LA PLATA ARCHULETA WATER DISTRICT
INCLUDING THE SUNDANCE/FARRADAY SUBDISTRICT, FOX FIRE SUBDISTRICT AND SKYVIEW SUBDISTRICT
La Plata County, Colorado

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2025

LA PLATA ARCHULETA WATER DISTRICT
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YEAR ENDED DECEMBER 31, 2025

Independent Auditors' Report

Members of the Board of Directors
La Plata Archuleta Water District

Opinions
We have audited the accompanying financial statements of the business-type activities of La Plata Archuleta Water District as of December 31, 2025 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of La Plata Archuleta Water District, as of December 31, 2025, and the respective changes in financial position and cash flows thereof for the years 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the La Plata Archuleta Water 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, 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.

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In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the La Plata Archuleta Water 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 La Plata Archuleta Water District 's ability to continue as a going concern for a reasonable period of time.

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

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

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

Haynie

Littleton, Colorado
July 29, 2026

This discussion and analysis is intended to be an easily readable analysis of the La Plata Archuleta Water District's (the District) financial activities based on currently known facts, decisions or conditions. This analysis focuses on current year activities and should be read in conjunction with the financial statements that follow.

This section provides a summary of the District's financial performance. It contains an overview and analysis of the District's financial activities for the year ended December 31, 2025. The financial statements are an integral part of this analysis and should be read in conjunction with this document.

Financial Highlights

1. The District began serving its first customers in January 2014. By the end of 2025 the District had sold 286 taps and was serving water to 248 customers, including master meters serving a 55-unit mobile home park and a 14-lot subdivision.

2. Currently, the District's primary source of revenue is property taxes that are the result of the 5-mill tax issue that passed in the May 2010 election. A total of $1,670,094 in general property taxes, specific ownership taxes, and senate bill reimbursements were received in 2025, a decrease from the previous year of $576,871. The total included $30,409 in reimbursement from the State of Colorado as required by Senate Bill 22-238. The senate bill reduced the assessment rate on properties and required the State to backfill lost revenue of local government entities.

   Of the total general property taxes collected, $38,251 and $28,603 were for the Sundance/Farraday and Fox Fire Subdistricts, respectively. The fluctuation from year to year of the general property taxes is primarily due to the fluctuating price of natural gas and the severance tax associated with it.

   The District and Subdistricts also received $143,159 in Specific Ownership taxes. Additionally, $265,993 in service charges and other customer paid fees was collected by the District.

3. The District has a contract with Colorado Water Conservation Board (CWCB) to purchase a portion of CWCB's allocation of water in Lake Nighthorse. Lake Nighthorse is the reservoir constructed as part of the Bureau of Reclamation's Animas-La Plata Project which is situated southwest of the City of Durango. The District has the option to purchase up to 2,500 acre-feet of water over a 40-year period. The District has acquired a total of 580 acre-feet of water for a total cost of $2,008,084 as of December 31, 2025.

4. The District's total net position as of December 31, 2025 totaled $20,155,853 including unrestricted net position of $8,026,519. The District has restricted assets of $45,600 for TABOR reserves and $211,500 for bond reserves. The District also received $12,052 in payments in lieu of taxes (PILT) from the Southern Ute Indian Tribe, which the District Board has designated to be used for the purchase of raw water.

5. The District began construction of its water distribution system in late 2012 and has completed construction of approximately 40 miles of water mains. The District has capital assets of $15,895,812 and prepaid cost of water of $5,330,788. The prepaid costs of water includes the design, construction and inspection costs associated with the expansion of the Town of Bayfield's Water Treatment Plant, which was completed in 2017.

6. The La Plata Archuleta Water District has the authority to formally designate one or more areas consistent with the facilities to be furnished therein. The areas are known as Subdistricts.

    a. The District formed the Sundance/Farraday Subdistrict No. 1 to facilitate construction of a water distribution system for subdivisions that requested water service. An election to authorize borrowing up to $1,000,000 and setting a mill levy to service the debt was passed by the voters of the Sundance/Farraday Subdistrict in 2017. Construction of the distribution system in the three subdivisions was substantially completed in 2019 and final completion was achieved in 2020. The mill levy is variable depending on the assessed value of real property in the Sundance/Farraday Subdistrict and set to provide sufficient funds to service the loan. The loan principal due as of December 31, 2025 is $447,840.

    b. The District also established the Fox Fire Subdistrict at the request of the property owners within the Fox Fire Subdistrict in 2021. The eligible electors of the Fox Fire Subdistrict approved a measure allowing the Fox Fire Subdistrict to borrow up to $850,000 and repaying the loan through a variable mill levy on their property in November 2021. The design of the project was completed at the end of 2024. Construction of the project began in late 2025 and is expected to be completed in Summer 2026.

    c. The District also established the Skyview Subdistrict at the request of the property owners within the Skyview Subdistrict in 2021. The eligible electors of the Skyview Subdistrict did not approve a ballot measure allowing the Subdistrict to incur debt and repaying the debt through a property tax mill levy.

