EAST CHERRY CREEK VALLEY
WATER AND SANITATION DISTRICT
Arapahoe County, Colorado

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEARS ENDED DECEMBER 31, 2025 AND 2024

EAST CHERRY CREEK VALLEY WATER AND SANITATION DISTRICT
TABLE OF CONTENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
East Cherry Creek Valley Water and Sanitation District
Arapahoe County, Colorado

Opinions

We have audited the accompanying financial statements of East Cherry Creek Valley Water and Sanitation District (the District), as of and for the years ended December 31, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the District as of December 31, 2025 and 2024, and the respective changes in financial position, and, where applicable, 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 (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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Fiscal Focus Partners, LLC

PO Box 740339, Arvada, CO 80006
303.202.1800 Office www.ffpcpa.com

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

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

Management is responsible for the other information (continuing disclosure annual financial information). Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Fiscal Focus Partners, LLC

Arvada, Colorado
March 31, 2026

The management of East Cherry Creek Valley Water and Sanitation District (the District) offers the readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the year ended December 31, 2025.

Financial Highlights

- Net position increased $10.6 million in 2025 (2.4%).
- Operating loss increased from $18.3 million in 2024 to $19.5 million in 2025, due to a decrease in water operating income and an increase in sewer operating expenses in 2025.
- Operating revenue increased $0.8 million (2.2%) from the prior year. Water consumption decreased by 9%.
- Total operating expenses, exclusive of depreciation, increased $2.2 million (5.0%) from 2024 to 2025. Selected individual expense items changed as follows: legal expenses increased $1.0 million (124.6%), repairs and maintenance increased $1.3 million (10.1%), and engineering and plan review expenses increased $0.2 million (12.0%) in 2025. These increases were partially offset by decreases in water operating expenses of $1.1 million (18.0%) and utilities of $0.3 million (7.0%) for the year ended December 31, 2025.
- Single family equivalents (SFEs) online for water service at year-end increased by 302 (1.3%) to 22,830 at year-end.
- Funds available (current assets, less deferred inflow of resources, less current liabilities exclusive of the current portion of long-term obligations and unspent loan proceeds) increased from $57.2 million to $58.9 million at December 31, 2025, an increase of $1.7 million (3.0%).

Overview of the Financial Statements

Management's discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The basic financial statements are comprised of Financial Statements and Notes to Basic Financial Statements. This report also contains other supplementary information and continuing disclosure annual financial information in addition to the basic financial statements themselves.

The financial statements of the District are presented as a special purpose government engaged only in business type activities - providing water and sewer utility services. They include the legally separate East Cherry Creek Valley Water and Sanitation District Water Activity Enterprise, Inc. (the Enterprise) as blended into the District's financial information since it is a component unit of the District.

The statements of net position present information on all of the District's assets plus deferred outflows of resources and liabilities plus deferred inflows of resources with the difference between the two reported as net position. Over time, increases or decreases in the net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statements of revenues, expenses, and changes in net position present information that reflects how the District's net position changed during the past year. All changes in the net position are reported as soon as the underlying event, giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenue and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods.

The statements of cash flows report the District's cash flows from operating, noncapital financing, capital, and investing activities.

Overview of the Financial Statements (Continued)

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

The supplementary information contained in this report provides a schedule of expenses, budget and actual information, debt service requirements and assessed valuation, mill levy and property tax information.

The continuing disclosure annual financial information is information required by the covenants of the Series 2015 bonds, the Series 2019A bonds, and the Series 2020 bonds, including a bond debt coverage calculation and annual operating data.

STATEMENT OF NET POSITION

	December 31,		
	2025	2024 (In thousands)	2023
Current Assets	$ 72,502	$ 68,684	$ 69,286
Capital Assets	463,675	460,241	469,129
Deferred Outflows of Resources	317	373	433
Total Assets and Deferred Outflows of Resources	536,494	529,298	538,848
Current Liabilities	14,810	12,504	11,256
Long-Term Obligations	67,314	73,005	80,293
Deferred Inflows of Resources	4,731	4,559	4,416
Total Liabilities and Deferred Inflows of Resources	86,855	90,068	95,965
Net Position:			
Net Investment in Capital Assets	390,987	382,060	383,859
Restricted	5,200	2,984	3,345
Unrestricted	53,453	54,186	55,679
Total Net Position	$ 449,640	$ 439,230	$ 442,883

The District's net position increased by $10.6 million during 2025 and decreased by $3.7 million during 2024. Capital assets increased by $3.4 million during 2025 and decreased by $8.9 million during 2024. The decrease in 2024 is due to depreciation of capital assets being greater than that year's infrastructure costs and due to the conveyance of capital assets to another entity. Current liabilities increased by $2.1 million during 2025 and by $1.2 million during 2024. Current assets net of current liabilities increased by $1.7 million in 2025 and decreased by $1.9 million in 2024. The "Funds Available" (current assets, less deferred inflow of resources, less current liabilities, exclusive of the current portion of long-term obligations and unspent loan proceeds) calculates to an amount of $58.9 million and $57.2 million for 2025 and 2024, respectively. The funds available of $58.9 million at December 31, 2025 are primarily available for future operations and capital outlay.

Overview of the Financial Statements (Continued)

CHANGES IN NET POSITION

	December 31,		
	2025	2024	2023
		(In thousands)	
Revenues			
Operating Revenue			
Water Services	$ 23,581	$ 23,814	$ 19,040
Sewer Services	13,164	12,114	11,547
Total Operating Revenues	36,745	35,928	30,587
Nonoperating Revenues			
Tax Revenue	4,802	4,679	4,377
Investment Income	2,111	2,447	2,482
Other	8,276	473	311
Contributions			
Sustainable Water Assurance Fees	8,197	7,421	7,467
Tap Fees and Storm Drainage Fees	3,257	5,153	4,118
Grants & Cash Contributions for Capital	2,758	1,438	1,382
Contributed Facilities from Developers	2,930	-	5,046
Total Revenues	69,076	57,539	55,770
Expenses			
Operating Expenses			
Water	28,453	26,383	21,689
Sewer	13,192	10,154	9,446
Storm Drainage	15	969	6
	41,660	37,506	31,141
General and Administrative	2,394	4,175	3,722
Depreciation and Amortization	12,401	12,576	12,392
Total Operating Expenses	56,455	54,257	47,255
Nonoperating Expense	2,211	2,454	2,723
Conveyance of Capital Assets	-	4,481	-
Total Expenses	58,666	61,192	49,978
Changes in Net Position	10,410	(3,653)	5,792
Net Position - Beginning of Year	439,230	442,883	437,091
Net Position - End of Year	$ 449,640	$ 439,230	$ 442,883

Operating revenues from the operation of the water and sewer utilities increased by $0.8 million in 2025, $5.3 million in 2024 and decreased by $2.0 million in 2023. The 2025 increase was related to an increase in sewer revenue, the 2024 increase was due to an increase in water consumption and the 2023 decrease was due to a decrease in water consumption. Investment income decrease in 2025 was related to a reduction in overall cash held in investments, in 2024 was consistent with the prior year and increased by $1.9 million in 2023. The increase in 2023 was due to a greater amount of cash on hand and increases in interest rates. Tap fee revenues increased by $1.0 million in 2024 and were consistent with the prior year in 2023.

Overview of the Financial Statements (Continued)

Changes in water operating expenses correlate to revenue. Water operating expenses increased $0.1 million (0.2%) in 2025, primarily due to increases in legal expenses, engineering and plan review expenses, and water services. This increase in 2025 was partially offset by decreases in operating expenses and utilities. Water operating expenses increased $4.7 million (21.6%) in 2024, primarily due to increases in utilities, operating expenses, and repairs and maintenance.

Sewer operating costs increased $2.6 million (25.3%) in 2025 compared to 2024, due to increased repairs and maintenance and sewage treatment costs. Sewer operating costs increased $0.7 million (7.5%) in 2024 compared to 2023, due to increased tap fees and utilities costs.

General and administrative expenses increased $0.5 million (12.0%) in 2025 and $0.5 million (12.2%) in 2024. Depreciation and amortization decreased $0.2 million in 2025 and increased $0.2 million in 2024. Nonoperating expenses decreased $0.2 million in 2025 and $0.3 million in 2024.

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. Capital contributions of facilities and depreciation are not reflected on the budget since they do not affect "funds available". State statutes require this budgetary accounting. Additionally, the budget includes the separation of the District from the Enterprise, under the joint resolution.

Capital Assets

The activity related to capital assets during 2025, 2024, and 2023 is as follows:

	December 31, 2024	Net Changes (In thousands)	December 31, 2025
Land and Easements	$ 14,657	$ -	$ 14,657
Projects in Progress	12,165	7,548	19,713
Water System:			
Water Rights	118,718	205	118,923
Water Facilities	419,286	6,741	426,027
Sewer System:			
Sewer Capacity	1,383	-	1,383
Sewer Facilities	65,966	1,316	67,282
Storm Drainage System	19,569	-	19,569
Office Building	12,418	-	12,418
Equipment	2,842	26	2,868
Total Assets	667,004	15,836	682,840
Accumulated Depreciation	(206,764)	(12,401)	(219,165)
Net Capital Assets	$ 460,240	$ 3,435	$ 463,675

Capital Assets (Continued)

	December 31, 2023	Net Changes (In thousands)	December 31, 2024
Land and Easements	$ 14,523	$ 134	$ 14,657
Projects in Progress	9,282	2,883	12,165
Water System:			
Water Rights	118,609	109	118,718
Water Facilities	419,800	(513)	419,286
Sewer System:			
Sewer Capacity	1,383	-	1,383
Sewer Facilities	66,677	(711)	65,966
Storm Drainage System	19,626	(57)	19,569
Office Building	12,418	-	12,418
Equipment	2,345	497	2,842
Total Assets	664,663	2,342	667,004
Accumulated Depreciation	(195,534)	(11,230)	(206,764)
Net Capital Assets	$ 469,129	$ (8,888)	$ 460,240

	December 31, 2022	Net Changes (In thousands)	December 31, 2023
Land and Easements	$ 14,523	$ -	$ 14,523
Projects in Progress	9,817	(535)	9,282
Water System:			
Water Rights	117,380	1,229	118,609
Water Facilities	407,837	11,963	419,800
Sewer System:			
Sewer Capacity	1,383	-	1,383
Sewer Facilities	64,684	1,993	66,677
Storm Drainage System	19,605	21	19,626
Office Building	12,190	228	12,418
Equipment	2,194	151	2,345
Total Assets	649,613	15,050	664,663
Accumulated Depreciation	(183,143)	(12,391)	(195,534)
Net Capital Assets	$ 466,470	$ 2,659	$ 469,129

In 2025, the District spent $1.3 million for well rehabilitation projects and $9.9 million on additional capital water projects.

Projects in process completed in 2025 include $1.8 million related to the Western Treatment Plant to South Booster Pump Station Pipeline, $1.9 million in well rehabilitation projects, $1.1 million in other water projects, and $0.3 million in sewer system projects.

In 2024, the District spent $1.5 million for well rehabilitation projects and $4.3 million on additional capital water projects.

Capital Assets (Continued)

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

Debt Administration

All scheduled debt service payments were made timely during 2025, 2024, and 2023.

Additional detail on the District's debt is in Note 5 of this report.

Economic and Other Factors

The District continues to emphasize conservation by maintaining mandatory watering schedules for its customers. Water consumption in 2025 decreased by approximately 305 million gallons (8.5%). Total water consumption was approximately 3,279 million gallons.

