NIWOT SANITATION DISTRICT
Niwot, Colorado

FINANCIAL STATEMENTS
DECEMBER 31, 2025 and 2024

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Independent Auditor's Report

Board of Directors
Niwot Sanitation District
Niwot, Colorado

Opinion

We have audited the accompanying financial statements of the Niwot Sanitation District (District) as of and for the years ended December 31, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the District's 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 financial position of the Niwot Sanitation District, as of December 31, 2025 and 2024, and the changes in its financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibility 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's 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 auditor's 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 on pages IV through IX, the Schedule of the Proportionate Share of the Net Pension Liability/(Asset) on page 34, and the Schedule of District Pension Contributions on page 35, the Schedule of the Proportionate Share of the Collective Net OPEB Liability on page 36, and the Schedule of District OPEB Contributions on page 37 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the 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 financial statements, and other knowledge we obtained during our audit of the 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 District's financial statements. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 supplementary information as listed in the table of contents is fairly stated, in all material respects, in relation to the financial statements as a whole.

SCHILLING & COMPANY, INC.

Highlands Ranch, Colorado
July 10, 2026

NIWOT SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2025 and 2024

Our discussion and analysis of Niwot Sanitation District's (District) financial performance provides an overview of the District's financial activities for the fiscal years ended December 31, 2025 and 2024. Please read it in conjunction with the District's basic financial statements which begin on page 1.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. Required statements for proprietary funds are: 1) Statement of Net Position, 2) Statement of Revenues, Expenses and Changes in Fund Net Position, and 3) Statement of Cash Flows. The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Fund Net Position are prepared using the economic resource measurement focus and the accrual basis of accounting.

The *Statement of Net Position* presents information on all of the District's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as net position. This statement provides useful information regarding the financial position of the District. Over time, increases and decreases in net position can serve as a useful indicator of whether the financial position of the District is improving or deteriorating. Nonfinancial factors should also be considered to assess the overall financial position of the District.

The *Statement of Revenues, Expenses and Changes in Fund Net Position* reports the changes that have occurred during the year to the District's net position. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Revenues and expenses are reported for some items that will only result in cash flows in the subsequent years.

The *Statement of Cash Flows*, as its name implies, is concerned solely with flows of cash and cash equivalents. Only transactions that affect the District's cash position are reflected in this statement. Transactions are segregated into four sections on the statement: 1) cash flows from operating activities, 2) cash flows from capital financing activities, 3) cash flows from noncapital financing activities, and 4) cash flows from investing activities.

The *Notes to the Financial Statements* 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 on pages 4-33 of this report.

In addition to the basic financial statements and accompanying notes, this report also presents required supplemental information consisting of: the Schedule of the Proportionate Share of the Net Pension Liability/(Asset) on page 34, and the Schedule of District Pension Contributions on page 35, the Schedule of the Proportionate Share of the Collective Net OPEB Liability on page 36, and the Schedule of District OPEB Contributions on page 37 of this report. Also included is supplementary information consisting of the Schedule of General and Administrative Expenses and Sewer Operating Expenses, the Schedule of Revenues, Expenditures and Changes in Funds Available – Budget and Actual (Budgetary Basis) and the Reconciliation of Budgetary Basis to Statement of Revenues, Expenses and Changes in Fund Net Position, which can be found on pages 38 through 41 of this report.

FINANCIAL SUMMARY AND ANALYSIS

Net Position

2025

As noted earlier, net position may serve as a useful indicator of the District's financial condition. As noted in the following table, in 2025 the District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by $17,907,985. Current assets decreased by $11,891,029 or 51.2% and net capital assets increased by $14,087,941 or 90.1%, and overall assets increased by $2,196,912. During 2025 the District continued construction of the new Wastewater Treatment Plant which began in 2024, spending the remainder of the bond proceeds received in 2024 and District funds which had been accumulated for capital purposes. The effect was the decrease in current assets and the increase in capital assets. See the Capital Asset and Debt Administration section below for more information on capital assets and the District's long-term obligations. Current liabilities increased by $799,992 or 28.3% because of higher accounts payable and retainage payable at yearend related to the District's ongoing capital asset construction project at the end of 2025. Noncurrent liabilities due to the bond principal payments made on the 2024 bonds. Deferred outflows of resources, net pension and OPEB liabilities (reported as noncurrent assets or liabilities) and deferred inflows of resources varied due to the changes in the PERA pension and the Health Care Trust Fund for the year ended December 31, 2025, as recorded by the District in accordance with the Governmental Accounting Standards Board Statements No. 68 and No. 75. These changes were a result of the PERA Pension and OPEB financial results, actuarial determined projections, and changes in the District's proportionate share of the PERA Pension and OPEB liabilities, deferred outflows of resources, and deferred inflows of resources.

2024

As noted in the following table, in 2024 the District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by $16,182,153. Current assets increased by $13,311,752 or 134.5% and net capital assets increased by $10,332,156 or 194.6%, and overall assets increased by $23,643,908. During 2024 the District issued $19,120,000 of Wastewater Revenue Bonds, Series 2024 for the construction of a new Wastewater Treatment Plant. As of December 31, 2024, there was $11,979,868 of unspent bond proceeds, including accumulated interest thereon, which increased the current assets. The District spent significant bond proceeds on construction of the new Plant, which resulted in a significant increase in capital assets. See the Capital Asset and Debt Administration section below for more information on capital assets and the District's long-term obligations. Current liabilities increased by $2,020,546 or 250.2% because of higher accounts payable at yearend related to the District's ongoing capital asset construction project at the end of 2024. Additionally, the current portion of the bonds payable and the amortization of the bond premium are also reflected in the current liabilities. Noncurrent liabilities increased by $19,749,214 due to the issues of the bonds previously mentioned. Deferred outflows of resources, net pension and OPEB liabilities (reported as noncurrent assets or liabilities) and deferred inflows of resources varied due to the changes in the PERA pension and the Health Care Trust Fund for the year ended December 31, 2024, as recorded by the District in accordance with the Governmental Accounting Standards Board Statements No. 68 and No. 75. These changes were a result of the PERA Pension and OPEB financial results, actuarial determined projections, and changes in the District's proportionate share of the PERA Pension and OPEB liabilities, deferred outflows of resources, and deferred inflows of resources.

NET POSITION

	December 31,		
	2023	2024	2025
ASSETS			
Current assets	$ 9,897,525	$ 23,209,277	$ 11,318,248
Capital assets, net	5,309,065	15,641,221	29,729,162
Total assets	15,206,590	38,850,498	41,047,410
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to Pension	97,762	48,878	7,415
Deferred outflows related to OPEB	18,583	23,317	18,020
Total deferred outflows of resources	116,345	72,195	25,435
LIABILITIES			
Current liabilities	807,627	2,828,173	3,628,165
Noncurrent liabilities	162,724	19,911,938	19,536,445
Total liabilities	970,351	22,740,111	23,164,610
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to Pension	761	18	-
Deferred inflows related to OPEB	3,551	411	250
Total deferred outflows of resources	4,312	429	250
NET POSITION			
Net investment in capital assets	5,309,065	7,208,670	9,835,666
Restricted	2,325	2,278	1,779
Unrestricted	9,036,882	8,971,205	8,070,540
Total net position	$ 14,348,272	$ 16,182,153	$ 17,907,985

Changes in Net Position

2025

As noted in the following table, the District's net position for 2025 increased by $1,725,832. Overall revenue increased by $11,066, or .3%. The District's bi-monthly sewer service rate remained unchanged from 2024, at $198 per SFE. Net investment income increased by $156,506 due to more invested funds during 2025 as a result of the bond held for a significant portion of 2025. The District recognized a combined PERA Pension and OPEB expense of $36,063 compared to net income of $104,015 in 2024. Plant investment fees received in 2025 remained comparable with 2024.

Total expenses increased by $119,115, or 6.6%. Administration expenses were consistent with 2024. Sewer operations costs decreased by $233,859 due to lower repairs and maintenance costs for problems areas in the sewer collection lines and lower sludge removal costs in 2025.

2024

As noted in the following table, the District's net position for 2024 increased by $1,833,881. Overall revenue increased by $2,058,676, or 130.3%. Charges for services comprised most of this increase, increasing by $1,909,582 or 173.9%. Effective January 1, 2024, the District's bi-monthly sewer service rate increased from $71 to $198 per SFE, to provide funds for paying the anticipated debt service on the debt the District issued in 2024. Net investment income increased by $139,555 due to more invested funds during 2024 as a result of the bond proceeds received. The District recognized a combined PERA Pension and OPEB income of $104,015, compared to net loss of $11,364 in 2023. Also, plant investment fees received in

2024 decreased when compared to 2023, as there were additional taps assessed in 2023 to a couple commercial customers of the District because of the annual commercial tap audits performed. In 2024 there were no additional taps assessed from the commercial tap audits and the District received only one other tap fee in 2024.

Total expenses increased by $188,484, or 11.7%. Administration expenses increased minimally for 2024. Sewer operations costs decreased by $289,268 due to lower repairs and maintenance costs for problems areas in the sewer collection lines noted during the system condition assessment performed. Also, during 2024 the District issued bonds and incurred bond issuance costs and interest expense on the outstanding bonds.

