,701</u>	<u>\$ 6,281,696</u>	<u>\$ 12,251,075</u>	<u>\$ 10,152,811</u>

**PUEBLO WEST METROPOLITAN DISTRICT
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
GENERAL FUND				
Nonspendable	9,082	8,322	12,374	250,139
Restricted	210,000	212,000	176,000	975,914
Committed	-	-	-	-
Assigned	11,594	287,645	-	-
Unassigned	2,741,351	3,219,903	4,973,890 *	4,402,530
TOTAL GENERAL FUND	<u><u>\$ 2,972,027</u></u>	<u><u>\$ 3,727,870</u></u>	<u><u>\$ 5,162,264</u></u>	<u><u>\$ 5,628,583</u></u>
ALL OTHER GOVERNMENTAL FUNDS				
Nonspendable	-	-	-	-
Restricted	418,685	464,947	536,964	666,000
Committed	19,882	21,716	21,572	-
Assigned	144,037	134,046	164,590	1,243,354
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ALL OTHER GOVERNMENTAL FUNDS	<u><u>\$ 582,604</u></u>	<u><u>\$ 620,709</u></u>	<u><u>\$ 723,126</u></u>	<u><u>\$ 1,909,354</u></u>

* Prior period adjustment related to retail marijuana sales tax pass-thru from Pueblo County

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
136,812	310,682	323,130	126,441	374,101	478,889
1,017,319	1,923,483	1,923,483	335,630	323,980	380,160
-	2,578,329	2,578,329	2,175,655	2,353,387	2,373,496
-	-	-	-	-	-
3,568,122	1,526,992	1,910,604	4,664,175	9,696,393	7,021,074
<u>\$4,722,253</u>	<u>\$6,339,486</u>	<u>\$ 6,735,546</u>	<u>\$ 7,301,901</u>	<u>\$ 12,747,861</u>	<u>\$ 10,253,619</u>
-	-	-	848,657	70,693	97,327
653,700	4,209,690	7,356,597	9,947,973	8,713,699	7,990,124
-	-	-	965,214	1,048,061	1,127,353
2,920,844	3,523,808	5,673,682	2,898,889	2,512,463	6,709,675
-	-	-	979,816	-	-
<u>\$3,574,544</u>	<u>\$7,733,498</u>	<u>\$13,030,279</u>	<u>\$15,640,549</u>	<u>\$ 12,344,916</u>	<u>\$ 15,924,479</u>

PUEBLO WEST METROPOLITAN DISTRICT
CHANGE IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues				
Taxes	\$ 6,418,109	\$ 6,833,144	\$ 7,740,578 *	\$ 8,013,555
Intergovernmental	306,750	925,484	391,376	902,453
Charges for services	315,258	290,100	300,180	355,045
Investment earnings	34,891	65,395	82,635	92,662
Other	<u>56,423</u>	<u>28,043</u>	<u>45,459</u>	<u>48,856</u>
Total Revenues	<u>7,131,431</u>	<u>8,142,166</u>	<u>8,560,228</u>	<u>9,412,571</u>
Expenditures				
Current -				
Streets and roads	2,465,473	1,664,278	2,172,678	1,965,409
Fire protection	2,215,116	2,162,887	2,329,807	2,470,191
Engineering	574,115	620,304	624,531	587,212
Parks & recreation	768,552	773,777	904,145	1,054,988
General and administration	783,871	793,322	931,159	992,613
Capital outlay	1,447,760	876,999	266,114	1,130,534
Debt service -				
Principal	146,732	178,955	303,445	176,474
Interest	<u>12,683</u>	<u>12,343</u>	<u>9,037</u>	<u>14,515</u>
Total Expenditures	<u>8,414,302</u>	<u>7,082,865</u>	<u>7,540,916</u>	<u>8,391,936</u>
Excess (deficiency) of revenues over expenditure	<u>(1,282,871)</u>	<u>1,059,301</u>	<u>1,019,312</u>	<u>1,020,635</u>
Other Financing Sources (Uses)				
Insurance Recovery	-	82,325	394,611	845,463
Sale of Equipment	-	-	-	-
Proceeds from Leases	-	-	-	-
Proceeds from SBITAs	-	-	-	-
Proceeds from Debt	-	-	395,676	74,298
Transfers in	587,000	-	90,000	1,165,354
Transfers out	(451,729)	(347,678)	(362,788)	(1,453,204)
Capital leases	<u>914,192</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>1,049,463</u>	<u>(265,353)</u>	<u>517,499</u>	<u>631,911</u>
Net Change in Fund Balances	<u>\$ (233,408)</u>	<u>\$ 793,948</u>	<u>\$ 1,536,811</u>	<u>\$ 1,652,546</u>
Debt Service as a Percentage of Noncapital Expenditures	<u>2.29%</u>	<u>3.08%</u>	<u>4.30%</u>	<u>2.63%</u>