Request for Information

This report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

East Cherry Creek Valley Water and Sanitation District
6201 South Gun Club Road
Aurora, Colorado 80016

BASIC FINANCIAL STATEMENTS

EAST CHERRY CREEK VALLEY WATER AND SANITATION DISTRICT
STATEMENTS OF NET POSITION
DECEMBER 31, 2025 AND 2024

	2025	2024
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 53,298,741	$ 56,935,162
Accounts Receivable	8,854,638	3,921,322
Property Taxes Receivable	4,730,969	4,558,785
Prepaid Expenses	100,424	285,023
Inventories	317,384	-
Total Current Assets	67,302,156	65,700,292
RESTRICTED CURRENT ASSETS		
Cash and Cash Equivalents	5,199,988	2,983,996
Total Restricted Current Assets	5,199,988	2,983,996
CAPITAL ASSETS, NET	463,674,904	460,240,547
DEFERRED OUTFLOWS OF RESOURCES		
Cost of Debt Refunding, Net	317,059	372,872
Total Deferred Outflows of Resources	317,059	372,872
Total Assets and Deferred Outflows of Resources	$ 536,494,107	$ 529,297,707

See accompanying Notes to Basic Financial Statements.

EAST CHERRY CREEK VALLEY WATER AND SANITATION DISTRICT
STATEMENTS OF NET POSITION (CONTINUED)
DECEMBER 31, 2025 AND 2024

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	2025	2024
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	$ 3,474,873	$ 5,595,015
Deposits and Escrows	28,210	73,210
Accrued Interest Payable	345,140	408,411
Current Portion of Long-Term Obligations	6,081,393	5,548,417
Total Current Liabilities	9,929,616	11,625,053
CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS		
ACWWA Escrow	4,880,093	878,728
Total Current Liabilities Payable from Restricted Assets	4,880,093	878,728
LONG-TERM OBLIGATIONS	67,313,482	73,004,734
DEFERRED INFLOWS OF RESOURCES		
Deferred Property Tax Revenue	4,730,969	4,558,785
Total Deferred Inflows of Resources	4,730,969	4,558,785
NET POSITION		
Net Investment in Capital Assets	390,987,229	382,060,268
Restricted	5,199,988	2,983,996
Unrestricted	53,452,730	54,186,143
Total Net Position	449,639,947	439,230,407
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 536,494,107	$ 529,297,707

See accompanying Notes to Basic Financial Statements.

EAST CHERRY CREEK VALLEY WATER AND SANITATION DISTRICT
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
WATER OPERATIONS		
Water Income	$ 23,581,200	$ 23,813,900
Direct Water Expenses	(28,452,913)	(26,382,771)
Depreciation	(9,793,168)	(9,937,461)
Gross Loss from Water Operations	(14,664,881)	(12,506,332)
SEWER OPERATIONS		
Sewer Income	13,164,121	12,114,115
Direct Sewer Expenses	(13,192,077)	(10,153,624)
Depreciation	(1,479,520)	(1,454,981)
Gross Income (Loss) from Sewer Operations	(1,507,476)	505,510
DIRECT STORM DRAINAGE EXPENSES		
Direct Storm Drainage Expenses	(14,747)	(969,078)
Depreciation	(347,304)	(347,294)
Gross Loss from Direct Storm Drainage Expenses	(362,051)	(1,316,372)
TOTAL GROSS LOSS FROM OPERATIONS	(16,534,408)	(13,317,194)
GENERAL AND ADMINISTRATIVE EXPENSES	3,175,159	5,011,176
OPERATING LOSS	(19,709,567)	(18,328,370)
NONOPERATING REVENUES		
Property Taxes	4,551,625	4,419,209
Specific Ownership Taxes	249,825	260,131
Net Investment Income	2,110,615	2,447,367
Miscellaneous Income	8,276,233	472,634
Total Nonoperating Revenues	15,188,298	7,599,341
NONOPERATING EXPENSES		
Interest Expense	2,971,916	3,306,010
County Treasurer's Fees	68,364	70,021
Paying Agent Fees and Other Debt Related Expenses	1,225	3,731
Amortization of Debt Related Costs	(830,788)	(926,079)
Total Nonoperating Expenses	2,210,717	2,453,683
LOSS BEFORE CONTRIBUTIONS	(6,731,986)	(13,182,712)

See accompanying Notes to Basic Financial Statements.

EAST CHERRY CREEK VALLEY WATER AND SANITATION DISTRICT
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (CONTINUED)
YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
CAPITAL CONTRIBUTIONS AND TRANSFERS		
Sustainable Water Assurance Fees	$ 8,196,559	$ 7,421,159
Water Tap Fees	2,552,233	3,676,005
Sewer Tap Fees	616,632	840,102
Storm Drainage Fees	88,401	636,538
Grant	117,901	-
Contributed Facilities from Developers	2,929,853	-
Contributions for Capital Outlay	2,639,947	1,437,598
Conveyance of Capital Assets	-	(4,481,022)
Total Capital Contributions	17,141,526	9,530,380
CHANGE IN NET POSITION	10,409,540	(3,652,332)
Net Position - Beginning of Year	439,230,407	442,882,739
NET POSITION - END OF YEAR	$ 449,639,947	$ 439,230,407

See accompanying Notes to Basic Financial Statements.

EAST CHERRY CREEK VALLEY WATER AND SANITATION DISTRICT
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	$ 33,423,682	$ 37,541,241
Payments to Suppliers	(36,413,689)	(31,402,815)
Payments to Employees and Related Expenses	(9,503,329)	(8,770,707)
Net Cash Used by Operating Activities	(12,493,336)	(2,632,281)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Property Tax Collections for Operations	4,551,625	4,419,209
Specific Ownership Taxes	245,836	251,797
Settlement Proceeds	7,082,350	-
Miscellaneous Income	1,057,841	387,173
County Treasurer's Fees	(68,364)	(70,021)
Net Cash Provided by Noncapital Financing Activities	12,869,288	4,988,158
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Water Tap Fees	2,552,233	3,676,005
Sewer Tap Fees	616,632	840,102
Storm Drainage Fees	88,401	636,538
Sustainable Water Assurance Fee	8,196,559	7,421,159
Grants	117,901	-
Proceeds Placed in Escrow	4,943,212	131,250
Interest Earned on Escrow Accounts	37,621	40,238
Acquisition of Property, Plant, and Equipment, Net of Contributed Lines of $2,929,853 and $-0- in 2025 and 2024, Respectively	(12,905,160)	(8,168,684)
Cash Contributions for Capital	58,791	537,783
Lease Proceeds	85,042	85,461
Interest on Debt	(3,035,186)	(3,308,486)
Debt Principal Reduction	(4,661,817)	(6,202,754)
Paying Agent Fees and Other Expenses	(1,225)	(3,731)
Net Cash Used by Capital and Related Financing Activities	(3,906,996)	(4,315,119)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	2,110,615	2,447,367
Net Cash Provided by Investing Activities	2,110,615	2,447,367
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,420,429)	488,125
Cash and Cash Equivalents - Beginning of Year	59,919,158	59,431,033
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 58,498,729	$ 59,919,158

See accompanying Notes to Basic Financial Statements.

EAST CHERRY CREEK VALLEY WATER AND SANITATION DISTRICT
STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Loss	$ (19,709,567)	$ (18,328,370)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:		
Depreciation and Amortization	12,400,656	12,575,981
(Increase) Decrease in:		
Accounts Receivable, Net of Receivables Related to Financing Activities of $925,507 and $17,358 in 2025 and 2024, Respectively	(3,327,639)	1,605,666
Prepaid Expenses	184,599	79,386
Inventories	(317,384)	456,475
Increase (Decrease) in:		
Accounts Payable and Accrued Expenses	(1,730,001)	971,021
Customer Deposits	6,000	7,560
Net Cash Used by Operating Activities	$ (12,493,336)	$ (2,632,281)
NONCASH TRANSACTIONS		
Assets Contributed by Developers	$ 2,929,853	$ -
Conveyance of Capital Assets	$ -	$ 4,481,022
Security Deposit Withheld	$ 51,000	$ -

See accompanying Notes to Basic Financial Statements.

NOTE 1 DEFINITION OF REPORTING ENTITY

East Cherry Creek Valley Water and Sanitation District (the District), a quasi-municipal corporation and political subdivision of the state of Colorado, was organized by order and decree of the District Court on June 7, 1962, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District exists to provide water, sanitary sewer and storm drainage services to the East Cherry Creek Valley area of unincorporated Arapahoe County, Colorado. A portion of the District is included in the city of Centennial.

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

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

The East Cherry Creek Valley Water and Sanitation District Water Activity Enterprise, Inc. (the Enterprise), a Colorado nonprofit corporation, was established in 1998 as a "Water Activity Enterprise" pursuant to C.R.S. §§37-45.1-101, *et seq*. The District's Board of Directors serves as the Board of Directors for the Enterprise. Effective January 1, 2001, the Board adopted a Joint Resolution of the District and the Enterprise concerning the sharing of revenue between each entity, the responsibilities of each entity for the cost of operation and maintenance of facilities, administration costs, construction of new facilities, and the ownership of certain assets. Effective January 1, 2012, the Board adopted an Amended and Restated Joint Resolution which clarifies and redefines the responsibilities of each entity. On May 23, 2019, the Board formally recognized its water treatment and wastewater activities as a "Sewer Activity Enterprise" also pursuant to C.R.S. §§37-45.1-101, *et seq*. On December 11, 2025, the Board consolidated the Water Activity Enterprise and the Sewer Enterprise into a singular enterprise, the "ECCV Water and Sewer Activity Enterprise".

District management believes that the operations of the Enterprise also have qualified for the enterprise exclusion under TABOR (see Note 11). The Enterprise is considered a component unit of the District and blended in the District's financial statements. Separate financial statements of the Enterprise are not issued.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The accounting policies of the District conform to accounting principles generally accepted in the United States of America 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.

Basis of Accounting

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

Operating Revenues and Expenses

The District distinguishes between operating revenues and expenses and nonoperating items in the statements of revenue, expenses, and changes in net position. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the District's purpose of providing water, sanitation and storm drainage services to its customers. Operating revenues consist of charges to customers for services provided. Operating expenses include the cost of services, 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, including the Enterprise, 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.

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. Investment earnings are allocated periodically to the participating entities based upon each entity's average equity balance in the total cash and investments.

Cash Equivalents

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventories

Inventories are valued at the lower of either cost or market, using the first-in, first-out method.

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 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 inflow of resources in the year they are levied and measurable. The unearned property tax revenues are recorded as revenue in the year they are available or collected.

Capital Assets

Capital assets, which include land, water rights, buildings, distribution and collection systems and machinery 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 or at the developer's cost.

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 estimated economic useful lives:

Buildings	10 to 30 Years
Distribution and Collection Systems	10 to 50 Years
Machinery and Equipment	3 to 10 Years
Treatment Plants	20 to 50 Years

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tap Fees and Contributed Lines

Tap fees are recorded as capital contributions in the period in which they are received or become collectible. Under the District's policy, developers are required to pay for the equivalent cost of certain water lines previously constructed by the District to serve the developers' property as actual development begins. Water and sewer lines contributed to the District by developers are recorded as capital contributions and additions to the systems at the developers' cost or at estimated fair market value when received. The District records the contributions at the time the lines are conveyed to the District for final acceptance. Payments to other governments for the construction of capital infrastructure that will benefit the District but not be owned, operated or maintained by the District are recorded as an expense.

Water Rights and Sewer Capacity Rights

Water rights are being amortized over one hundred years, and sewer capacity rights are being amortized over 30 to 100 years. The cost of water rights includes acquisition cost, legal and engineering costs related to the development and augmentation of those rights. Certain water rights to renewable water resources have a perpetual life and are not amortized. All other costs, including costs incurred for the protection of water rights, are expensed.

Special Projects and Planning

The Board has elected to capitalize certain legal, engineering, and other costs of projects that are of benefit to the District over a period of time. These costs are being amortized over ten years on a straight-line basis.

Amortization of Original Issue Premium

Debt premiums are amortized over the respective terms of the debt using the effective interest method. The amortization amount is a component of interest expense.