CHANGES IN NET POSITION

	Years Ended December 31,		
	2023	**2024**	**2025**
REVENUES			
Program revenues:			
Charges for services	$ 1,098,298	$ 3,007,880	$ 3,005,518
Capital grants and contributions	125,440	19,600	16,600
General revenues:			
Net investment income (loss)	367,789	507,344	663,850
Net PERA pension and OPEB adjustment income/(loss)	(11,364)	104,015	(36,063)
Total revenues	1,580,163	3,638,839	3,649,905
EXPENSES			
Administration	270,832	274,247	266,847
Sewer operations	1,345,642	1,056,374	822,515
Bond interest expense and bond issuance costs	-	474,337	834,711
Total expenses	1,616,474	1,804,958	1,924,073
CHANGE IN NET POSITION	(36,311)	1,833,881	1,725,832
NET POSITION - BEGINNING OF YEAR	14,384,583	14,348,272	16,182,153
NET POSITION - END OF YEAR	$ 14,348,272	$ 16,182,153	$ 17,907,985

BUDGETARY HIGHLIGHTS

During 2025 the District's budget was amended, increasing the total appropriations from $12,931,911 to $24,931,911 to account for the capital expenditures for the new Wastewater Treatment Plant. The final appropriated expenditures were $24,931,911 and the actual expenditures were $16,355,050. The District appropriated all revenues and accumulated funds available, even though anticipated expenditures were budgeted at lower amounts. Therefore, there was a significant difference between the actual expenditures and the appropriated expenditures, which is included in the contingency under in the expenditures section. For 2025, the actual capital outlay was $14,384,842, or $5,250,090 less than budgeted. Additionally, there was a positive variance for the budgeted expenditure contingency of $3,109,179. Final budgeted revenue was $2,999,692 and actual revenue was $3,685,968, or a positive variance of $686,276. Most of this positive variance was due to the District not budgeting for any net investment income for 2025 but recognizing net investment income of $663,850.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The District's changes in capital assets for the years ended December 31, 2025 and 2024 are as follows:

CAPITAL ASSETS (net of accumulated depreciation)

	2023	Change	2024	Change	2025
Land and property rights	$ 341,677	$ -	$ 341,677	$ -	$ 341,677
Construction in progress	954,496	10,631,124	11,585,620	13,559,797	25,145,417
Treatment plant	1,733,602	(146,260)	1,587,342	(145,038)	1,442,304
Administration building	51,630	(6,034)	45,596	(6,034)	39,562
Service equipment & office furniture and equipment	39,538	(8,376)	31,162	(8,375)	22,787
Transmission/collection lines	1,859,810	(120,409)	1,739,401	705,480	2,444,881
Roadway and grounds	328,312	(17,889)	310,423	(17,889)	292,534
Total	$ 5,309,065	$ 10,332,156	$ 15,641,221	$ 14,087,941	$ 29,729,162

During 2025, the District continued the construction of the new Wastewater Treatment Plant project, incurring $13,559,797, which has been added to construction in progress as the construction continued into 2026. Additionally, the District incurred $825,045 for the CIPP sewer collection system lining project, which was added to the Transmission/Collection Lines.

During 2024, the District completed the design for the new Wastewater Treatment Plant and construction began in the fall. The total incurred for the net Wastewater Treatment Plant project in 2024 was $10,631,124, which has been added to construction in progress as the construction continued into 2025.

Additional information on the District's capital assets can be found in Note 4 of this report.

Long-Term Obligations

The District's changes in long-term obligations for the years ended December 31, 2025 and 2024 are as follows:

LONG-TERM OBLIGATIONS

	2023	Change	2024	Change	2025
Wastewater Revenue Bonds, Series 2024:					
Bonds	$ -	$ 19,120,000	$ 19,120,000	$ (290,000)	$ 18,830,000
Bond Premium	-	1,124,495	1,124,495	(60,999)	1,063,496
Total	$ -	$ 20,244,495	$ 20,244,495	$ (350,999)	$ 19,893,496

During 2024 the District issued the Wastewater Revenue Bonds, Series 2024 in the par amount of $19,120,000 to partially fund the Wastewater Treatment Plant upgrade project. During 2024, the District paid the scheduled interest payment on the bonds. During 2025, the District used the remaining bond proceeds for the new Wastewater Treatment Plant discussed above. For 2025, the District made the scheduled principal and interest payments on the Bonds.

Additional information on the District's long-term obligations can be found in Note 5 of this report.

ECONOMIC FACTORS NEXT YEAR'S BUDGET AND RATES

The District continues to be funded by primarily user charges, plant investment fees and investment earnings. The District does not levy a property tax. The District's $198 per SFE sewer fee rate was not increased from 2025. Total budgeted revenues (excluding beginning balance) for 2026 are $2,999,692. Expenditures are budgeted for $9,474,908, including $1,200,000 for debt service on the Wastewater Revenue Bonds, Series 2024, $6,000,000 for the continued construction on the Wastewater Treatment Plant replacement project, and $1,000,000 for capital improvements on sewer lines. The total appropriated expenditures for 2026 is $14,095,196.

REQUESTS FOR INFORMATION

The financial report is designed to provide a general overview of Niwot Sanitation District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the District Manager, 7395 N. 95th St., Niwot, CO 80504.

BASIC FINANCIAL STATEMENTS

NIWOT SANITATION DISTRICT
STATEMENTS OF NET POSITION
December 31, 2025 and 2024

	2025	2024
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
CURRENT ASSETS		
Cash and cash equivalents - Unrestricted	$ 8,141,334	$ 1,692,923
Cash and cash equivalents - Restricted	-	11,979,868
Investments - Unrestricted	2,501,875	8,732,440
Accounts receivable:		
Customers - Service charges	497,612	510,192
Customers - Plant investment fees	-	53,900
Interest receivable	14,125	80,976
Prepaid expenses	22,974	17,396
Inventory	104,483	104,483
Prepaid bond insurance premium	35,845	37,099
Total current assets	11,318,248	23,209,277
CAPITAL ASSETS		
Land and property rights	341,677	341,677
Construction in progress	25,145,417	11,585,620
Treatment plant	4,925,537	4,925,537
Administration building	199,762	199,762
Service equipment & office furniture and equipment	393,903	393,903
Transmission/collection lines	6,386,442	5,561,397
Roadway and grounds	369,332	369,332
	37,762,070	23,377,228
Less accumulated depreciation and amortization	(8,032,908)	(7,736,007)
Total capital assets	29,729,162	15,641,221
Total assets	41,047,410	38,850,498
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to PERA Pension	7,415	48,878
Deferred outflows related to PERA OPEB	18,020	23,317
Total deferred outflows of resources	25,435	72,195
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 41,072,845	$ 38,922,693
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION		
CURRENT LIABILITIES		
Accounts payable	$ 1,988,283	$ 1,886,966
Retainage payable	1,200,275	522,285
Bond interest payable	74,632	67,923
Bonds payable and bond premium - current	364,975	350,999
Total current liabilities	3,628,165	2,828,173
NONCURRENT LIABILITIES		
Bonds payable and bond premium - noncurrent	19,528,521	19,893,496
Net PERA Pension liability	7,462	17,119
Net PERA OPEB liability	462	1,323
Total noncurrent liabilities	19,536,445	19,911,938
Total liabilties	23,164,610	22,740,111
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to PERA Pension	-	18
Deferred inflows related to PERA OPEB	250	411
Total deferred inflows of resources	250	429
NET POSITION		
Net investment in capital assets	9,835,666	7,208,670
Restricted for Disadvantaged Customer Assistance	1,779	2,278
Unrestricted	8,070,540	8,971,205
Total net position	17,907,985	16,182,153
TOTAL LIABILITIES DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 41,072,845	$ 38,922,693

These financial statements should be read only in connection with the accompanying notes to financial statements.

NIWOT SANITATION DISTRICT
STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
Years Ended December 31, 2025 and 2024

	2025	2024
OPERATING REVENUE		
Charges for services	$ 3,005,518	$ 3,007,880
Total operating revenue	3,005,518	3,007,880
OPERATING EXPENSES		
Administration	266,847	274,247
Sewer operations	822,515	1,056,374
Total operating expenses	1,089,362	1,330,621
OPERATING GAIN	1,916,156	1,677,259
NONOPERATING REVENUE (EXPENSE)		
Net investment income (loss)	663,850	507,344
Bond interest expense	(833,457)	(253,921)
Bond issuance costs	-	(220,416)
Prepaid bond insurance amortization	(1,254)	-
PERA Pension income/(loss) adjustment	(31,788)	87,382
PERA OPEB income/(loss) adjustment	(4,275)	16,633
Total nonoperating revenue (expense)	(206,924)	137,022
GAIN BEFORE CAPITAL CONTRIBUTIONS	1,709,232	1,814,281
CAPITAL CONTRIBUTIONS		
Plant investment fees	16,600	19,600
Total capital contributions	16,600	19,600
CHANGE IN NET POSITION	1,725,832	1,833,881
NET POSITION - BEGINNING OF YEAR	16,182,153	14,348,272
NET POSITION - END OF YEAR	$ 17,907,985	$ 16,182,153

These financial statements should be read only in connection with
the accompanying notes to financial statements.

NIWOT SANITATION DISTRICT
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	$ 3,018,098	$ 2,667,425
Payments to vendors	(768,571)	(1,115,980)
Payments to employees	(33,927)	(15,376)
Net cash provided by operating activities	2,215,600	1,536,069
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Capital asset purchases	(13,601,076)	(8,930,291)
Plant investment fees received	70,500	73,500
Bond proceeds (net of bond issuance costs)	-	20,000,000
Bond interest paid	(887,747)	(199,018)
Bond principal paid	(290,000)	-
Net cash provided (required) by capital financing activities	(14,708,323)	10,944,191
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	-	(12,067,816)
Maturity of investments	6,238,535	9,811,192
Interest received	722,731	404,720
Net cash provided (required) by investing activities	6,961,266	(1,851,904)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(5,531,457)	10,628,356
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	13,672,791	3,044,435
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 8,141,334	$ 13,672,791
RECONCILIATION OF OPERATING GAIN TO CASH FLOWS PROVIDED BY OPERATING ACTIVITIES		
Operating gain	$ 1,916,156	$ 1,677,259
Adjustments to reconcile gain from operations to net cash provided by operating activities:		
Depreciation	296,901	298,968
Effects of changes in operating assets and liabilities:		
Accounts receivable - Customers	12,580	(340,455)
Prepaid expenses	(5,578)	(494)
Accounts payable	(4,459)	(99,209)
Net cash provided by operating activities	$ 2,215,600	$ 1,536,069

These financial statements should be read only in connection with the accompanying notes to financial statements.

NOTE 1 – DEFINITION OF REPORTING ENTITY

Niwot Sanitation District (District), was created as a quasi-municipal corporation and political subdivision of the State of Colorado, is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in Niwot, Colorado. The District's purpose is to provide for the design, acquisition, installation and construction of a complete sanitary sewer system, wastewater treatment and disposal works and facilities, and all necessary or proper equipment and appurtenances incident thereto. The District is also responsible for the operation and maintenance of said facilities and responsible for compliance with all pertinent state and federal regulations regarding the operation of the District facilities. The District is governed by an elected Board of Directors.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

The District does not have any authorized but unissued debt.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the District conform to generally accepted accounting principles as applicable to governmental units accounted for as a proprietary enterprise fund. The enterprise fund is used since the District's powers are related to those operated similar to a private utility system where net income and capital maintenance are appropriate determinations of accountability.