* Prior period adjustment related to retail marijuana sales tax pass-thru from Pueblo County

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$8,614,541	\$13,079,524	\$13,972,076	\$16,290,415	\$ 17,837,218	\$ 17,847,727
857,648	696,406	903,218	935,103	460,992	1,340,872
323,539	574,698	548,901	367,510	390,498	327,015
27,692	(33,684)	(139,987)	755,936	978,210	989,974
60,865	39,024	42,899	112,652	807,489	276,439
<u>9,884,285</u>	<u>14,355,968</u>	<u>15,327,107</u>	<u>18,461,616</u>	<u>20,474,407</u>	<u>20,782,027</u>
2,156,500	1,949,116	1,684,317	4,794,800	3,942,099	4,130,772
2,811,013	3,032,950	3,835,298	4,615,354	5,434,365	6,453,585
686,441	862,417	866,373	501,789	334,425	395,686
883,199	978,579	1,119,177	1,176,910	1,202,920	1,650,885
1,044,990	622,245	599,487	1,044,849	1,994,799	2,379,541
1,347,649	1,181,674	1,253,882	2,648,037	6,873,282	5,494,466
180,105	68,279	248,860	207,472	-	-
10,885	7,952	18,479	12,252	-	-
<u>9,120,782</u>	<u>8,703,212</u>	<u>9,625,873</u>	<u>15,001,463</u>	<u>19,781,890</u>	<u>20,504,935</u>
<u>763,503</u>	<u>5,652,756</u>	<u>5,701,234</u>	<u>3,460,153</u>	<u>692,517</u>	<u>277,092</u>
60,267	77,284	19,066	-	-	-
128,280	60,271	29,456	19,441	1,105,459	62,375
-	-	101,069	240,969	-	-
-	-	-	32,000	-	-
-	-	-	-	256,347	745,854
2,375,914	1,119,344	2,622,504	1,325,076	942,376	5,691,822
(2,569,105)	(1,425,232)	(2,994,767)	(1,901,014)	(911,305)	(5,691,822)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(4,644)</u>	<u>(168,333)</u>	<u>(222,672)</u>	<u>(283,528)</u>	<u>1,392,877</u>	<u>808,229</u>
<u>\$ 758,859</u>	<u>\$ 5,484,423</u>	<u>\$ 5,478,562</u>	<u>\$ 3,176,625</u>	<u>\$ 2,085,394</u>	<u>\$ 1,085,321</u>
<u>2.46%</u>	<u>1.01%</u>	<u>3.19%</u>	<u>1.78%</u>	<u>0.00%</u>	<u>0.00%</u>

**PUEBLO WEST METROPOLITAN DISTRICT
TAX REVENUE BY SOURCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

<u>Fiscal Year</u>	<u>Property</u>	<u>Specific Ownership</u>	<u>Highway Users (2)</u>	<u>Franchise</u>	<u>Fire Sales Tax</u>	<u>Road Sales Tax</u>	<u>Other Taxes (1)</u>	<u>Total</u>
2016	4,450,020	370,318	1,418,266	136,924	-	-	42,581	6,418,109
2017	4,606,390	444,785	1,456,092	146,570	-	-	179,307	6,833,144
2018	4,751,237	454,137	1,594,569	149,279	-	-	520,756	7,469,978
2019	4,870,849	507,821	1,783,779	153,641	-	-	579,438	7,895,527
2020	5,539,446	469,488	1,358,672	157,813	-	-	1,089,119	8,614,538
2021	5,694,788	543,040	1,580,254	159,565	3,772,735	-	1,329,142	13,079,524
2022	6,675,385	590,156	1,478,981	156,968	4,261,470	4,261,470	809,115	18,233,545
2023	6,754,513	599,106	424,441	155,532	3,898,184	3,898,184	560,455	16,290,415
2024	8,284,171	674,805	-	158,550	3,942,099	3,942,099	835,494	17,837,218
2025	8,467,266	692,873	-	161,737	4,130,772	4,130,772	264,306	17,847,726
Change 2016-2025	90%	87%	-100%	18%	100%	100%	521%	178%

(1) Includes:

- (a) Retail Marijuana Sales Tax pass through from State of Colorado
- (b) Marijuana Excise Tax (1% in FY2016, 2% in 2017, and 3% in 2018 and beyond.)

(2) Pueblo County assumed road maintenance responsibilities as of January 1, 2023. Per agreement with the County:

- (a) For the first quarter of 2023, HUTF Funds were transferred by the County and retained by the District.
- (b) For the second quarter of 2023, HUTF Funds received from Pueblo County were prorated based on the number of road employees still employed in the District's Road department through June 30, 2023.
- (c) After July 1, 2023, all HUTF Funds were retained by the County and spent on maintaining the Roads.

