East Larimer County Water District

EAST LARIMER COUNTY WATER DISTRICT
FORT COLLINS, COLORADO

FINANCIAL STATEMENTS
AND THE INDEPENDENT AUDITOR'S REPORT

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2025

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
East Larimer County Water District
Fort Collins, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the East Larimer 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 basic financial statements of the District, 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 respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; 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 Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the 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.

DMC Auditing and Consulting, LLC

September 18, 2026
Bailey, Colorado

MANAGEMENT'S DISCUSSION AND ANALYSIS

East Larimer County Water District
Management's Discussion and Analysis
For the Year Ended December 31, 2025, and 2024
(Unaudited)

The East Larimer County ("ELCO") Water District (the "District) is hereby submitting its Annual Financial Report for the fiscal year ending December 31, 2025. The report has been prepared in compliance with Statements of the Governmental Accounting Standards Board No. 34, entitled "Basic Financial Statements – Management's Discussion and Analysis - For State and Local Governments" (hereafter "GASB 34"), and related standards. The accuracy, completeness and fairness of the report, including all disclosures, are the responsibility of the District. The District believes the report is complete and accurate in all material respects.

District History

East Larimer County Water District provides drinking water to homes and businesses located north and east of Fort Collins, Colorado. The District was created by court decree on January 15, 1962 after voters in Larimer and Weld Counties approved formation of the District.

The discussion and analysis is designed to provide an analysis of the District's financial condition and operating results and to inform the reader on District financial issues and activities.

Management's Discussion and Analysis ("MD&A") should be read in conjunction with the District's basic financial statements (beginning on page 4).

2025 Highlights - Business-Type Activities

- At December 31, 2025, net position was $173,305,702 or an increase of $8.817,976, or an increase of 5.36% when compared to December 31, 2024.
- Total operating revenues increased to $9,497,690 during 2025, which was $761,902, or approximately 8.72% more than 2024.
- Total operating expenses were $8,904,038, an increase of $1,134,637, or 14.6% more in 2025 compared to 2024.
- Net capital assets were $162,524,998 at December 31, 2025 compared to $158,427,383 at December 31, 2024 for an increase of $4,097,615, or 2.59% over 2024.
- Long-term debt decreased to $10,882,235, at December 31, 2025, which was $487,648 or 4.29% lower when compared to the balance at December 31, 2024.

Using this Annual Report

The financial statements included in this annual report are those of a quasi-municipal corporation and a political subdivision of the State of Colorado engaged only in a business-type activity. As an enterprise fund, the District's basic financial statements include:

Statements of Net Position - report the District's current financial resources (short-term spendable resources) with capital assets and long-term obligations. (See page 4).

Statements of Revenues, Expenses and Changes in Net Position - report the District's operating and non-operating revenues, by major source along with operating and non-operating expenses and capital contributions. (See page 5).

Statements of Cash Flows - report the District's cash flows from operating, investing, capital and non-capital activities. (See page 6).

Statements of Net Position

	2025	2024	2023
Assets			
Current assets	$ 17,552,202	$ 9,319,626	$ 18,253,612
Capital assets, net	162,524,998	158,427,383	131,072,675
Other non-current assets	9,044,890	13,325,130	-
Total assets	189,122,090	181,072,139	149,326,287
Deferred outflows of resources			
Deferred outflows of resources relating to OPEB	19,291	18,514	21,822
Deferred outflows of resources relating to pension	407,122	562,144	787,830
Total deferred outflows of resources	426,413	580,658	809,652
Liabilities			
Current liabilities	1,979,370	2,612,800	2,344,590
Long-term liabilities	14,222,056	14,492,517	6,201,449
Total liabilities	16,201,426	17,105,317	8,546,039
Deferred inflows of resources			
Deferred inflows of resources relating to OPEB	41,375	33,781	40,179
Deferred inflows of resources relating to pensions	-	25,973	62,836
Total deferred inflows of resources	41,375	59,754	103,015
Net position			
Net investment in capital assets	151,713,897	154,291,980	128,519,610
Restricted	-	-	-
Unrestricted	21,591,805	10,195,746	12,967,275
Total net position at December 31,	$ 173,305,702	$ 164,487,726	$ 141,486,885

The District's long-term debt decreased due to a $490,000 principal payment on the 2009A Water Refunding Bond (2009A). The outstanding principal on the 2009A bond was $1,595,000 and is scheduled to be repaid in full in FY2028.

Also added to long-term debt liabilities were compensated absences required to be reported per GASB Statement No. 101.

Review of Revenues

	2025	2023	2022
Revenues			
Operating revenues			
Water service revenue	$ 9,411,237	$ 8,735,788	$ 7,080,680
Miscellaneous	86,453	-	-
Subtotal	9,497,690	8,735,788	7,080,680
Non-operating revenues (Expenses)			
Earnings on investments (loss)	940,845	710,420	715,065
Interest Expense	(486,953)	(239,255)	(124,605)
Grant revenue	-	-	-
Bond Service Fees	-	(236,478)	(200)
Gain on sale of assets	-	(211,480)	24,175
Subtotal	453,892	23,207	614,435
Total revenues	$ 9,951,582	$ 8,758,995	$ 7,695,115

Operating revenue was $9,951,582, or 109.58% of the budget. Earnings on investments were $940,845 in 2025, an increase of approximately 32.44% compared to 2024, primarily due to the 2024 Bond Revenue funds held in an investment account being expended. The total revenues increased by approximately 13.62% from 2024, partly due to higher water rates, additional water taps, and increased irrigation tap consumption.

Review of Expenses

	2025	2024	2023
Expenses			
Operating expenses	$ 7,057,511	$ 6,393,102	$ 5,949,255
Depreciation	1,846,527	1,376,299	1,287,547
Total operating expenses	$ 8,904,038	$ 7,769,401	$ 7,236,802

Operating expenditures in 2025 increased by $664,409, or 10.39%, compared to 2024. The increase in expenditures in 2025 compared to 2024 is due in part to increased staffing and water treatment expenditures.

Depreciation increased by $470,228 during 2025.

Capital Contribution and Transfers

	2025	2024	2023
Year Ending December 31			
Capital contributions	$ 7,770,432	$ 22,011,247	$ 12,068,658

Cash capital contributions were $3,190,330 (not including noncash contributions of $4,580,102).