Basis of Accounting

The District's records are maintained on the accrual basis of accounting. Revenue is recognized when earned and expenses are recognized when the liability is incurred. Depreciation is computed and recorded as an operating expense. Expenditures for capital assets are shown as increases in assets and redemption of bonds and loans is recorded as a reduction in liabilities. Tap fees and contributed assets from developers are recorded as capital contributions when received.

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

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

For purposes of measuring the net other post-employment benefits (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OBEB expense, information about the fiduciary net position of the Health Care Trust Fund (HCTF) administered by PERA and additions to/deductions from HCTF's fiduciary net position have been determined on the same basis as they are reported by PERA. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. PERA investments are reported at fair value.

Operating Revenues and Expenses

The District distinguishes *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. Operating revenues consist of charges to customers for service provided. Operating expenses for 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 or capital contributions.

Budgets

In accordance with the Local Government Budget Law of Colorado, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. For budgetary purposes, the District adopts budgets for a General Fund and Capital Improvements Fund. However, for financial reporting the operations of the District are reported as a single proprietary enterprise fund. The District amended the appropriated expenditures for the year ended December 31, 2025.

Cash Equivalents

For purposes of the statement of cash flows, the District considers cash deposits and highly liquid investments with a maturity of three months or less when purchased, to be cash equivalents.

Accounts Receivable

Accounts receivable consist of uncollected water and sewer service revenue. Due to the District's broad powers of collection, no allowance for uncollectible water and sewer service revenue receivables has been reported.

Prepaid Expenses

Certain payments to vendors for goods or services reflect costs which are applicable to future accounting periods are recorded as prepaid items in the financial statements.

Inventory

Inventory is valued at cost using the first in, first out method. Inventory consists of spare parts and expendable supplies held for future consumption or capitalization. The cost is recorded as an expense as inventory items are consumed.

Capital Assets

Capital assets, which include property, plant, buildings, equipment, and infrastructure assets (transmission lines), are reported in the statement of net position. Capital assets are defined by the District as assets with an initial, individual cost of more than $5,000. Capital assets are recorded at cost except for those assets contributed to the District which are recorded at stated acquisition value as of the date of contribution. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable. Depreciation expense has been computed using the straight-line method over the estimated economic useful lives:

Treatment plant	5 - 35 years
Administration building	7 - 35 years
Service equipment	5 - 35 years
Transmission/collection lines	10 - 50 years
Roadways and grounds	7 - 25 years

Accrued General Leave

It is the District's policy that employees begin accruing vacation upon hire, however amounts accumulated in one calendar year are not available for use until subsequent calendar year. Any accrued vacation not used when available will be forfeited unless there are extenuating, compelling reasons. Employees who terminate their employment with accrued but unused vacation shall be paid at their current regular rate of pay for such vacation time. For 2025 and 2024, the District had no employees qualifying for accrual of general leave.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense) until that time. The District has recognized deferred outflows of resources in accordance with presentation requirements for GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27* (GASB 68) and for GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (GASB 75).

In addition to liabilities, the statement of net position and fund balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has also recognized deferred inflows of resources in accordance with presentation requirements for GASB 68 and for GASB 75.

Bond Original Issue Premium, Bond Issue Costs, Prepaid Bond Insurance

In the financial statements, bond premiums are deferred and amortized over the life of the bonds using the effective interest method. Bond issuance costs are expensed in the period incurred. In the financial statements, prepaid bond insurance premiums are reported as a deferred charge and are amortized over the term of the related debt using the straight line method.

Estimates

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

Plant Investment Fees and Surcharge Fees

The District imposes a Plan Investment Fee of $16,600 per sewer tap sold and a Surcharge Fee, when applicable, of $3,000 per sewer tap sold. Plant investment fees and surcharge fees are recorded as capital contributions when received.

NOTE 3 - CASH AND INVESTMENTS

Cash and investments as of December 31, 2025 and 2024 are classified in the accompanying financial statements as follows:

	2025	2024
Cash and cash equivalents - Unrestricted	$ 8,141,334	$ 1,692,923
Cash and cash equivalents - Restricted	-	11,979,868
Total cash and cash equivalents	8,141,334	13,672,791
Investments - Unrestricted	2,501,875	8,732,440
Total investments	2,501,875	8,732,440
Total cash and cash equivalents and investments	$ 10,643,209	$ 22,405,231

Cash Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible

collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by Statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

As of December 31, 2025, the District had cash deposits with a bank balance of $2,300,310 and a carrying balance of $2,319,092. As of December 31, 2024, the District had cash deposits with a bank balance of $1,732,955 and a carrying balance of $1,730,879.

Investments

Credit Risk

The District has formally adopted an investment policy. The adopted policy effectively adopted the provisions of the Colorado State Statutes which allow for the following investments:

- Obligations of the United States and certain U.S. government agency securities and the World Bank
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Certain reverse repurchase agreements
- Certain securities lending agreements
- Certain corporate bonds
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

Interest Rate Risk

In addition to the provisions adopted above, the investment policy limits securities issued by the United States government and investments issued by the Government National Mortgage Association (GNMA) to investments with final maturity dates not to exceed ten years from the date of purchase. The investment policy also provides for investment objectives, defines and delegates the authority for making investment decisions of the District’s funds, defines competitive bidding requirements for the purchase of investments through broker/dealers, defines authorized depositories, and defines investment reporting requirements.

The District does not have a policy that addresses limitations on the amount that can be invested in any one issuer for most of its investments. The District’s concentrations of investments are disclosed below.

As of December 31, 2025 the District had the following investments:

Investment	Carrying Amount	Weighted Average Maturity	Percentage of Portfolio
US Treasury Notes	$ 1,500,705	Less than 1 year	18.0%
FHLMC	341,052	17.49 years	4.1%
FNMA	434,822	18.16 years	5.2%
GNMA	225,296	18.86 years	2.7%
COLOTRUST Plus+	1,403,987	Under 60 days	16.9%
Money market mutual funds	4,418,255	Under 60 days	53.1%
	$ 8,324,117		100.0%

As of December 31, 2024 the District had the following investments:

Investment	Carrying Amount	Weighted Average Maturity	Percentage of Portfolio
US Treasury Bills	$ 5,468,058	.63 years	26.4%
US Treasury Notes	1,490,490	1.29 years	7.2%
FHLMC	453,557	17.28 years	2.2%
FNMA	607,201	17.27 years	2.9%
GNMA	262,552	18.01 years	1.3%
Negotiable Certificates of Deposit	450,583	Less than 1 year	2.2%
Money market mutual funds	11,941,911	Less than 50 days	57.8%
	$ 20,674,352		100.0%

Due to the nature of the Federal Home Loan Mortgage Corporation (FHLMC), Federal National Mortgage Association (FNMA), and Government National Mortgage Association (GNMA) investments, the District experiences actual maturities significantly shorter than stated above, and generally less than three years.

COLOTRUST

As of December 31, 2025, the District had invested 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 Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund. The Trust offers shares in three portfolios, COLOTRUST Prime (Prime), COLOTRUST Plus+ (Plus+) and COLOTRUST Edge (Edge). All portfolios may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies and instrumentalities, and repurchase agreements collateralized with certain U.S. government agencies or instrumentalities. COLOTRUST Plus+ and COLOTRUST Edge may also invest in the highest rated commercial paper. The Prime and Plus+ portfolios are restricted to a weighted average maturity (WAM) of 60 days or less while the Edge portfolio incorporates longer-dated securities with a WAM of 60 days or more. Both Prime and Plus+ portfolios are rated AAAm by Standard and Poor's and the EDGE portfolio is rated AAAf/S1 by

Fitch Ratings. Information related to COLOTRUST, including the annual audited financial statements, can be found at the COLOTRUST website at www.colotrust.com.

Money Market Mutual Funds

As of December 31, 2025 and 2024 the District held investments of $3,230,249 and $11,940,000, respectively, in the Fidelity Investments Money Market Treasury Only fund (Fidelity) and $1,188,006 and $1,911, respectively, in the Allspring Government Money Market fund (Allspring). The Fidelity fund invests in U.S Treasury Bills, U.S. Treasury Coupons and U.S. Treasury Inflation-Protected Securities. The Allspring fund invests in U.S. Treasury debt, U.S. Treasury repurchase agreements, and U.S. Agency obligations. Both the Fidelity fund and Allspring fund are rated AAAm by Standard & Poor's and AAA-mf by Moody's.

Investment Valuation

Certain investments are measured at fair value on a recurring basis are categorized within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure an asset's fair value: 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 investments in the US Treasury Bills, US Treasury Notes, FHLMC, FNMA, GNMA and Negotiable Certificates of Deposit are valued using Level 1 inputs.

The District's investments in COLOTRUST and the Fidelity and Allspring funds are measured using the net asset value (NAV) per share, or its equivalent of the investment. These investments include 2a7-like external investment pools and money market investments.

COLOTRUST records its investments at fair value and the District records its investments in COLOTRUST at net asset value as determined by fair value. Each share of Prime and Plus is equal in value to $1.00 and the redemption frequency is daily with no redemption notice period. Edge's net asset value is managed to approximate a $10.00 transactional share price and the redemption frequency is five business days. The principal value of an Edge investment may fluctuate and could be greater or less than $10.00 per share at time of purchase, prior to redemption, and at the time of redemption. There are no unfunded commitments.

Restricted Cash and Cash Equivalents

As of December 31, 2025 and 2024, the District had $0 and $11,979,868, respectively, of cash and cash equivalents, representing unspent bond proceeds, which is restricted for use for the construction of the new Wastewater Treatment Plant.

Designated Cash and Cash Equivalents and Designated Investments

The Board of Directors initially designated cash of $220,000 as of December 31, 1987 to fund future capital expenditures. Since 1987, the District has accumulated additional amounts from additional transfers from operating accounts, charges for services, capital contributions and net investment earnings, net of any capital improvement expenditures. As of December 31, 2025 and 2024, the designated cash and cash equivalents and investments were $8,004,296 and $8,062,855, respectively. It is intended that all capitalized additions to capital assets and significant repairs and maintenance of capital assets will be paid for from these board designated assets.