**PUEBLO WEST METROPOLITAN DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS**

Collection Year	<u>Total Levy</u>	<u>Current Collection</u>	<u>Percentage of Levy</u>	<u>Delinquent Taxes Collected (1)</u>	<u>Total Tax Collection</u>	<u>Percentage of Levy</u>
2016	4,453,049	4,440,787	99.72%	861	4,441,648	99.74%
2017	4,595,449	4,585,498	99.78%	9,193	4,594,691	99.98%
2018	4,749,852	4,738,825	99.77%	2,958	4,741,783	99.83%
2019	4,854,867	4,853,307	99.97%	5,529	4,858,836	100.08%
2020	5,525,793	5,529,258	100.06%	(1,391)	5,527,867	100.04%
2021	5,686,883	5,680,266	99.88%	2,539	5,682,805	99.93%
2022	6,701,979	6,664,836	99.45%	(4,251)	6,660,585	99.38%
2023	6,745,308	6,739,154	99.91%	2,697	6,741,851	99.95%
2024	8,255,243	8,254,609	99.99%	3,874	8,258,483	100.04%
2025	8,482,056	8,464,571	99.79%	(17,201)	8,447,370	99.59%

(1) Pueblo County Treasurer only reports delinquent tax collections by year of collection and not by year of levy which may cause collections as a percentage of levy to exceed 100%.

**PUEBLO WEST METROPOLITAN DISTRICT
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS**

<u>Budget Year</u>	<u>Residential</u>	<u>Commercial</u>	<u>Vacant</u>	<u>Industrial</u>	<u>Agricultural</u>
2016	154,695,062	32,629,106	19,762,001	8,233,482	1,263,848
2017	162,305,470	33,396,278	17,455,886	7,479,957	2,727,997
2018	166,290,744	34,396,278	16,565,963	7,346,226	3,363,674
2019	190,037,062	39,308,066	18,931,583	8,395,267	3,844,007
2020	217,174,355	44,921,258	21,635,012	9,594,111	4,392,931
2021	244,931,803	38,461,622	22,459,230	7,448,615	4,116,517
2022	249,505,271	38,881,276	18,967,060	7,207,984	4,130,370
2023	296,609,992	45,458,156	39,739,190	8,683,307	4,136,160
2024	301,681,700	48,677,324	42,107,740	8,699,631	3,964,370
2025	329,036,000	64,733,320	37,410,060	12,752,880	4,154,870

Note: Property in Colorado is reassessed every two years. Tax rates are per \$1,000 of assessed value. The assessed value of taxable property is determined by multiplying the "actual" value times an assessment ratio. The assessment ratio of residential property changes every two years based on a constitutionally-mandated requirement to keep the ratio of the assessed value of commercial property to residential property at the same level as it was in the property year commencing January 1, 1985 (the "Gallagher Amendment"). The Gallagher Amendment requires that statewide residential assessed values must be approximately 45% of the total assessed value in the State with commercial and other assessed values making up the other 55% of the assessed values in the State. In order to maintain the 45%/55% ratio, the commercial assessment rate is established at 29% of the actual value of commercial property and the residential assessment rate fluctuates. The assessment rate of **residential** property by collection year was:

<u>Year</u>	<u>Assessment Rate</u>
2007 - 2016	7.96%
2017 - 2018	7.20%
2019 - 2021	7.15%
2022	6.95%
2023	6.765%
2024	6.700%
2025	6.250%

Source: Pueblo County Assessor

<u>Natural Resources</u>	<u>State Assessed</u>	<u>Total Assessed</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Value</u>	<u>Value as a % of Actual Value</u>
1,857	10,473,736	227,059,092	19.838	2,140,777,281	10.61%
1,857	11,587,624	234,955,069	20.216	2,504,758,496	9.38%
1,857	11,486,115	239,983,553	20.230	2,563,706,800	9.36%
2,122	13,126,332	273,648,979	20.230	2,929,804,131	9.34%
2,425	15,000,772	281,626,473	20.230	3,348,180,161	8.41%
2,310	14,476,056	331,896,153	20.230	3,721,241,233	8.92%
2,310	14,577,535	333,271,806	20.230	3,881,581,454	8.59%
2,240	14,430,160	409,059,205	20.230	4,846,118,747	8.44%
1,720	15,073,600	420,206,085	20.230	5,633,230,359	7.46%
1,610	15,224,800	463,313,540	20.230	5,893,527,592	7.86%

**PUEBLO WEST METROPOLITAN DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS**

<u>Collection Year</u>	<u>Basic Rate</u>	<u>Debt Service</u>	<u>Total Direct</u>	<u>Pueblo County</u>	<u>School District 70</u>
2016	20.239	-	20.239	30.867	40.242
2017	20.216	-	20.216	30.887	39.993
2018	20.230	-	20.230	30.722	40.035
2019	20.230	-	20.230	30.088	40.063
2020	20.230	-	20.230	30.109	40.268
2021	20.230	-	20.230	30.199	40.039
2022	20.230	-	20.230	30.436	40.017
2023	20.230	-	20.230	30.503	40.148
2024	20.230	-	20.230	30.098	39.979
2025	20.230	-	20.230	30.098	40.022

Notes:

The District's basic property tax rate may be increased only by a majority vote of the District's residents. Rates for debt service, if any, are set based on each year's requirements.