Report Layout

Besides this Management's Discussion and Analysis (MD&A), the report consists of combined government-wide financial statements, notes to the basic financial statements, and required supplementary information including a budget comparison schedule. La Plata Archuleta Water District is a single fund entity whose primary function is to facilitate the construction of water distribution projects. Revenues and expenses relate to the core function of operating the District and its facilities. The basic financial statements of La Plata Archuleta Water District contain three primary statements: the Statement of Net Position, the Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows.

The Statement of Net Position reflects the cumulative financial condition of the District at December 31, 2025, and the Statement of Revenues, Expenses, and Changes in Net Position show the change in financial condition from operations and other activities for the year then ended.

The Statement of Net position and Statement of Revenues, Expenses and Changes in Net Position are reported using the economic resources measurement focus and the accrual basis of accounting.

Government-Wide Financial Analysis

A comparison to the prior year is provided below. This section will discuss and analyze significant differences.

A condensed version of the comparison for 2025 and 2024 of the Statement of Net Position follows:

	2025	2024
ASSETS		
Current Assets	$ 4,783,751	$ 4,468,767
Capital Assets, Net	15,895,812	15,791,576
Prepaid Cost of Water	5,330,788	5,663,677
Total Assets	26,010,351	25,924,020
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES		
Current Liabilities	679,031	646,027
Long-Term Liabilities	3,657,056	4,088,412
Deferred Inflows of Resources	1,518,411	1,514,287
Total Liabilities and Deferred Inflows of Resources	5,854,498	6,248,726
NET POSITION		
Net Position Invested in Capital Assets	11,872,234	11,300,681
Restricted Net Position	257,100	281,100
Unrestricted Net Position	8,026,519	8,093,513
Total Net Position	$ 20,155,853	$ 19,675,294

A condensed version of the Statement of Revenues, Expenditures and Changes in Net Position follows:

	2025	2024
REVENUES		
Operating Revenue	$ 265,993	$ 226,816
Nonoperating Revenue	1,910,370	2,564,758
Total Revenues	2,176,363	2,791,574
EXPENSES		
Operating Expenses	1,517,000	1,486,682
Non-Operating Expenses	178,804	202,740
Total Expenses	1,695,804	1,689,422
INCOME (LOSS) BEFORE CONTRIBUTIONS	480,559	1,102,152
DEVELOPER DONATED LINES	-	17,059
CHANGE IN NET POSITION	480,559	1,085,093
Net Position - Beginning of Year	19,675,294	18,590,201
NET POSITION - END OF YEAR	$ 20,155,853	$ 19,675,294

The District was originally formed in August of 2008. A 5-mill property tax was approved by the voters of the District in May 2010. Approximately 50% to 80% of the District's property tax base consists of taxes from the production and processing of natural gas, the majority of which is tied to the commodity price of the natural gas. This can cause a large swing in the property tax revenue received by the District. There is a two-year lag between the sales of gas and when the District receives the property tax for those sales. For instance, the price of gas in 2023 is reflected in the property taxes received by the District in 2025.

Because the District currently serves limited customers, tax revenue is used to fund both operations and capital costs, until there is enough of a customer base to cover all operating costs. Any tax revenue that is available after operations and to pay any debt obligations is used for the capital construction program to continue expanding the water system and serving additional customers.

The District's Fund

Proprietary Fund

With the exception of the TABOR reserve requirements, the $211,500 in bond reserves, and the PILT funds that are designated for the purchase of raw water, the remainder of this fund is available for operation and capital expenses.

Capital Assets and Long-Term Debt
Construction of the expansion to Bayfield's Water Treatment Plant began in 2015 and was completed in 2017. A total of $8,322,243 was expended on construction, engineering design and construction management services for the project. Although this is not a capital asset that the District will own, it is part of an IGA with the Town of Bayfield that secures the District a long-term supply of treated water and is considered a Prepaid Cost of Water.

The District sold General Obligation Tax Bonds in 2013 in the amount of $5,000,000 to help pay the costs of the Bayfield Water Treatment Plant Expansion Project. The current outstanding principal for those bonds at the end of 2025 is $2,115,000. The District borrowed $2,500,000 from the Colorado Water Resources and Power Development Authority to pay the costs of pipeline construction in 2016, 2017 and 2018. Although the District usually pays for pipeline construction with annual revenues, because the cost of the water treatment plant expansion exceeded the 2013 General Obligation Bonds, the District Board determined that it was necessary to borrow the money to backfill revenues that would have been used for pipeline construction instead of the treatment plant expansion. The current outstanding principal on that loan is $1,460,736.