Capital Assets

Year Ending December 31	2025	2024	2023
Water rights	$ 28,856,233	$ 25,584,075	$ 22,350,303
Water rights pending change of use	66,430,582	66,233,804	51,283,804
Land and right of way	2,234,471	2,234,471	2,234,471
Construction in progress	241,362	15,732,174	8,700,287
Building and improvements	2,055,414	2,172,846	2,172,846
Transmission and distribution system	68,574,501	52,922,319	50,654,332
Transportation equipment	1,292,274	1,313,939	850,578
Water Storage	3,086,940	1,335,462	1,318,627
Meters	3,110,232	2,938,588	2,320,498
Office furniture and equipment	312,441	707,043	663,043
Other equipment	915,525	1,140,877	1,144,633
SCWTA Treatment Capacity	9,272,194	9,272,194	9,272,194
Total	$ 186,382,169	$ 181,587,792	$ 152,965,616

Debt and Other Financial Obligations

The District's long-term debt bond revenues were $10,385,000 and $10,875,000 in 2025 and 2024, respectively. The decrease was due to a principal payment of $490,000 towards Bond Revenue 2009A. Further debt information is available in the notes (see page 13).

Contracts and Agreements

The District is a party to several contracts and cooperative agreements concerning the financing, acquisition, construction, operation, maintenance, and use of certain water facilities.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact East Larimer County Water District, 232 South Link Lane, Fort Collins, Colorado 80524

BASIC FINANCIAL STATEMENTS

EAST LARIMER COUNTY WATER DISTRICT
STATEMENT OF NET POSITION
December 31, 2025

ASSETS		
Current Assets		
Cash and Cash Equivalents	$	8,313,138
Investments, Current		8,429,892
Accounts Receivable, Billing		521,780
Accounts Receivable, Other		18,542
Accrued Interest Receivable		18,556
Prepaid Expenses		250,294
Total Current Assets		17,552,202
Noncurrent Assets		
Investments, Noncurrent		9,044,890
Capital Assets, *Not Being Depreciated*		107,034,842
Capital Assets, *Being Depreciated, Net*		55,490,156
Total Noncurrent Assets		171,569,888
TOTAL ASSETS		189,122,090
DEFERRED OUTFLOWS OF RESOURCES		
Pensions, *Net of Accumulated Amortization*		407,122
OPEB, *Net of Accumulated Amortization*		19,291
Total Deferred Outflows of Resources		426,413
LIABILITIES		
Current Liabilities		
Accounts Payable		370,307
Accrued Interest Payable		48,555
HRA Liability		848,590
Unearned Revenue		130,784
Compensated Absences, Due Within One Year		71,134
Long-Term Debt, Due Within One Year		510,000
Total Current Liabilites		1,979,370
Noncurrent Liabilities		
Developer Deposits		2,960,170
Long-Term Debt, Due in More Than One Year		10,301,101
Net Pension Liability		904,728
Net OPEB Liability		56,057
Total Noncurrent Liailities		14,222,056
TOTAL LIABILITIES		16,201,426
DEFERRED INFLOWS OF RESOURCES		
OPEB, *Net of Accumulated Amortization*		41,375
NET POSITION		
Net Investment in Capital Assets		151,713,897
Unrestricted		21,591,805
TOTAL NET POSITION	$	173,305,702

See Notes to the Financial Statements.

EAST LARIMER COUNTY WATER DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION
Year Ended December 31, 2025

OPERATING REVENUES		
Water Service Revenue	$	9,411,237
Miscellaneous		86,453
TOTAL OPERATING REVENUES		9,497,690
OPERATING EXPENSES		
Operating Expenses		7,057,511
Depreciation		1,846,527
TOTAL OPERATING EXPENSES		8,904,038
NET OPERATING INCOME (LOSS)		593,652
NONOPERATING REVENUES (EXPENSES)		
Investment Income		940,845
Interest Expense and Paying Agent Fees		(486,953)
TOTAL NONOPERATING REVENUES (EXPENSES)		453,892
NET INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS		1,047,544
CAPITAL CHARGES AND CAPITAL CONTRIBUTIONS		
System Development Fees		3,190,330
Capital Contributions		4,580,102
TOTAL CAPITAL CHARGES AND CONTRIBUTIONS		7,770,432
CHANGE IN NET POSITION		8,817,976
NET POSITION, Beginning		164,487,726
NET POSITION, Ending	$	173,305,702

See Notes to the Financial Statements.

EAST LARIMER COUNTY WATER DISTRICT
STATEMENT OF CASH FLOWS
Year Ended December 31, 2025

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from User Charges	$ 9,810,587
Cash Payments to Employees	(1,272,399)
Cash Payments to Suppliers	(6,695,424)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	1,842,764
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Cash from System Development Fees	3,190,330
Acquisition of Capital Assets	(1,364,040)
Principal Paid	(490,000)
Interest and Paying Agent Fees Paid	(492,713)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	843,577
CASH FLOWS FROM INVESTING ACTIVITES	
Purchase of Investments	(7,063,080)
Investment Income	940,845
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(6,122,235)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(3,435,894)
CASH AND CASH EQUIVALENTS, Beginning	11,749,032
CASH AND CASH EQUIVALENTS, Ending	$ 8,313,138
RECONCILIATION OF NET OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
Net Operating Income (Loss)	593,652
Depreciation Expense	1,846,527
Adjustments to reconcile net operating income (loss) to net cash and cash equivalents provided (used) by operating activities:	
(Increase) Decrease in Utility Receivable	(309,018)
(Increase) Decrease in Prepaid Expenses	(16,132)
Increase (Decrease) in Accounts Payable	(899,598)
Increase (Decrease) in HRA Liability	36,727
Increase (Decrease) in Customer Deposits and Unearned Revenue	621,915
Increase (Decrease) in Compensated Absences	17,570
Increase (Decrease) in Pension Related Items	(29,559)
Increase (Decrease) in OPEB Related Items	(19,320)
Total Adjustments	(597,415)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITES	$ 1,842,764
NON-CASH CONTRIBUTIONS	
Capital Contributions	$ 4,580,102

See Notes to the Financial Statements.

NOTE 1: Summary of Significant Accounting Policies

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

The accounting policies of the District conform to generally accepted accounting principles as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the District's more significant policies.

Reporting Entity

The financial reporting entity consists of the District. All funds, organizations, institutions, agencies, departments, and offices that are not legally separate are part of the District. Legally separate organizations for which the District is financially accountable are considered part of the reporting entity. Financial accountability exists if the District appoints a voting majority of the organization's governing board and is able to impose its will on the organization, or if the organization has the potential to provide benefits to, or impose financial burdens on, the District.

The financial statements of the District do not include any separately administered organizations.

Basic Financial Statements

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Proprietary funds, which include enterprise funds, are reported using the economic resources measurement focus and 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 on the statements of net position. Revenues and expenses are recorded in the accounting period in which they are earned or incurred, and become measurable.