Overlapping rates are those governments that apply to property owners within the Pueblo West Metropolitan District. Not all overlapping rates apply to all Pueblo West property owners. For example, although the county rate applies to all District property owners, the rates for the various conservancy districts apply to only property owners whose property is located within that District's geographic boundaries.

Tax rates are per \$1,000 of assessed valuation.

Source: Pueblo County Assessor (2015-2023); Pueblo County Treasurer (2024-2025)

Pueblo City-County <u>Library</u>	Southeast Colorado Water Conservancy <u>District</u>	Lower Arkansas Valley Water Conservancy <u>District</u>	Turkey Creek Conservancy <u>District</u>
5.282	0.940	1.503	-
5.288	0.939	1.503	-
5.271	0.944	1.503	-
5.865	0.902	1.503	-
5.872	0.942	1.503	-
5.889	0.839	1.503	-
5.945	0.887	1.503	-
6.6347	0.888	1.503	-
6.1970	0.747	1.503	-
6.5120	0.818	1.503	-

**PUEBLO WEST METROPOLITAN DISTRICT
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

<u>Taxpayer</u>	2025		
	<u>Taxable Assessed Valuation</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>
BLACK HILLS COLORADO ELECTRIC	\$ 6,872,100	1	1.48%
COMCAST OF COLORADO IV LLC	\$ 6,326,530	2	1.37%
WAL MART REAL ESTATE BUSINESS	\$ 4,621,800	3	1.00%
PUBLIC SERVICE CO OF COLORADO	\$ 3,204,590	4	0.69%
1156 INDUSTRIAL BLVD, LLC	\$ 2,070,820	5	0.45%
SAN ISABEL ELECTRIC ASSN INC	\$ 1,815,190	6	0.39%
NSA PROPERTY HOLDINGS, LLC	\$ 1,764,560	7	0.38%
GEM PRIVATE EQUITY FUND LP	\$ 1,376,200	8	0.30%
AMERCO REAL ESTATE COMPANY	\$ 1,224,920	9	0.26%
TRI STATE GEN + TRANSM ASSOC	\$ 1,153,100	10	0.25%
ANDREWS FAMILY LLP			
KUNA ENTERPRISES I LP			
QWEST CORPORATION			
RIVERBEND PUEBLO WEST			
	<u>\$ 30,429,810</u>		<u>6.57%</u>

Source: Pueblo County Assessor

2016

<u>Taxable Assessed Valuation</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>
\$ 4,672,809	1	2.06%
\$ 1,511,195	4	0.67%
\$ 3,185,754	2	1.40%
\$ 1,394,298	5	0.61%
		0.71%
\$ 1,651,539	3	0.67%
\$ 720,608	10	0.32%
\$ 1,240,300	6	0.55%
\$ 1,107,081	7	0.49%
\$ 1,026,200	8	0.45%
\$ 737,688	9	0.32%
<u>\$ 17,247,472</u>		<u>8.25%</u>

**PUEBLO WEST METROPOLITAN DISTRICT
REVENUE BY SOURCE, WATER ENTERPRISE
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Water Usage</u>	<u>Transfer Fees</u>	<u>Penalty</u>	<u>Turn On Fees</u>	<u>Hydrant Water</u>
2016	7,640,016	20,295	95,215	42,016	62,844
2017	7,053,460	29,758	97,390	40,509	58,636
2018	8,331,239	16,629	95,881	46,187	78,526
2019	7,930,714	21,502	87,990	57,988	63,386
2020	9,012,796	17,307	90,571	13,636	64,539
2021	8,839,401	29,457	238,395	26,985	83,402
2022	8,814,356	29,270	389,766	39,554	98,286
2023	8,866,281	22,089	312,085	45,585	101,925
2024	9,911,810	19,991	306,074	49,397	85,386
2025	10,437,165	24,450	324,822	49,384	75,534

*Tap connection includes tap fee and plant investment fee.

