

CENTRAL WELD COUNTY WATER DISTRICT

FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025

CENTRAL WELD COUNTY WATER DISTRICT
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Central Weld County Water District
Greeley, Colorado

Opinion

We have audited the accompanying financial statements of the Central Weld County Water District (the District) as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 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.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do

not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

The Adams Group, LLC

Greenwood Village, Colorado
September 2, 2026

CENTRAL WELD COUNTY WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2025

Introduction

The discussion and analysis is designed to provide an analysis of the Central Weld County Water District's (the District) financial condition and operating results and to also inform the reader on District financial issues and activities.

Management's Discussion and Analysis ("MD&A") is intended to provide the reader and user of our financial statements with:

- an understanding of the financial issues of the District,
- an overview of the District's financial activities,
- an explanation of the changes in the District's financial position,
- an explanatory analysis of the variation of the annual, approved budget, and
- an assessment of any future financial or operating issues of the District.

The MD&A is intended to focus on the 2025 activities, resulting changes, and currently known facts and conditions, it should be read in conjunction with the District's basic financial statements.

Financial Highlights for 2025 compared to 2024:

- Total operating revenues were \$20,773,253, an increase of \$1,822,927
- Total operating expenses were \$13,058,937, an increase of \$2,110,670. The increase was mainly attributed to an increase in distribution expenses when compared to the prior year.
- Total debt service principal and interest were \$5,064,977.
- Total non-operating revenues (expenses) and capital contributions were \$3,791,102, a decrease of \$938,198 which was a direct result of the decrease in capital contributions.
- Total capital outlay, including water right purchases was \$8,985,590. The largest component was construction in progress which amounted to \$6,672,029.
- The total budgetary basis expenditures were \$27,698,039, an increase of \$6,292,028.
- Principal paid on long term debt was \$2,080,000 and amortization of bond premiums was \$817,133
- Total long-term debt increased by \$45,750,347, which was driven by the issuance of the 2025 bonds..
- Net capital assets were \$201,156,267, an increase of \$6,054,874.

Overview of the Financial Statements

The financial statements included in this annual report are those of a political subdivision of the State of Colorado, governed by Colorado Revised Statutes Title 32 Special District engaged only in a business-type activity. As an enterprise fund, the District's basic financial statements are comprised of two components: 1) the financial statements; and 2) notes to financial statements used to explain in more detail some of the information in the financial statements.

CENTRAL WELD COUNTY WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2025

Required Financial Statements

The District's financial statements report information using accounting methods that conform with U.S. generally accepted accounting principles and similar to those used by the private sector. These statements provide both long-term and short-term information about the District's overall financial status. The audited financial statements and related notes are shown on pages 10 – 29.

Statements of Net Position

Reports the District's current financial resources (short-term spendable resources) with capital assets and long-term obligations. It provides the basis for evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District. However, other non-financial factors should be considered, such as changes in economic conditions and the effects of new or changed governmental legislation.

Statements of Revenues, Expenses and Changes in Net Position

Reports the District's operating and nonoperating revenues and expenses. Operating expenses include all operational costs of the District including depreciation. Non-operating expenses include the net loss from joint venture and debt interest expense.

Statements of Cash Flows

Reports the District's cash flows from operating activities, investing, capital and non-capital activities.

Notes to Financial Statements

Provide additional, required disclosures about the District, including its accounting policies and practices, its financial positions and operating activities, and other required information. The information included in the notes is essential to a full understanding of the information contained in the financial statements.

Other Supplementary Information

Schedule of Revenues and Expenditures - Budget and Actual (Budgetary Basis)

Provides information comparing the budgeted revenue and expenditure activities with the actual revenue and expenditure activities. Though this schedule is not required as part of the audited financial statements, it is added for review as other supplementary information.

Condensed Comparative of Financial Information

The following tables of condensed comparative financial information offer summaries of the financial information contained in the District's financial statements.

CENTRAL WELD COUNTY WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2025

Condensed Comparative of Financial Information
Statements of Net Position

	<u>2025</u>	<u>2024</u>
<u>Assets</u>		
Current assets	\$ 46,773,807	\$ 42,235,641
Restricted assets	29,771,620	5,149,996
Capital assets, net	201,156,267	195,101,393
Other assets	3,434,635	2,970,928
Total assets	<u>281,136,329</u>	<u>245,457,958</u>
<u>Liabilities</u>		
Current liabilities	4,069,512	3,282,560
Long-term liabilities	90,473,522	45,331,601
Total liabilities	<u>94,543,034</u>	<u>48,614,161</u>
<u>Net Position</u>		
Net investment in capital assets	156,496,948	147,295,478
Restricted	51,199,069	5,005,086
Unrestricted	653,198	44,543,233
Total Net Position	<u>\$ 208,349,215</u>	<u>\$ 196,843,797</u>

The net position of the District increased to \$208,349,215 during 2025. The District's net position reflected an increase of \$11,505,418.