Additionally, as of December 31, 2025 and 2024 the District had designated $1,403,987 and $1,239,481, respectively, of cash and cash equivalents for the payment of future debt service on the Wastewater Revenue Bonds, Series 2024 (See Note 5).

NOTE 4 - CAPITAL ASSETS

The following is an analysis of the changes in capital assets for the year ended December 31, 2025:

	Balance December 31, 2024	Additions	Disposals/ Retirements	Balance December 31, 2025
Capital assets, not being depreciated:				
Land and property rights	$ 341,677	$ -	$ -	$ 341,677
Construction in progress	11,585,620	13,559,797	-	25,145,417
Total capital assets, not being depreciated	11,927,297	13,559,797	-	25,487,094
Capital assets, being depreciated:				
Treatment plant	4,925,537	-	-	4,925,537
Administration building	199,762	-	-	199,762
Service equipment & office furniture and equipment	393,903	-	-	393,903
Transmission/collection lines	5,561,397	825,045	-	6,386,442
Roadway and grounds	369,332	-	-	369,332
Total capital assets being depreciated	11,449,931	825,045	-	12,274,976
Less accumulated depreciation for:				
Treatment plant	(3,338,195)	(145,038)	-	(3,483,233)
Administration building	(154,166)	(6,034)	-	(160,200)
Service equipment & office furniture and equipment	(362,741)	(8,375)	-	(371,116)
Transmission/collection lines	(3,821,996)	(119,565)	-	(3,941,561)
Roadway and grounds	(58,909)	(17,889)	-	(76,798)
Total accumulated depreciation	(7,736,007)	(296,901)	-	(8,032,908)
Total capital assets being depreciated, net	3,713,924	528,144	-	4,242,068
Total capital assets, net	$ 15,641,221	$ 14,087,941	$ -	$ 29,729,162

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The following is an analysis of the changes in capital assets for the year ended December 31, 2024:

	Balance December 31, 2023	Additions	Disposals/ Retirements	Balance December 31, 2024
Capital assets, not being depreciated:				
Land and property rights	$ 341,677	$ -	$ -	$ 341,677
Construction in progress	954,496	10,631,124	-	11,585,620
Total capital assets, not being depreciated	1,296,173	10,631,124	-	11,927,297
Capital assets, being depreciated:				
Treatment plant	4,925,537	-	-	4,925,537
Administration building	199,762	-	-	199,762
Service equipment & office furniture and equipment	393,903	-	-	393,903
Transmission/collection lines	5,561,397	-	-	5,561,397
Roadway and grounds	369,332	-	-	369,332
Total capital assets being depreciated	11,449,931	-	-	11,449,931
Less accumulated depreciation for:				
Treatment plant	(3,191,935)	(146,260)	-	(3,338,195)
Administration building	(148,132)	(6,034)	-	(154,166)
Service equipment & office furniture and equipment	(354,365)	(8,376)	-	(362,741)
Transmission/collection lines	(3,701,587)	(120,409)	-	(3,821,996)
Roadway and grounds	(41,020)	(17,889)	-	(58,909)
Total accumulated depreciation	(7,437,039)	(298,968)	-	(7,736,007)
Total capital assets being depreciated, net	4,012,892	(298,968)	-	3,713,924
Total capital assets, net	$ 5,309,065	$ 10,332,156	$ -	$ 15,641,221

NOTE 5 – LONG-TERM OBLIGATIONS

The following is an analysis of the changes in the District's long-term obligations for the year ended December 31, 2025:

	Balance December 31, 2024	Additions	Retirements/ Amortization	Balance December 31, 2025	Due Within One Year
Wastewater Revenue Bonds, Series 2024:					
Bonds	$ 19,120,000	$ -	$ (290,000)	$ 18,830,000	$ 305,000
Bond Premium	1,124,495	-	(60,999)	1,063,496	59,975
	$ 20,244,495	$ -	$ (350,999)	$ 19,893,496	$ 364,975

The following is an analysis of the changes in the District's long-term obligations for the year ended December 31, 2024:

	Balance December 31, 2023	Additions	Retirements/ Amortization	Balance December 31, 2024	Due Within One Year
Wastewater Revenue Bonds, Series 2024:					
Bonds	$ -	$ 19,120,000	$ -	$ 19,120,000	$ 290,000
Bond Premium	-	1,138,038	(13,543)	1,124,495	60,999
	$ -	$ 20,258,038	$ (13,543)	$ 20,244,495	$ 350,999

On September 11, 2024 the District issued $19,120,000 of Wastewater Revenue Bonds, Series 2024. The bonds bear interest at rates ranging from 4.040% to 5.000%. The bonds were issued to provide funding for the construction of a new Wastewater Treatment Plant. The bonds require interest payments on June 1 and December 1 and principal payments on December 1 each year, with the initial interest payment beginning on December 1, 2024 and initial principal payment beginning on December 1, 2025. The bonds maturing on or before December 1, 2034 are not subject to redemption prior to their respective maturity dates. The bonds maturing on or after December 1, 2035 are subject to redemption prior to maturity at the option of the District, in whole or in part, and if in part, in such order of maturity as the District determines and by lot within any maturity in such manner as the paying agent determines, on December 31, 2034, and on any date thereafter, at a redemption price equal to par plus accrued interest to the redemption date, with no redemption premium. The bonds maturing on December 1, 2044, December 1, 2049, and December 1, 2054 are subject to mandatory sinking fund redemption.

The bonds are special, limited obligations of the District. The bonds do not constitute a general obligation of the District, nor do they constitute a lien on any properties owned by or located within the boundaries of the District other than the net revenue. The net revenue is defined as the gross revenue (subject to certain exemptions) of the District after deducting the operations and maintenance expenses (subject to certain exemptions). The District has covenanted to maintain, enforce and collect rates, fees, plant investment fees, availability fees and charges for services sufficient to pay the operation and maintenance expenses and create net revenues in an amount equal to not less than 110% of the amount necessary to pay the principal and interest on the bonds when due. As of December 31, 2025 and 2024 the District was in compliance with this requirement.

The District purchased a municipal bond insurance policy from Build America Mutual Assurance Company. The policy guarantees the scheduled payment of principal and interest on the bonds when due.

The District's scheduled bond maturities are as follows:

Year Ending December 31,	Principal	Interest	Total
2026	$ 305,000	$ 881,081	$ 1,186,081
2027	320,000	865,831	1,185,831
2028	340,000	849,831	1,189,831
2029	355,000	832,831	1,187,831
2030	375,000	815,081	1,190,081
2031-2035	2,160,000	3,776,406	5,936,406
2036-2040	2,760,000	3,178,907	5,938,907
2041-2045	3,505,000	2,437,556	5,942,556
2046-2050	4,415,000	1,526,907	5,941,907
2051-2054	4,295,000	451,894	4,746,894
	$ 18,830,000	$ 15,616,325	$ 34,446,325

NOTE 6 - NET POSITION

The District has net position consisting of three components – net investment in capital assets, restricted and unrestricted.

The net investment in capital assets consists of capital assets, net of accumulated depreciation and if applicable reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2025 and 2024 the District's net investment in capital assets was $9,835,666 and $7,208,670, respectively.

The restricted net position consists of donations received from existing District customers that is restricted to provide financial assistance to other District customers with paying their sewer service bills. As of December 31, 2025 and 2024, the District had $1,779 and $2,278, respectively, restricted for the Disadvantaged Customer Assistance program.

NOTE 7 - RISK MANAGEMENT

Except as provided in the Colorado Governmental Immunity Act, as amended from time to time, the District may be exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees, or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool) as of December 31, 2025. The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery and workers compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for property, liability, public officials' liability, boiler and machinery, and workers compensation coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

NOTE 8 - PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO

Defined Benefit Pension Plan

Summary of Significant Accounting Policies

Pensions. The District participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position (FNP) and additions to/deductions from the FNP of the LGDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. 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.

General Information about the Pension Plan

Plan description. Eligible employees of the District are provided with pensions through the LGDTF—a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available annual comprehensive annual financial report (ACFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

The lifetime retirement benefit for all eligible retiring employees under the PERA benefit structure is the greater of the:

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit.
- The value of the retiring employee's member contribution account plus a 100% match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

The service retirement benefit is limited to 100% of highest average salary and, also cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50% or 100% on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

Upon meeting certain criteria, benefit recipients who elect to receive a lifetime retirement benefit generally receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Subject to the automatic adjustment provision (AAP) under C.R.S. § 24-51-413, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, and all eligible benefit recipients of the DPS benefit structure will receive the maximum annual increase (AI) or AI cap of 1.00% unless adjusted by the AAP. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lesser of an annual increase of the 1.00% AI cap or the average increase of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed a determined increase that would exhaust 10% of PERA's Annual Increase Reserve (AIR) for the LGDTF. The AAP may raise or lower the aforementioned AI cap by up to 0.25% based on the parameters specified in C.R.S. § 24-51-413.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the lifetime retirement benefit formula(s) shown above considering a minimum 20 years of service credit, if deemed disabled.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

Contribution provisions. Eligible employees and the District and the State are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. Section 24-51-401, et seq and C.R.S. Section 24-51-513. For the period January 1, 2024 through December 31, 2025, eligible employees were required to contribute 9.00% of their PERA-includable salary.

The employer contribution requirements during the period of January 1, 2024 through December 31, 2025 are summarized in the table below:

	January 1, 2024 Through December 31, 2024	January 1, 2025 Through December 31, 2025
Employer Contribution Rate	11.00%	11.00%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. Section 24-51-208(1)(f)	-1.02%	-1.02%
Amount apportioned to the LGDTF	9.98%	9.98%
Amortization Equalization Disbursement (AED) as specified in C.R.S. Section 24-51-411	2.20%	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. Section 24-51-411	1.50%	1.50%
Defined Contribution Supplement as specified in C.R.S. Section 24-51-415	0.08%	0.11%
Total Employer Contribution Rate to the LGDTF	13.76%	13.79%

Contribution Rates for the LGDTF are expressed as a percentage of salary as defined by C.R.S. Section 24-51-101(42).

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the District were $3,156 and $1,606 for the years ended December 31, 2025 and 2024, respectively.