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

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position

Cash and Investments – 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. Short-term investments, primarily consisting of funds invested in a local government investment pool and money markets are considered to be cash equivalents and are measured at net asset value, which approximates fair value. Cash and cash equivalents held in custodial accounts for investment purposes are treated as investments. Investments, consisting of funds invested in marketable debt and equity securities and certificates of deposit, are measured at fair value.

Receivables – Receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. The District has determined that no allowance is necessary based on historical collection experience and the ability to place liens on property. Grant reimbursements not received before year-end for which eligibility has been met and expenditures have been incurred are reported as grants receivable.

NOTE 1: Summary of Significant Accounting Policies (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (Continued)

Prepaid Expenses – Certain payments to vendors reflect costs applicable to future years and reported as prepaid expenditures or prepaid expenses according to the consumption method, wherein expenditures are recognized as used.

Capital Assets – Capital assets, which include property and equipment, are defined as assets with an initial, individual cost of $5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the acquisition value on the date of donation. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Capital assets are depreciated using the straight-line method over the following estimated useful lives.

Buildings	10 - 40 years
Transmission and Distribution System	5 - 50 years
Transportation Equipment	5 - 7 years
Water Storage	10 - 50 years
Other Furniture and Equipment	5 - 20 years
Other Equipment	5 - 10 years

Joint Venture – Prior to February 1, 2017, the District was a participant with North Weld County Water District (NWCWD) and Ft. Collins-Loveland Water District (FLWD) in a joint venture to operate Soldier Canyon Filter Plant (the Plant), the filter plant provides treated water to the District, NWCWD and FLWD.

On February 1, 2017, the District transferred all of the Filter Plant assets to a new entity, Soldier Canyon Water Treatment Authority (the Authority). In exchange for the District's share of the Plant assets, the treatment capacity is considered an intangible asset with an indefinite life and is included in capital assets. Complete financial statements for the Authority may be obtained from the Authority's administrative office as 4424 LaPorte, Ft. Collins, Colorado 80521.

Deferred Outflows of Resources – This separate financial statement element represents a consumption of net assets that applies to future periods and will not be recognized as an outflow of resources until then. This applies to pension-related and OPEB-related items and deferred loss on refunding.

Deferred Inflows of Resources – This separate financial statement element represents an acquisition of net assets by the District that is applicable to a future reporting period. Deferred inflows of resources in the governmental fund financial statements include property taxes earned but not available as current financial resources and pension-related and OPEB-related items.

Long-Term Debt – In the statement of net position, long-term debt and other long-term obligations are reported as liabilities. Debt premiums and discounts resulting from debt refundings are deferred and amortized over the life of the debt using the effective interest method. Accounting losses resulting from debt refundings are deferred and amortized over the shorter of the life of the new debt or the old debt on a straight-line basis. Debt issuance costs, whether or not withheld from the debt proceeds, are reported as current expenses or expenditures.

Developer / Construction Deposits – This account represents amounts paid to the District for future construction projects.

NOTE 1: Summary of Significant Accounting Policies (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (Continued)

Subscription-Based Information Technology Arrangements (SBITAs) – SBITA agreements for noncancellable periods in excess of twelve months, including exercised extensions, are recognized as a liability. The SBITA liability is measured at the present value of lease payments expected to be paid during the lease term based on the District's implicit interest rate unless the interest rate is provided in the agreement. SBITAs are recognized at the present value of cash flows as a liability and a related right-to-use asset. Payments on the SBITA reduce the liability and amortize the right-to-use asset on a straight-line basis over the life of the SBITA agreement.

Compensated Absences – Vacation leave benefits are earned annually up to a maximum of 120 hours. Vacation is earned based on years of service and job classification. Unused accumulated vacation leave benefits are paid upon separation/termination at the employee's pay rate. These compensated absences are recognized as expenses when earned. A long-term liability is reported in the financial statements for the accrued compensated absences.

Sick leave benefits are provided to full-time employees and accrue up to 48 hours annually, with a maximum accrual of 320 hours. These hours are surrendered upon termination. The District has determined that a GASB 101 non-vested liability should not be accrued based on the LIFO method.

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, and additions to and deductions from the LGDTF's fiduciary net position have been determined using the economic resources measurement focus and the accrual basis of accounting, the same basis of accounting used by the LGDTF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Employer contributions are recognized when the compensation is payable to the employees. Investments are reported at fair value.

Postemployment Benefits Other Than Pensions (OPEB) – The District participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit postemployment healthcare plan 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, and additions to and deductions from the HCTF's fiduciary net position have been determined using the economic resources measurement focus and the accrual basis of accounting, the same basis of accounting used by the HCTF. For this purpose, the HCTF recognizes benefit payments when due and payable in accordance with the benefit terms. Employer contributions are recognized when the compensation is payable to the employees. Investments are reported at fair value.

Net Position – Net position is restricted when constraints placed on the use of resources are externally imposed. In circumstances where an expenditure is incurred for a purpose for which amounts are available in multiple fund balance classifications, District policy requires restricted fund balance to be used first.

NOTE 2: Cash and Investments

At December 31, 2025, the District had the following cash and investments:

Cash on Hand	$ 700
Deposits	1,760,386
Investments	24,026,834
Total	$ 25,787,920

NOTE 2: Cash and Investments (Continued)

At December 31, 2025, the District cash and investments reported as follows:

Cash and Cash Equivalents	$ 8,312,438
Investments, Current	8,430,592
Investments, Noncurrent	9,044,890
Total	$ 25,787,920

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2025, the District had bank deposits of $1,629,902 collateralized with securities held by the financial institution's agent but not in the District's name.

Investments

The District is required to comply with State statutes which specify investment instruments meeting defined rating, maturity, and concentration risk criteria in which local governments may invest, which include the following. State statutes do not address custodial risk.

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

Local Government Investment Pool – At December 31, 2025, the District had $3,465,549, invested in the Colorado Local Government Liquid Asset Trust Plus (ColoTrust), (the Pool), respectively. The Pool is an investment vehicles established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating the Pool. ColoTrust is measured at the net asset value per share, with each share valued at $1. ColoTrust is rated AAAm by Standard and Poor's. Investments of the Pool are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

Fair Value Measurements – At December 31, 2025, the District's investments in the local government investment pool is reported at the net asset value per share.

NOTE 2: Cash and Investments (Continued)

Investments (Continued)

The fair value measurements are categorized by the fair value hierarchy. Valuation inputs are used to measure the fair value of the asset to determine the appropriate category. The categories range from Level 1, which is the highest priority, to Level 3, which is the lower priority and are based on the following criteria:

Level 1 – Unadjusted quoted prices for identical instruments in active markets.

Level 2 – Quoted prices for similar instruments in the active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable.

Level 3 – Valuations derived from valuation techniques in which significant inputs are unobservable.