<u>Tap Connection*</u>	<u>Interest</u>	<u>Other</u>	<u>Transfers In</u>
1,457,269	81,027	241,408	306,729
2,339,962	134,172	126,734	347,678
3,273,745	247,038	64,214	306,788
3,352,264	372,302	148,483	-
4,765,439	273,375	156,292	304,888
6,806,909	100,050	243,029	305,888
3,639,779	380,189	103,692	304,937
3,719,342	997,174	41,953	304,937
3,650,208	1,300,578	582,973	7,382
3,478,005	1,125,262	1,422,703	11,275

**PUEBLO WEST METROPOLITAN DISTRICT
REVENUE BY SOURCE, WASTEWATER FUND
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Charges For Service</u>	<u>Tap Connection*</u>	<u>Proceeds From Issuance Of Note</u>	<u>Interest</u>	<u>Other</u>	<u>Transfers In</u>
2016	2,656,017	126,516	-	10,966	-	-
2017	2,798,796	257,735	-	18,159	181	-
2018	2,855,937	368,506	-	62,730	847	-
2019	3,044,078	394,330	-	102,194	19,400	-
2020	3,335,101	666,160	-	53,400	836,979	-
2021	3,778,938	1,357,842	-	27,663	339,225	-
2022	4,181,785	602,597	-	113,557	336,166	-
2023	4,622,469	366,558	-	326,159	348,106	-
2024	4,919,817	330,408	-	462,353	589,288	(852)
2025	5,418,378	331,690	-	546,515	576,787	

*Tap connection includes tap fee and plant investment fee.

**PUEBLO WEST METROPOLITAN DISTRICT
REVENUE BY SOURCE, COMMUNITY DEVELOPMENT
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Land Sales</u>	<u>Fees</u>	<u>Interest</u>	<u>Transfer In</u>	<u>Other</u>
2016	1,135,282	67,440	-	-	1,348
2017	74,498	96,629	-	-	250
2018	27,500	110,998	5,781	-	3,086
2019	499,482	176,473	118,647	-	2,287
2020	695,263	204,740	17,867	-	22,704
2021	1,576,762 *	274,055	7,292	-	3,092
2022	275,000	153,448	23,429	-	10,205
2023	239,300	176,389	84,206	-	63
2024	1,120,781	190,034	103,684	4,233	1,203
2025	35,760	210,740	135,559	-	10,639

*Includes Land Sales of \$1,276,752 and Land Lease of \$300,010.

**PUEBLO WEST METROPOLITAN DISTRICT
REVENUE BY SOURCE, SWIMMING POOL
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Admissions</u>	<u>Lessons</u>	<u>Other</u>	<u>Transfers In</u>
2016	19,997	9,370	4,500	30,000
2017	21,345	10,405	4,250	43,700
2018	28,816	9,440	5,010	56,000
2019	28,351	10,520	5,125	30,000
2020	-	-	205	8,304
2021	-	-	78	-
2022	19,381	8,316	4,061	66,000
2023	19,511	12,586	3,602	271,000
2024	17,674	11,400	4,274	-
2025	-	-	-	-

**PUEBLO WEST METROPOLITAN DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS**

Year	<u>Government Activities</u>		<u>Business-Type Activities</u>				Total Primary Government	Percentage of Personal Income (4)	Per Capita (5)
	Financed Purchases, Leases	Subscription -based IT arrangements SBITA	Revenue Bonds (2)	Notes Payable (3)	Financed Purchases, Leases	Subscription -based IT arrangements SBITA			
2016 (6)	767,460	-	-	8,373,932	-	-	9,141,392		294.48
2017 (6)	588,505	-	-	7,705,760	-	-	8,294,265		264.27
2018 (6)	680,736	-	-	14,384,632	-	-	15,065,368		467.29
2019	504,262	-	2,825,000	10,699,533	-	-	14,028,795		435.14
2020	324,158	-	2,375,000	10,268,192	-	-	12,967,350		396.11
2021	255,920	-	1,920,000	9,828,973	-	-	12,004,893		362.64
2022 (7)	603,513	-	1,455,000	9,384,348	229,527	-	11,672,388		344.92
2023 (8)	400,577	21,333	980,000	8,929,182	126,721	42,666	10,500,479		310.77
2024	353,014	10,667	495,000	8,471,292	508,692	21,332	9,859,997		292.71
2025	797,217	-	-	8,008,296	538,227	-	9,343,740		263.21

(1) Various financed purchases for fire vehicles and heavy equipment; building and vehicle leases; and subscription-based IT arrangements (SBITAs). Details can be found in the notes to the financial statements.

(2) Water and wastewater revenue refunding bond. Details can be found in the notes to the financial statements.

(3) 2011A and 2018A Clean Water Notes Payable. Details can be found in the notes to the financial statements.

(4) Information not readily available for Pueblo West Metropolitan District.

(5) Population data can be found on the Demographics and Economic Statistics in this section.

(6) Detailed breakdown between Revenue Bonds and Notes Payable not available for these years.

(7) GASB 87 Leases was implemented on 1/1/2022.

(8) GASB 96 SBITAs was implemented on 1/1/2023.