The Sundance/Farraday Subdistrict No. 1 borrowed $1,000,000 from the CWRPDA in Drinking Water Revolving Fund monies to fund the distribution system in the Sundance Hills and Farraday Subdivisions. The first principal payment due on this loan was made in November 2019 and left an outstanding principal of $979,544. Because of a grant from the Colorado Department of Local Affairs that was obtained to help fund the project, only $698,033 of the loan was required and it was reduced to that amount in 2021. The current outstanding balance of this loan is $447,840.

The Fox Fire Subdistrict borrowed $850,000 from the CWCB under Loan Contract CT2026*2111 to fund the distribution system in the Fox Fire Subdistrict. The loan was made as of November 7, 2025, and no payments were due on this loan in 2025. Construction of the improvements in the Fox Fire Subdistrict are underway in 2026.

Budgetary Highlights

The District prepares its budget on the modified accrual basis of accounting to recognize the fiscal impact of debt issuance, sale of assets and debt repayments, as well as capital outlay in addition to operations and nonoperating revenue and contributions. This budgetary accounting is required by state statutes.

Total actual revenues were $926,011 below the original budget, primarily due to anticipated loan and grant proceeds that were not received during the year and have been deferred to 2026. Total actual expenditures were $3,156,374 below the original appropriation, primarily due to capital expenditures being lower than anticipated as a result of the timing of planned capital improvement projects.

The District will continue to construct more distribution pipelines and connect new customers for the foreseeable future. The expansion of the Bayfield Water Treatment Plant will provide the District with at least 750,000 gallons per day of treatment capacity and the District has currently only used about 165,000 gallons per day of that capacity. The District is also negotiating with the City of Durango for a joint water treatment plant that will utilize water that the District has acquired in Lake Nighthorse, primarily for the western side of the District.

The District began construction of the distribution system into the Fox Fire Subdistrict in late 2025. A loan from the Colorado Water Conservation Board and a $280,000 grant from the Colorado Department of Local Affairs will be used to pay for the project.

Financial Contact

The District's financial statements are designed to present users (citizens, taxpayers, customers, investors, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. If you have questions about the report or need additional financial information, please contact Edward Tolen at P.O. Box 1377, Ignacio, Colorado 81137.

BASIC FINANCIAL STATEMENTS

LA PLATA ARCHULETA WATER DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2025

ASSETS	
CURRENT ASSETS	
Cash and Cash Equivalents	$ 2,843,892
Cash and Cash Equivalents - Restricted	257,100
Prepaid Expenses	45,475
Receivable from County Treasurer	10,841
Accounts Receivable	25,178
Inventory	82,854
Property Tax Receivable	1,518,411
Total Current Assets	4,783,751
NONCURRENT ASSETS	
Prepaid Costs of Water	5,330,788
Capital Assets, Net	15,895,812
Total Noncurrent Assets	21,226,600
Total Assets	$ 26,010,351
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	
CURRENT LIABILITIES	
Accounts Payable	$ 59,826
Accrued Payroll and Related Liabilities	25,982
Unissued Tap Fee Credits	160,583
Accrued Interest	12,092
Current Portion of Long-term Debt	420,548
Total Current Liabilities	679,031
LONG-TERM LIABILITIES	
Bonds Payable, Net of Current	1,850,000
Loans Payable, Net of Current	1,753,028
Bond Premium	54,028
Total Long-Term Liabilities	3,657,056
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	1,518,411
Total Deferred Inflows of Resources	1,518,411
NET POSITION	
Net Investment in Capital Assets	11,872,234
Restricted for:	
Emergency Reserve	45,600
Debt Service	211,500
Unrestricted	8,026,519
Total Net Position	20,155,853
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 26,010,351

LA PLATA ARCHULETA WATER DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION
YEAR ENDED DECEMBER 31, 2025

OPERATING REVENUES	
Charges for Services	$ 265,993
Total Operating Revenues	265,993
OPERATING EXPENSES	
Accounting	29,696
Admin and Board Expense	7,303
Annual Raw Water O&M & Assessments	60,908
Auditing	16,500
Bayfield O&M Charge	64,534
Computer Software and Annual Contract	14,070
District Vehicles - O&M	13,124
Dues and Permits	4,525
Depreciation	372,219
Amortization	332,889
Employee Benefits	113,869
Employee Salaries	307,502
Engineering/Environmental	6,194
Insurance	188
Fill Station Expenses	14,331
Legal	45,490
Miscellaneous	860
Office Equipment	1,076
Office Rental/Utilities	15,264
Parts & Materials	23,878
Public Relations and Website	3,032
Repairs and Maintenance	20,727
Subdistricts	2,800
Supplies/Publications	4,706
Testing	2,372
Tools & Equipment	1,892
Training & Travel	140
Water Information Program	2,600
PRID Lease Water	34,311
Total Operating Expenses	1,517,000
OPERATING LOSS	(1,251,007)
NONOPERATING REVENUES AND EXPENSES	
Water Tap Fees	113,600
Discounted Tap Fees for Tax Credit	(7,861)
Amortization of Bond Premium	10,808
Interest Income	103,460
Other Revenue	30,765
PILT Revenue	12,052
Property Taxes	1,496,526
Specific Ownership Taxes	143,159
County Treasurer's Fee	(45,375)
Interest Expense	(125,568)
Total Nonoperating Revenues and Expenses	1,731,566
CHANGE IN NET POSITION	480,559
Total Net Position - Beginning of Year	19,675,294
TOTAL NET POSITION - END OF YEAR	$ 20,155,853