Amortization of Cost on Debt Refunding

The deferred cost on debt refunding is being amortized using the effective interest method over the life of the new debt. The amortization amount is a component of interest expense.

Leases

The District determines if an arrangement is a lease at inception. Leases are included as right-to-use assets in capital assets and as leases payable in noncurrent liabilities in the Statement of Net Position.

Lease assets represent the District's control of the right to use an underlying asset for the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease assets are recognized at the commencement date based on the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. Lease assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

Lease liabilities represent the District's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of expected lease payments over the lease term, and less any lease incentives. Interest expense is recognized ratably over the contract term.

The lease term may include options to extend or terminate the lease when it is reasonably certain that the District will exercise that option.

The District has elected to recognize payments for short-term leases with a lease term of 12 months or less as expenses as incurred, and these leases are not included as lease liabilities or right-to-use lease assets on the statements of net position. For individual lease contracts where information about the discount rate implicit in the lease is not included, the District has elected to use the incremental borrowing rate to calculate the present value of expected lease payments.

Compensated Absences

The District's employees are entitled to certain compensated absences based on their length of employment. Compensated absences are accrued when incurred in the financial statements.

The District has accrued $390,141 and $459,070 as of December 31, 2025 and 2024, respectively, for future payment of this earned leave.

Deferred Outflow/Inflow of Resources

In addition to assets, the statements of net position report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources,* represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *cost of debt refunding,* is deferred and recognized as an outflow of resources in the period that the amount is incurred.

In addition to liabilities, the statements of net position report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net position that applies to a future period 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, *deferred property tax revenue,* is deferred and recognized as an inflow of resources in the period that the amount becomes available.

Equity

Net Position

For presentation purposes when both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 and 2024 are classified in the accompanying financial statements as follows:

	2025	2024
Statement of Net Position:		
Cash and Cash Equivalents	$ 53,298,741	$ 56,935,162
Cash and Cash Equivalents - Restricted	5,199,988	2,983,996
Total Cash and Investments	$ 58,498,729	$ 59,919,158

Cash and investments as December 31, 2025 and 2024 consist of the following:

	2025	2024
Deposits with Financial Institutions	$ 12,380,865	$ 10,328,062
Investments	46,117,864	49,591,096
Total Cash and Investments	$ 58,498,729	$ 59,919,158

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.

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Deposits with Financial Institutions (Continued)

At December 31, 2025 and 2024, the District's cash deposits had a bank balance of $14,025,629 and $10,648,716, respectively; and a carrying balance of $12,380,865 and $10,328,062, respectively.

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 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 December 31, 2025 and 2024, the District had the following investments:

Investment	Maturity	2025	2024
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted-Average Under 60 Days	$ 46,117,864	$ 49,591,096

COLOTRUST

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all state statutes governing the Trust. The Trust currently offers three portfolios – COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE.

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

COLOTRUST (Continued)

COLOTRUST PRIME and COLOTRUST PLUS+ operate similarly to a money market fund; each share is equal in value to $1.00 and offers daily liquidity. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

COLOTRUST EDGE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a $10.00 transactional share price. COLOTRUST EDGE 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 the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST PRIME and COLOTRUST PLUS+ are rated AAAm by Standard & Poor's. COLOTRUST EDGE is rated AAAf/S1 by FitchRatings. COLOTRUST records its investments at fair value, and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.

Restricted cash included Emergency Reserves as required by Article X, Section 20 of the Constitution of the State of Colorado (see Note 11).

Restricted cash also included monies held by escrow or the District for future debt service payments and capital projects.

As of December 31, 2025 and December 31, 2024, the District had the following restricted cash balances:

Restricted Cash and Cash Equivalents:	2025	2024
TABOR Emergency Reserves	$ 152,300	$ 169,800
Water Revenue 2004 Bond	-	484,081
Capital Projects	5,047,688	2,330,115
Total Restricted Cash and Cash Equivalents	$ 5,199,988	$ 2,983,996

NOTE 4 CAPITAL ASSETS

An analysis of the changes in capital assets for the years ended December 31, 2025 and December 31, 2024 follows:

	2025			
	Balance at December 31, 2024	Increases	Decreases	Balance at December 31, 2025
Capital Assets, Not Being Depreciated:				
Land	$ 1,327,555	$ -	$ -	$ 1,327,555
Easements	13,330,157	-	-	13,330,157
Water Rights	88,969,897	205,100	-	89,174,997
Construction in Progress	12,164,720	12,658,332	5,110,698	19,712,354
Total Capital Assets, Not Being Depreciated	115,792,329	12,863,432	5,110,698	123,545,063
Capital Assets, Being Depreciated:				
Water Rights and Leases	29,747,765	-	-	29,747,765
Sewer Capacity Rights	1,382,760	-	-	1,382,760
Water System	419,283,292	6,741,064	-	426,024,356
Sewer System	65,964,951	1,316,187	-	67,281,138
Storm Drainage	19,569,948	-	-	19,569,948
Buildings	12,418,153	-	-	12,418,153
Office and Field Equipment	2,845,326	25,028	-	2,870,354
Total Capital Assets, Being Depreciated	551,212,195	8,082,279	-	559,294,474
Less Accumulated Depreciation for:				
Water Rights and Leases	8,917,568	282,017	-	9,199,585
Sewer Capacity Rights	771,103	19,834	-	790,937
Water System	157,689,748	9,511,151	-	167,200,899
Sewer System	25,028,409	1,459,686	-	26,488,095
Storm Drainage	8,550,789	347,304	-	8,898,093
Buildings	3,818,012	570,918	-	4,388,930
Office and Field Equipment	1,988,348	209,746	-	2,198,094
Total Accumulated Depreciation	206,763,977	12,400,656	-	219,164,633
Total Capital Assets, Being Depreciated, Net	344,448,218	(4,318,377)	-	340,129,841
Capital Assets, Net	$ 460,240,547	$ 8,545,055	$ 5,110,698	$ 463,674,904

NOTE 4 CAPITAL ASSETS (CONTINUED)

	2024			
	Balance at December 31, 2023	Increases	Decreases	Balance at December 31, 2024
Capital Assets, Not Being Depreciated:				
Land	$ 1,193,295	$ 134,260	$ -	$ 1,327,555
Easements	13,330,157	-	-	13,330,157
Water Rights	88,860,925	108,972	-	88,969,897
Construction in Progress	9,281,291	7,547,975	4,664,546	12,164,720
Total Capital Assets, Not Being Depreciated	112,665,668	7,791,207	4,664,546	115,792,329
Capital Assets, Being Depreciated:				
Water Rights and Leases	29,747,765	-	-	29,747,765
Sewer Capacity Rights	1,382,760	-	-	1,382,760
Water System	419,797,519	2,313,849	2,828,076	419,283,292
Sewer System	66,676,069	2,231,437	2,942,555	65,964,951
Storm Drainage	19,627,051	-	57,103	19,569,948
Buildings	12,418,153	-	-	12,418,153
Office and Field Equipment	2,348,589	496,737	-	2,845,326
Total Capital Assets, Being Depreciated	551,997,906	5,042,023	5,827,734	551,212,195
Less Accumulated Depreciation for:				
Water Rights and Leases	8,635,551	282,017	-	8,917,568
Sewer Capacity Rights	751,269	19,834	-	771,103
Water System	148,660,736	9,655,444	626,432	157,689,748
Sewer System	24,303,835	1,435,147	710,573	25,028,409
Storm Drainage	8,203,495	347,294	-	8,550,789
Buildings	3,258,320	569,399	9,707	3,818,012
Office and Field Equipment	1,721,502	266,846	-	1,988,348
Total Accumulated Depreciation	195,534,708	12,575,981	1,346,712	206,763,977
Total Capital Assets, Being Depreciated, Net	356,463,198	(7,533,958)	4,481,022	344,448,218
Capital Assets, Net	$ 469,128,866	$ 257,249	$ 9,145,568	$ 460,240,547

Depreciation expense for the years ended December 31, 2025 and December 31, 2024 was charged to the following:

	2025	2024
Water	$ 9,793,168	$ 9,937,461
Sewer	1,479,520	1,454,981
Storm Drainage	347,304	347,294
General and Administrative	780,664	836,245
Total	$ 12,400,656	$ 12,575,981

NOTE 5 LONG-TERM OBLIGATIONS

The following is an analysis of the changes in the District's long-term obligations for the years ended December 31, 2025 and December 31, 2024:

	2025				
	Balance December 31, 2024	Additions	Reductions	Balance December 31, 2025	Amounts Due Within One Year
Bonds Payable:					
2015 Water Refunding:					
Bonds	$ 29,125,000	$ -	$ 1,980,000	$ 27,145,000	$ 2,080,000
Bond Premium	1,383,341	-	207,062	1,176,279	190,576
2019 Water Improvement:					
Bonds	18,265,000	-	845,000	17,420,000	865,000
Bond Premium	1,990,344	-	210,356	1,779,988	204,802
2020 Water Refunding:					
Bonds	19,750,000	-	1,360,000	18,390,000	1,425,000
Bond Premium	3,112,043	-	469,182	2,642,861	434,182
Subtotal Bonds Payable	73,625,728	-	5,071,600	68,554,128	5,199,560
Notes/Loans/Bonds From Direct Borrowings and Direct Placement:					
2004 Subordinate Water:					
Exchange Bonds	59,637	-	-	59,637	-
2019 Lease Purchase Agreement	4,867,786	-	476,817	4,390,969	491,692
Subtotal Notes/Loans/Bonds From Direct Borrowings and Direct Placement	4,927,423	-	476,817	4,450,606	491,692
Other Liabilities:					
Compensated Absences	459,070	465,301	534,230	390,141	390,141
Total Long-Term Obligations	$ 79,012,221	$ 465,301	$ 6,082,647	$ 73,394,875	$ 6,081,393

	2024				
	Balance December 31, 2023	Additions	Reductions	Balance December 31, 2024	Amounts Due Within One Year
Bonds Payable:					
2015 Water Refunding:					
Bonds	$ 31,015,000	$ -	$ 1,890,000	$ 29,125,000	$ 1,980,000
Bond Premium	1,606,139	-	222,798	1,383,341	207,062
2019 Water Improvement:					
Bonds	19,070,000	-	805,000	18,265,000	845,000
Bond Premium	2,212,457	-	222,113	1,990,344	210,356
2020 Water Refunding:					
Bonds	21,040,000	-	1,290,000	19,750,000	1,360,000
Bond Premium	3,614,126	-	502,083	3,112,043	469,182
Subtotal Bonds Payable	78,557,722	-	4,931,994	73,625,728	5,071,600
Notes/Loans/Bonds From Direct Borrowings and Direct Placement					
2004 Subordinate Water:					
Exchange Bonds	1,815,000	-	1,755,363	59,637	-
2019 Lease Purchase Agreement	5,330,177	-	462,391	4,867,786	476,817
Subtotal Notes/Loans/Bonds From Direct Borrowings and Direct Placement	7,145,177	-	2,217,754	4,927,423	476,817
Other Liabilities:					
Compensated Absences	230,021	636,090	407,041	459,070	-
Total Long-Term Obligations	$ 85,932,920	$ 636,090	$ 7,556,789	$ 79,012,221	$ 5,548,417

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

The detail of the District's bonds payable is as follows:

Subordinate Water Revenue Exchange Bonds, Series 2004, dated May 6, 2004, in the original amount of $26,793,000 mature on November 15, 2023, with an interest rate of 3.00% to December 31, 2009, and 5.00% from January 1, 2010, and thereafter, payable annually on November 15. The bonds are subject to early redemption, at the option of the Enterprise or the District, on any date without redemption premium. The bonds are also subject to mandatory redemption on any interest payment date, without redemption premium, to the extent of available revenue pledged to the payment of the bonds in excess of the amount of interest then due on the bonds. These bonds are limited, subordinate lien obligations of the Enterprise on behalf of the District payable solely from the portion of the Net Revenues comprising an amount equal to 40% of water tap fees collected by the Enterprise or the District. Any outstanding interest not paid on each November 15 compounds annually on each interest payment date at the interest rate then borne by the bonds. The bonds constitute an irrevocable lien on the Net Revenues, which is subordinate to the lien thereon of the Senior Bonds.