**PUEBLO WEST METROPOLITAN DISTRICT
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN YEARS**

<u>Year</u>	<u>General Obligation Bonds</u>	<u>Less: Amounts Available in Debt Service Fund</u>	<u>Net General Bonded Debt</u>	<u>Percentage of Estimated Actual Taxable Value of Property</u>	<u>Per Capita</u>
2016	-	-	0.00	0.00%	-
2017	-	-	0.00	0.00%	-
2018	-	-	0.00	0.00%	-
2019	-	-	0.00	0.00%	-
2020	-	-	0.00	0.00%	-
2021	-	-	0.00	0.00%	-
2022	-	-	0.00	0.00%	-
2023	-	-	0.00	0.00%	-
2024	-	-	0.00	0.00%	-
2025	-	-	0.00	0.00%	-

**PUEBLO WEST METROPOLITAN DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
December 31, 2025**

	<u>Debt Outstanding</u>	<u>Percentage Applicable</u>	<u>Share of Overlapping Debt</u>
Direct Debt	\$ 797,217	100.00%	797,217
Total Direct Debt	<u>797,217</u>		<u>797,217</u>
Overlapping Debt -			
Pueblo County - Certificates of Participation	258,360,000	20.40%	52,705,440
Pueblo County - Capital Leases	8,155,337	20.40%	1,663,689
School District 70 - General Obligation or Revenue	109,820,000	20.40%	22,403,280
School District 70 - Certificates of Participation	-	20.40%	-
School District 70 - Capital Leases	9,090,370	20.40%	1,854,435
Pueblo Regional Library - Certificates of Participation	10,555,000	20.40%	2,153,220
Southeast Colorado Water Conservancy District	<u>9,539,219</u>	20.40%	<u>1,946,001</u>
Total Overlapping Debt	405,519,926		82,726,065
Total Direct and Overlapping Debt	<u>\$ 406,317,143</u>	20.40%	<u>\$ 83,523,282</u>

Sources: Assessed value data used to estimate applicable percentages provided by the Pueblo County Assessor. Debt outstanding provided by individual taxing entity.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the Pueblo West Metropolitan District. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and the businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the government's boundaries and dividing it by the county's total taxable assessed value.

**PUEBLO WEST METROPOLITAN DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN YEARS**

<u>Year</u>	<u>Assessed Valuation</u>	<u>Debt Limit Percentage</u>	<u>Debt Limit</u>	<u>Debt Applicable to Limit</u>	<u>Legal Debt Margin</u>	<u>As a Percentage of Debt Limit</u>
2016	227,059,092	50%	113,529,546	-	50%	0%
2017	234,955,069	50%	117,477,535	-	50%	0%
2018	239,983,553	50%	119,991,777	-	50%	0%
2019	273,648,979	50%	136,824,490	-	50%	0%
2020	281,626,473	50%	140,813,237	-	50%	0%
2021	331,896,153	50%	165,948,077	-	50%	0%
2022	333,271,806	50%	166,635,903	-	50%	0%
2023	409,059,205	50%	204,529,603	-	50%	0%
2024	420,206,085	50%	210,103,043	-	50%	0%
2025	463,313,540	50%	231,656,770	-	50%	0%

**PUEBLO WEST METROPOLITAN DISTRICT
 PLEDGED REVENUE COVERAGE LAST TEN YEARS
 WASTEWATER AND WATER ENTERPRISE FUNDS**

<u>Year</u>	<u>Gross Revenues</u>	<u>Expense</u>	<u>Net Revenue Available for Debt Service</u>	<u>Debt Service Requirements</u>			<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2016	12,252,655	7,307,579	4,945,076	759,120	160,319	919,439	5.3784
2017	12,803,161	7,010,320	5,792,841	659,120	162,336	821,456	7.0519
2018	12,153,459	7,529,315	4,624,144	674,973	112,729	787,702	5.8704
2019	12,034,629	9,678,528	2,356,101	846,227	206,009	1,052,236	2.2391
2020	14,393,955	12,317,997	2,075,958	867,469	312,228	1,179,697	1.7597
2021	16,590,716	11,489,583	5,101,133	880,347	281,769	1,162,116	4.3895
2022	13,124,381	11,751,779	1,372,602	895,753	260,664	1,156,417	1.1869
2023	14,785,892	11,404,134	3,381,758	916,294	244,616	1,160,910	2.9130
2024	15,913,799	13,255,615	2,658,184	929,018	228,888	1,157,906	2.2957
2025	16,937,323	10,720,032	6,217,291	944,124	213,271	1,157,395	5.3718

**PUEBLO WEST METROPOLITAN DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS**

<u>Year</u>	<u>Population(1)</u>	<u>Per Capita Income(2)</u>	<u>Median Age(3)</u>	<u>School Enrollment(4)</u>	<u>Unemployment Rate(5)</u>	<u>Consumer Price Index(6)</u>
2016	30,322	\$ 27,025	38.7	5,317	3.0%	2.77%
2017	31,042	\$ 31,569	39.1	5,396	3.0%	3.39%
2018	31,385	\$ 28,541	39.2	5,304	3.6%	2.73%
2019	32,240	\$ 28,006	39.3	5,704	2.8%	1.92%
2020	32,737	\$ 32,186	39.4	5,292	11.3%	1.95%
2021	33,104	\$ 34,266	39.7	5,421	6.4%	3.54%
2022	33,841	\$ 34,718	40.1	5,908	4.3%	8.01%
2023	33,789	\$ 41,325	39.7	5,802	4.5%	5.22%
2024	33,685	\$ 32,042	40.1	5,499	6.2%	2.27%
2025	35,499	\$ 45,106	42.2	4,842	5.3%	2.29%

(1) 2016-2021, 2023-2024 information provided by Pueblo County Government GIS Department.
2022 information provided by Colorado Department of Local Affairs.
2025 information provided by Esri Demographic and Income Profile.