CENTRAL WELD COUNTY WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2025

Condensed Comparative of Financial Information
Statements of Revenues, Expenses and Changes in Net Position

	<u>2025</u>	<u>2024</u>
<u>Operating revenues</u>		
Water sales and other revenue	\$ 20,773,253	\$ 18,950,326
Total operating revenues	20,773,253	18,950,326
<u>Operating expenses</u>		
Operating expenses	13,058,937	10,948,267
Operating income (loss)	7,714,316	8,002,059
<u>Nonoperating revenues (expenses)</u>		
Earnings on investments	3,082,187	2,040,210
Bond issuance costs	(588,535)	-
Bad debt expense	(12,089)	(21,330)
Equity (loss) from joint venture	463,707	(52,201)
Interest expense	(2,351,406)	(951,292)
Total nonoperating revenues (expenses)	593,864	1,015,387
<u>Net income before contributions</u>	8,308,180	9,017,446
<u>Capital contributions</u>	3,197,238	3,713,913
Net position, beginning of year	196,843,797	184,112,438
Net position, end of year	<u>\$ 208,349,215</u>	<u>\$ 196,843,797</u>

Analysis of Financial Position and Operating Results

Operating revenues were \$20,773,253, which is an increase of 9.6% from 2024. The largest component was increased water usage by customers within the District. Earnings on investments were up \$1,041,977 from 2024 due to higher average balances of funds invested.

Additional explanations to follow with the changes from 2024 to 2025:

- Distribution costs increased in 2025 by \$207,758 which is a direct result of increases in system maintenance and water treatment charges when compared to the prior year.
- Administrative expenses increased in 2025 by \$824,926 which can be attributed to an increase in salaries and insurance when compared to 2024.
- Total capital expenditures were \$8,985,590 during 2025. See Note 4 for additional information.
- Depreciation expense was \$2,930,716 in 2025, a small increase from 2024.

CENTRAL WELD COUNTY WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2025

Capital Assets (net of depreciation)

	<u>2025</u>	<u>2024</u>
Land, easements, water rights and reservoir	\$ 103,529,785	\$ 103,481,785
Construction in progress	27,309,407	20,637,378
Transmission and distribution system	69,471,221	70,125,715
Facilities	307,658	322,505
Vehicles and field equipment	492,794	492,148
Office equipment	<u>45,402</u>	<u>41,862</u>
Total	<u>\$ 201,156,267</u>	<u>\$ 195,101,393</u>

During 2025, major capital asset additions consisted of construction in progress. See Note 4 for additional information related to capital assets.

Debt and other Financial Obligations

The District's long-term debt, excluding compensated absences was \$93,546,862 at December 31, 2025. During 2025, the District issued Series 2025 Water Revenue Bonds to finance capital improvements. In 2025 and 2024, the District paid principal of \$2,080,000 and \$1,735,000, respectively. See Note 5 for additional information.

Capital Improvement Program

The District has an existing policy regarding capital improvements in the District's system. All line extensions are paid for by the individual customers as determined by a study for new service. The individual towns and/or entities the District serves are required to pay additional fees for filter plan enhancement and infrastructure improvements for growth in the towns pursuant to existing contracts.

The District has anticipated the need for additional raw water supplies and delivery systems to fulfill the needs of the growth in the District. The District is participating in the Northern Integrated Supply Project (NISP) through the Northern Colorado Water Conservancy District (NCWCD). This project will provide new yield of water rights deliverable through the NCWCD system. The NISP project is presented as construction in progress within the financial statements.

Contracts and Agreements

The District is party to several contracts and agreements concerning the delivery of domestic potable water. The contracts and agreements have been approved by the District's Board of Directors after review by the District's legal counsel.

Agreements with Cities and Towns

The District has agreements with nine municipalities for the treatment and delivery of domestic potable water. The rates, delivery points and termination dates vary according to the individual negotiated agreements.

CENTRAL WELD COUNTY WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2025

Economic and Other Factors

Overall, the District has shown increases in water revenues as a result of new developments and bulk water sales. Operating expenses have been consistent over the last few years and reflect only minimal increases. Construction costs have increased due to needed system improvements and purchase of water rights.

The annual rate and extent of future growth and development within the District will be materially affected by management, zoning, and land use procedures and policies established by Weld County and the individual Towns the District services.

Financial Contact

The District's financial statements are designed to present users with a general overview of the District's finances and to demonstrate the District's accountability. If you have any questions about the report or need additional financial information, please contact our staff and Central Weld County Water District; 2235 2nd Avenue; Greeley, CO 80631.