LA PLATA ARCHULETA WATER DISTRICT
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2025

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers	$ 252,980
Payments to Suppliers	(364,001)
Payments to Employees and Related Expenses	(439,966)
Net Cash Used by Operating Activities	(550,987)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Tap Fees	113,600
Other Revenue	30,765
Property Taxes	2,063,077
Specific Ownership Taxes	143,159
PILT Revenue	12,052
County Treasurer's Fees	(45,375)
Net Cash Provided by Noncapital Financing Activities	2,317,278
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of Capital Assets	(476,455)
Principal Payments of Capital Debt	(402,483)
Interest Payments	(127,719)
Net Cash Used by Capital and Related Financing Activities	(1,006,657)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Income Received	103,460
Net Cash Provided by Investing Activities	103,460
INCREASE IN CASH AND CASH EQUIVALENTS	863,094
Cash and Cash Equivalents - Beginning of Year	2,237,898
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 3,100,992
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES	
Operating Loss	$ (1,251,007)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation and Amortization	705,108
(Increase) Decrease in:	
Accounts Receivable	(13,013)
Prepaid Expense	336
Inventory	(17,437)
Increase (Decrease) in:	
Accounts Payable	36,318
Accrued Payroll and Related Liabilities	(11,292)
Net Cash Used by Operating Activities	$ (550,987)

NOTE 1 DEFINITION OF REPORTING ENTITY

La Plata Archuleta Water District (the District) was formed by court decree on August 19, 2008. The District is an independent political subdivision operating under the statutes for special districts of the State of Colorado and has its own elected governing board members. The Sundance/Farraday Subdivision No. 1 was formed on March 9, 2017, to facilitate the construction of a distribution system into three existing subdivisions. On November 7, 2017, the eligible electors of the Fox Fire Subdistrict approved the Fox Fire Subdistrict to incur up to $1,000,000 in debt and authorized a mill levy sufficient to service the debt. The Fox Fire Subdistrict and Skyview Subdistricts were formed on July 8, 2021, to facilitate the construction of a distribution system into the Fox Fire Subdivision. On November 2, 2021, the eligible electors of the Subdistrict approved the Subdistrict to incur up to $850,000 in debt and authorized a mill levy sufficient to service that debt. The eligible electors of the Skyview Subdistrict did not authorize debt, or a mill levy to pay for the debt. The above described Subdistricts are governed by the District's board of directors and is reported as part of the District's operations.

The mission of the District is to finance, construct, operate, and maintain a public water distribution system in the southeast portion of La Plata County.

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

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens, and fiscal dependency. Based upon these criteria, no entities were found to be includable within the reporting unit of the District.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The more significant accounting policies of the District are described as follows:

Basis of Accounting

The District's records are maintained on the accrual basis of accounting. Revenue is recognized when earned and expenses are recognized when the liability is incurred. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Depreciation is computed and recorded as an operating expense. Expenditures for capital assets are shown as increases in assets and redemption of bonds and loans is recorded as a reduction in liabilities.

Operating Revenues and Expenses

The District distinguishes between operating revenues and expenses and nonoperating items in the statements of revenues, expenses, and change in net position. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the District's purpose of providing water services to its customers. Operating revenues consist of charges to customers for service provided. Operating expenses include the cost of service, administrative expenses, and depreciation of assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses or capital contributions.

Budgets

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year-end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. For financial statement purposes, the District is reported as a single Enterprise Fund.

Pooled Cash and Investments

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility.

Cash Equivalents

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

Inventory and Prepaid Expenses

Inventory is valued at cost using the first-in/first-out (FIFO) method and consists of expendable supplies and pipeline repair parts. The cost of such inventory is recorded as expenses when consumed rather than when purchased.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventory and Prepaid Expenses (Continued)

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses. The costs of prepaid expenses are recorded as expenses when consumed rather than when purchased.

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred revenue in the year they are levied and measurable. The deferred property tax revenues are recorded as revenue in the year they are available or collected.