(2) 2016-2024 information provided by Pueblo County Government GIS Department.
2025 information provided by Esri Demographic and Income Profile.

(3) 2016-2024 information provided by Pueblo County Government GIS Department
2025 information provided by Esri Demographic and Income Profile.

(4) 2015, 2017 provided by <https://cde.state.co.us>.
2016, 2019, 2021-2025 information provided by Pueblo County School District 70.
2018 information provided by publicschoolreview.com.
2020 information provided by Pueblo County.

(5) Information provided by Pueblo County Government GIS Department & U.S. Bureau of Labor Statistics.

(6) <https://www.colorado.gov/pacific/dola/inflation-denver-aurora-lakewood-consumer-price-index>

**PUEBLO WEST METROPOLITAN DISTRICT
PRINCIPAL EMPLOYERS
NINE YEARS PRIOR AND CURRENT YEAR**

<u>Employer</u>	<u>Employees</u>	<u>2025 Rank</u>	<u>Percentage of Total District Employment*</u>	<u>Employees</u>	<u>2016 Rank</u>	<u>Percentage of Total District Employment*</u>
WalMart Supercenter	335	1	5.8%	335	1	5.8%
Miller Pipeline/K.R. Swerdfeger Constr.**	256	2	4.4%	250	2	4.3%
Safeway	134	3	2.3%	110	5	1.9%
Pueblo West Metro District	124	4	2.2%			
Pueblo West High School	121	5	2.1%			
San Isabel Electric Assn., Inc.	82	6	1.4%	100	6	1.7%
McDonald's	70	7	1.2%			
Swallows Charter Academy	66	8	1.1%			
Prairie Winds Elementary	57	9	1.0%			
Liberty Point Elementary School	56	10	1.0%			
ASI / HCP Constructors, Inc.				200	3	3.5%
Vision Mechanical				200	4	3.5%
PSC - Hydrochem				100	7	1.7%
Andrews Produce, Inc.				90	8	1.6%
Pueblo West Family Fun Center				55	9	1.0%
JM Eagle Co				54	10	0.9%

Source: 2015 information provided by Pueblo County Government GIS Department; 2024 information derived from Data Axle Reference Solutions.

*Percentage of employment was derived by dividing number of employees per business by total employees for all companies within the boundaries of Pueblo West Metropolitan District.
Total for 2024 was 5,733. Total for 2015 was 2,254.

**Effective January 1, 2024, K.R. Swerdfeger Construction, LLC began operating under the name of Miller Pipeline, LLC.

Note: It is believed that UCHealth Parkview Pueblo West should be included as one of the top 10 employers in Pueblo West; however, we have not yet received a response to our request for specific data from the UCHealth Human Resources Service Center.

**PUEBLO WEST METROPOLITAN DISTRICT
FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General Government	24.5	19.0	13.0	13.0
Fire -				
Firefighters & officers	18.0	18.0	18.0	18.0
Command Staff	3.0	3.0	3.0	3.0
Streets and roads -				
Engineering	5.0	5.0	5.0	4.0
Maintenance	12.0	12.0	17.0	20.0
Operational Services	---	---	---	---
Culture and recreation	8.0	8.0	8.0	8.0
Community Development	4.0	4.0	4.0	4.0
Swimming pool	0.0	4.0	2.0	2.0
Water/Sewer*	<u>33.0</u>	<u>36.0</u>	<u>37.0</u>	<u>41.0</u>
Total	<u>107.5</u>	<u>109.0</u>	<u>107.0</u>	<u>113.0</u>

Source: Human Resources Department

*The employees for the Water Utility and WasteWater Utility are shared.

**Pueblo County assumed road maintenance responsibilities as of January 1, 2023. The 2024 budget included the elimination of several street maintenance positions based on a reorganizational effort approved by the Board of Directors in 2023. Effective January 1, 2024, remaining positions were consolidated into Operational Services.