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

As of December 31, 2025 and 2024, the District reported a liability/(asset) of $7,462 and $17,119, respectively, for its proportionate share of the LGDTF net pension liability/(asset). The December 31, 2025 net pension liability for the LGDTF was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023. Standard update procedures were used to roll-forward the TPL to December 31, 2024. The December 31, 2024 net pension liability for the LGDTF was measured as of December 31, 2023. The District's December 31, 2025 and 2024 proportions of the net pension liability/(asset) were based on contributions to the LGDTF for the calendar years 2024 and 2023, respectively, to the total contributions from participating employers.

As of the December 31, 2024 measurement date, the District's proportion was .0012162%, which was a decrease of .0011160% from its proportion measured as of December 31, 2023. As of the December 31, 2023 measurement date, the District's proportion was .0023321%, which was a decrease of .0128931% from its proportion measured as of December 31, 2022.

For the year ended December 31, 2025, the District recognized net pension income of $34,944. For the year ended December 31, 2024, the District recognized net pension expense of $85,867.

As of 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	$ 563	$ -
Changes of assumptions or other inputs	220	-
Change in proportion and differences between contributions recognized and proportionate share of contributions	2,774	-
Net difference between projected and actual earnings on pension plan investments	702	-
Contributions subsequent to the measurement date	3,156	-
Total	$ 7,415	$ -

The $3,156 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ending 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 Ending December 31	
2026	$ 3,958
2027	1,961
2028	(1,189)
2029	(471)
	$ 4,259

Actuarial assumptions. The total pension liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.20 – 11.30%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07; and DPS benefit structure (compounded annually)	1.00%
PERA benefit structure hired after 12/31/06[1]	Financed by the Annual Increase Reserve (AIR)

[1] Post-retirement benefit increases are provided by the AIR, accounted separately within each Division Trust Fund, and subject to moneys being available; therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

The total pension liability for the LGDTF, as of the December 31, 2023 measurement date, was adjusted to reflect the disaffiliation, as allowable under C.R.S. Section 24-51-313, of Tri-County Health Department as a PERA affiliated employer, effective December 31, 2022.

The mortality tables described below are generational mortality tables developed on a benefit-weighted basis.

Pre-retirement mortality assumptions were based upon the PubG-2010 Employee Table. With no adjustments as applicable.

Post-retirement non-disabled mortality assumptions were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

- **Males:** 94% of the rates prior to age 80 and 90% of the rates for ages 80 and older, with generational projection using scale MP-2019
- **Females:** 87% of the rates prior to age 80 and 107% of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- **Males:** 97% of the rates for all ages, with generational projection using scale MP-2019. **Females:** 105% of the rates for all ages, with generational projection using scale MP-2019.

Disabled mortality assumptions for members were based upon the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.

The actuarial assumptions used for the December 31, 2023, valuation were based on the 2020 experience analysis, dated October 298, 2020, for the period January 1, 2016, through December 31, 2019. Revised economic and demographic assumptions were adopted by the PERA Board on November 20, 2020.

Based on the 2024 experience analysis, dated January 3, 2025, for the period January 1, 2020, to December 31, 2023, revised actuarial assumptions were adopted by PERA's Board on January 17, 2025, and were effective as of December 31, 2024. The following assumptions were reflected in the roll forward calculation of the total pension liability from December 31, 2023, to December 31, 2024.

Salary increases, including wage inflation for members other than safety officers 3.40%-13.00% and for safety officers 3.20%-16.30%. Salary scale assumptions were altered to better reflect actual experience. Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience. The estimated administrative expense as a percentage of covered payroll increased from 0.40% to 0.45%.

The adjustments for credibility applied to the Pub-2010 mortality tables for active and retired lives, including beneficiaries, were updated based on the experience. All mortality assumptions are developed on a benefit-weighted basis.

Pre-retirement mortality assumptions were based upon the PubG-2010 Employee Table. With no adjustments as applicable.

Post-retirement non-disabled mortality assumptions were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

- **Males:** 90% of the rates for all ages, with generational projection using scale 2024 adjusted MP-2021 scale
- **Females:** 85% of the rates prior to age 85 and 105% of the rates for ages 85 and older, with generational projection using scale 2024 adjusted MP-2021 scale.

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- **Males:** 92% of the rates for all ages, with generational projection using scale 2024 adjusted MP-2021 scale
- **Females:** 100% of the rates for all ages, with generational projection using scale 2024 adjusted MP-2021 scale.

Disabled mortality assumptions for members were based upon the PubNS-2010 Disabled Retiree Table using 95% of the rates for all ages, with generational projection using scale 2024 adjusted MP-2021 scale.

The long-term expected return on plan assets is monitored on an ongoing basis and reviewed as part of periodic experience studies prepared every four years, and asset/liability studies, performed every three to five years for PERA. The most recent analyses were outlined in the 2024 Experience Study report dated January 3, 2025.

Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the November 15, 2019, meeting, and again at the Board's September 20, 2024, meeting. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	51.0%	5.0%
Fixed Income	23.0%	2.6%
Private Equity	10.0%	7.6%
Real Estate	10.0%	4.1%
Alternatives	6.0%	5.2%
Total	100.0%	

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25%.

Discount rate. The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the required adjustments resulting from the 2018 AAP and 2020 AAP assessments. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the required adjustments resulting from the

2018 and 2020 AAP assessments. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.
- Beginning with the December 31, 2023 measurement date, the FNP as of the current measurement date is used as a starting point for the GASB 67 projection test.
- As of the December 31, 2024 measurement date, the FNP and related disclosure components for the Local Government Division reflect additional payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. The additional disaffiliation payment allocations to the Local Government Division Trust Fund and HCTF were $0.486 million and $0.020 million, respectively.

Based on the above assumptions and methods, LGDTF's FNP was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Proportionate share of the net pension liability/(asset)	$ 16,333	$ 7,462	$ 9

Pension plan fiduciary net position. Detailed information about the LGDTF's fiduciary net position is available in PERA's annual comprehensive financial report which can be obtained at www.copera.org/investments/pera-financial-reports.

Defined Contribution Pension Plans

Voluntary Investment Program

Plan Description - Employees of the District that are also members of the LGDTF may voluntarily contribute to the Voluntary Investment Program, an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available comprehensive annual financial report for the Program. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy - The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. In addition, the District does not match employee contributions. Employees are immediately vested in their own contributions, employer contributions and investment earnings. For the years ended December 31, 2025 and 2024, program members made no contributions, to the Voluntary Investment Program.

NOTE 9 – POST RETIREMENT HEALTHCARE BENEFITS

Defined Benefit Other Postemployment Benefit (OPEB) Plan

Summary of Significant Accounting Policies

OPEB. The District participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position (FNP) and additions to/deductions from the FNP of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the OPEB Plan

Plan description. Eligible employees of the District are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended, and sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided. The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The

health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit. For members who retire having service credit with employers in the Denver Public Schools (DPS) Division and one or more of the other four Divisions (State, School, Local Government and Judicial), the premium subsidy is allocated between the HCTF and the Denver Public Schools Health Care Trust Fund (DPS HCTF). The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

C.R.S. § 24-51-1202 *et seq*. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure and all retirees under the DPS benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare. Upon the death of a DPS benefit structure retiree, no further subsidy is paid.

Enrollment in the PERACare health benefits program is voluntary and is available to benefit recipients and their eligible dependents, certain surviving spouses, and divorced spouses and guardians, among others. Eligible benefit recipients may enroll into the program upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period.

PERA Benefit Structure
The maximum service-based premium subsidy is $230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is $115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5% reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, C.R.S. § 24-51-1206(4) provides an additional subsidy. According to the statute, PERA cannot charge premiums to benefit recipients without Medicare Part A that are greater than premiums charged to benefit recipients with Part A for the same plan option, coverage level, and service credit. Currently, for each individual PERACare enrollee, the total premium for Medicare coverage is determined assuming plan participants have both Medicare Part A and Part B and the difference in premium cost is paid by the HCTF or the DPS HCTF on behalf of benefit recipients not covered by Medicare Part A.

DPS Benefit Structure
The maximum service-based premium subsidy is $230 per month for retirees who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is $115 per month for retirees who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The maximum service-based subsidy, in each case, is for retirees with retirement benefits based on 20 or more years of service credit. There is a 5% reduction in the subsidy for each year less than 20. The retiree pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For retirees who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, the HCTF or the DPS HCTF pays an alternate service-based premium subsidy. Each individual retiree meeting these conditions receives the maximum $230 per month subsidy reduced appropriately for service less than 20 years, as described above. Retirees who do not have Medicare Part A pay the difference between the total premium and the monthly subsidy.

Contributions. Pursuant to Title 24, Article 51, Section 208(1) (f) of the C.R.S., as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, School, Local Government, and Judicial Divisions are required to contribute at a rate of 1.02% of PERA-includable salary into the HCTF.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from District were $234 and $119 for the years ended December 31, 2025 and 2024, respectively.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

As of December 31, 2025 and 2024, the District reported liabilities of $462 and $1,323, respectively, for its proportionate share of the net OPEB liabilities. The net OPEB liabilities for the HCTF were measured as of December 31, 2024 and 2023, respectively. The total OPEB liability used to calculate the net OPEB liability as of the December 31, 2024 measurement date was determined by an actuarial valuation as of December 31, 2023. The total OPEB liability used to calculate the net OPEB liability as of the December 31, 2023 measurement date was determined by an actuarial valuation as of December 31, 2022.

The District's December 31, 2025 and 2024 proportions of the net OPEB liability were based on contributions to the HCTF for the calendar years 2024 and 2023, respectively, to the total contributions from participating employers.

The District's December 31, 2024 and 2023 proportions of the net OPEB liability were based on contributions to the HCTF for the calendar years 2023 and 2022, respectively, to the total contributions from participating employers.

As of the December 31, 2024 measurement date, the District's proportion was 0.0000967%, which was a decrease of 0.0000887% from its proportion measured as of December 31, 2023. As of the December 31, 2023 measurement date, the District's proportion was 0.0001854%, which was a decrease of 0.0010495% from its proportion measured as of December 31, 2022.