BASIC FINANCIAL STATEMENTS

CENTRAL WELD COUNTY WATER DISTRICT
STATEMENT OF NET POSITION

December 31,

2025

Assets

Current assets

Cash	\$ 44,973,677
Investments	95,000
Accrued interest receivable	72,731
Receivables	1,124,078
Inventories	330,005
Prepaid items	178,316
Total current assets	<u>46,773,807</u>

Noncurrent assets

Restricted assets

Cash	29,771,620
Investments	21,755,920

Capital assets

Transmission and distribution system	111,766,857
Facilities	614,736
Vehicles and field equipment	1,233,262
Office equipment	261,782
Total depreciable assets	113,876,637
Less: accumulated depreciation	<u>(43,559,562)</u>
Total depreciable assets, net	70,317,075
Land, easements, water rights and reservoir	103,529,785
Construction in progress	27,309,407
Total capital assets, net	<u>201,156,267</u>

Other assets

Investment in joint venture	3,434,635
Total non-current assets	<u>256,118,442</u>

Total assets	<u>302,892,249</u>
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CENTRAL WELD COUNTY WATER DISTRICT
STATEMENT OF NET POSITION
(CONTINUED)

December 31,

2025

Liabilities

Current liabilities

Accounts payable	531,712
Accrued interest expense	328,471
Current portion of bonds and premium	3,209,329
Total current liabilities	<u>4,069,512</u>

Noncurrent liabilities

Accrued compensated absences	135,989
Bonds and notes payable, net of current portion	90,337,533
Total noncurrent liabilities	<u>90,473,522</u>

Total liabilities	<u>94,543,034</u>
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Net Position

Net investment in capital assets	156,496,948
Restricted	51,199,069
Unrestricted	653,198
Total Net Position	<u>\$ 208,349,215</u>

CENTRAL WELD COUNTY WATER DISTRICT
STATEMENT OF REVENUES, EXPENSES,
AND CHANGE IN NET POSITION

<i>For the Year Ended December 31,</i>	2025
<u>Operating revenues</u>	
Water sales	\$ 18,383,972
Grant income	84,658
Other income	2,304,623
Total operating revenues	<u>20,773,253</u>
<u>Operating expenses</u>	
Administrative	3,486,994
Distribution	6,641,227
Depreciation	2,930,716
Total operating expenses	<u>13,058,937</u>
Operating income (loss)	7,714,316
<u>Nonoperating revenues (expenses)</u>	
Earnings on investments	3,082,187
Gain (loss) from joint venture	463,707
Bad debt expense	(12,089)
Bond issuance costs	(588,535)
Interest expense	(2,351,406)
Total nonoperating revenues (expenses)	<u>593,864</u>
Net income (loss) before contributions	8,308,180
Capital contributions	<u>3,197,238</u>
Change in net position	11,505,418
Net position, beginning of year	<u>196,843,797</u>
Net position, end of year	<u>\$ 208,349,215</u>

CENTRAL WELD COUNTY WATER DISTRICT
STATEMENT OF CASH FLOWS

For the Year Ended December 31,

2025

Cash flows from operating activities

Cash received from customers	\$ 20,729,662
Cash paid to suppliers	(8,593,234)
Cash paid to employees	(1,637,137)
Net cash provided by operating activities	<u>10,499,291</u>

Cash flows from noncapital financing activities

Other non-operating revenues (expenses)	(12,089)
Net cash used by noncapital financing activities	<u>(12,089)</u>

Cash flows from capital and related financing activities

Contributed capital	3,197,238
Acquisition and construction of capital assets	(8,985,590)
Proceeds from bond issuance	48,638,080
Bond issuance cost	(588,535)
Principal paid on long-term debt	(2,080,000)
Interest paid	(2,984,978)
Net cash provided by capital and related financing activities	<u>37,196,215</u>

Cash flows from investing activities

Earnings on investments	3,009,456
Purchase of investments	(21,755,920)
Net cash used by investing activities	<u>(18,746,464)</u>

Net increase (decrease) in cash and cash equivalents	28,936,953
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Cash and cash equivalents, beginning of year	<u>45,808,344</u>
Cash and cash equivalents, end of year	<u>\$ 74,745,297</u>

CENTRAL WELD COUNTY WATER DISTRICT
STATEMENT OF CASH FLOWS
(CONTINUED)

For the Year Ended December 31,

2025

Reconciliation of income from operations to net cash
provided by operating activities:

Operating income (loss)	\$ 7,714,316
Adjustments to reconcile loss from operations to net cash flows provided by operating activities:	
Depreciation expense	2,930,716
(Increase) decrease in accounts receivable	(43,591)
(Increase) decrease in prepaid items	(30,019)
(Increase) decrease in inventories	(76,496)
Increase (decrease) in accounts payable	(5,035)
Increase (decrease) in compensated absences	9,400
Net cash provided by operating activities	<u>\$ 10,499,291</u>

CENTRAL WELD COUNTY WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

Form of Organization

The Central Weld County Water District (the District) is organized under the provisions of Colorado Revised Statutes (“CRS”) Section 32-1-305(6). It is a quasi-municipal corporation and political subdivision of the State of Colorado with all powers thereof which includes the power to levy taxes against property within the District.