2020	2021	2022	2023	2024	2025	
14.0	16.0	16.0	18.0	18.0	19.0	
18.0	18.0	31.0	32.0	38.0	37.0	
3.0	3.0	3.0	6.0	6.0	6.0	
5.0	6.0	8.0	7.0	---	---	**
19.0	20.0	22.0	20.0	---	---	**
---	---	---	---	11.0	14.0	
8.0	8.0	8.0	8.0	10.0	12.0	
6.0	6.0	4.0	5.0	3.0	5.0	
0.0	0.0	0.0	0.0	0.0	0.0	
<u>47.0</u>	<u>47.0</u>	<u>48.0</u>	<u>48.0</u>	<u>50.0</u>	<u>49.0</u>	
<u>120.0</u>	<u>124.0</u>	<u>140.0</u>	<u>144.0</u>	<u>136.0</u>	<u>142.0</u>	

**PUEBLO WEST METROPOLITAN DISTRICT
OPERATING INDICATORS BY FUNCTION
LAST TEN YEARS**

	<u>2016</u>	<u>2017</u>	<u>2018</u>
Community Development and Land Sales			
Number of single family home plans reviewed	141	233	383
Number of multi family home plans reviewed	-	2	2
Number of commercial plans reviewed	9	9	5
Number of accessory permits	634	903	828
Commercial lot sales	16	7	-
Residential lot sales	-	1	4
Fire			
Number of fire calls answered	747	790	744
Number of medical calls answered	2,142	2,325	2,142
Number of inspections	433	488	502
Streets and Roads			
Street grading (miles)	68	28	170
Culture and Recreation			
Number of programs offered	113	114	114
Attendance for programs	12,000	12,100	12,200
Swimming Pool			
Swimming pool admissions	11,350	11,333	10,900
Swim lesson attendance	800	820	800
Water			
New connections	116	187	252
Water main breaks	10	9	20
Average daily consumption (thousands of gallons)	5,002	4,488	4,615
Wastewater			
Average daily sewage treatment (thousands of gallons)	1,505	1,490	1,230

*Pueblo County assumed road maintenance responsibilities as of January 1, 2023.

Source: Various government departments

Note: Indicators are not available for the general government function.

2020	2021	2022	2023	2024	2025
412	501	192	128	135	152
4	15	17	23	19	17
1	4	2	2	3	1
768	655	373	427	401	391
4	6	1	3	27	-
23	102	10	2	-	1
676	649	639	761	747	740
2,657	2,915	3,135	3,431	3,320	3,573
36	28	26	99	18	5
134	76	123	-	-	- *
6	16	35	18	18	18
282	1,804	3,000	2,752	2,900	3,000
-	-	4,757	1,900	2,293	-
-	-	375	453	382	-
378	536	222	185	174	194
15	14	27	16	23	19
5,129	5,129	5,238	4,600	4,000	4,500
1,270	1,270	1,500	1,530	1,500	1,310

**PUEBLO WEST METROPOLITAN DISTRICT
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN YEARS**

	2016	2017	2018	2019
Fire				
Fire stations	3	3	3	3
Streets and Roads				
Paved/Chipsealed streets (miles)	209.12	208.34	208.34	208.34
Gravel roads (miles)	135.86	136.94	136.29	136.29
Non-accepted roads (miles)	59.92	59.03	59.68	59.21
Traffic signals	6	6	6	6
Culture and Recreation				
Parks acreage	298.50	299	299	299
Parks	6	6	6	6
Swimming pools	1	1	1	1
Splash pad	1	1	1	1
Tennis courts	4	4	4	4
Pickleball courts	-	-	-	-
Softball fields	3	3	3	3
Cattail Crossing (Pond) - Acres	3.75	4	4	4
Trails - miles	16.30	18.1	18.1	18.1
Water				
Water mains (miles)	411	411	413.4	413.8
Fire hydrants	2,133	2,137	2,142	2,162
Maximum daily capacity (thousands of gallons)	26,000	26,000	21,000	21,000
Wastewater				
Sanitary sewers (miles)	126	126	126.7	134.7
Reclaimed wastewater (miles)	-	-	-	-
Average daily treatment capacity (thousands of gallons)	1,800	1,800	1,800	1,800

*Pueblo County assumed road maintenance responsibilities as of January 1, 2023.

Source: Various government departments

Note: Indicators are not available for the general government function.

2020	2021	2022	2023	2024	2025
3	3	3	3	3	3
208.34	223.00	223.00	-	-	- *
136.18	124.00	124.00	-	-	- *
59.21	56.00	56.00	-	-	- *
6	6	6	-	-	- *
299	299	299	299	299	299
6	6	6	6	6	6
1	1	1	1	1	1
1	1	1	1	1	1
4	4	4	4	3	3
-	-	-	-	4	4
3	3	3	3	3	3
4	4	4	4	4	4
18.1	18.1	20.5	22.0	22.0	22.0
414.5	415.0	416.0	416.0	416.0	418.0
2,182	2,198	2,198	2,198	2,206	2,206
21,000	21,000	18,000	19,000	19,000	18,000
134.7	140.0	128.0	139.0	140.0	140.0
-	-	-	-	9.0	9.0
1,800	1,800	1,800	1,800	1,800	1,800