For the year ended December 31, 2025, the District recognized OPEB income of $4,509. For the year ended December 31, 2024, the District recognized OPEB income of $16,426. As of December 31, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ (102)
Net difference between projected and actual earnings on OPEB plan investments	2	-
Change in proportion and differences between contributions recognized and proportionate share of contributions	17,779	-
Changes in assumptions or other Inputs	5	(148)
Contributions subsequent to the measurement date	234	-
Total	$ 18,020	$ (250)

The $234 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31	
2026	$ 6,766
2027	5,286
2028	2,460
2029	1,994
2030	973
2031	57
	$ 17,536

Actuarial assumptions. The total OPEB liability in the December 31, 2023 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

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	Trust Fund			
	State Division	School Division	Local Government Division	Judicial Division
Actuarial cost method	Entry age	Entry age	Entry age	Entry age
Price inflation	2.30%	2.30%	2.30%	2.30%
Real wage growth	0.70%	0.70%	0.70%	0.70%
Wage inflation	3.00%	3.00%	3.00%	3.00%
Salary increases, including wage inflation:				
Members other than Safety Officers	3.30%-10.90%	3.40%-11.00%	3.20%-11.30%	2.80%-5.30%
Safety Officers	3.20%-12.40%	N/A	3.20%-12.40%	N/A
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%	7.25%	7.25%	7.25%
Discount rate	7.25%	7.25%	7.25%	7.25%
Health care cost trend rates				
PERA benefit structure:				
Service-based premium subsidy	0.00%	0.00%	0.00%	0.00%
PERACare Medicare plans	16.00% in 2024, then 6.75% in 2025, gradually decreasing to 4.50% in 2034			
MAPD PPO #2	105.00% in 2024, then 8.55% in 2025, gradually decreasing to 4.50% in 2034			
Medicare Part A premiums	3.50% in 2024, gradually increasing to 4.50% in 2033			
DPS benefit structure:				
Service-based premium subsidy	0.00%	0.00%	0.00%	0.00%
PERACare Medicare plans	N/A	N/A	N/A	N/A
Medicare Part A premiums	N/A	N/A	N/A	N/A

As of the December 31, 2024, measurement date, the FNP and related disclosure components for the HCTF reflect additional payments related to the disaffiliation of Tri-County Health Department (Tri-County Health) as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the HCTF and Local Government Division Trust Fund were $0.020 million and $0.486 million, respectively.

Each year the per capita health care costs are developed by plan option. As of the December 31, 2023, actuarial valuation, costs are based on 2024 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, the UnitedHealthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors were then applied to estimate individual retiree and spouse costs by age, gender, and health care cost trend. This approach applies for all members and is adjusted accordingly for those not eligible for premium-free Medicare Part A for the PERA benefit structure.

Age-Related Morbidity Assumptions

Participant Age	Annual Increase (Male)	Annual Increase (Female)
65-68	2.2%	2.3%
69	2.8%	2.2%
70	2.7%	1.6%
71	3.1%	0.5%
72	2.3%	0.7%
73	1.2%	0.8%
74	0.9%	1.5%
75-85	0.9%	1.3%
86 and older	0.0%	0.0%

	MAPD PPO #1 with Medicare Part A Retiree/Spouse		MAPD PPO #2 with Medicare Part A Retiree/Spouse		MAPD HMO (Kaiser) with Medicare Part A Retiree/Spouse	
Sample Age	Male	Female	Male	Female	Male	Female
65	$ 1,701	$ 1,420	$ 585	$ 486	$ 1,897	$ 1,575
70	$ 1,921	$ 1,589	$ 657	$ 544	$ 2,130	$ 1,763
75	$ 2,122	$ 1,670	$ 726	$ 571	$ 2,353	$ 1,853

	MAPD PPO #1 without Medicare Part A Retiree/Spouse		MAPD PPO #2 without Medicare Part A Retiree/Spouse		MAPD HMO (Kaiser) without Medicare Part A Retiree/Spouse	
Sample Age	Male	Female	Male	Female	Male	Female
65	$ 6,536	$ 5,429	$ 4,241	$ 3,523	$ 7,063	$ 5,866
70	$ 7,341	$ 6,073	$ 4,764	$ 3,941	$ 7,933	$ 6,563
75	$ 8,110	$ 6,385	$ 5,262	$ 4,143	$ 8,763	$ 6,900

The 2024 Medicare Part A premium is $505 per month.

All costs are subject to the health care cost trend rates, as discussed below.

Health care cost trend rates reflect the change in per capita health costs over time due to factors such as medical inflation, utilization, plan design, and technology improvements. For the PERA benefit structure, health care cost trend rates are needed to project the future costs associated with providing benefits to those PERACare enrollees not eligible for premium-free Medicare Part A.

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models, and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. PERACare Medicare plan rates are applied where members have no premium-free Part A and where those premiums are already exceeding the maximum subsidy. MAPD PPO #2 has a separate trend because the first year rates are still below the maximum subsidy and to reflect the estimated impact of the Inflation Reduction Act for that plan option.

The PERA benefit structure health care cost trend rates used to measure the total OPEB liability are summarized in the table below:

Year	PERACare Medicare Plans[1]	MAPD PPO #2	Medicare Part A Premiums
2024	16.00%	105.00%	3.50%
2025	6.75%	8.55%	3.75%
2026	6.50%	8.10%	3.75%
2027	6.25%	7.65%	4.00%
2028	6.00%	7.20%	4.00%
2029	5.75%	6.75%	4.25%
2030	5.50%	6.30%	4.25%
2031	5.25%	5.85%	4.25%
2032	5.00%	5.40%	4.25%
2033	4.75%	4.95%	4.50%
2034+	4.50%	4.50%	4.50%

Mortality assumptions used in the December 31, 2023, valuation for the Division Trust Funds as shown in the following table, reflect generational mortality and were applied, as applicable, in the December 31, 2023, valuation for the HCTF, but developed using a headcount-weighted basis. Note that in all categories, displayed as follows, the mortality tables are generationally projected using scale MP-2019. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

Pre-retirement mortality assumptions:

- State and Local Government Divisions (members other than Safety Officers) were based upon the PubG-2010 Employee Table
- Safety Officers were based upon the PubS-2010 Employee Table
- School Division were based upon the PubT-2010 Employee Table
- Judicial Division were based upon the PubG-2010(A) Above-Median Employee Table

Post-retirement non-disabled retiree mortality assumptions:

- State and Local Government Divisions (members other than Safety Officers) were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:
  - **Males:** 94% of the rates prior to age 80/90% of the rates for ages 80 and older
  - **Females:** 87% of the rates prior to age 80/107% of the rates for ages 80 and older
- Safety Officers were based upon the unadjusted PubS-2010 Healthy Retiree Table
- School Division were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows:
  - **Males:** 112% of the rates prior to age 80/94% of the rates for ages 80 and older
  - **Females:** 83% of the rates prior to age 80/106% of the rates for ages 80 and older
- Judicial Division were based upon the PubG-2010(A) Above-Median Healthy Retiree Table

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- **Males:** 97% of the rates for all ages
- **Females:** 105% of the rates for all ages

Disabled mortality assumptions for Members other than Safety Officers were based upon the PubNS-2010 Disabled Retiree Table adjusted 99% of the rates for all ages.

Disabled mortality assumptions for Safety Officers were based upon the unadjusted PubS-2010 Disabled Retiree Table.

The following health care costs assumptions were updated and used in the roll-forward calculation for the HCTF:

- Per capita health care costs in effect as of the December 31, 2023, valuation date for those PERACare enrollees under the PERA benefit structure who are expected to be age 65 and older and are not eligible for premium-free Medicare Part A benefits have been updated to reflect costs for the 2024 plan year.
- The health care cost trend rates applicable to health care premiums were revised to reflect the current expectation of future increases in those premiums. A separate trend rate assumption set was added for MAPD PPO #2 as the first-year rate is still below the maximum subsidy and also the assumption set reflects the estimated impact of the Inflation Reduction Act for that plan option.
- The Medicare health care plan election rate assumptions were updated effective as of the December 31, 2023, valuation date based on an experience analysis of recent data.

Actuarial assumptions pertaining to per capita health care costs and their related trend rates are analyzed and updated annually by PERA Board's actuary, as discussed above.

The actuarial assumptions used in the December 31, 2023, valuation were based on the results of the 2020 experience analysis, dated October 28, 2020, and November 4, 2020, for the period January 1, 2016, through December 31, 2019. Revised economic and demographic assumptions were adopted by the PERA Board on November 20, 2020.

Based on the 2024 experience analysis, dated January 3, 2025, for the period January 1, 2020, to December 31, 2023, revised actuarial assumptions were adopted by PERA's Board on January 17, 2025, and were effective as of December 31, 2024. The following assumptions were reflected in the roll forward calculation of the total OPEB liability from December 31, 2023, to December 31, 2024.

	Trust Fund			
	State Division	School Division	Local Government Division	Judicial Division
Salary increases, including wage inflation:				
Members other than Safety Officers	2.70%-13.30%	4.00%-13.40%	3.40%-13.00%	2.30%-4.70%
Safety Officers	3.20%-16.30%	N/A	3.20%-16.30%	N/A

The following health care costs assumptions were used in the roll forward calculation for the HCTF:

- Salary scale assumptions were altered to better reflect actual experience
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience
- Participation rates were reduced
- MAPD premium costs are no longer age graded

Plan	With Medicare Part A	Without Medicare Part A
MAPD PPO #1	$ 1,824	$ 6,972
MAPD PPO #2	$ 624	$ 4,524
MAPD HMO (Kaiser)	$ 2,040	$ 7,596

The adjustments for credibility applied to the Pub-2010 mortality tables for active and retired lives, including beneficiaries, were updated based on the experience. Note that in all categories, the mortality tables are generationally projected using the 2024 adjusted MP-2021 project scale. These assumptions updated for the Division Trust Funds, were also applied in the roll forward calculations for the HCTF using a headcount-weighted basis. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

Pre-retirement mortality assumptions:

- State and Local Government Divisions (members other than Safety Officers) were based upon the PubG-2010 Employee Table
- Safety Officers were based upon the PubS-2010 Employee Table
- School Division were based upon the PubT-2010 Employee Table
- Judicial Division were based upon the PubG-2010(A) Above-Median Employee Table

Post-retirement non-disabled retiree mortality assumptions:

- State and Local Government Divisions (members other than Safety Officers) were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:
    - **Males:** 90% of the rates for all ages
    - **Females:** 85% of the rates prior to age 85/105% of the rates for ages 85 and older
- Safety Officers were based upon the unadjusted PubS-2010 Healthy Retiree Table
- School Division were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows:
    - **Males:** 106% of the rates for all ages
    - **Females:** 86% of the rates prior to age 85/115% of the rates for ages 85 and older
- Judicial Division were based upon the PubG-2010(A) Above-Median Healthy Retiree Table

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- **Males:** 92% of the rates for all ages
- **Females:** 100% of the rates for all ages

Disabled mortality assumptions for Members other than Safety Officers were based upon the PubNS-2010 Disabled Retiree Table adjusted 95% of the rates for all ages.
Disabled mortality assumptions for Safety Officers were based upon the unadjusted PubS-2010 Disabled Retiree Table.