Capital Assets

Capital assets, which include Pipelines, Water Fill Stations, Pump Station, Subdivision Lines, Software, Vehicles Purchased, Facilities, Service Lines, and Equipment, are reported by the District. Capital assets are defined by the District as assets with an initial, individual cost of more than $5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. Depreciation expense has been computed using the straight-line method over the following estimated economic useful lives:

Equipment	5 Years
Pipelines	40 Years
Pump Station	25 Years
Service Lines	40 Years
Software	5 Years
Subdivision Lines	40 Years
Fill Station	15 Years
Water & Wastewater Facilities	25 Years
Vehicles	5 Years
Facilities	40 Years

Capital assets are valued at historical cost.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

Depreciation of the water distribution system will be charged to operating expenses over its useful life when it is placed in service using the straight-line method.

Tap Fees

Tap fees collected by the District are recorded as nonoperating capital contributions when received. Tap fees are imposed to fund a portion of the costs of constructing and expanding the District's water infrastructure and are reported as nonoperating capital contributions in the financial statements. Based on the District's existing accounting policy, tap fees are treated as capital contributions rather than operating revenues.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item *property tax revenue*, is deferred and recognized as inflow of resources in the period that the amount becomes available.

Adoption of New Accounting Standards

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures* (Statement 102). Statement 102 requires note disclosure when (a) a concentration or constraint is known prior to issuance of the financial statements, (b) it makes the reporting unit vulnerable to the risk of a substantial impact, and (c) an event associated with the concentration or constraint has occurred, has begun to occur, or is more likely than not to begin to occur within 12 months of issuance.

The District adopted the requirements of the guidance effective January 1, 2025, and has elected to apply the provisions of this standard to the beginning of the period of adoption. Management performed the analysis required under Statement 102 and did not identify any concentrations or constraints that require disclosure.

NOTE 3 CASH AND INVESTMENTS

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

Statement of Net Position:		
Cash and Cash Equivalents	$	2,843,892
Cash and Cash Equivalents - Restricted		257,100
Total Cash and Investments	$	3,100,992

Cash and investments as of December 31, 2025, consist of the following:

Deposits with Financial Institutions	$	528,810
Investments		2,572,182
Total Cash and Cash Equivalents	$	3,100,992

Deposits with Financial Institutions

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

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

At December 31, 2025, the District’s cash deposits had a bank balance of $538,054 and a carrying balance of $528,810.

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

The District generally limits its concentration of investments to those noted with an asterisk (*) below, which are believed to have minimal credit risk, minimal interest rate risk, and no foreign currency risk. Additionally, the District is not subject to concentration risk or investment custodial credit risk disclosure requirements for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

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

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

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

Investment	Maturity	Amount
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted-Average	$ 2,572,182
	Under 60 Days	$ 2,572,182

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

CSAFE

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE) (the Trust), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust currently offers two portfolios – CSAFE CASH FUND and CSAFE CORE.

CSAFE CASH FUND operates similarly to a money market fund, with each share valued at $1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper, and any security allowed under Section 24-75-601.1, C.R.S.

CSAFE CORE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a $2.00 transactional share price. CSAFE CORE may invest in securities authorized by Section 24-75-601.1, C.R.S., including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, and highest rated commercial paper.

A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE CASH FUND is rated AAAmmf and CSAFE CORE is rated AAAf/S1 by Fitch Ratings. CSAFE records its investments at amortized cost, and the District records its investments in CSAFE using the amortized cost method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

NOTE 4 CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2025, follows:

	Balance at December 31, 2024	Increases	Decreases	Balance at December 31, 2025
Business-Type Activities:				
Capital Assets, Not Being Depreciated:				
Land	$ 444,080	$ -	$ -	$ 444,080
Construction in Progress	2,181,392	167,591	-	2,348,983
Raw Water Supply	2,008,084	-	-	2,008,084
Total Capital Assets, Not Being Depreciated	4,633,556	167,591	-	4,801,147
Capital Assets, Being Depreciated:				
Pipelines	12,722,282	85,450	-	12,807,732
Water Fill Stations	273,309	-	-	273,309
Pump Station	108,049	-	-	108,049
Subdivision Lines	689,413	29,478	-	718,891
Software	7,500	-	-	7,500
Vehicles Purchased	96,737	61,337	-	158,074
Facilities	10,204	66,103	-	76,307
Service Lines	102,609	-	-	102,609
Equipment	40,246	66,496	-	106,742
Total Capital Assets, Being Depreciated	14,050,349	308,864	-	14,359,213
Less Accumulated Depreciation for:				
Accumulated Depreciation	2,892,329	372,219	-	3,264,548
Total Accumulated Depreciation	2,892,329	372,219	-	3,264,548
Total Capital Assets, Being Depreciated, Net	11,158,020	(63,355)	-	11,094,665
Business-Type Activities Capital Assets, Net	$ 15,791,576	$ 104,236	$ -	$ 15,895,812

Depreciation expense for the year ended December 31, 2025, was charged to water operations in the amount of $372,219.