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) as applied to government units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial principles. The more significant of the District’s accounting policies are described below.

Reporting Entity

As defined by GAAP established by the GASB, the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Financial accountability is defined as:

- 1) Appointment of a voting majority of the component unit’s board, and either, a) the ability to impose its will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or
- 2) Fiscal dependency on the primary government.

Based on the above criteria, there are no other organizations that would be considered component units of the District. The District meets the criteria of an “other stand-alone government.”

Basic Financial Statements

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

Basis of Accounting

Proprietary funds, which include enterprise funds, are accounted for on a flow of economic resources measurement focus using the accrual basis of accounting. Therefore, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of this fund are included in the statement

CENTRAL WELD COUNTY WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

of net position. Revenues and expenses are recorded in the accounting period in which they are earned or incurred, and they become measurable.

Net position is segregated into net investment in capital assets, restricted net position, and unrestricted net position. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in total net position. Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration.

Budgets and Budgetary Accounting

An annual budget and appropriation resolution is adopted by the Board of Directors (the “Board”) in accordance with state statutes. The budget is prepared on a basis consistent with GAAP except that capital asset additions and principal payments are budgeted as expenditures and debt proceeds are budgeted as revenues. The budget process timeline is as follows:

- 1) On or about October 15, the District staff submits to the Board a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- 2) Public hearings are conducted at regular Board meetings to obtain taxpayer comments.
- 3) Prior to December 15, the budget is legally adopted by the Board.
- 4) Unused appropriations lapse at the end of each year.

CENTRAL WELD COUNTY WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

Cash and Cash Equivalents

The District considers all highly liquid investments with original maturities of three months or less which are available for operating expenditures to be cash equivalents.

Investments

Investments consisting of certificates of deposit with original maturities greater than three months are measured in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Short term investments, consisting of funds invested in a local government investment pool (Note 2) are considered to be cash equivalents and are measured at net asset value or amortized cost, which approximates fair value. See Note 2 for additional information.

Allowance for Doubtful Accounts

The District's receivables are due from commercial and residential customers within the District service area. The District's policy for collections is limited to the right to discontinue service and to place liens on property. The District has determined that no allowance is necessary at December 31, 2025, based on historical collection experience, and the ability to place liens on property.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financials statements.

Inventories

Inventories, consisting primarily of operating supplies for water meter repair and installation and supplies for repairs and maintenance of water mains, valves, and fire hydrants, have been valued at cost, using the average cost method of accounting.

Revenue Recognition

Revenues are recognized when earned. Metered water accounts are read and billed once a month on 30-day cycles. At December 31, 2025, there was no unbilled revenue.

Operating Revenues and Expenses

The District distinguishes between operating revenues and expense and nonoperating items in the statement of revenues, expenses, and changes in net position. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the District's purpose of providing water services to its customers. Operating revenues consist of charges to customers for the delivery of water and bulk water sales. Operating expenses include the cost of service, administrative expenses, and depreciation expense. All revenues and expenses not

CENTRAL WELD COUNTY WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

meeting those definitions are reported as nonoperating revenues and expenses or capital contributions.

Capital Assets

Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are valued at acquisition cost or estimated acquisition cost if actual acquisition cost is not available. Donated capital assets are valued at their estimated fair value on the date donated. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are expensed. The District's intangible assets are software which is being amortized over its estimated useful life as shown below.

Depreciation of capital assets is charged as an expense against operations. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

<u>Description</u>	<u>Estimated Useful Lives</u>
Transmission and distribution system	10 - 50 years
Facilities	20 - 40 years
Vehicles and field equipment	5 - 10 years
Office equipment	5 - 10 years

Joint Venture

The District is a participant with Little Thompson Water District ("LTWD") in a joint venture to operate Carter Lake Filter Plant (the "Plant"), the filter plant from which the District and CWCWD purchase 100% of their water (Note 4). The Plant is governed by a six-member board of directors composed of three appointees from the District and three from LTWD. The District and LTWD are each charged for their respective share of the water purchased from the Plant and may be assessed for capital improvements made at the Plant on a periodic basis.

Beginning in 2008, the District and LTWD revised the joint venture agreement in order to change the way that major improvements to the Plant are funded. Major capital improvements to the Plant are no longer funded by the Plant, with assessments issued to each district; but rather, they are funded by the individual districts independently and included in each of the district's capital assets. As such, the depreciation expense for these assets has also been reflected in the financial statements of the District and LTWD.