The actuarial assumptions pertaining to per capita health care costs and their related trend rates are analyzed annually and updated, as appropriate, by the PERA Board's actuary.

The long-term expected return on plan assets is monitored on an ongoing basis and reviewed as part of periodic experience studies prepared every four years, and asset/liability studies, performed every three to five years for PERA. The most recent analyses were outlined in the 2024 Experience Study report dated January 3, 2025.

Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the November 15, 2019, meeting, and again at the Board's September 20, 2024, meeting. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	51.00%	5.00%
Fixed Income	23.00%	2.60%
Private Equity	10.00%	7.60%
Real Estate	10.00%	4.10%
Alternatives	6.00%	5.20%
Total	100.00%	

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25%.

Sensitivity of the District's proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates. The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate	5.75%	6.75%	7.75%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial MAPD PPO #2 trend rate	7.55%	8.55%	9.55%
Ultimate MAPD PPO #2 trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	$ 450	$ 462	$ 476

Discount rate. The discount rate used to measure the total OPEB liability was 7.25 percent. The basis for the projection of liabilities and the FNP used to determine the discount rate was an actuarial valuation performed as of December 31, 2023, and the financial status of the HCTF as of the current measurement date (December 31, 2024). In addition, the following methods and assumptions were used in the projection of cash flows:

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2024, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.
- As of the December 31, 2024, measurement date, the FNP and related disclosure components for the HCTF reflect additional payments related to the disaffiliation of Tri-County Health as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the HCTF and Local Government Division Trust Fund were $0.020 million and $0.486 million, respectively.

Based on the above assumptions and methods, the HCTF's FNP was projected to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent. There was no change in the discount rate from the prior measurement date.

Sensitivity of the District's proportionate share of the net OPEB liability to changes in the discount rate. The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Proportionate share of the net OPEB liability	$ 567	$ 462	$ 372

OPEB plan fiduciary net position. Detailed information about the HCTF's fiduciary net position is available in PERA's annual comprehensive financial report which can be obtained at www.copera.org/investments/pera-financial-reports.

NOTE 10 - TAX, SPENDING AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations that apply to the State of Colorado and all local governments.

Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR. The District's management believes a significant portion of the District's activities qualify as an Enterprise within the meaning of TABOR.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and many of the provisions, including the calculation of fiscal year spending limits, growth factors, and qualification as an Enterprise, may require judicial interpretation.

NOTE 11 - COMMITMENTS

The District has entered into a $27,000,000 contract for the construction of a new Wastewater Treatment Plant. As of December 31, 2025 there was $2,994,499 remaining on the contract.

REQUIRED SUPPLEMENTAL INFORMATION

NIWOT SANITATION DISTRICT
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY/(ASSET)
PERA PENSION PLAN - LOCAL GOVERNMENT DIVISION TRUST FUND
LAST TEN YEARS

Measurement Date Year Ended December 31,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's Proportion of the Net Pension Liability/(Asset)	0.0012162%	0.0023321%	0.0152252%	0.0203595%	0.0353668%	0.0320342%	0.0347073%	0.0358287%	0.0358389%	0.0365344%
Disrict's Proportionate Share of the Net Pension Liability/(Asset)	$ 7,462	$ 17,119	$ 152,642	$ (17,456)	$ 184,306	$ 234,295	$ 436,344	$ 398,927	$ 483,947	$ 402,456
District's Covered Payroll	$ 11,670	$ 20,487	$ 125,309	$ 151,491	$ 249,711	$ 220,602	$ 227,643	$ 226,028	$ 217,229	$ 207,486
Proportionate Share of Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	63.94%	83.56%	121.81%	11.52%	73.81%	106.21%	191.68%	176.49%	222.78%	193.97%
Calculation of Collectvie Net Pension Liability/(Asset):										
Total Pension Liability	$6,426,530,000	$6,131,113,000	$5,895,159,000	$5,758,380,000	$5,715,765,000	$5,324,353,000	$5,228,602,000	$5,396,516,000	$5,123,847,000	$4,762,090,000
Plan Fiduciary Net Position	5,812,932,000	5,397,072,000	4,892,596,000	5,844,117,000	5,194,638,000	4,592,962,000	3,971,389,000	4,283,086,000	3,773,506,000	3,660,509,000
Net Pension Liability/(Asset)	$ 613,598,000	$ 734,041,000	$1,002,563,000	$ (85,737,000)	$ 521,127,000	$ 731,391,000	$1,257,213,000	$1,113,430,000	$1,350,341,000	$1,101,581,000
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	90.45%	88.03%	82.99%	101.49%	90.88%	86.26%	75.96%	79.37%	73.65%	76.87%

Notes to Required Supplementay Information

Note 1 - Significant Changes in Plan Provisions Affecting Trends in Actuarial Information

- As of the December 31, 2023, measurement date, the fiduciary net position (FNP) and related disclosure components for the Local Government Division reflect payments related to the disaffiliation of Tri-County Health Department (Tri-County Health) as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a $24 million payment received on December 4, 2023 and a $2 million receivable. The employer disaffiliation payment and receivable allocations to the Local Government Division Trust Fund and Health Care Trust Fund (HCTF) were $24.967 million and $1.033 million, respectively.

- As of the December 31, 2023, measurement date, the total pension liability (TPL) recognizes the change in the default method applied for granting service accruals for certain members, from a "12-pay" method to a "non-12-pay" method. The default service accrual method for positions with an employment pattern of at least eight months but fewer than 12 months (including, but not limited to positions in the School and DPS Divisions) receive a higher ratio of service credit for each month worked, up to a maximum of 12 months of service credit per year.

Note 2 - Significant Changes in Assumptions or Other Inputs Affecting Trends in Actuarial Information

- There were no changes made to the actuarial methods or assumptions.

NIWOT SANITATION DISTRICT
SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS
PERA PENSION PLAN - LOCAL GOVERNMENT DIVISION TRUST FUND
LAST TEN FISCAL YEARS

Fiscal Year Ended December 31,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	$ 3,156	$ 1,606	$ 2,815	$ 16,779	$ 19,997	$ 32,284	$ 27,972	$ 28,865	$ 28,660	$ 27,545
Contributions in Relation to the Contractually Required Contribution	(3,156)	(1,606)	(2,815)	(16,779)	(19,997)	(32,284)	(27,972)	(28,865)	(28,660)	(27,545)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 22,897	$ 11,670	$ 20,487	$ 125,309	$ 151,491	$ 249,711	$ 220,602	$ 227,643	$ 226,028	$ 217,229
Contributions as a Percentage of Covered Payroll	13.78%	13.76%	13.74%	13.39%	13.20%	12.93%	12.68%	12.68%	12.68%	12.68%

NIWOT SANITATION DISTRICT
SCHEDULE OF THE PROPORTIONATE SHARE OF THE COLLECTIVE NET OPEB LIABILITY
HEALTH CARE TRUST FUND OPEB PLAN
LAST EIGHT YEARS

Measurement Date Year Ended December 31,	2024	2023	2022	2021	2020	2019	2018	2017
District's Proportion of the Collective Net OPEB Liability/(Asset)	0.0000967%	0.0001854%	0.0012349%	0.0015827%	0.0027003%	0.0024535%	0.0026916%	0.0027841%
Disrict's Proportionate Share of the Collective Net OPEB Liability/(Asset)	$ 462	$ 1,323	$ 10,082	$ 13,647	$ 25,659	$ 27,577	$ 36,620	$ 36,182
District's Covered Payroll	$ 11,670	$ 20,487	$ 125,309	$ 151,491	$ 249,711	$ 220,602	$ 227,643	$ 226,028
Proportionate Share of Collective Net OPEB Liability/(Asset) as a Percentage of its Covered Payroll	3.96%	6.46%	8.05%	9.01%	10.28%	12.50%	16.09%	16.01%
Calculation of Collective Net OPEB Liability:								
Total OPEB Liability	$ 1,190,476,000	$ 1,325,637,000	$ 1,329,183,000	$ 1,423,054,000	$ 1,413,526,000	$ 1,488,508,000	$ 1,639,734,000	$ 1,575,822,000
Plan Fiduciary Net Position	712,309,000	611,911,000	512,704,000	560,749,000	463,301,000	364,510,000	279,192,000	276,222,000
Net OPEB Liability	$ 478,167,000	$ 713,726,000	$ 816,479,000	$ 862,305,000	$ 950,225,000	$ 1,123,998,000	$ 1,360,542,000	$ 1,299,600,000
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	59.83%	46.16%	38.57%	39.40%	32.78%	24.49%	17.03%	17.53%

NOTE: Information for the prior two years was not available to report.

Notes to Required Supplementay Information

Note 1 - Significant Changes in Plan Provisions Affecting Trends in Actuarial Information

- As of the December 31, 2023, measurement date, the fiduciary net position (FNP) and related disclosure components for the Local Government Division reflect payments related to the disaffiliation of Tri-County Health Department (Tri-County Health) as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a $24 million payment received on December 4, 2023 and a $2 million receivable. The employer disaffiliation payment and receivable allocations to the Local Government Division Trust Fund and Health Care Trust Fund (HCTF) were $24.967 million and $1.033 million, respectively.

- As of the December 31, 2023, measurement date, the total pension liability (TPL) recognizes the change in the default method applied for granting service accruals for certain members, from a "12-pay" method to a "non-12-pay" method. The default service accrual method for positions with an employment pattern of at least eight months but fewer than 12 months (including, but not limited to positions in the School and DPS Divisions) receive a higher ratio of service credit for each month worked, up to a maximum of 12 months of service credit per year.

Note 2 - Significant Changes in Assumptions or Other Inputs Affecting Trends in Actuarial Information

- There were no changes made to the actuarial methods or assumptions.