NOTE 5 LONG-TERM LIABILITIES

A summary of changes in long-term obligations at December 31, 2025, follows:

	Balance at December 31, 2024	Additions	Reductions	Balance at December 31, 2025	Due Within One Year
Bonds Payable:					
General Obligation Bonds:					
Series 2013	$ 2,365,000	$ -	$ 250,000	$ 2,115,000	$ 265,000
Bond Premium - Series 2013	64,836	-	10,808	54,028	-
Subtotal Bonds Payable	2,429,836	-	260,808	2,169,028	265,000
Loans from Direct Borrowings and Direct Placements:					
Series 2016 CWRPDA Loan	1,584,588	-	123,852	1,460,736	126,342
Series 2018 CWRPDA Loan	476,471	-	28,631	447,840	29,206
Subtotal Loans from Direct Borrowings and Direct Placements	2,061,059	-	152,483	1,908,576	155,548
Total Long-Term Obligations	$ 4,490,895	$ -	$ 413,291	$ 4,077,604	$ 420,548

Limited Tax General Obligation Bonds - Series 2013

Limited Tax General Obligation Bonds in the face amount of $5,000,000 were issued at a premium of $191,817 with a date of April 3, 2013. The interest rate varies from 2.0% to 4.0% payable semi-annually on June 15 and December 15. Principal is due and payable on December 15. Final maturity date is December 15, 2032. The District has covenanted to levy ad valorem taxes on all taxable property within its boundaries in amount sufficient to pay the principal and interest on the bonds, but not in excess of 2.5 mills. In the event that the District does not comply with continuing disclosure requirements, bondholders may seek necessary and appropriate remedy under law.

Colorado Water Resources and Power Development Authority (CWRPDA) 2016 Note Payable

A note payable in the amount of $2,500,000 was issued to CWRPDA during 2016. Payments, including interest at 2% per annum, of $77,464 are payable on May 1 and November 1 through May 1, 2036. The District has covenanted to levy ad valorem taxes on all taxable property within its boundaries in amount sufficient to pay the principal and interest on the loan, but not in excess of 2.5 mills.

Colorado Water Resources and Power Development Authority (CWRPDA) 2018 Note Payable

A note payable in the amount of $1,000,000 (subsequently reduced by unspent note proceeds of $301,967) was issued to CWRPDA during 2018. Payments, including interest at 2% per annum, of $19,009 are payable on May 1 and November 1 through May 1, 2039. The District has covenanted to levy ad valorem taxes on all taxable property within the Sundance/Farraday Subdistrict in amount sufficient to pay the principal and interest on the loan.

NOTE 5 LONG-TERM LIABILITIES (CONTINUED)

Colorado Water Resources and Power Development Authority (CWRPDA) 2018 Note Payable (Continued)

Significant events of default under the loans include (i) failure to pay within 30 days, (ii) failure to pay principal and interest on any bonds, notes or other obligations, (iii) failure to meet financial or custodial agreement covenants, (iv) any representation made that is false or misleading in any material respect and (v) a petition is filed for bankruptcy or insolvency.

The total annual requirements to amortize the long-term debt are as follows:

Year Ending December 31,	Principal	Interest	Total
2026	$ 420,548	$ 116,105	$ 536,653
2027	433,674	103,969	537,643
2028	451,864	91,455	543,319
2029	465,117	78,416	543,533
2030	486,524	64,995	551,519
2031-2035	1,580,740	50,956	1,631,696
2036-2039	185,109	5,342	190,451
Total	$ 4,023,576	$ 511,238	$ 4,534,814

On November 1, 2011, the electors of the District approved the incurrence of debt not to exceed $25,000,000. $7,500,000 of this authorization has been issued with $17,500,000 remaining as authorized but not issued. On November 7, 2017, the electors of Sundance/Farraday Subdistrict approved the incurrence of debt not to exceed $1,000,000. The full $1,000,000 was issued during 2018.

Colorado Water Conservation Board (CWCB) 2025 Loan Payable

A loan payable in the amount of $850,000 was issued to the District by the Colorado Water Conservation Board (CWCB) during 2025 for the purpose of constructing a potable water distribution system. The loan bears interest at 3.75% per annum and is payable over a 30-year term. Annual principal and interest payments of $47,674.48 will commence one year following the date the project is determined to be substantially complete by CWCB.

The loan is secured by an irrevocable pledge of the District's revenues derived from ad valorem taxes. The District has covenanted to levy and collect ad valorem taxes, without limitation as to rate and in an amount sufficient to pay principal of and interest on the loan when due.

NOTE 6 AGREEMENTS

Town of Bayfield

The District entered into an intergovernmental agreement with the Town of Bayfield (the Town). Pursuant to this agreement, the District paid costs to expand the water treatment plant owned by the Town in the amount of $8,322,243. The plant was placed into service in 2017. The plant will continue to be owned and operated by the Town.

The District participates in the operating and maintenance costs of the expanded plant. The District will also provide its share of raw water to the treatment plant.