Interest Rate Risk – State statutes generally limit investments to an original maturity of five years from the date of purchase unless the governing board authorizes the investment for a period in excess of five years.

Credit Risk – State statutes limit investments in money market funds to those that maintain a constant share price, with a maximum remaining maturity in accordance with the Securities and Exchange Commission's Rule 2a-7, and either have assets of one billion dollars or the highest rating issued by one or more nationally recognized statistical rating organizations (NRSROs).

Concentration of Credit Risk – State statutes do not limit the amount the District may invest in a single issuer of investment securities, except for corporate securities.

At December 31, 2025, the District had the following investments:

			Maturity		
Investment Type	Rating	Fair Value	Less Than One Year	1-5 Years	Levels
Local Government Investment Pools	N/A	3,465,549	3,465,549	-	NAV
Certificates of Deposit	N/A	997,711	248,250	749,461	2
U.S. Treasury Notes	AA+	9,347,152	1,562,648	7,784,504	2
Money Market	AAAmmf	9,455,769	9,455,769	-	NAV
Corporate Bonds	AA-	760,653	249,728	510,925	1
Total Investments		$ 24,026,834	$ 14,981,944	$ 9,044,890	

NOTE 3: Risk Management

The District is a member of the Colorado Special District Property and Liability Pool (CSDPLP). The District has joined together with other special districts in the State of Colorado. This is a public entity risk pool currently operating as a common risk management and insurance program for members. The District pays annual contributions for its property and casualty insurance coverage. The intergovernmental agreement provides that the pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and the pool will purchase excess insurance through commercial companies for members' claims in excess of specified self-insurance retention.

NOTE 4: Capital Assets

Capital asset activity for the year ended December 31, 2025, is summarized below.

	Balance 12/31/2024	Additions	Deletions	Balance 12/31/2025
Capital Assets, Not Being Depreciated:				
SCWTA Treatment Capacity	$ 9,272,194	$ -	$ -	$ 9,272,194
Water Rights	25,584,075	3,272,158	-	28,856,233
Water Rights Pending Change of Use	66,233,804	196,778	-	66,430,582
Land and Right-of-Way	2,234,471	-	-	2,234,471
Construction in Progress	15,732,174	175,669	15,666,481	241,362
Total Capital Assets, Not Being Depreciated	119,056,718	3,644,605	15,666,481	107,034,842
Capital Assets, Being Depreciated:				
Buildings and Improvements	2,172,846	-	117,432	2,055,414
Transmission and Distribution System	52,922,319	15,874,098	221,916	68,574,501
Transportation Equipment	1,313,939	-	21,665	1,292,274
Water Storage	1,335,462	1,777,032	25,554	3,086,940
Meters	2,938,588	171,644	-	3,110,232
Office Furniture and Equipment	707,043	167,847	562,449	312,441
Other Equipment	1,140,877	157,091	382,443	915,525
Total Capital Assets, Being Depreciated	62,531,074	18,147,712	1,331,459	79,347,327
Less Accumulated Depreciation:				
Buildings and Improvements	(1,513,765)	(89,461)	(117,432)	(1,485,794)
Transmission and Distribution System	(18,948,611)	(1,327,374)	(40,222)	(20,235,763)
Transportation Equipment	(484,018)	(156,328)	(21,665)	(618,681)
Water Storage	(223,078)	(30,506)	(25,554)	(228,030)
Meters	(530,719)	(151,221)	-	(681,940)
Office Furniture and Equipment	(648,630)	(23,949)	(562,449)	(110,130)
Other Equipment	(811,588)	(67,688)	(382,443)	(496,833)
Total Accumulated Depreciation	(23,160,409)	(1,846,527)	(1,149,765)	(23,857,171)
Capital Assets, Being Depreciated, Net	39,370,665	16,301,185	181,694	55,490,156
Capital Assets, Net	$ 158,427,383	$ 19,945,790	$ 15,848,175	$ 162,524,998

NOTE 5: Long-Term Debt

Following is a summary of long-term debt transactions for the year ended December 31, 2025.

	Balance 12/31/2024	Additions	Reductions	Balance 12/31/2025	Due Within One Year
Revenue Bonds - Series 2009	$ 2,085,000	$ -	$ 490,000	$ 1,595,000	$ 510,000
Revenue Bonds - Series 2024	8,790,000	-	-	8,790,000	-
Premium - Series 2024	441,319	-	15,218	426,101	-
Compensated Absences	53,564	17,570	-	71,134	71,134
Total	$ 11,369,883	$ 17,570	$ 505,218	$ 10,882,235	$ 581,134

Changes in compensated absences are reported as a net amount in additions.

Water Enterprise Revenue Bonds, Series 2009A

On June 9, 2009, the District issued $3,610,000 in Water Enterprise Revenue Bonds, Series 2009A, to finance improvements to the District's distribution system. Interest, with rates ranging from 2% to 4.5%, and principal, are payable annually through December 1, 2028. The obligations are secured by net revenues to the system.

The 2009 bond resolutions require that the reserve fund be funded in an amount equal to the least of (1) 100% of the maximum annual payment or principal and interest, (2) 125% of the average payment of principal and interest or (3) 10% of the outstanding principal amount of the bonds. On June 9, 2009, the District purchased two insurance policies from Assured Guaranty Corp. to meet these requirements of the 2009 bond issues; therefore, no balances have been placed in reserve.

Water Enterprise Revenue Bonds, Series 2024

August 29, 2024, the District issued $8,790,000 in Water Enterprise Revenue Bonds, Series 2024, to finance improvements to the District's distribution system. Interest, with rates ranging from 4.125% to 5.0%, is payable semiannually through December 1, 2054. The obligations are secured by net revenues to the system. Principal payments are due annually on December 1, through 2054.

Bond payments to maturity are as follows:

Year Ended December 31,	Principal	Interest	Total
2026	$ 510,000	$ 471,799	$ 981,799
2027	530,000	450,124	980,124
2028	555,000	427,069	982,069
2029	175,000	402,094	577,094
2030	185,000	393,344	578,344
2031-2035	1,075,000	1,817,969	2,892,969
2036-2040	1,360,000	1,522,469	2,882,469
2041-2045	1,740,000	1,146,469	2,886,469
2046-2050	2,170,000	721,756	2,891,756
2051-2054	2,085,000	226,100	2,311,100
Total	$ 10,385,000	$ 7,579,193	$ 17,964,193

NOTE 6: Defined Benefit Pension Plan

General Information

Plan Description – The District contributes to 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). Eligible employees of the District participate in the LGDTF. CRS (Colorado Revised Statutes) § 24-51 and applicable provisions of the federal Internal Revenue Code. State statutes assign the authority to establish and amend plan provisions to the State Legislature. PERA issues a publicly available annual comprehensive financial report that includes information on the LGDTF. That report may be obtained at www.copera.org/forms-resources/financial-reports-and-studies.