CENTRAL WELD COUNTY WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

The District's net investment and its share of the operating results of the District are reported in the accompanying statements of net position, and revenues, expenses, and changes in net position. The District's equity interest in the Plant was \$3,434,635 at December 31, 2025. Complete financial statements for the Plant may be obtained from the Plant's administrative office at 7100 W. County Road 8-E, Berthoud, Colorado 80521.

Debt Related Deferrals

Premiums, discounts, and losses on refunding are deferred and amortized to interest expense over the life of the debt using the effective interest method. The net premiums and discounts are presented as an adjustment to the face amount of the debt. Bond issuance costs are recognized as an expense during the period of issuance.

Accrued Compensated Absences Payable

Obligations associated with the District's vacation policy are recorded as a liability and expense when earned to the extent that such benefits vest to the employee. The amount of the accrued and unpaid balance due under this policy is considered a long-term liability.

Contributions in Aid of Construction

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

Net Position

Net position is classified in the following categories:

Net Investment in Capital Assets – This category groups all capital assets into one component of net position. Accumulated depreciation of these assets and related debt balances reduces this category.

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

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

CENTRAL WELD COUNTY WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

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

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 – CASH AND INVESTMENTS

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.

At December 31, 2025, the District had deposits with financial institutions with a carrying amount of \$3,269,633. The bank balances with the financial institution were \$3,263,933. All balances were either covered by FDIC or PDPA.

At December 31, 2025, the District had cash and investment balances as follows (includes restricted cash and investments):

Cash on hand	\$	492
Bank deposits		3,269,633
Investments		93,326,092
Total cash and investments	\$	<u>96,596,217</u>

CENTRAL WELD COUNTY WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 2 – CASH AND INVESTMENTS (CONTINUED)

Cash and investment balances are reflected on the statement of net position at December 31, 2025, as follows:

Cash and investments	\$ 45,068,677
Restricted cash and investments	51,527,540
Total	<u>\$ 96,596,217</u>

Investments

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which special districts may invest which include:

- 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 and lending agreements
- Certain corporate bonds
- Written repurchase agreements collateralized by certain authorized securities
- Guaranteed investment contracts
- Local government investment pools

District policy is to hold investments until maturity.

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

<u>Investment</u>	<u>Maturity</u>	<u>Fair Value</u>	<u>S&P Rating</u>
Colorado Local Government Liquid Asset Trust	Weighted average under 60 days	\$ 42,084,460	AAAm
Certificates of Deposit	Less than 1 year	95,000	N/A
CSAFE	Weighted average under 60 days	2,259,089	AAAm
Invesco Short -Term Investments Trust	Weighted average under 180 days	12,437,552	AAAm
	Less than 1 year to		
Stifel Capital Management	3 years	36,449,991	AA+, Aa1
		<u>\$ 93,326,092</u>	

CENTRAL WELD COUNTY WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 2 – CASH AND INVESTMENTS (CONTINUED)

The District categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Local Government Investment Pool

At December 31, 2025, the District had invested \$42,084,460 in the Colorado Local Government Liquid Asset Trust (the “Trust”), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commission administers and enforces all State statutes governing the Trust.

The Trust operates similarly to a money market fund and each share is equal in value to \$1. The Trust offers shares in three portfolios, ColoTrust Prime, ColoTrust Plus+, and ColoTrust EDGE. All District investments are in ColoTrust Prime or ColoTrust Plus+. ColoTrust Prime invests only in U.S. Treasury and government agencies. ColoTrust Plus+ can invest in U.S. Treasury, government agencies, and in the highest-rate commercial paper. A designated custodial bank serves as custodian for the Trust’s portfolios pursuant to a custodian agreement. The custodian acts as a safekeeping agent for the Trust’s investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian’s internal records segregate investments owned by the Trust. The Trust is rated AAAM by Standard and Poor’s and is measured at net asset value. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

At December 31, 2025, the District had invested \$2,259,089 in CSAFE Core, an investment vehicle established for local government entities in Colorado to pool surplus funds for investment purposes. CSAFE Core is a highly liquid fund operating similarly to a money market fund and each share is equal in value to \$2.00. CSAFE Core measures its investment at net asset value. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

At December 31, 2025, the District’s certificates of deposit had a balance of \$95,000 at December 31, 2025 and is measured at Level 2.

At December 31, 2025, the District had invested \$12,437,552 in Invesco Short-Term Investment Trust Treasury portfolio. The fund maintains a stable \$1.00 NAV by using the amortized cost method to value portfolio securities.

CENTRAL WELD COUNTY WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 2 – CASH AND INVESTMENTS (CONTINUED)

At December 31, 2025, the District had invested \$36,449,991 with Stiffel Capital Management. The full balance held with Stiffel Capital Management is invested in Treasury Securities. The securities have quoted prices in active markets for identical assets, so they are presented as Level 1 investments.