NIWOT SANITATION DISTRICT
SCHEDULE OF DISTRICT OPEB CONTRIBUTIONS
HEALTH CARE TRUST FUND OPEB PLAN
LAST NINE FISCAL YEARS

Fiscal Year Ended December 31,	2025	2024	2023	2022	2021	2020	2019	2018	2017
Statutorily Required Contribution	$ 234	$ 119	$ 209	$ 1,278	$ 1,545	$ 2,547	$ 2,250	$ 2,322	$ 2,305
Contributions in Relation to the Statutorily Required Contribution	(234)	(119)	(209)	(1,278)	(1,545)	(2,547)	(2,250)	(2,322)	(2,305)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 22,897	$ 11,670	$ 20,487	$ 125,309	$ 151,491	$ 249,711	$ 220,602	$ 227,643	$ 226,028
Contributions as a Percentage of Covered Payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

NOTE: Information for the year 2016 was not available to report.

SUPPLEMENTARY INFORMATION

NIWOT SANITATION DISTRICT
SCHEDULE OF GENERAL AND ADMINISTRATIVE EXPENSES AND SEWER OPERATING EXPENSES
Years Ended December 31, 2025 and 2024

	2025	2024
General and Administrative Expenses		
Contract services	$ 139,008	$ 162,728
Salaries and wages	15,787	3,870
Payroll taxes and employee benefits	11,040	3,706
Insurance expense	17,395	16,902
Miscellaneous	8,526	8,114
Human resource development	5,550	7,237
Accounting and auditing fees	9,100	8,800
Postage	2,934	7,836
Directors' fees	7,100	7,800
Office supplies and expense	13,538	12,260
Election	190	-
Legal fees	3,721	7,416
Telephone expense	3,105	3,473
Computer expense	15,190	6,976
Utilities expense	1,459	4,288
Dues and subscriptions	1,513	1,150
Depreciation	11,691	11,691
Total general and administrative expenses	$ 266,847	$ 274,247
Sewer Operating Expenses		
Contract services	$ 188,632	$ 188,157
Maintenance and repair	33,012	210,661
Line cleaning and root foam	145,641	130,594
Operating supplies and fees	26,207	27,050
Vehicle expense	2,468	5,078
Sludge removal	50,000	100,000
Utilities expense	80,875	94,305
Telephone expense	3,105	4,340
Licenses and permits - State	4,538	4,632
Lab expense	2,827	4,280
Depreciation	285,210	287,277
Total sewer operating expenses	$ 822,515	$ 1,056,374

NIWOT SANITATION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE - BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended December 31, 2025

	Operations Fund		
	Original and Final Budgeted Amounts	Actual	Variance with Final Budget
REVENUES			
Operating revenues:			
Sewer charges	$ 2,552,152	$ 2,553,312	$ 1,160
Plant investment fees, including surcharges	-	-	-
Processing fees and miscellaneous charges	15,000	23,666	8,666
Miscellaneous	4,000	-	(4,000)
Nonoperating revenues:			
Net investment income (loss)	-	99,134	99,134
Total Revenues	2,571,152	2,676,112	104,960
EXPENDITURES			
Administration:			
Contract services	180,000	139,008	40,992
Salaries and wages	5,000	15,787	(10,787)
Directors' fees	10,000	7,100	2,900
Payroll taxes and employee benefits	3,200	11,040	(7,840)
Insurance	23,300	17,395	5,905
Miscellaneous	7,500	8,526	(1,026)
Human resource development	10,000	5,550	4,450
Auditing	9,200	9,100	100
Postage	7,500	2,934	4,566
Office supplies	12,000	13,538	(1,538)
Election	600	190	410
Legal fees	9,000	3,721	5,279
Telephone	3,500	3,105	395
Computer	8,500	15,190	(6,690)
Utilities	3,200	1,459	1,741
Dues and subscriptions	2,500	1,513	987
Total administration	295,000	255,156	39,844
Sewer collection:			
Contract services	51,500	33,791	17,709
Maintenance and repairs	45,000	9,997	35,003
Line cleaning, inspection and root foam	140,000	145,641	(5,641)
Operating supplies	7,500	9,880	(2,380)
Vehicle	5,500	1,234	4,266
Engineering	5,000	-	5,000
Total sewer collection	254,500	200,543	53,957
Sewer treatment:			
Contract services	215,000	154,841	60,159
Maintenance and repairs	30,000	23,015	6,985
Operating supplies	30,000	16,327	13,673
Sludge removal	-	50,000	(50,000)
Licenses and permits - State	5,800	4,538	1,262
Utilities	140,000	80,875	59,125
Telephone	4,000	3,105	895
Vehicle	5,500	1,234	4,266
Lab	8,000	2,827	5,173
Total sewer treatment	438,300	336,762	101,538
Debt service:			
Bond principal	290,000	290,000	-
Bond interest and paying agent fees	910,000	887,747	22,253
Total debt service	1,200,000	1,177,747	22,253
Capital outlay:			
Wastewater Treatment Plant	-	-	-
Lines	-	-	-
Total capital outlay	-	-	-
Contingency	3,009,179	-	3,009,179
Total expenditures	5,196,979	1,970,208	3,226,771
NET CHANGE IN FUNDS AVAILABLE	(2,625,827)	705,904	3,331,731
FUNDS AVAILABLE - BEGINNING OF YEAR	2,625,827	2,453,946	(171,881)
FUNDS AVAILABLE - END OF YEAR	$ -	$ 3,159,850	$ 3,159,850

(Continued)

NIWOT SANITATION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE - BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended December 31, 2025

(Continued)

Capital Improvements Fund				Total (Memorandum Only)			
Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance with Final Budget	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance with Final Budget
$ 250,000	$ 250,000	$ 428,540	$ 178,540	$ 2,802,152	$ 2,802,152	$ 2,981,852	$ 179,700
178,540	178,540	16,600	(161,940)	178,540	178,540	16,600	(161,940)
-	-	-	-	15,000	15,000	23,666	8,666
-	-	-	-	4,000	4,000	-	(4,000)
-	-	564,716	564,716	-	-	663,850	663,850
428,540	428,540	1,009,856	581,316	2,999,692	2,999,692	3,685,968	686,276
-	-	-	-	180,000	180,000	139,008	40,992
-	-	-	-	5,000	5,000	15,787	(10,787)
-	-	-	-	10,000	10,000	7,100	2,900
-	-	-	-	3,200	3,200	11,040	(7,840)
-	-	-	-	23,300	23,300	17,395	5,905
-	-	-	-	7,500	7,500	8,526	(1,026)
-	-	-	-	10,000	10,000	5,550	4,450
-	-	-	-	9,200	9,200	9,100	100
-	-	-	-	7,500	7,500	2,934	4,566
-	-	-	-	12,000	12,000	13,538	(1,538)
-	-	-	-	600	600	190	410
-	-	-	-	9,000	9,000	3,721	5,279
-	-	-	-	3,500	3,500	3,105	395
-	-	-	-	8,500	8,500	15,190	(6,690)
-	-	-	-	3,200	3,200	1,459	1,741
-	-	-	-	2,500	2,500	1,513	987
-	-	-	-	295,000	295,000	255,156	39,844
-	-	-	-	51,500	51,500	33,791	17,709
-	-	-	-	45,000	45,000	9,997	35,003
-	-	-	-	140,000	140,000	145,641	(5,641)
-	-	-	-	7,500	7,500	9,880	(2,380)
-	-	-	-	5,500	5,500	1,234	4,266
-	-	-	-	5,000	5,000	-	5,000
-	-	-	-	254,500	254,500	200,543	53,957
-	-	-	-	215,000	215,000	154,841	60,159
-	-	-	-	30,000	30,000	23,015	6,985
-	-	-	-	30,000	30,000	16,327	13,673
-	-	-	-	-	-	50,000	(50,000)
-	-	-	-	5,800	5,800	4,538	1,262
-	-	-	-	140,000	140,000	80,875	59,125
-	-	-	-	4,000	4,000	3,105	895
-	-	-	-	5,500	5,500	1,234	4,266
-	-	-	-	8,000	8,000	2,827	5,173
-	-	-	-	438,300	438,300	336,762	101,538
-	-	-	-	290,000	290,000	290,000	-
-	-	-	-	910,000	910,000	887,747	22,253
-	-	-	-	1,200,000	1,200,000	1,177,747	22,253
6,634,932	18,634,932	13,559,797	5,075,135	6,634,932	18,634,932	13,559,797	5,075,135
1,000,000	1,000,000	825,045	174,955	1,000,000	1,000,000	825,045	174,955
7,634,932	19,634,932	14,384,842	5,250,090	7,634,932	19,634,932	14,384,842	5,250,090
100,000	100,000	-	100,000	3,109,179	3,109,179	-	3,109,179
7,734,932	19,734,932	14,384,842	5,350,090	12,931,911	24,931,911	16,355,050	8,576,861
(7,306,392)	(19,306,392)	(13,374,986)	5,931,406	(9,932,219)	(21,932,219)	(12,669,082)	9,263,137
21,306,392	21,306,392	18,308,981	(2,997,411)	23,932,219	23,932,219	20,762,927	(3,169,292)
$ 14,000,000	$ 2,000,000	$ 4,933,995	$ 2,933,995	$ 14,000,000	$ 2,000,000	$ 8,093,845	$ 6,093,845

Funds available is computed as follows:

Current assets	$ 11,318,248
Less prepaid bond insurance premium	(35,845)
Current liabilities	(3,628,165)
Add interest payable	74,632
Add bonds payable and bond premium - current	364,975
	$ 8,093,845

NIWOT SANITATION DISTRICT
RECONCILIATION OF BUDGETARY BASIS (ACTUAL) TO STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
Year Ended December 31, 2025

Revenue (budgetary basis)	$ 3,685,968
Revenues per Statement of Revenues, Expenses and Changes in Fund Net Position	3,685,968
Expenditures (budgetary basis)	16,355,050
Depreciation	296,901
Capital outlay	(14,384,842)
Bond principal payments	(290,000)
Change in bond interest payable	6,709
Amortization of bond premium	(60,999)
Amortization of prepaid bond insurance premium	1,254
PERA Pension adjustment expense	31,788
PERA OPEB adjustment expense	4,275
Expenses per Statement of Revenues, Expenses and Changes in Fund Net Position	1,960,136
Change in net position per Statement of Revenues, Expenses and Changes in Fund Net Position	$ 1,725,832