Benefits Provided as of December 31, 2025 – The LGDTF provides retirement, disability, and survivor benefits to plan participants or their beneficiaries. Retirement benefits are determined by the amount of service credit earned or purchased, highest average salary, the benefit structure in place, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at CRS § 24-51-602, 604, 1713, and 1714. The retirement benefit is the greater of the a) highest average salary multiplied by 2.5% and then multiplied by years of service credit, or b) the value of the participant's contribution account plus an equal match on the retirement date, annualized into a monthly amount based on life expectancy, and other actuarial factors. In no case can the benefit amount exceed the highest average salary, or the amount allowed by applicable federal regulations.

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 CRS subject to the automatic adjustment provision (AAP) under CRS § 24-51-413, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007. 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% 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). The AAP may raise or lower the aforementioned AI cap by up to 0.25% based on the parameters specified in CRS § 24-51-413.

Disability benefits are available for eligible employees once they reach five years of earned service credit and meet the definition of a disability. The disability benefit amount is based on the retirement benefit formula described previously, considering a minimum of twenty 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 in place under which the service credit was obtained, and the qualified survivor(s) receiving the benefits.

Contributions provisions as of December 31, 2025 – The District, State, and eligible employees are required to contribute to the LGDTF at rates established by State statute. These contribution requirements are established and may be amended by the State Legislature. The contribution rate for employees was 9% for the period from January 1, 2025, through December 31, 2025. The District's contribution rate for the fiscal year was 13.79% of covered salaries. However, a portion of the District's contribution (1.02% of covered salaries) is allocated to the Health Care Trust Fund (Note 7). The District's contributions to the LGDTF for the year ended December 31, 2025, were $220,575, equal to the required contributions.

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

At December 31, 2025, the District reported a liability in the amount of $904,728 for its proportionate share of the net pension liability.

NOTE 6: Defined Benefit Pension Plan (Continued)

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

The net pension liability was measured at 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 total pension liability to December 31, 2024.

The District's proportion of the net pension liability was based on the District's contributions to the LGDTF for the calendar year ended December 31, 2024, relative to the contributions of all participating. At December 31, 2024, the District's proportion was 0.1474464040%, which was an increase of 0.0025857891% from its proportion measured at December 31, 2023.

For the year ended December 31, 2025, the District recognized pension expense of $190,734. At December 31, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 68,269	$ -
Changes of assumptions and other inputs	26,701	-
Net difference between projected and actual earnings on plan investments	85,151	-
Changes in proportion	6,426	-
Contributions subsequent to the measurement date	220,575	-
Total	$ 407,122	$ -

District contributions subsequent to the measurement date of $220,575 will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended December 31,	
2026	$ 171,557
2027	216,148
2028	(144,107)
2029	(57,051)
Total	$ 186,547

NOTE 6: Defined Benefit Pension Plan (Continued)

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

Actuarial Assumptions – The actuarial valuation as of December 31, 2023, determined the total pension liability 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 plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
Hired prior to 1/1/07 thereafter, compounded annually	1.00%
Hired after 12/31/06	Financed by AIR

Post-retirement benefit increases are provided by the annual increase reserve, 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.

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

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 generational projection using scale MP-2019.

Post-retirement retiree non-disabled mortality assumptions were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows: 1) 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 and 2) 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: 1) males: 97% of the rates for all ages, with generational projection using scale MP-2019 and 2) females: 105% of the rates for all ages, with generational projection using scale MP-2019.

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

The actuarial assumptions used in the December 31, 2023, valuation were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting.

NOTE 6: Defined Benefit Pension Plan (Continued)

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

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 rollforward calculation of the total pension liability from December 31, 2023, to December 31, 2024.

Salary increases, including wage inflation, for the District ranged from 3.4% to 13%. Salary scale assumptions were altered to better reflect actual experience. Rates of termination or withdrawal, retirement, and disability were revised to more closely reflect actual experience. The estimated administrative expense as a percentage of covered payroll was increased from 0.4% to 0.45%.

These 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 generational projection using scale MP-2021.

Post-retirement non-disabled retiree mortality assumptions were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows: 1) males: 90% of the rates for all ages adjusted with the generational projection using scale MP-2021, and 2) females: 85% of the rates prior to age 85 and 105% of the rates for ages 85 and older, with generational projection using scale MP-2021. Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table adjusted as follows: 1) males: 92% of the rates for all ages, with generational projection using scale MP-2021, and 2) females: 100% of the rates for all ages, with generational projection using scale MP-2021.

Disabled mortality assumptions were based upon the PubNS-2010 Disabled Retiree Table adjusted to 99% of the rates for all ages with generational projection using scale MP-2021.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared 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 weighing 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 Board's 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:

NOTE 6: Defined Benefit Pension Plan (Continued)

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

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%	

Note: 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 exptected nominal rate of return 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 to 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 and 2020 AAP assessments. Employee contributions for future plan participants were used to reduce the estimated amount of total service costs for future plan members.
- District 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 assessment. District contributions also include current and estimated future amortization equalization disbursement (AED), as specified in CRS § 24-51-411, and supplemental amortization equalization disbursement (SAED), as specified in CRS § 24-51-411, 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 District contributions reflect reductions for the funding of the annual increase reserve and retiree health care benefits. For future plan members, District contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- District contributions and the total service costs for future plan participants were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan participant growth rate.
- The annual increase reserve balance was excluded from the initial fund net position, as, based on State statute, annual increase reserve amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. Annual increase reserve transfers to the fiduciary net position and the subsequent annual increase reserve benefit payments were estimated and included in the projections.

NOTE 6: Defined Benefit Pension Plan (Continued)

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

- Benefit payments and contributions were assumed to be made at the middle of the year.
- As of the December 31, 2024, measurement date, the fiduciary net position and related disclosure components for the LGDTF 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 LGDTF and HCTF were $0.486 million and $0.020 million, respectively.

Based on the above assumptions and methods, the LGDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current participants. 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 Net Pension Liability to Changes in the Discount Rate – The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as the District's proportionate share of the net pension liability if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, as follows:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	$ 1,980,269	$ 904,728	$ 1,152

Pension Plan Fiduciary Net Position - Detailed information about the LGDTF's fiduciary net position is available in PERA's separately issued annual comprehensive financial report, which may be obtained at www.copera.org/forms-resources/financial-reports-and-studies.