Interest Rate Risk

The District has a formal written investment policy that limits the type and maturities of permitted securities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District investments adhere to Colorado Revised Statutes which limit investment maturities to five years or less from the date of purchase.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a failure of a counterparty, the District would not be able to recover the value of its investments or collateral securities that are in possession of an outside party. As of December 31, 2025, the District had no investments exposed to custodial credit risk.

NOTE 3 – RESTRICTED ASSETS

Amounts shown as restricted cash and investments have been restricted by bond indentures to be used for specified purposes. The balance restricted as of December 31, 2025 was \$51,527,540. See Note 5 for additional information.

CENTRAL WELD COUNTY WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2025, was as follows:

	Beginning Balance	Additions	Deletions/ Reclass	Ending Balance
Capital assets, not being depreciated				
Land, easements, water rights and reservoir	\$ 103,481,785	\$ 48,000	\$ -	\$ 103,529,785
Construction in progress	20,637,378	6,672,029	-	27,309,407
Total capital assets, not being depreciated	124,119,163	6,720,029	-	130,839,192
Capital assets, being depreciated				
Transmission and distribution system	109,700,310	2,066,547	-	111,766,857
Facilities	614,736	-	-	614,736
Vehicles and field equipment	1,044,048	189,214	-	1,233,262
Office equipment	251,982	9,800	-	261,782
Total capital assets, being depreciated	111,611,076	2,265,561	-	113,876,637
Less accumulated depreciation				
Transmission and distribution system	(39,574,595)	(2,721,041)	-	(42,295,636)
Facilities	(292,231)	(14,847)	-	(307,078)
Vehicles and field equipment	(551,900)	(188,568)	-	(740,468)
Office equipment	(210,120)	(6,260)	-	(216,380)
Total accumulated depreciation	(40,628,846)	(2,930,716)	-	(43,559,562)
Total capital assets, being depreciated, net	70,982,230	(665,155)	-	70,317,075
Total capital assets	\$ 195,101,393	\$ 6,054,874	\$ -	\$ 201,156,267

CENTRAL WELD COUNTY WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 5 – LONG-TERM OBLIGATIONS

A summary of changes in long-term obligations for the year ended December 31, 2025 is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Revenue Bonds					
2020 Bond	\$ 40,615,000	\$ -	\$ 1,820,000	\$ 38,795,000	\$ 1,915,000
2020 Bond premium	7,190,915	-	780,903	6,410,012	738,820
2025 Bond	-	47,285,000	260,000	47,025,000	490,000
2025 Bond premium	-	1,353,080	36,230	1,316,850	65,509
Compensated absences*	126,589	9,400	-	135,989	13,599
Total long-term obligations	<u>\$ 47,932,504</u>	<u>\$ 48,647,480</u>	<u>\$ 2,897,133</u>	<u>\$ 93,682,851</u>	<u>\$ 3,222,928</u>

The annual requirements and future payments on debt outstanding as of December 31, 2025, is as follows:

2020 Bond			
Year Ending December 31,	Principal	Interest	Total
2026	\$ 1,915,000	\$ 1,597,600	\$ 3,512,600
2027	1,950,000	1,559,300	3,509,300
2028	2,050,000	1,461,800	3,511,800
2029	2,150,000	1,359,300	3,509,300
2030	2,260,000	1,251,800	3,511,800
2031-2035	12,845,000	4,707,000	17,552,000
2036-2040	15,625,000	2,525,000	18,150,000
Total	<u>\$ 38,795,000</u>	<u>\$ 14,461,800</u>	<u>\$ 53,256,800</u>

2025 Bond			
Year Ending December 31,	Principal	Interest	Total
2026	\$ 490,000	\$ 2,344,050	\$ 2,834,050
2027	515,000	2,319,550	2,834,550
2028	540,000	2,293,800	2,833,800
2029	565,000	2,266,800	2,831,800
2030	595,000	2,238,550	2,833,550
2031-2035	3,440,000	10,722,950	14,162,950
2036-2040	4,365,000	9,804,750	14,169,750
2041-2045	10,295,000	8,149,250	18,444,250
2046-2050	13,140,000	5,305,000	18,445,000
2051-2054	13,080,000	1,675,000	14,755,000
Total	<u>\$ 47,025,000</u>	<u>\$ 47,119,700</u>	<u>\$ 94,144,700</u>

CENTRAL WELD COUNTY WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 5 – LONG-TERM OBLIGATIONS (CONTINUED)

Series 2020 Revenue Bonds

On December 1, 2020, the District issued Water Revenues Bonds, Series 2020, totaling \$47,020,000, to finance certain capital improvements to the System (the “Project”) to update, modernize, replace, and provide the infrastructure to meet the needs of the recent and anticipated future growth of the District, and to pay the costs of issuing the Bonds including the costs related to bond insurance and surety bond premiums. Interest, with rates ranging from 2.0% to 5.0%, is payable semiannually through maturity in December 2040. The bonds are a special revenue obligation of the District, payable from rates, fees, standby charges, and charges from the use and operation of the system and from such other funds of the system legally available after the payment of operation and maintenance expense of the system.