The actual amounts of principal and interest payments to be made in the future will depend on future water tap fee revenue and cannot be predicted with certainty. The District's 2026 budget does not contemplate a principal payment.

The occurrence or existence of any one or more of the following events shall be an Event of Default:

(a) payment of the principal of any Bond is not made when due;
(b) payment of the interest on any Bond is not made when due;
(c) the Enterprise or the District defaults in the performance of the following covenants:
    a. to maintain the System as an enterprise and as a water activity enterprise;
    b. to maintain a minimum water tap fee of $15,000;
    c. shall not amend or supplement the Joint Resolution or adopt or enter into other resolutions, agreements or documents which would reduce the amount of various rates, fees, tolls, or charges imposed by the Joint Resolution or materially adversely affect the amount which would otherwise be credited to the Subordinate Bond Account; or
(d) the District or the Enterprise files a petition under the federal bankruptcy laws or other applicable bankruptcy laws.

Water Revenue Refunding Bonds, Series 2015, dated August 19, 2015, were issued in the original amount of $41,885,000 with interest of 3.00% to 5.00%, consisting of serial bonds issued in the amount of $31,195,000 due November 15, 2032 and term bonds issued in the original amount of $10,690,000 due November 15, 2035. The serial bonds maturing on and after November 15, 2026, are subject to redemption prior to maturity at the option of the District without premium.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

The bonds were issued by the Enterprise, on behalf of the District, as authorized by the 2015 Joint Bond Resolution. The bonds were issued for the purpose of currently refunding and redeeming the 2005 Loan Agreement, of which $45,280,000 was outstanding.

The Series 2015 Bonds are special limited revenue obligations of the Enterprise, on behalf of the District, and are payable solely from Net Revenue, on parity with the Outstanding Senior Bonds. The District and the Enterprise covenant that rates and fees may not be lowered or reduced for so long as the bonds are outstanding. In addition, the Enterprise must maintain a coverage factor of 110% of Net Revenues in excess of the annual debt service payment. During 2024 and 2025, the District was in substantial compliance with its bond covenants.

Water Revenue Improvement Bonds, Series 2019A, dated October 31, 2019, were issued in the original amount of $21,895,000 with interest of 2.25% to 5.00%, due November 15 annually through 2040, and with interest due May 15 and November 15, commencing May 15, 2020. The bonds maturing on and after November 15, 2030, are subject to redemption prior to maturity at the option of the District without premium.

The bonds were issued by the Enterprise, on behalf of the District, as authorized by the 2019 Joint Bond Resolution. The bonds were issued for the purpose of expanding the public infrastructure.

The Series 2019A Bonds are special limited revenue obligations of the Enterprise, on behalf of the District, and are payable solely from Net Revenue, on parity with the Outstanding Senior Bonds, and any other Additional Parity Obligations. The District and the Enterprise covenant that rates and fees may not be lowered or reduced for so long as the bonds are outstanding. In addition, the Enterprise must maintain a coverage factor of 125% of Net Revenues in excess of the annual debt service payment. During 2024 and 2025, the District was in substantial compliance with its bond covenants.

Water Revenue Bonds, Series 2020, dated May 28, 2020, were issued in the original amount of $22,745,000 with interest rates ranging from 2.0% to 5.0%, payable semiannually on May 15 and November 15 each year, commencing on November 15, 2020. The bonds consist of serial bonds due November 15 annually through 2040. The bonds maturing on and after November 15, 2030, are subject to redemption prior to maturity at the option of the District without redemption premium.

Proceeds from the sale of the bonds were used to (i) refund the Variable Rate Water Revenue Refunding Bonds, Series 2009A and the Taxable Water Revenue Bonds (Build America Bonds - Direct Payment), Series 2010B; and (ii) pay the costs of issuance of the bonds.

The bonds were issued by the District acting by and through its Water Activity Enterprise on parity with the Outstanding Senior Bonds and any other Additional Parity Obligations. The 2020 Bonds are payable solely from Net Revenue derived from the operation and use of the Water System.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

So long as any 2020 Bonds are outstanding, the District and the Enterprise covenant to maintain all rates, fees, tolls and charges furnished by the Water System to generate Net Revenue in an amount equal to not less than 125% of the amount necessary to pay when due the principal of and interest on the Outstanding Senior Bonds coming due during such Fiscal Year.

Events of Default Relating to the 2015 Bonds, the 2019A Bonds, and the 2020 Bonds. The occurrence of any one or more of the following events shall constitute an Event of Default:

(a) payment of principal on any of the Senior Bonds is not made when due and payable;
(b) payment of interest on any of the Senior Bonds is not made when due and payable;
(c) defaults in the punctual performance of the covenants contained in any Outstanding Senior Bonds;
(d) a petition in bankruptcy is filed by or against the Enterprise or the District.

Acceleration of any of the Senior Bonds is not an available remedy for any default or Event of Default.

Lease Purchase Agreement, dated May 14, 2019, the District entered into a Lease Purchase Agreement (Lease) with Vectra Bank Colorado, a division of Zions Bancorporation (Lessor), to fund building expansion, shop building, furnishings, parking, storm drainage, and other miscellaneous items at the District's main office campus. The interest rate on the lease purchase is 3.12% for up to $6,500,000. The term of the agreement is 15 years with no prepayment penalty. Annual principal payments begin November 1, 2019 through November 1, 2033; semiannual interest payments begin November 1, 2019 and, on each May 1 and November 1 thereafter until maturity.

The Lease is structured as a draw-down Lease. Draws can be made once per month, preferably in a minimum amount of at least $100,000, over the next three years. Interest accrues at the date of each draw.

As of December 31, 2022, the District had drawn $6,500,000.

Events of Default Relating to the 2019 Lease. The occurrence of any one or more of the following events shall constitute an Event of Default:

(a) failure to pay any Base Rentals or Additional Rentals when the same become due and payable;
(b) failure to observe and perform any covenant, condition or agreement to be observed or performed for a period of 45 days after written notice of failure and requesting remedy;
(c) failure to reinstate insurance within 10 business days after written notice of failure and requesting remedy;

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

(d) any representation or warranty made by the District that proves to be untrue in any material respect or materially misleading: or
(e) a petition in bankruptcy is filed by or against the District.

Upon an event of default, the Lessor may immediately take possession of the Leased Property with or without terminating the Lease.

Debt Maturities

The District's long-term obligations, excluding the Subordinate Water Revenue Exchange Bonds, Series 2004, will mature as follows:

Year Ending December 31,	Principal	Interest	Total
2026	$ 4,861,692	$ 2,834,299	$ 7,695,991
2027	5,087,034	2,621,257	7,708,291
2028	5,277,853	2,420,888	7,698,741
2029	5,514,167	2,189,324	7,703,491
2030	5,730,990	1,974,502	7,705,492
2031 - 2035	31,619,233	5,796,993	37,416,226
2036 - 2040	9,255,000	1,139,400	10,394,400
Total Payments	$ 67,345,969	$ 18,976,663	$ 86,322,632

Debt Authorization

At December 31, 2025, the authorized unissued general obligation debt of the District from elections held in 1977 and 1981 totaled $14,599,393. The District's ability to issue its remaining authorized debt may be limited by judicial interpretation as a result of Article X, Section 20 of the Constitution of the State of Colorado (see Note 11).

NOTE 6 NET POSITION

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

Net investment in capital assets consists 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 and December 31, 2024, the District had net investment in capital assets, calculated as follows:

	2025	2024
Net Investment in Capital Assets:		
Capital Assets, Net	$ 463,674,904	$ 460,240,547
Current Portion of Long-Term Obligations	(5,691,252)	(5,548,417)
Cost of Debt Refunding, Net	317,059	372,872
Noncurrent Portion of Long-Term Obligations	(67,313,482)	(73,004,734)
Net Investment in Capital Assets	$ 390,987,229	$ 382,060,268

NOTE 6 NET POSITION (CONTINUED)

Restricted assets include net position that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had restricted net position as of December 31, 2025 and December 31, 2024 as follows:

	2025	2024
Restricted Net Position:		
Debt Service	$ -	$ 484,081
Capital Projects	5,047,688	2,330,115
Emergencies	152,300	169,800
Total Restricted Net Position	$ 5,199,988	$ 2,983,996

The District’s unrestricted net position as of December 31, 2025 and December 31, 2024 is $53,452,730 and $54,186,143, respectively.

NOTE 7 INTERGOVERNMENTAL AGREEMENTS

Sewage Treatment – City of Aurora

The District has contracted since 1976 with the City of Aurora (City) for all sewage treatment services and to pay the City a portion of the costs to increase the size of certain sewer mains in exchange for future rights to capacity in these mains. Under the agreement, the District was charged sewage treatment cost by the City in the amount of $9,643,195 and $8,545,264 for 2025 and 2024, respectively.

The District has agreed to pay the City an amount equal to 15% of the sewer tap fee being charged by the City at a time a sewer tap is connected. The District paid $93,332 and $134,642 in 2025 and 2024, respectively, to the City for tap connections.

On March 25, 2011, the District amended the agreement (2011 Agreement) with the City in regard to the appropriate amount of charges to be levied on a monthly basis for the transportation of sanitary sewage from the District and the sum of money due to the City from the District for capital infrastructure investments by the City. The 2011 Agreement establishes the base rate to be $3.44 per thousand gallons of sanitary sewage based on calculations set forth in the agreement, effective July 1, 2010.

In a Memorandum dated August 1, 2012, the District and City agreed to additional projects pursuant to the 2011 Agreement where the District’s estimated costs of the additional projects was $5,031,646. Payment terms were agreed to which required the payments to be completed by the District by August 1, 2012.

NOTE 7 INTERGOVERNMENTAL AGREEMENTS (CONTINUED)

Sewage Treatment – City of Aurora (Continued)

On April 24, 2025, the District entered into a Master Sewer Agreement (MSA) with the City which consolidates several prior sanitary sewer agreements into one agreement. The MSA sets capacity allocation and flow limits on shared components with the City's and the District's sanitary sewer systems and allocates the cost of expansions and upsizes to shared components required when such limits are exceeded. The MSA maintains the 15% administrative fee paid to the City for each sewer tap the District collects and requires the District to maintain a sewer tap fee equal or greater than the sewer tap fee charged by the City. The MSA establishes the base rate at $6,485 per million gallons of estimated flows, and limits adjustments to the base rate to no more than once per year, which must be the same percentage as rate changes adopted by the District for sanitary sewer service for its residents.

Future capital infrastructure improvements have been planned. The timing of the construction of these projects will be determined by future development and need for sewage capacity.

Water Storage – City of Aurora

On November 10, 1994, the District executed an agreement with the City of Aurora (City) that permits the District to place up to 3,500-acre feet of water in Aurora Reservoir and to exchange that water, less system and evaporative losses, for treated water from the Aurora system.

On May 7, 2007, the District executed an agreement with the City in which the District will provide water primarily for irrigation use in the raw water systems at the Eagle Bend and Blackstone golf courses to satisfy the water taken from the Aurora system. This agreement shall be effective for 15 years after which the agreement will automatically renew annually. During 2025 and 2024, no water was delivered to the golf courses.