NOTE 7: Postemployment Healthcare Benefits

General Information

Plan Description – All employees of the District are eligible to receive postemployment benefits other than pensions (OPEB) through the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the Public Employees' Retirement Association of Colorado (PERA). Title 24, Article 51, Part 12 of the Colorado Revised Statutes (CRS) assigns the authority to establish and amend plan provisions to the State Legislature. PERA issues a publicly available financial report that includes information on the HCTF. That report may be obtained at www.copera.org/forms-resources/financial-reports-and-studies.

Benefits Provided – The HCTF provides a healthcare premium subsidy to eligible benefit recipients and retirees who choose to enroll. Eligibility to enroll is voluntary and includes benefit recipients, their eligible dependents and surviving spouses, among others. Eligible benefit recipients may enroll in the HCTF upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period. The health care premium subsidy is based on the benefit structure under which the member retires and the member's years of service credit. CRS § 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.

NOTE 7: Postemployment Healthcare Benefits (Continued)

General Information (Continued)

All benefit recipients under the PERA benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare.

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, and $115 per month for benefit recipients who are over 65 years of age or who are under 65 years of age and entitled to Medicare. An additional subsidy is provided if the benefit recipient has not participated in Social Security and is not otherwise eligible for Medicare Part A. The maximum subsidy is based on 20 or more years of service. The subsidy is reduced by 5% for each year of service less than 20 years. The benefit recipient pays the remaining portion of the premium not covered by the subsidy.

Contributions – As established by CRS § 24-51-208(1)(f), 1.02% of the District's contributions to the Local Government Division Trust Fund (LGDTF) (See Note 7) is apportioned to the HCTF. No employee contributions are required. These contribution requirements are established and may be amended by the State Legislature. The District's apportionment to the HCTF for the year ended December 31, 2025, was $16,315, equal to the required amount.

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

At December 31, 2025, the District reported a net OPEB liability of $56,057, representing its proportionate share of the net OPEB liability of the HCTF. The net OPEB liability was measured at December 31, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2023. Standard update procedures were used to roll forward the total OPEB liability to December 31, 2024.

The District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year ended December 31, 2024, relative to the contributions of all participating employers.

At December 31, 2024, the District's proportion was 0.0117232231%, which was an increase of 0.0002067022% from its proportion measured at December 31, 2023.

For the year ended December 31, 2025, the District recognized OPEB expense of ($6,826). At 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
Differences between expected and actual experience	$ -	$ 12,368
Changes of assumptions and other inputs	640	17,920
Net difference between projected and actual earnings on plan investments	190	-
Changes in proportion	2,146	11,087
Contributions subsequent to the measurement date	16,315	-
Total	$ 19,291	$ 41,375

NOTE 7: Postemployment Healthcare Benefits (Continued)

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

District contributions subsequent to the measurement date of $16,315 will be recognized as a reduction of the net OPEB liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year Ended December 31,	
2025	$ (10,343)
2026	(7,106)
2027	(9,655)
2028	(5,895)
2029	(3,670)
2030	(1,730)
Total	$ (38,399)

Actuarial Assumptions - The actuarial valuation as of December 31, 2023, determined the total OPEB liability using the following actuarial assumptions and other inputs, applied to all periods included in the measurement.

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 OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Heath care cost trend rates:	
Service-based premium subsidy	0.0%
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 increasing to 4.50% in 2034	
Medicare Part A premiums:	
3.50% in 2024, gradually increasing to 4.5% in 2033	

As of the December 31, 2024, measurement date, the fiduciary net position, and related disclosure components for the HCTF reflect payments related to the disaffiliation of the Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the HCTF and LGDTF were $0.020 million and $0.486 million, respectively.

Each year the per capital 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 United Healthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors are then applied to estimate individual retiree and spouse costs by age, gender, and health care cost trend. This approach applies to all members and is adjusted accordingly for those not eligible for premium-free Medicare Part A for the PERA benefit structure.

NOTE 7: Postemployment Healthcare Benefits (Continued)

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

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%

Sample Age	MAPD PPO #1 with Medicare Part A for Retiree / Spouse		MAPD PPO #2 with Medicare Part A for Retiree / Spouse		MAPD HMO (Kaiser) with Medicare Part A for Retiree / Spouse	
	Male	Female	Male	Female	Male	Female
65	$ 1,710	$ 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

Sample Age	MAPD PPO #1 with Medicare Part A for Retiree / Spouse		MAPD PPO #2 with Medicare Part A for Retiree / Spouse		MAPD HMO (Kaiser) with Medicare Part A for Retiree / Spouse	
	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 2023 Medicare Part A premium is $505 (actual dollars) per month. All costs are subject to the health care cost trend rates.

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.

NOTE 7: Postemployment Healthcare Benefits (Continued)
OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

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*	MAPD PPO #21	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%

*Increase in 2024 trend rates due to the effect of the Inflation Reduction Act.

Mortality assumptions used in the December 31, 2023, valuation for the determination of the total pension liability as shown below, reflect generational mortality and were applied, as applicable, in the determination of the total OPEB liability for the HCTF, but developed using a headcount-weighted basis. LGDTF participates in the HCTF (Note 7). Affiliated employers of the LGDTF participate in the HCTF.

The pre-retirement mortality assumptions for the LGDTF were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled retiree mortality assumptions for the LGDTF were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows: 1) 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, and 2) 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: 1) males: 97% of the rates for all ages, with generational projection using scale MP-2019 and 2) females: 105% of the rates for all ages, with generational projection using scale MP-2019. Disabled mortality assumptions for LGDTF members were based upon the PubNS-2010 Disabled Retiree Table adjusted to 99% of the rates for all ages with generational projection using scale MP-2019.

The health care costs assumptions were updated and used in the rollforward calculation for the HCTF:

- Per capita health care costs as of the December 31, 2023, valuation date for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the 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.

NOTE 7: Postemployment Healthcare Benefits (Continued)

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

- 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.

The actuarial assumptions used in the December 31, 2023, valuations 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, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting.

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 rollforward calculation of the total OPEB liability from December 31, 2023, to December 31, 2024.

Assumptions related to salary increases, including wage inflation, in the LGDTF from 3.4% to 13%. Health care costs assumptions were used in the rollforward calculation for the HCTF, which included altered salary scale assumptions to better reflect actual experience; revised rates of termination/withdrawal, retirement, and disability to more closely reflect actual experience; reduction of participation rates; and 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 projected scale. These assumptions updated for the LGDTF, were also applied in the rollforward calculations for the HCTF using a headcount-weighted basis. Affiliated employers of the LGDTF participate in the HCTF.

The pre-retirement mortality assumptions for the LGDTF were based upon the PubG-2010 Employee Table with generational projection using scale MP-2021.