The Town will provide treated water to the District which the District will distribute to its users through the District's distribution system.

The costs paid by the District that are associated with the expansion of the Town's water treatment plant are reflected in the statement of net position as Prepaid Costs of Water. These prepaid costs are being amortized over 25 years from the date the expanded water treatment plant was placed in service to match the costs of providing water to the revenues generated. If the agreement is terminated prior to 25 years after the date the expanded water treatment plant is placed in service, the Town will reimburse the District for the unamortized costs of the expansion. Amortization of these costs commenced in 2017. The following is a schedule of costs and related amortization at December 31, 2025.

Prepaid Costs of Water	$ 8,322,243
Accumulated Amortization	(2,991,455)
Total	$ 5,330,788

Amortization of prepaid water costs was $332,889 for 2025. If neither the Town nor the District terminates the agreement at the end of its term (including renewals if applicable), the agreement renews for additional terms of five years.

Colorado Water Conservation Board

The District has entered into a contract with the Colorado Water Conservation Board to acquire long-term municipal and industrial water supply. The agreement provides the District with the option to acquire up to 2,500 acre-feet of water stored in Lake Nighthorse. The agreement provides that the District may acquire additional acre-feet of water supply until the cumulative supply acquired equals the allotted 2,500 acre-feet of water. The minimum purchase each year is the lesser of 60-acre feet or the remaining allotment of the 2,500 acre-feet. If the District fails to exercise its option for two consecutive years the Colorado Water Conservation Board may terminate the agreement. The agreement expires when the District acquires its full allotment or in the year 2054 if the District has not acquired its full allotment.

Pine River Irrigation District

The District leases 200 acre-feet of water per year from the Pine River Irrigation District. Leased water and standby water is billed per acre-foot plus a required surcharge. The lease does not have a stated expiration date. The District paid $60,908 in 2025 pursuant to this agreement.

NOTE 7 RETIREMENT PLANS

401(a) Retirement Plan

The District provides a 401(a) retirement plan for eligible District employees through the Colorado County Officials and Employees Retirement Association (CCOERA) (the Plan). The Plan is a defined contribution money purchase plan. Employees participate in the Plan after 90 days of employment. The employees and the District each contribute 5% of gross wages. The District's contributions for each employee plus earnings are fully vested after five years of continuous service. District contributions and related interest forfeited by employees who leave employment before fully vesting are returned to the Plan to reduce future retirement requirements.

Deferred Compensation Plan

The District has a deferred compensation plan (the Plan), administered by CCOERA, and created in accordance with Internal Revenue Code Section 457. The Plan permits the District's employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Participation in the Plan is optional. There have been no contributions to the 457 plan.

All amounts of compensation deferred under the Plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) held for the exclusive benefit of the participants or their beneficiaries. The District has no ownership interest in the Plan, nor is the District liable for any losses under the Plan.

NOTE 8 NET POSITION

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

Investment in capital assets consist of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2025, the District had net investment in capital assets calculated as follows:

Net Investment in Capital Assets:	
Gross Capital Assets	$ 19,160,360
Less: Accumulated Depreciation	(3,264,548)
Less: Outstanding Principal of Capital-Related Debt	(4,023,578)
Net Investment in Capital Assets	$ 11,872,234

Restricted assets include net position that is restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provision or enabling legislation.

NOTE 8 NET POSITION

The District had restricted net position as of December 31, 2025, as follows:

Restricted Net Position:		
Emergency Reserve	$	45,600
Debt Service		211,500
Total Restricted Net Position	$	257,100

The District's unrestricted net position as of December 31, 2025, was $8,026,519.

NOTE 9 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

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

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

NOTE 10 TAX, SPENDING, AND DEBT LIMITATIONS

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

Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR. The District's management believes a significant portion of its operations qualifies for this exclusion.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

NOTE 10 TAX, SPENDING, AND DEBT LIMITATIONS (CONTINUED)

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the Emergency Reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. The statement of net position carries a balance of $45,600 restricted for emergencies.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits and qualification as an Enterprise will require judicial interpretation. Internally, the District maintains its records in the Enterprise Fund.

On May 4, 2010, the District’s constituents voted to authorize a 5.0 mill levy rate and to exempt the District from the revenue limitations included in TABOR.