The District and City entered into the 2021 Recognition of Satisfaction and Understanding of Settlement of Intergovernmental Water Delivery Agreements (Recognition) with the City on August 30, 2021, the effective date. The Recognition acknowledges that as of the effective date 1) the District has satisfied its entire obligation to the City with regard to water owed under the 1994 agreement, 2) the remaining amount of raw water owed to the City by the District in exchange for deliveries of treated water by the City is 55.57 acre feet (True-Up Amount) and 3) the District has no further obligation to deliver water to the City through the Western Pipeline and SBLC Pipeline under the 2007 agreement. The agreement further stipulates that payment from the District in the amount of $71,163 which was due to the City within 30 days of the effective date satisfied the True-Up Amount.

Intergovernmental Agreements – ACWWA

On December 15, 2009, the District entered into an intergovernmental agreement (IGA) with Arapahoe County Water and Wastewater Authority (ACWWA) and United Water and Sanitation District (United). The intent of the IGA is to provide ECCV and ACWWA an integrated system for the diversion, accretion, collection, storage, transmission and treatment of each party's water rights.

NOTE 7 INTERGOVERNMENTAL AGREEMENTS (CONTINUED)

Intergovernmental Agreements – ACWWA (Continued)

ACWWA has acquired a capacity easement from ECCV for the purpose of providing water services to its customers. Additionally, ECCV was obligated to begin construction on the reverse osmosis plant (RO Plant) when ACWWA deposited $7,320,000 and United has deposited $14,000,000 into separate escrow accounts. Construction began in September 2010 and was completed in 2013. In consideration of the $7,320,000, ACWWA holds a capacity easement for the treatment of 2.25 mgd of fixed capacity in the RO Plant.

The District conveyed to ACWWA a capacity easement for the use of 3.5 mgd fixed capacity in the existing Northern Pipeline at a cost of $5,250,000. ACWWA had a fixed capacity of 1.75 mgd, resulting in a total of 5.25 mgd fixed capacity.

The District conveyed to ACWWA an easement for 2.25 mgd of fixed capacity in the Pump Station serving the Northern Pipeline at a cost of $3.375 million. Additionally, ACWWA shall have an option to purchase an additional 3.0 mgd of fixed capacity at such time the capacity of the RO Plant is expanded based on a pro rata share of the expansion of the Pump Station.

On April 18, 2024, the District entered into a water lease agreement effective April 1, 2024 with ACWWA. Under this agreement, the District may purchase up to 700-acre feet from the South Platte River at $50 per acre foot for a maximum annual payment of $35,000. The District did not take delivery of any water under this lease agreement. The lease expired on March 31, 2025.

Operations and Maintenance Agreement – ACWWA

On December 15, 2009 the District and ACWWA entered into an Agreement for Operations and Maintenance of the Northern Project (O&M Agreement). The intent of the Agreement is that the costs of existing facilities are itemized and that the total cost of new construction, upgrade, relocation or repair of all facilities will be apportioned between the parties of the agreement based on the available capacity in acre feet per year ("Available Capacity") of each party in the facilities to be constructed, upgraded, relocated or repaired. The intent of the Agreement is that the operational cost for all facilities will be based on actual cost, with a surcharge of 4%, apportioned by either (a) Available Capacity for some cost items, or (b) for other cost items the amount of water delivered as determined by the Board of Directors, both based on reasonable standards, i.e., chemicals and utilities would be based on percentage of water usage. Plant employee costs would be based on percentage of Available Capacity.

The O&M Agreement was amended on October 12, 2011, January 12, 2017, April 30, 2018, and March 27, 2025.

The Fourth Amendment dated March 27, 2025 added provisions to address the Northern Water Treatment Plant (NWTP) Phase 2B improvements. The total estimated cost to construct the NWTP improvements are estimated to be $12,544,803. In the event ancillary costs are required, the agreement stipulates that ACWWA will reimburse the District for 26.25% of the ancillary costs.

NOTE 7 INTERGOVERNMENTAL AGREEMENTS (CONTINUED)

Operations and Maintenance Agreement – ACWWA (Continued)

In anticipation of the construction costs, ACWWA agreed to deposit $3,293,011 with the District. The District anticipates funding $9,251,792 of the construction costs for the NWTP improvements. Upon completion of the project, a final accounting will be provided to ACWWA by the District to ensure the appropriate funding levels were achieved.

Western Pipeline Sale

On October 21, 2014, the District sold its Western Pipeline and State Land Board Pipeline to the City and County of Denver acting by and through its Board of Water Commissioners (Denver Water), and the South Metro WISE Authority (WISE) for $34,000,000. As a result, Denver Water owns 15% of the pipeline and WISE owns 85%. The District retained ownership of Reserved Capacity (8 MGD) of the Western Pipeline but does not hold or retain any interest in the physical assets, right-of-ways, licenses, or easements. The pipelines can be used as part of the system to deliver water received by WISE or used by Denver Water for the conveyance of water for use in its water delivery system. Concurrent with this sale these three parties also executed the Agreement Regarding Modifications to Shared Infrastructure (Modification Agreement) and the Agreement for the Operations of Shared Infrastructure (Operating Agreement).

The Modification Agreement was entered into on October 21, 2014 – see Western Pipeline Sale. This Agreement provides details relating to shared facilities that will be constructed to make the pipeline suitable for joint-use (Modifications). The District paid $3,304,980 towards the Modifications. The modifications were completed in 2015.

The Operating Agreement was entered into on October 21, 2014. This Agreement provides details relating to the joint ownership and use of certain facilities in order to provide water service to the City's customers and, in the case of WISE, providing water transmission and delivery for the benefit of its members. The three parties shall share operation, maintenance and capital costs related to the shared facilities as set forth in Section 6 of the Operating Agreement.

It is anticipated that the parties will enter into further agreements regarding the maintenance of the infrastructure, management of water rights, and other matters, including an operation agreement between the District and WISE.

NOTE 7 INTERGOVERNMENTAL AGREEMENTS (CONTINUED)

Letter Agreement

In furtherance of the Operating Agreement, the parties entered in the Quebec Street Water Treatment Plant Expansion Letter Agreement (Letter Agreement) on August 17, 2022 to design and install a third pressure vessel, including, but not limited to, all necessary installation and configuration of control valves, piping and metering components, electrical installation, programmable logic controller programming, and interface configuration (Project). The District will contract for the completion of the final design for the Project and purchase a third pressure filter to be provided to the contractor for the Project for installation. The District will oversee the completion of the Project installation and agrees to consult with WISE and Denver Water during the design and installation phases. The estimated cost of the Project is $1.4 million. The parties agree to share total Project costs based on the cost sharing and maintenance responsibilities set forth in the Operating Agreement. The Project was completed on January 13, 2024. WISE owns and operates the Project as part of the Filter Plant in accordance with the Operating Agreement.

Emergency Interconnect Agreement

On August 27, 2014, the District entered into Agreement with the City and County of Denver acting by the through its Board of Water Commissioners (Denver Water), in which Denver Water agrees to allow ECCV to make physical interconnections with Denver Water's water system to allow Denver Water's water to be delivered to the District on an emergency basis. The interconnection shall only be used in the event of an emergency, and if Denver Water is capable of providing water service. An emergency for the purposes of this Agreement is a main break, pump, motor, power, or other system failure which causes partial or total inability of the District's system to provide fire protection or municipal service.

The Agreement had a term of five years. At the end of five years, this Agreement shall automatically be extended for additional one-year periods unless terminated in writing at least 60 days prior to the automatic extension.

The District shall pay Denver Water for all water delivered through the emergency interconnection at Denver Water's then current treated water service rate for customers outside Denver Water's service area Water Supply Agreement.

Water Lease Agreement – Town of Erie

In November 2024, the District entered into a water lease agreement effective January 1, 2025 with the town of Erie (Erie). Under this agreement, the District may purchase up to 357-acre feet from the Northern Colorado Water Conservancy District at $366 per acre foot for a maximum annual payment of $130,662. In January 2025, the lease was amended to allow an additional purchase of up to 200-acre feet of surplus water during the lease term. The water leased under this agreement may be used for augmentation or replacement uses only. The lease expired on March 31, 2025.

NOTE 7 INTERGOVERNMENTAL AGREEMENTS (CONTINUED)

Water Lease Agreement – Town of Erie (Continued)

In October 2025, Erie and the District entered into a Water Lease which included a commitment from the District to lease a total volume of at least 150 acre-feet of Windy Gap Reuse water during the period from November 1 to December 31, 2025 at the rate of $366/square acre-foot for a total payment of $54,900. The agreement also provided for the option of the District to lease surplus water that may become available from January 1, 2026 through March 31, 2026. Erie was required to notify the District no later than December 29, 2025 if surplus water will be available.

NOTE 8 COMMITMENTS AND CONTINGENCIES

Water Supply Agreement

The District entered into a Water Supply Agreement with Farmers Reservoir and Irrigation Company (FRICO) and the United Water and Sanitation District (United) on December 18, 2003 and amended and restated on May 25, 2007, for the purpose of developing an integrated water supply project in the Beebe Draw Alluvium. The agreement entitles the District to purchase shares in FRICO's water supply system or additional South Platte Water supplies at an approximated price of $9,700 per acre foot, which would provide the District between 2,960- and 3,221-acre feet of fully consumable water per year for a total of $31,250,000. Additional projects contemplated by the agreement will divert water and return flows from the South Platte River and deliver it to the District's future treatment plant and will give the District a right of first purchase of yield in excess of 6,221-acre feet from additional tributary water rights from the South Platte River acquired by United. As of December 31, 2025, no additional purchases have been made on this agreement. The term of this agreement is perpetual.

Northglenn Spot Water Lease Agreement

In April 2025, the District entered into a spot water lease agreement with United. Under this agreement, the District may purchase up to 250-acre feet from the City of Northglenn municipal water supply system at $300 per acre foot for a maximum annual payment of $75,000. The District took delivery of less than 250-acre feet in 2025.

Town of Castle Rock Spot Water Lease Agreement

On April 10, 2025 the District and United entered into an Assignment and Assumption Agreement whereby the District assumed and agreed to pay all sums and comply with all covenants and obligations under the Spot Water Lease Agreement between the Town of Castle Rock and United. The lease agreement was for a minimum of 20 acre-feet of surplus water up to 500 acre-feet.

Holton Reservoir Storage Lease Agreement

On November 26, 2024, the District entered into a storage lease agreement effective November 1, 2024 with United. Under this agreement, the District may lease up to 800-acre feet from the Holton Reservoir located near Fort Lupton, Colorado for $1. The lease expired October 31, 2025.

NOTE 8 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Holton Reservoir Storage Lease Agreement (Continued)

Effective November 1, 2025, the District entered into a Storage Lease Agreement with United to lease up to 825-acre feet of storage space in the Holton Reservoir for $1. The District will be responsible for its pro rata share of all costs related to the operation, utilities, monitoring, maintenance, and repair of the portion of the reservoir utilized by the District for storage. The lease will expire on October 31, 2026.

Milliken Reservoir Storage Lease Agreement

In August 2025, the District and the Weld Adams Water Development Authority (WAWDA) entered into a lease agreement effective April 1, 2025 whereby the District agreed to lease 250 acre-feet of storage in the Milliken Reservoir located in Weld County for $1. The District will be responsible for its pro rata share of all costs related to the operation, utilities, monitoring, maintenance, and repair of the portion of the reservoir utilized by the District for storage. The agreement will remain effective until the District and WAWDA enter into a permanent agreement or mutually terminate the lease.

Agreements with Denver Water Board

The District and Denver Water Board (Denver) entered into an intergovernmental agreement under which Denver agreed to provide to the District up to 771-acre feet of either potable or nonpotable water (Lease Water) annually, subject to payment of appropriate system development charges (SDCs) and water rates. Pursuant to the agreement, the District entered into a Nonpotable Water Lease Agreement with Denver on May 15, 2002, which provides for the delivery of nonpotable Lease Water to the District for calendar years 2002 through 2004. During 2002, the District paid $4,009,200 in SDCs at the raw water rate. The agreement states that beginning in 2005, Denver will deliver only potable Lease Water to the District.