Series 2025 Revenue Bonds

On May 1, 2025, The District issued Water Revenue Bonds, Series 2025, totalling \$47,285,000, to finance certain capital improvements to the System (the “Project”) to update, modernize, replace, and provide the infrastructure to meet the needs of the recent and anticipated future growth of the District, and to pay the costs of issuing the Bonds including the costs related to bond insurance and surety bond premiums. The bonds carry an interest rate of 5%, and is payable semiannually through maturity in December 2054. The bonds are a special revenue obligation of the District, payable from rates, fees, standby charges, and charges from the use and operation of the system and from such other funds of the system legally available after the payment of operation and maintenance expense of the system. The Bonds are subject to mandatory sinking fund redemption by lot on December 1st and in the principal amounts at a redemption price equal to the principal amount, plus accrued interest to the redemption date in the following 5 year cycles: \$10,295,000 December 1, 2041 through December 1, 2045; \$13,140,000 December 1, 2046 through December 1, 2050; \$13,080,000 December 1, 2051 through December 1, 2054. The bonds are a special revenue obligation of the District, payable from rates, fees, standby charges, and charges from the use and operation of the system and from such other funds of the system legally available after the payment of operation and maintenance expense of the system.

CENTRAL WELD COUNTY WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 6 – RATE MAINTENANCE

The District's 2020 Revenue Bonds, require the District to establish, maintain, enforce and collect rates, fees, plant investment fees, availability fees, tolls and charges for services furnished by the System to create Gross Revenue each fiscal year sufficient to pay operation and maintenance expenses and to create net revenue in an amount equal to not less than 100% of the amount necessary to pay when due the principal of and interest on the bonds and any parity lien obligations due during such fiscal year.

As shown below, the District is in compliance with this requirement of the 2020 and 2025 Water Revenue Bonds for the year ended December 31, 2025:

Net revenue as defined in 2020 and 2025 bond agreements	
Operating revenues	\$ 20,773,253
Tap fees	<u>1,947,713</u>
Subtotal	22,720,966
Operating expenses (excluding depreciation expense)	<u>(10,128,221)</u>
Net revenues as defined in 2020 and 2025 bond agreements	<u><u>\$ 12,592,745</u></u>

NOTE 7 – JOINT VENTURE

The District is a 50 percent owner of the Plant and utilizes the equity method of accounting for its investment in the Plant. The District's share of the Plant's net position, shown in the following table, is reflected in the accompanying statements of net position under the caption "Investment in joint venture." Summary financial information of the Plant as of and for the year ended December 31, 2025 follows:

Current assets	\$ 5,334,721
Capital assets, net	<u>4,703,538</u>
Total assets	<u><u>\$ 10,038,259</u></u>
Current liabilities	\$ 3,168,990
Net position	<u>6,869,269</u>
Total liabilities and net position	<u><u>\$ 10,038,259</u></u>
Operating revenues	\$ 5,139,116
Operating expenses	(3,960,019)
Depreciation	(263,876)
Non-operating (expense) revenue	<u>12,191</u>
Increase (decrease) in net position	<u><u>\$ 927,412</u></u>

CENTRAL WELD COUNTY WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 8 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The District carries commercial insurance covering specific and general risks of loss, including worker's compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There have been no significant reductions in insurance coverage.

NOTE 9 – TABOR COMPLIANCE

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

The Amendment also requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by the Amendment, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% or more of fiscal year spending (excluding bonded debt service). The District is an enterprise fund and has no TABOR revenues and therefore has not set aside any monies for emergencies as defined by TABOR.

The District believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions will require judicial interpretation.

CENTRAL WELD COUNTY WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 10 – DEFERRED COMPENSATION PENSION PLAN

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457 (the “Plan”). The Plan, available to all District employees, permits them to defer a portion of their salary until future years. The District matches up to 6% of eligible salary. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. For the year ended December 31, 2025, the District contributed \$56,069.

The Plan complies with Section 457 of the Internal Revenue Code, whereby trust provisions are incorporated so that plan assets are held in a trust for the exclusive benefit of participants and their beneficiaries. As a result, as of December 31, 2025, the assets and liabilities of the deferred compensation plan are not included in the accompanying financial statements.

NOTE 11 – COMMITMENTS AND CONTINGENCIES

Litigation

The District is subject to various claims and legal proceedings that arise in the ordinary course of business. The District believes that adequate insurance coverage exists in situations where monetary damages are claimed and that the final settlements of these matters will not materially affect the financial statements of the District.