SUPPLEMENTARY INFORMATION

LA PLATA ARCHULETA WATER DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUNDS AVAILABLE – BUDGET AND ACTUAL (BUDGETARY BASIS)
YEAR ENDED DECEMBER 31, 2025

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Water Service Fees	$ 170,000	$ 195,427	$ 25,427
Water Tap Fees	32,750	113,600	80,850
Grants For Subdistrict	150,000	-	(150,000)
Late Fees/Penalties	2,000	2,810	810
Other Revenue	-	30,765	30,765
Interest Income	75,051	103,460	28,409
Service Fees - Bulk Water Station	-	65,650	65,650
Lockoff/Unlock Fee	50	-	(50)
Turn On/Turn Off Fee	50	-	(50)
Change In Billing Responsibility	50	106	56
Inclusion/Exclusion Fees	1,000	2,000	1,000
Property Taxes	1,506,415	1,496,526	(9,889)
Specific Ownership Taxes	134,200	143,159	8,959
PILT Revenue	20,000	12,052	(7,948)
FF Subdistrict CWCB Loan	850,000	-	(850,000)
DOLA EAIF Grant	150,000	-	(150,000)
Total Revenues	3,091,566	2,165,555	(926,011)
EXPENDITURES			
General and Operating:			
Accounting	18,000	29,696	(11,696)
Admin And Board Expense	8,000	7,303	697
Annual Raw Water O&M & Assessments	51,000	60,908	(9,908)
Auditing	15,000	16,500	(1,500)
Bayfield O&M Charge	70,000	64,534	5,466
Computer Software And Annual Contract	15,000	14,070	930
County Treasurer's Fee	45,193	45,375	(182)
Discounted Tap Fees For Tax Credit	5,000	7,861	(2,861)
District Vehicles - O&M	20,000	13,124	6,876
Dues And Permits	2,000	4,525	(2,525)
Election	5,000	-	5,000
Employee Benefits	130,000	113,869	16,131
Employee Salaries	370,000	307,502	62,498
Engineering/Environmental	10,000	6,194	3,806
Insurance	15,000	188	14,812
Fill Station Expenses	12,500	14,331	(1,831)
Legal	40,000	45,490	(5,490)
Miscellaneous	1,000	860	140
Office Equipment	7,500	1,076	6,424
Office Rental/Utilities	15,000	15,264	(264)
Parts & Materials	15,000	23,878	(8,878)
Pass-Thru Of Grant To Subdistrict	150,000	-	150,000
Public Relations And Website	5,000	3,032	1,968
Repairs And Maintenance	15,000	20,727	(5,727)
Subdistricts	15,000	2,800	12,200
Supplies/Publications	4,000	4,706	(706)
Testing	2,200	2,372	(172)
Tools & Equipment	10,000	1,892	8,108
Training & Travel	2,000	140	1,860
Water Information Program	2,600	2,600	-
PRID Lease Water	40,000	34,311	5,689

LA PLATA ARCHULETA WATER DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUNDS AVAILABLE – BUDGET AND ACTUAL (BUDGETARY BASIS) (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
EXPENDITURES (CONTINUED)			
Debt Service:			
2016 CWRPDA Loan Interest	$ 31,076	$ 31,076	$ -
Bond Interest	87,256	87,256	-
Bond Principal	250,000	250,000	-
2016 CWRPDA Loan Principal	123,852	123,852	-
2018 SH/F Subdistrict No. 1 CWRPDA Loan Interest	9,101	9,387	(286)
2018 SH/F Subdistrict No. 1 CWRPDA Loan Principal	28,917	28,631	286
FF Subdistrict CWCB Loan Interest	28,626	-	28,626
FF Subdistrict CWCB Loan Principal	30,506	-	30,506
Reserves	150,958	-	150,958
Capital Expenditures/Outlay:			
Construction-Facilities	-	66,103	(66,103)
Subdivision Lines	-	29,478	(29,478)
Install Services	-	10,400	(10,400)
Phase 2C - Environmental/Engineering	-	38	(38)
Phase 2D - Environmental/Engineering	30,000	88,143	(58,143)
Phase 2D - Construction	1,200,000	-	1,200,000
Phase 2E - Environmental/Engineering	30,000	30,294	(294)
Phase 2C - Pipelines	-	85,450	(85,450)
Capital Equipment	90,000	66,496	23,504
District Vehicles	52,000	61,337	(9,337)
Fox Fire Project	1,000,000	38,716	961,284
Contingency	769,874	-	769,874
Total Expenditures	5,028,159	1,871,785	3,156,374
NET CHANGE IN FUNDS AVAILABLE	(1,936,593)	293,770	2,230,363
Funds Available - Beginning of Year	1,936,593	2,924,991	988,398
FUNDS AVAILABLE - END OF YEAR	$ -	$ 3,218,761	$ 3,218,761

LA PLATA ARCHULETA WATER DISTRICT
RECONCILIATION OF BUDGETARY BASIS (ACTUAL) TO
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION
YEAR ENDED DECEMBER 31, 2025

	Actual
NET CHANGE IN FUNDS AVAILABLE (BUDGETARY BASIS)	$ 293,770
Current Year Capital Outlay	476,455
Depreciation	(372,219)
Amortization of Prepaid Water	(332,889)
Amortization of Bond Premium	10,808
Principal Payments on Debt	402,483
Accrued Bond Interest - Change in Liability	2,151
CHANGE IN NET POSITION (GAAP BASIS)	$ 480,559