Post-retirement non-disabled retiree mortality assumptions for the LGDTF were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows: 1) 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, and 2) 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: 1) males: 90% of the rates for all ages, with generational projection using scale MP-2021, and 2) females: 85% of the rates prior to age 85 and 105% of the rates age 85 and older, with generational projection using scale MP-2021. Disabled mortality assumptions for LGDTF members were based upon the PubNS-2010 Disabled Retiree Table adjusted to 95% of the rates for all ages with generational projection using scale MP-2021.

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.

NOTE 7: Postemployment Healthcare Benefits (Continued)

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

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 weighing 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%	

Note: 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 nominal rate of return assumption of 7.25%.

Discount rate - The discount rate used to measure the total OPEB liability was 7.25%. The basis for the projection of liabilities and the fiduciary net position used to determine the discount rate was an actuarial valuation performed as of December 31, 2023, and the financial status of each of the Health Care Trust Funds 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.

NOTE 7: Postemployment Healthcare Benefits (Continued)

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

- 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 fiduciary net position and related disclosure components for the HCTF reflect additional payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the HCTF and LGDTF were $0.020 million and $0.486 million, respectively.

Based on the above assumptions and methods, the HCTF's fiduciary net position 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 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%. 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 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	Current Trend Rates	1% Increase
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	$ 54,546	$ 56,057	$ 57,766

*For the January 1, 2025, plan year.

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%, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one 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 OPEB liability	$ 68,698	$ 56,057	$ 45,158

NOTE 7: Postemployment Healthcare Benefits (Continued)

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

OPEB Plan Fiduciary Net Position - Detailed information about the HCTF's fiduciary net position is available in PERA's separately issued annual comprehensive financial report, which may be obtained at www.copera.org/forms-resources/financial-reports-and-studies.

NOTE 8: Commitments and Contingencies

Claims and Judgments

The District participates in a number of federal, state, and local programs that are fully or partially funded by grants received from other governmental entities. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. At December 31, 2025, significant amounts of grant expenditures have not been audited but management believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the District.

Tabor Amendment

In November 1992, Colorado voters passed Article X, Section 20 (the Amendment) to the State Constitution which limits state and local government taxing powers and imposes spending limits. The District is subject to the Amendment. In 1995, the voters in the District approved a mill levy increase, from 3.5 to 5.25, for the District, effective in the 1996 budget year. In addition, the voters authorized the District to collect and to expend the full revenues received by the District from any source in the current fiscal year and in each fiscal year thereafter. The Amendment is subject to many interpretations, but the District believes it is in substantial compliance with the Amendment.

The District is an enterprise fund and does not have TABOR revenues, and, therefore, has not set aside any monies for emergencies as defined by TABOR.

Litigation

The District from time to time is involved in various legal matters. In the opinion of the District's counsel, there are no pending legal issues that would have a material adverse effect on the financial condition of the District.

NOTE 9: Water Bank

During 2001, the District implemented a process whereby owners of water rights can irrevocably transfer shares of water to the District in exchange for a holding receipt of such water. Transferors can assign raw water as measured by a formula set out in the water bank agreement either to the District to meet raw water requirements or to other for remuneration in exchange for a part or all of the holding receipts. Change of use fees are to be applied to defray the cost of changing the use of the underlying water from agriculture to municipal use. The value of the shares subject to the change of use is reflected in capital assets under the category, "water rights pending change in use," until such change has been approved.

REQUIRED SUPPLEMENTARY INFORMATION

EAST LARIMER COUNTY WATER DISTRICT
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2025

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
OPERATING REVENUES			
Operating Revenues	$ 9,175,381	$ 9,411,237	$ 235,856
Miscellaneous	-	86,453	86,453
TOTAL OPERATING REVENUES	9,175,381	9,497,690	322,309
OPERATING EXPENSES			
Field Operating Expenses			
Source of Supply	996,653	708,244	288,409
Water Treatment and Testing	1,866,251	2,023,774	(157,523)
Transmission and Distribution	2,459,651	1,771,151	688,500
Total Field Operating Expenses	5,322,555	4,503,169	819,386
ADMINISTRATION AND GENERAL EXPENSES			
Accounting and Finance	36,000	43,473	(7,473)
Administrative and Management Services	1,354,684	988,684	366,000
Billing and Collection	98,206	269,909	(171,703)
Customer Service	14,700	11,186	3,514
Personnel and Training	1,429,338	1,223,520	205,818
Total Administration and General Expenses	2,932,928	2,536,772	403,629
TOTAL OPERATING EXPENSES	8,255,483	7,039,941	1,223,015
NET OPERATING INCOME (LOSS)	919,898	2,457,749	1,545,324
NONOPERATING REVENUES (EXPENSES)			
Earnings on Investment	175,000	940,845	765,845
Debt Service, Interest, and Paying Agent Fees	(983,529)	(990,236)	(6,707)
Capital Expenditures	(18,919,792)	(5,944,142)	12,975,650
TOTAL NONOPERATING REVENUES (EXPENSES)	(19,728,321)	(5,993,533)	12,968,943
NET INCOME (LOSS) BEFORE CAPITAL CHARGES	(18,808,423)	(3,535,784)	14,514,267
CAPITAL CHARGES AND CONTRIBUTIONS			
System Development Fees	1,295,863	3,190,330	1,894,467
Capital Contributions	14,000,000	4,580,102	(9,419,898)
TOTAL CAPITAL CHARGES AND CONTRIBUTIONS	15,295,863	7,770,432	(7,525,431)
CHANGE IN NET POSITION, Budgetary Basis	$ (3,512,560)	$ 4,234,648	$ 6,988,836
RECONCILIATION TO GAAP BASIS			
Compensated Absences		(17,570)	
Principal		490,000	
Premium/Discount Amortization		13,283	
Capital Outlay		5,944,142	
Depreciation		(1,846,527)	
CHANGE IN NET POSITION, GAAP Basis		8,817,976	

EAST LARIMER COUNTY WATER DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO LOCAL GOVERNMENT DIVISION TRUST FUND
December 31, 2025

MEASUREMENT YEAR	12/31/24	12/31/23	12/31/22	12/31/21
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY				
District's Proportion of the Net Pension Liability	0.1474464040%	0.1448606149%	0.1503895126%	0.1678033497%
District's Proportionate Share of the Net Pension Liability	$ 904,728	$ 1,063,336	$ 1,507,750	$ (143,870)
District's Covered Payroll	$ 1,414,908	$ 1,327,745	$ 1,232,198	$ 1,248,603
District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	64%	80%	122%	-12%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	90%	65%	62%	75%