NOTE 12 – NORTHERN INTEGRATED SUPPLY PROJECT

The District has entered into an agreement with the Northern Colorado Water Conservancy District (“NCWCD”), acting by and through its Northern Integrated Supply Project (“NISP”) Water Activity Enterprise. NISP is a collaborative effort between NCWCD and 15 northern Front Range municipalities and water districts to increase the water quantity and reliability of their water supplies. As of December 31, 2025, the District has paid \$16,359,662 to enter this project, which has been classified as construction in progress.

SUPPLEMENTARY INFORMATION

CENTRAL WELD COUNTY WATER DISTRICT
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (BUDGETARY BASIS)

For the Year Ended December 31,

2025

	Budget Amounts		Actual	Variance with
	Original	Final	Budget Basis	Final Budget Positive (Negative)
Revenues				
<u>Operating revenues</u>				
Water sales - treated	\$ 18,265,000	\$ 18,265,000	\$ 18,383,972	\$ 118,972
Grant Income	-	-	84,658	84,658
Other income	2,207,000	2,207,000	2,304,623	97,623
Total operating revenues	20,472,000	20,472,000	20,773,253	301,253
<u>Non-operating revenues (expenses)</u>				
Earnings on investments	1,800,000	1,800,000	3,082,187	1,282,187
Bond proceeds	-	47,666,724	48,638,080	971,356
Total non-operating revenues	1,800,000	49,466,724	51,720,267	2,253,543
<u>Contributions</u>				
Capital contributions	1,700,000	1,700,000	2,627,938	(927,938)
Line extensions	75,000	75,000	569,300	494,300
Total contributions	1,775,000	1,775,000	3,197,238	(433,638)
Total revenues	24,047,000	71,713,724	75,690,758	2,121,158
Expenditures				
<u>Administrative</u>				
Salaries	1,395,000	1,395,000	1,469,179	(74,179)
Insurance	448,000	448,000	497,091	(49,091)
Professional fees	500,000	500,000	1,022,580	(522,580)
Office expenses and supplies	280,000	280,000	320,786	(40,786)
Payroll taxes	117,500	117,500	115,115	2,385
Deferred compensation	-	-	56,069	(56,069)
Directors' fees and board meetings	8,000	8,000	6,174	1,826
Total administrative	2,748,500	2,748,500	3,486,994	(738,494)
<u>Distribution system</u>				
Depreciation	2,605,000	2,605,000	2,930,716	(325,716)
System maintenance	2,200,000	2,200,000	3,116,370	(916,370)
Water treatment charges	2,450,000	2,450,000	2,819,653	(369,653)
Water assessments	470,000	470,000	493,571	(23,571)
Automotive	95,000	95,000	72,904	22,096
Office and field utilities	70,000	70,000	82,605	(12,605)
Dry Creek Reservoir operating costs	108,000	108,000	42,858	65,142
Water samples	-	-	7,529	(7,529)
Water rental	80,000	80,000	-	80,000
Office and warehouse maintenance	-	-	5,737	(5,737)
Total distribution system	8,078,000	8,078,000	9,571,943	(1,493,943)

(Continued)

CENTRAL WELD COUNTY WATER DISTRICT
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (BUDGETARY BASIS)

For the Year Ended December 31,

2025

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Expenditures (continued)</u>				
<u>Debt service</u>				
Principal retired	1,915,000	1,915,000	2,080,000	(165,000)
Interest	1,593,600	1,593,600	2,984,977	(1,391,377)
Debt issuance costs	-	-	588,535	(588,535)
Total debt service	<u>3,508,600</u>	<u>3,508,600</u>	<u>5,653,512</u>	<u>(2,144,912)</u>
<u>Capital improvement</u>				
Distribution system	1,690,000	1,690,000	2,066,547	(376,547)
Land, easements and water rights	600,000	600,000	48,000	552,000
Construction in progress	16,447,500	64,114,224	3,556,202	60,558,022
Office and field equipment	100,000	100,000	199,014	(99,014)
Filter plant and Dry Creek Reservoir	<u>11,675,000</u>	<u>11,675,000</u>	<u>3,115,827</u>	<u>8,559,173</u>
Total capital improvement	<u>30,512,500</u>	<u>78,179,224</u>	<u>8,985,590</u>	<u>69,193,634</u>
Total expenditures	<u>44,847,600</u>	<u>92,514,324</u>	<u>27,698,039</u>	<u>64,816,285</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (20,800,600)</u>	<u>\$ (20,800,600)</u>	47,992,719	<u>\$ 66,937,443</u>
<u>Reconciling items to GAAP basis</u>				
Capital improvements			8,985,590	
Principal paid on debt			2,080,000	
Bad debt expense			(12,089)	
Proceeds from bond issuance			(48,638,080)	
Joint venture income (loss)			463,707	
Change in accrued interest expense			(183,561)	
Amortization of deferred loss and premiums			<u>817,133</u>	
Change in net position			<u>\$ 11,505,418</u>	