On October 19, 2005, the District entered into a Potable Water Lease Agreement with Denver whereby Denver will deliver to the District up to 771-acre feet of potable water per year, beginning on January 1, 2006. The District paid the differential between potable and nonpotable SDCs for 771-acre feet in 2006, a cost of $3,893,550. The District received a credit against this payment of $2,000,000 to compensate the District for the costs of constructing the facilities necessary to deliver potable water from Denver’s system to the District’s Northern Pipeline.

The District contracts with the Denver Water Board (Denver) for water services and paid a net amount of $1,439,597 and $1,276,580 in 2025 and 2024 respectively, for water service charges.

NOTE 8 COMMITMENTS AND CONTINGENCIES (CONTINUED)

OAR Lease Agreement

In 1983, the District entered into an agreement with OAR, Inc. for water from the Arapahoe Aquifer under State Board of Land Commissioners (SBLC) land adjacent to the District. OAR, Inc. subsequently assigned this agreement to the Rangeview Metropolitan District (Rangeview). In November 1996, Rangeview and the District amended the amount to be paid under the agreement.

The 1996 agreement allows the District to purchase up to 4,000-acre feet of Arapahoe Aquifer Water at $44 per acre foot on an arrangement for a total annual payment of up to $176,000 through the term of the agreement. The District has taken delivery of less than 4,000-acre feet in 2025 and 2024. Additional capital expenditures for wells and pipelines are required to fully utilize the water rights. The District also agreed to waive any and all preemptive rights or rights of first refusal relating to any conveyance of water and water rights in excess of the right to purchase for use up to the 4,000-acre feet of water each year.

Water Purchase Agreement – Rangeview

On May 1, 2012, the District entered into an agreement with Rangeview Metropolitan District (Rangeview) to sell to Rangeview groundwater produced by the District's Lowry Range Water System (LRWS). This agreement allows Rangeview to operate and maintain the LRWS on behalf of the District with Rangeview paying all applicable costs. Rangeview shall pay the District a fixed monthly payment of $4,667 per month through December 31, 2012, $8,000 per month from January 1, 2013, through December 31, 2020, and $3,000 per month from January 1, 2021, through April 26, 2032, for up to 300-acre feet of LRWS water per calendar year. In addition to the monthly fee, Rangeview shall pay $0.14 per 1,000 gallons of metered LRWS water production. In the event Rangeview produces more than 300-acre feet during any calendar year, Rangeview shall pay $0.54 per 1,000 gallons on the excess production.

Pipeline Enlargement Agreement

The District entered into an agreement with the South Metro Water Supply Authority (SMWSA), effective in March 2005, as amended by the First Amendment to the ECCV-SMWSA Barr Lake Pipeline Enlargement Agreement (Pipeline Enlargement Agreement) effective January 1, 2006, whereby SMWSA increased the size of the District's Barr Lake water pipeline to 48 inches and purchased the additional capacity. The District will own, operate, maintain, repair and replace the pipeline and charge the Authority a reasonable rate for its capacity that it uses by conveyance and/or delivery of water to, or acceptance of water from, the pipeline.

On January 1, 2020, the Pipeline Enlargement Agreement was amended to specify that SMWSA would be entitled to 3.978 MGD of pipeline capacity.

Construction Commitments

The District had unexpended construction related contract commitments of approximately $6,128,091 and $1,675,649 at December 31, 2025 and 2024, respectively.

NOTE 8 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Master Tap Purchase Agreement

The District entered into a Master Tap Purchase Agreement with South Quincy Residential Developers, Inc. (the Owner or SQR) on February 15, 2006. The agreement calls for no less than 4,600 residential single family equivalent water taps to be supplied from District water systems and not less than 4,600 single family residential equivalent sanitary sewer taps to be served by the District. The Owner guarantees the purchase of not less than 100 of each type of tap with 50 of each type of tap to be sold on or before November 30, 2006, and 50 of each type of tap to be sold on or before November 30, 2007. The District received payment for 39 water and sewer taps on or before November 30, 2006. The balance of the November 30, 2006, obligation was received in February 2007. SQR purchased more than 50 water and 50 sewer taps on or before November 30, 2007. Water tap fees in 2007 were $19,000, and the District may increase that fee no more than $1,250 per year until January 1, 2014.

On August 23, 2011, the District entered into the Second Amendment of the Master Tap Purchase Agreement with SQR (Second Amendment). Cherry Creek School District No. 5 (School) wishes to construct and install certain infrastructure within the District with an estimated total cost of $852,335. The District agrees to fund the construction. The School agrees to pay the District certain fees according to the District’s fee schedules in effect at the time of payment. A portion of these fees, as described in the Second Agreement, will be available for funding the construction. SQR agrees to fund the remaining balance of the construction costs through the guarantee of tap purchases. The District and SQR agree that $8,000 of the purchase of each tap purchase for use in the Copperleaf project on or after the date of the Second Agreement shall be applied to the remaining balance of the construction costs. SQR agrees that a sufficient number of taps (or their equivalent) will be purchased in the Copperleaf project on or before thirty-six (36) months from the date of execution of this Second Amendment. The District and SQR also agree that 100% of all 12-inch equivalency payments, 100% of all drainage fee payments, and 20% of all irrigation taps purchased by SQR and/or builders, developers and other users subsequent to the date of this Second Agreement with respect to the Copperleaf project shall apply against and reduce SQR’s tap purchase requirements. The remaining credit available to SQR was $173,852 and $173,852 at December 31, 2025 and 2024, respectively.

Agreement with Adams County

On April 2, 2007, the District entered into a first amendment to the August 3, 2005, Agreement with Adams County, Colorado, in which the County has requested that the District make available to the County potable water at the same rates as the District makes potable water available within the District. The District constructed a 12” water line (the Airport Waterline) to deliver water from the Denver Water Department’s water line at Denver International Airport to the District’s 48” pipeline. Under this amendment, the County can elect to tap into either the 48” pipeline or into the Airport Waterline, with written consent of the Denver Water Department. The County agrees to purchase a tap at the then current District rate but not exceeding a 2” tap. The District is willing to lease approximately 50% of the annual capacity to South Adams County Water and Sanitation District (South Adams) for its use as set forth in paragraph 6 of the First Amendment to the August 3, 2005, Agreement.

NOTE 8 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Beebe Draw Operating Agreement

The District entered into a Beebe Draw Operating Agreement (BDOA) with ACWWA, United, FRICO, and Burlington Ditch, Reservoir and Land Company (Burlington) on November 14, 2023. The BDOA is a perpetual agreement that governs groundwater pumping, water replacement, recharge, storage, and related operations in the Beebe Draw. The BDOA resolves and replaces prior water supply agreements and related litigation. Under the BDOA, the District is required to replace depletions resulting from groundwater pumping in accordance with defined operational requirements. Up to 4,000-acre feet per year of pumping depletions may be replaced on the South Platte River. Pumping depletions in excess of this amount must be replaced primarily within the Beebe Draw through a combination of recharge, surface water deliveries, and augmentation. The District compensates FRICO for deliveries of the District's water from Barr Lake at a rate of $75 per acre-foot, subject to annual inflation adjustment.

The BDOA was amended on April 2, 2025, to clarify how the District and ACWWA will make alternative South Platte replacements under the terms of the BDOA.

NOTE 9 PENSION AND BENEFIT PLANS

The District has a general policy that employee benefits shall equal 30.85% of the employee's salary. These benefits include all employer costs related to the employee compensation such as health insurance, other related insurance programs that may be either mandatory or elected by the employee and the retirement programs described below. Should the benefits charged to the employee not equal the maximum, the employee may direct the District to have the difference deposited into the deferred compensation plan.

Defined Contribution Plan

The employees of the District participate in the ECCV 401(a) Pension Plan, a money purchase pension plan, which is a defined contribution plan established by the District and maintained and administered by Empower during 2025 and 2024. The current plan was amended effective October 1, 2020. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees become plan members on their first day coinciding with or next following the date on which they have met all requirements for participation. Under this plan, an amount equal to 7% of the plan members' compensation is remitted to the Plan by the District. The District's contributions, plus earnings, become vested 100% upon entering the plan. There is no liability for benefits under the plan beyond the District's payments. Plan provisions and contribution requirements are established and may be amended by the District's Board of Directors.

The following employees are covered by the plan:

Participants at December 31, 2024	77
Employees Eligible During 2025	17
Employees Separated During 2025	(20)
Participants at December 31, 2025	74

NOTE 9 PENSION AND BENEFIT PLANS (CONTINUED)

The District contributed $419,598 and $166,564 for the years ended December 31, 2025 and December 31, 2024, respectively.

Deferred Compensation Plan

The District offers employees participation in the ECCV 457(b) Deferred Compensation Plan (457(b) Plan). Participation in the 457(b) Plan is optional. All employees are eligible for participation in the 457(b) Plan. All contributions, plus earnings, become vested 100% upon entering the plan and have no substantial risk of forfeiture. The 457(b) Plan is administered by Empower during 2025 and 2024.

During 2024 and 2025, employees contributed $269,768 and $277,142 to the 457(b) Plan, respectively, and the District contributed $145,721 and $275,303, respectively. Employee contributions included the deferral of accumulated vacation pay and back pay as allowed under the terms of the 457(b) Plan.

Employees may receive distributions from the 457(b) Plan upon participant's severance from employment, the calendar year in which the participant attains age 70 ½, in the event of an unforeseeable Emergency Withdrawal as defined in the Plan Document, or a small balance distribution for account balances of $5,000 or less.

Postemployment Health Plan

Effective January 1, 2002, the District adopted a mandatory postemployment health plan. The District is required to contribute 2.0% of each eligible employee's annual salary into a defined contribution plan administered by Empower during 2025 and 2024. Contributions vest with the employee immediately for qualified medical expenses at termination of employment and no additional contributions are required of the District at termination of employment. Employer contributions were $159,918 and $65,353 for 2025 and 2024, respectively.

NOTE 10 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 maintains commercial insurance for all risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE 11 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.

NOTE 11 TAX, SPENDING, AND DEBT LIMITATIONS (CONTINUED)

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 as well as those of the Enterprise qualify 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.

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 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, will require judicial interpretation.

Section 29-1-301, C.R.S., contains limitations on revenues generated from property tax revenues that apply to certain local governments within the state of Colorado.

Annual operating revenue is limited to a 5.5% increase, such increase is determined based on a prior assessment period and adjusted for allowable exclusions and exemptions from qualified property tax revenues. As of December 31, 2025 the District was unable to impose the maximum General Fund mill levy as allowed in the Service Plan, due to the constraints contained within the provisions of Section 29-1-1702.

The District's management believes it is in compliance with the provisions of Section 29-1-301, C.R.S. However, this section of the C.R.S. is complex and subject to interpretation.