FISCAL YEAR	12/31/25	12/31/24	12/31/23	12/31/22
DISTRICT CONTRIBUTIONS				
Statutorily Required Contribution	$ 220,575	$ 194,101	$ 172,295	$ 165,738
Contributions in Relation to the Statutorily Required Contribution	(220,575)	(194,101)	(172,295)	(165,738)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
District's Covered Payroll	$ 1,599,521	$ 1,414,908	$ 1,327,745	$ 1,232,198
Contributions as a Percentage of Covered Payroll	13.79%	13.72%	12.98%	13.45%

12/31/20	12/31/19	12/31/18	12/31/17	12/31/16	12/31/15
0.1655741844%	0.1635606303%	0.1533394949%	0.1733300000%	0.1650500000%	0.1817600000%
$ 862,852	$ 1,196,268	$ 1,927,804	$ 1,929,922	$ 2,228,695	$ 2,002,235
$ 1,190,184	$ 1,126,358	$ 1,077,595	$ 1,093,447	$ 1,026,024	$ 1,038,532
72%	106%	179%	176%	217%	193%
67%	65%	57%	44%	43%	59%

12/31/21	12/31/20	12/31/19	12/31/18	12/31/17	12/31/16
$ 164,816	$ 150,915	$ 142,822	$ 136,639	$ 136,680	$ 126,850
(164,816)	(150,915)	(142,822)	(136,639)	(136,680)	(126,850)
$ -	$ -	$ -	$ -	$ -	$ -
$ 1,248,603	$ 1,190,184	$ 1,126,358	$ 1,077,595	$ 1,093,447	$ 1,026,024
13.20%	12.68%	12.68%	12.68%	12.50%	12.36%

EAST LARIMER COUNTY WATER DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY AND CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO LOCAL GOVERNMENT DIVISION TRUST FUND
December 31, 2025

MEASUREMENT YEAR	12/31/24	12/31/23	12/31/22	12/31/21
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY				
District's Proportion of the Net Pension Liability	0.0117232231%	0.0115165209%	0.0121426929%	0.0130445487%
District's Proportionate Share of the Net Pension Liability	$ 56,057	$ 82,194	$ 99,143	$ 112,484
District's Covered Payroll	$ 1,414,908	$ 1,327,745	$ 1,232,198	$ 1,248,603
District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	4%	6%	8%	9%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	60%	88%	83%	101%

FISCAL YEAR	12/31/25	12/31/24	12/31/23	12/31/22
DISTRICT CONTRIBUTIONS				
Statutorily Required Contribution	$ 16,315	$ 15,005	$ 13,543	$ 12,568
Contributions in Relation to the Statutorily Required Contribution	(16,315)	(15,005)	(13,543)	(12,568)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
District's Covered Payroll	$ 1,599,521	$ 1,414,908	$ 1,327,745	$ 1,232,198
Contributions as a Percentage of Covered Payroll	1.02%	1.06%	1.02%	1.02%

12/31/20	12/31/19	12/31/18	12/31/17	12/31/16
0.0126324240%	0.0125268032%	0.0118776165%	0.0134700000%	0.0126700000%
$ 120,036	$ 140,801	$ 161,600	$ 175,038	$ 164,266
$ 1,190,184	$ 1,126,358	$ 1,077,595	$ 1,093,447	$ 1,026,024
10%	13%	15%	16%	16%
91%	86%	76%	79%	74%

12/31/21	12/31/20	12/31/19	12/31/18	12/31/17
$ 12,736	$ 12,140	$ 11,489	$ 10,991	$ 11,153
(12,736)	(12,140)	(11,489)	(10,991)	(11,153)
$ -	$ -	$ -	$ -	$ -
$ 1,248,603	$ 1,190,184	$ 1,126,358	$ 1,077,595	$ 1,093,447
1.02%	1.02%	1.02%	1.02%	1.02%

NOTE 1: Stewardship, Compliance, and Accountability

Budgetary Information

- Budgets are adopted for all funds on a basis consistent with generally accepted accounting principles, except that capital asset additions and principal payments are budgeted as expenditures and debt proceeds are budgeted as revenues. The District adheres to the following procedures to establish the budgetary information reflected in the financial statements.
- Management submits to the Board of Directors a proposed budget for the fiscal year commencing the following January 1st. The budget is prepared on a basis consistent with generally accepted accounting principles (GAAP),
- On or before October 15th, the proposed budget is submitted to the Board of Directors. The operating budget includes proposed expenditures and resources used to finance them.
- Public hearings are conducted at regular Board of Directors meetings to obtain customer / taxpayer comments.
- Prior to December 31st of each year, the budget is legally adopted by the Board of Directors.
- A certified copy of the adopted budget is submitted to the Colorado Division of Local Government within 30 days of the start of the fiscal year.
- The legal level of control (the level at which expenditures may not legally exceed appropriations) for each adopted annual operating budget is the fund level. Any change in the total budget for the fund requires approval of the Board of Directors. Management is authorized to make transfers between line items within a fund.
- All budget appropriations lapse at fiscal year-end.

NOTE 2: Significant Changes in Plan Provisions Affecting Trends in Actuarial Information

LGDTF Plan – 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 receive a higher ratio of service credit for each month worked, up to a maximum of 12 months of service credit per year.

As of December 31, 2024, measurement date, the fiduciary net position and related disclosure components for the LGDTF reflect additional payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the LGDTF and HCTF were $0.486 million and $0.020 million, respectively.

NOTE 2: Significant Changes in Plan Provisions Affecting Trends in Actuarial Information (Continued)

HCTF Plan – As of the December 31, 2023, measurement date, the fiduciary net position (FNP) and related disclosure components for the Health Care Trust Fund (HCTF) 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 HCTF and Local Government Division Trust Fund were $1.033 million and $24.967 million, respectively.

As of the December 31, 2024, measurement date, the fiduciary net position and related disclosure components for HCTF reflect additional payments related to the disaffiliation of Tri-County Department as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the HCTF and LGDTF were $0.020 million and $0.486 million, respectively.

NOTE 3: Changes in Assumptions and Other Inputs

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 Pub-2010 Public Retirement Plans Mortality base tables were retained for purposes of active, retired, disabled, and beneficiary lives, with revised adjustments for credibility and gender, where applicable. In addition, the applied generational projection scale was updated to the 2024 adjusted scale MP-2021. The estimated administrative expense as a percentage of covered payroll was increased from 0.4% to 0.45%.

Assumptions related to salary increases, including wage inflation, in the LGDTF from 3.4% to 13%. Health care costs assumptions were used in the rollforward calculation for the HCTF, which included altered salary scale assumptions to better reflect actual experience; revised rates of termination/withdrawal, retirement, and disability to more closely reflect actual experience; reduction of participation rates; and MAPD premium costs are no longer age graded.