SUPPLEMENTARY INFORMATION

EAST CHERRY CREEK VALLEY WATER AND SANITATION DISTRICT
SCHEDULE OF EXPENSES
YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
DIRECT WATER EXPENSES		
Communications	$ 154,581	$ 175,177
Customer Billing	194,302	213,089
Engineering and Plan Review	1,586,404	1,396,517
Insurance	456,770	486,722
Legal	1,731,497	703,028
Operating Expenses	5,707,986	6,030,643
Repairs and Maintenance	12,727,520	11,375,001
Testing	225,842	215,355
Utilities	4,120,292	4,428,432
Water Conservation Rebates	90,274	63,397
Water Lease Payment	17,848	18,830
Water Services	1,439,597	1,276,580
Total Direct Water Expenses	$ 28,452,913	$ 26,382,771
DIRECT SEWER EXPENSES		
Aurora Tap Fees	$ 93,332	$ 134,642
Customer Billing	115,011	70,732
Engineering and Plan Review	121,261	99,131
Insurance	14,859	-
Repairs and Maintenance	2,480,786	1,072,699
Sewage Treatment	10,140,549	8,560,147
Testing	5,205	-
Utilities	221,074	216,273
Total Direct Sewer Expenses	$ 13,192,077	$ 10,153,624
DIRECT STORM DRAINAGE EXPENSES		
Engineering and Plan Review	$ 396	$ 25,303
Refund of Tap Fees	-	943,775
Storm Drainage Fees	14,351	-
Total Direct Storm Drainage Expenses	$ 14,747	$ 969,078
GENERAL AND ADMINISTRATIVE EXPENSES		
Accounting and Audit	$ 2,077	$ 44,819
Bank Charges and Merchant Fees	37,600	247,012
Communications	106,627	93,013
Directors' Fees	19,700	8,960
Election Costs	1,443	123
Insurance	47,669	26,304
Legal	130,767	126,188
Management and Outside Services	323,989	406,917
Miscellaneous/Contingency	8,178	16,521
Office Supplies	215,835	514,733
Public Information	77,711	129,417
Repairs and Maintenance	413,526	297,357
Salaries, Benefits, and Payroll Taxes	913,364	2,130,232
Travel, Training, and Meetings	71,096	105,450
Utilities	24,913	27,885
Total General and Administrative Expenses Before Depreciation and Amortization	2,394,495	4,174,931
Depreciation and Amortization	780,664	836,245
Total General and Administrative Expenses	$ 3,175,159	$ 5,011,176

EAST CHERRY CREEK VALLEY WATER AND SANITATION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND FUNDS AVAILABLE –
BUDGET AND ACTUAL (BUDGETARY BASIS) ALL FUNDS COMBINED
YEAR ENDED DECEMBER 31, 2025

	Original and Final Budget	Actual Amounts	Variance with Budget Positive (Negative)
REVENUES			
Water Service Fees	$ 21,213,000	$ 20,344,541	$ (868,459)
Sustainable Water Assurance Fee	7,421,000	8,196,559	775,559
Sewer Service Fees	12,015,000	12,870,819	855,819
Administrative Fees	2,215,000	2,343,994	128,994
Connection and Inspection Charges	135,000	12,600	(122,400)
Construction Observation Fees	145,000	30,400	(114,600)
Penalties and Late Charges	151,000	221,713	70,713
Irrigation Project Services	655,000	624,938	(30,062)
Settlement Proceeds	-	7,082,350	7,082,350
Other Income	33,000	1,405,157	1,372,157
Lease Income	88,000	85,042	(2,958)
Property Taxes	4,618,000	4,551,625	(66,375)
Specific Ownership Taxes	624,000	249,825	(374,175)
Grants	-	117,901	117,901
Net Investment Income	2,003,000	2,110,615	107,615
Water Tap Fees	2,400,000	2,552,233	152,233
Sewer Tap Fees	526,000	616,632	90,632
Storm Drainage Tap Fees	414,000	88,401	(325,599)
Contributions of Capital Outlay	10,054,000	5,569,800	(4,484,200)
Total Revenues	64,710,000	69,075,145	4,365,145
EXPENDITURES			
Direct Water Expenses	33,860,000	28,452,913	5,407,087
Direct Sewer Expenses	11,239,000	13,192,077	(1,953,077)
Direct Storm Drainage Expenses	20,000	14,747	5,253
General and Administrative Expenses	5,408,000	2,394,495	3,013,505
County Treasurer's Fees	55,000	68,364	(13,364)
Capital Outlay	25,635,000	15,835,012	9,799,988
Debt Service	8,798,000	7,634,958	1,163,042
Total Expenditures	85,015,000	67,592,566	17,422,434
NET CHANGE IN FUNDS AVAILABLE	(20,305,000)	1,482,579	21,787,579
Funds Available - Beginning of Year	68,694,000	57,170,139	(11,523,861)
FUNDS AVAILABLE - END OF YEAR	$ 48,389,000	$ 58,652,718	$ 10,263,718

EAST CHERRY CREEK VALLEY WATER AND SANITATION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND FUNDS AVAILABLE – BUDGET AND ACTUAL (BUDGETARY BASIS) DISTRICT ACTIVITY
YEAR ENDED DECEMBER 31, 2025

	Original and Final Budget	Actual Amounts	Variance with Budget Positive (Negative)
DISTRICT REVENUES			
Property Taxes	$ 4,618,000	$ 4,551,625	$ (66,375)
Specific Ownership Taxes	624,000	249,825	(374,175)
Net Investment Income	3,000	3,850	850
Storm Drainage Tap Fees	414,000	88,401	(325,599)
Lease Income	88,000	85,042	(2,958)
Grants	-	12,500	12,500
Other Income	6,000	83,948	77,948
Total District Revenues	5,753,000	5,075,191	(677,809)
DISTRICT EXPENDITURES			
Direct Storm Drainage Expenses	20,000	14,747	5,253
General and Administrative Expenses	5,408,000	2,394,495	3,013,505
County Treasurer's Fees	55,000	68,364	(13,364)
Capital Outlay	289,000	163,067	125,933
Debt Service	629,000	626,231	2,769
Total District Expenditures	6,401,000	3,266,904	3,134,096
NET CHANGE IN FUNDS AVAILABLE	(648,000)	1,808,287	2,456,287
District Funds Available - Beginning of Year	5,663,000	7,902,442	2,239,442
DISTRICT FUNDS AVAILABLE - END OF YEAR	$ 5,015,000	$ 9,710,729	$ 4,695,729

EAST CHERRY CREEK VALLEY WATER AND SANITATION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND FUNDS AVAILABLE –
BUDGET AND ACTUAL (BUDGETARY BASIS) WATER ENTERPRISE ACTIVITY
YEAR ENDED DECEMBER 31, 2025

	Original and Final Budget	Actual Amounts	Variance with Budget Positive (Negative)
WATER ENTERPRISE REVENUES			
Water Service Fees	$ 21,213,000	$ 20,344,541	$ (868,459)
Sustainable Water Assurance Fee	7,421,000	8,196,559	775,559
Administrative Fees	2,215,000	2,343,994	128,994
Connection and Inspection Charges	76,000	12,600	(63,400)
Construction Observation Fees	59,000	30,400	(28,600)
Penalties and Late Charges	151,000	221,713	70,713
Irrigation Project Services	655,000	624,938	(30,062)
Grants	-	105,401	105,401
Net Investment Income	2,000,000	2,106,765	106,765
Water Tap Fees	2,400,000	2,552,233	152,233
Contributions of Capital Outlay	4,841,000	3,915,708	(925,292)
Settlement Proceeds	-	7,082,350	7,082,350
Other Income	27,000	1,027,907	1,000,907
Total Water Enterprise Revenues	41,058,000	48,565,109	7,507,109
WATER ENTERPRISE EXPENDITURES			
Operating Fees	750,000	1,053,015	(303,015)
Water Operations	31,155,000	26,145,969	5,009,031
Water Conservation Rebates	215,000	90,274	124,726
Water Meters Purchased	1,740,000	1,163,655	576,345
Capital Outlay	19,783,000	13,330,360	6,452,640
Debt Service	8,169,000	7,008,727	1,160,273
Total Water Enterprise Expenditures	61,812,000	48,792,000	13,020,000
NET CHANGE IN FUNDS AVAILABLE	(20,754,000)	(226,891)	20,527,109
Water Enterprise Funds Available - Beginning of Year	43,157,000	30,863,598	(12,293,402)
WATER ENTERPRISE FUNDS AVAILABLE - END OF YEAR	$ 22,403,000	$ 30,636,707	$ 8,233,707

EAST CHERRY CREEK VALLEY WATER AND SANITATION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND FUNDS AVAILABLE –
BUDGET AND ACTUAL (BUDGETARY BASIS) SEWER ENTERPRISE ACTIVITY
YEAR ENDED DECEMBER 31, 2025

	Original and Final Budget	Actual Amounts	Variance with Budget Positive (Negative)
SEWER ENTERPRISE REVENUES			
Sewer Service Fees	$ 12,015,000	$ 12,870,819	$ 855,819
Connection and Inspection Charges	59,000	-	(59,000)
Construction Observation Fees	86,000	-	(86,000)
Other Income	-	293,302	293,302
Contributions of Capital Outlay	5,213,000	1,654,092	(3,558,908)
Sewer Tap Fees	526,000	616,632	90,632
Total Sewer Enterprise Revenues	17,899,000	15,434,845	(2,464,155)
SEWER ENTERPRISE EXPENDITURES			
Sewer Operations	11,089,000	12,521,354	(1,432,354)
Sewer Meters Purchased	-	577,391	(577,391)
Aurora Tap Fees	150,000	93,332	56,668
Capital Outlay	5,563,000	2,341,585	3,221,415
Total Sewer Enterprise Expenditures	16,802,000	15,533,662	1,268,338
NET CHANGE IN FUNDS AVAILABLE	1,097,000	(98,817)	(1,195,817)
Sewer Enterprise Funds Available - Beginning of Year	19,874,000	18,404,099	(1,469,901)
SEWER ENTERPRISE FUNDS AVAILABLE - END OF YEAR	$ 20,971,000	$ 18,305,282	$ (2,665,718)

EAST CHERRY CREEK VALLEY WATER AND SANITATION DISTRICT
RECONCILIATION OF BUDGETARY BASIS (ACTUAL) TO STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2025

	Actual Amounts
FUNDS AVAILABLE DEFINED AS FOLLOWS	
Current Assets	$ 67,302,156
Restricted Current Assets	5,199,988
Less Current Liabilities	(9,929,616)
Less Current Escrow Payable from Restricted Assets	(4,880,093)
Less Deferred Inflow of Resources	(4,730,969)
Plus Current Portion of Long-Term Obligations (not including compensated absences)	5,691,252
Total Funds Available	$ 58,652,718
RECONCILIATION OF BUDGETARY BASIS (ACTUAL) TO STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION	
Revenues (Budgetary Basis)	$ 69,075,145
Total Revenues per Statement of Revenues, Expenses, and Changes in Net Position	69,075,145
Expenditures (Budgetary Basis)	67,592,566
Depreciation	12,400,656
Amortization of Debt Refunding Costs	55,813
Amortization of Debt Premium	(886,600)
Capital Outlay	(15,835,013)
Debt Service-Related Expenditures	(4,661,817)
Total Expenses per Statement of Revenues, Expenses, and Changes in Net Position	58,665,605
Change in Net Position per Statement of Revenues, Expenses, and Changes in Net Position	$ 10,409,540

EAST CHERRY CREEK VALLEY WATER AND SANITATION DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2025

	$41,885,000 Water Revenue Refunding Bonds - Series 2015 (A) Dated August 19, 2015 Interest Rate - 3.00%-5.00% Interest Payable May 15 and November 15 Principal Due November 15		$21,895,000 Water Revenue Improvement Bonds - Series 2019 Dated October 31, 2019 Interest Rate - 2.25%-5.00% Interest Payable May 15 and November 15 Principal Due November 15	
Year Ending December 31,	Principal	Interest	Principal	Interest
2026	$ 2,080,000	$ 1,144,400	$ 865,000	$ 701,100
2027	2,170,000	1,061,200	910,000	657,850
2028	2,250,000	974,400	930,000	635,100
2029	2,340,000	884,400	980,000	588,600
2030	2,420,000	808,350	1,020,000	549,400
2031	2,535,000	687,350	1,060,000	508,600
2032	2,660,000	560,600	1,100,000	466,200
2033	2,795,000	427,600	1,145,000	422,200
2034	2,910,000	315,800	1,190,000	376,400
2035	4,985,000	199,400	1,240,000	328,800
2036	-	-	1,290,000	279,200
2037	-	-	1,340,000	227,600
2038	-	-	1,395,000	174,000
2039	-	-	1,450,000	118,200
2040	-	-	1,505,000	60,200
Total	$ 27,145,000	$ 7,063,500	$ 17,420,000	$ 6,093,450

(A) Series 2015 bonds are subject to optional redemption on November 15, 2026 without redemption premium.

EAST CHERRY CREEK VALLEY WATER AND SANITATION DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY (CONTINUED)
DECEMBER 31, 2025

	$22,745,000 Water Revenue Refunding Bonds Series 2020 Dated May 28, 2020 Interest Rate - 4.00%-5.00% Interest Payable May 15 and November 15 Principal Due November 15		Total Debt Service
Year Ending December 31,	Principal	Interest	Requirements (B)
2026	$ 1,425,000	$ 851,800	$ 7,067,300
2027	1,500,000	780,550	7,079,600
2028	1,575,000	705,550	7,070,050
2029	1,655,000	626,800	7,074,800
2030	1,735,000	544,050	7,076,800
2031	1,820,000	457,300	7,068,250
2032	1,910,000	366,300	7,063,100
2033	2,005,000	270,800	7,065,600
2034	2,085,000	190,600	7,067,800
2035	405,000	107,200	7,265,400
2036	420,000	91,000	2,080,200
2037	435,000	74,200	2,076,800
2038	455,000	56,800	2,080,800
2039	475,000	38,600	2,081,800
2040	490,000	19,600	2,074,800
Total	$ 18,390,000	$ 5,181,150	$ 81,293,100

(B) The actual amounts of principal and interest payments on the Subordinate Water Revenue Exchange Bonds, Series 2004, are payable from future water tap fee revenue and cannot be predicted with certainty. Therefore, the total debt service requirements do not include payments on the Series 2004 bonds.

EAST CHERRY CREEK VALLEY WATER AND SANITATION DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY (CONTINUED)
DECEMBER 31, 2025

	$6,500,000 Lease Purchase Agreement Dated May 14, 2019 Interest Rate - 3.12% Interest Payable May 1 and November 1 Principal Due November 1		
Year Ending December 31,	Principal	Interest	Total
2026	$ 491,692	$ 136,999	$ 628,691
2027	507,034	121,657	628,691
2028	522,853	105,838	628,691
2029	539,167	89,524	628,691
2030	555,990	72,702	628,692
2031	573,336	55,356	628,692
2032	591,225	37,467	628,692
2033	609,672	19,020	628,692
Total	$ 4,390,969	$ 638,563	$ 5,029,532

As of December 31, 2025, the line of credit was fully drawn.

EAST CHERRY CREEK VALLEY WATER AND SANITATION DISTRICT
SUMMARY OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2025

	Prior Year Assessed Valuation for Current Year Property Tax Levy		Mills Levied			Total Property Taxes		Percentage Collected
Year Ending December 31,	Parcel A	Parcel B	Parcel A		Parcel B	Levied	Collected	to Levied
2021	$ 791,668,448	$ 4,707,632	4.337	(A)	3.639	$ 3,450,597	$ 3,448,509	99.94 %
2022	834,735,085	5,004,621	4.468	(B)	3.549	3,747,358	3,738,230	99.76
2023	837,926,294	4,882,543	4.882	(C)	3.639	4,108,524	4,106,073	99.94
2024	1,055,697,270	6,655,056	4.166	(D)	3.022	4,418,147	4,419,209	100.02
2025	1,062,574,290	6,680,806	4.273	(E)	2.755	4,558,785	4,551,625	99.84
Estimated for the Year Ending December 31, 2026	$ 1,054,217,045	$ 6,680,806	4.468	(F)	3.311	$ 4,730,969		

Property taxes collected in any one year include collection of delinquent property taxes levied in prior years. Information received from the County Treasurer does not permit identification of specific year of levy if delinquent taxes are collected.

NOTES:
In Parcel A, the mills are levied for water and sewer operations and debt service. No mills were levied for debt service for collection years 2004 and beyond.

In Parcel B, the mills are levied for water operations and debt service. No mills were levied for debt service for collection years 2004 and beyond.

(A) Includes temporary reduction of 0.631 mills in Parcel A and 0.000 mills in Parcel B to effect refund of revenue received during 2020 in excess of TABOR limits.

(B) Includes temporary reduction of 0.500 mills in Parcel A and 0.090 mills in Parcel B to effect refund of revenue received during 2021 in excess of TABOR limits.

(C) Includes temporary reduction of 0.086 mills in Parcel A and 0.000 mills in Parcel B to effect refund of revenue received during 2022 in excess of TABOR limits.

(D) Includes temporary reduction of 0.802 mills in Parcel A and 0.617 mills in Parcel B to effect refund of revenue received during 2023 in excess of TABOR limits.

(E) Includes temporary reduction of 0.695 mills in Parcel A and 0.884 mills in Parcel B to effect refund of revenue received during 2024 in excess of TABOR limits.

(F) Includes temporary reduction of 0.500 mills in Parcel A and 0.328 mills in Parcel B to effect refund of revenue received during 2025 in excess of TABOR limits.

CONTINUING DISCLOSURE
ANNUAL FINANCIAL INFORMATION
(UNAUDITED)

Enterprise Water and Sewer System Revenues Bond Coverage
Senior Bonds and Loan Agreement

Net Water and Sewer Revenues (1)	$ 11,264,311
Maximum Annual Debt Service:	
Senior Bonds	$ 7,265,400
Debt Coverage Ratio	1.55
Adjusted Net Water and Sewer Revenues Less Water and Sewer Tap Fees	$ 8,188,778
Debt Coverage Ratio of Adjusted Net Water and Sewer Revenues Less Water and Sewer Tap Fees	1.13

(1) From the table on the following page.

EAST CHERRY CREEK VALLEY WATER AND SANITATION DISTRICT
CONTINUING DISCLOSURE ANNUAL FINANCIAL INFORMATION (UNAUDITED)
YEAR ENDED DECEMBER 31, 2025

	Original and Final Budget	Actual
WATER AND SEWER SYSTEM REVENUES		
Water and Sewer Operating Revenues:		
Service Fees	$ 33,883,000	$ 33,840,298
Administration Fees	2,188,000	2,330,710
New Service Fees	27,000	13,284
Late Charges	147,000	220,713
Total Water and Sewer Operating Revenues	36,245,000	36,405,005
Less Water and Sewer Operations Expenses:		
Communications	112,000	154,561
Customer Billing	215,000	309,313
Engineering	2,020,000	1,625,015
General Administration - Allocated (1)	4,879,569	-
Insurance	666,000	471,629
Salaries	8,582,000	8,613,143
Legal	1,250,000	1,731,497
OAR Water Lease - Water Purchase	20,000	17,848
Other Operating Expenses	15,517,000	15,788,270
Plan Reviews	150,000	82,650
Repairs and Maintenance	8,164,000	4,914,402
Testing	308,000	231,047
Utilities	4,490,000	4,341,366
Water Conservation Rebates	215,000	90,274
Water Services - Denver Water Purchases	1,500,000	1,439,597
Total Water and Sewer Operations Expenses	48,088,569	39,810,612
Net Water and Sewer Operating Revenues	(11,843,569)	(3,405,607)
Other Water and Sewer System Revenues:		
Water and Sewer Tap Fees, net	2,926,000	3,075,533
Connection and Inspection Charges	135,000	12,600
Sustainable Water Assurance Fee	7,421,000	8,196,559
Investment Income (Allocated to Water and Sewer)	2,000,000	2,106,765
Other Revenues	27,000	1,321,209
Penalties/Fines	4,000	1,000
Plan Review/Construction Observation Fees - Water and Sewer	145,000	30,400
Total Other Water and Sewer System Revenues	12,658,000	14,744,066
Less: Cost of Meters	(110,000)	(913,241)
Plus: Legal PFAS	-	839,093
Net Other Water and Sewer System Revenues	12,548,000	14,669,918
Net Water and Sewer System Revenues	$ 704,431	$ 11,264,311

(1) In prior years and during the budget development, the general administration is allocated to Water and Sewer Services based on the percentage of water and sewer operating revenue divided by the total of water and sewer operating revenue and the property and specific ownership taxes times the total applicable administrative expenses. Beginning in 2025, the allocation of general and administration is allocated at the time of entry based on actual costs and/or an allocation of service.

Water Enterprise Operational Data

	Water Tap Connections Single Family Equivalents *		Water Consumption in Thousands of Gallons					
Year	During Year	End of Year	Residential	Commercial	Parks	Schools	ACWWA	Total
2015	209	20,267	1,921,514	112,760	268,665	94,370	439,127	2,836,436
2016	289	20,556	2,131,900	121,219	328,381	77,168	424,309	3,082,977
2017	326	20,882	2,057,366	132,361	303,605	87,245	307,540	2,888,117
2018	270	21,152	2,167,040	117,563	313,238	97,995	457,520	3,153,356
2019	280	21,432	2,051,381	147,841	300,932	90,427	438,944	3,029,525
2020	326	21,758	2,451,087	89,468	387,732	92,426	434,235	3,454,948
2021	303	22,061	2,247,870	91,992	338,848	85,235	496,698	3,260,643
2022	229	22,290	2,283,902	108,232	383,749	98,129	604,247	3,478,259
2023	79	22,369	1,907,596	85,024	262,823	70,260	621,823	2,947,526
2024	159	22,528	2,222,532	104,730	367,993	98,825	790,546	3,584,626
2025	302	22,830	2,108,473	101,627	335,551	87,610	646,045	3,279,306
2025 Percentage of Total Consumption			62%	3%	10%	3%	22%	100%

** Note: Number of SFEs per year have been modified to reflect updated data*

	Water Wells Connected and On Line Well Field				
Year	In District	SBLC	Western	Northern	Total
2015	64	0	16	12	92
2016	64	0	16	12	92
2017	64	0	16	12	92
2018	64	0	16	12	92
2019	64	0	16	12	92
2020	64	0	16	12	92
2021	64	0	16	12	92
2022	64	0	16	12	92
2023	64	0	16	12	92
2024	64	0	16	12	92
2025	64	0	16	12	92

SBLC is the well field contiguous to the District on the State Board of Land Commissioners (OAR Lease). These wells have been leased to and are being operated by Purcycle. Western is the well field in the Willows Water District and connected by the Western Water Line and Project.

	Water Service Fees - Residential						
	Admin Fee	Per Thousand Gallons Consumption per Month					Sustainable Water Assurance Fee(A)
Year		0 - 5,000	6,000 to 20,000*	21,000 to 30,000*	31,000 to 40,000*	41,000 and up	
2015	6.00	3.35	5.45	8.50	10.75	12.50	25.00
2016	6.00	3.60	5.55	8.50	11.00	12.50	25.00
2017	6.00	3.60	5.55	8.50	11.00	12.50	25.00
2018	6.00	4.10	5.85	8.70	11.50	12.50	25.00
2019	6.50	4.25	6.10	9.00	12.00	12.50	25.00
2020	7.00	4.40	6.30	9.35	12.50	12.50	25.00
2021	7.00	4.40	6.30	9.35	12.50	12.50	25.00
2022	7.00	4.50	6.55	9.60	12.75	12.75	25.00
2023	7.00	4.60	6.80	9.90	13.05	n/a	25.00
2024	7.00	4.75	7.30	10.55	13.85	n/a	25.00
2025	8.00	4.90	7.55	10.90	14.20	n/a	25.00
2026	10.00	5.15	8.30	12.10	14.55	n/a	30.00

Water rates for residential one acre and over, commercial, schools, and irrigation for parks are separately priced based on separate consumption levels.
* - Effective January 1, 2023, usage adjusted to 6,000 to 18,000; 19,000 - 28,000; 29,000 and up.

	Water Tap Fees							
			Irrigation per Square Foot					
Year	Single Family Detached	Multi-Family per Unit(B)	Turf	Low Water Turf	Native Grasses	Non-Turf	Water Tap Revenue	Number of Tap Fees Collected
2015	26,500.00	13,250.00	1.20	0.95	0.24	0.42	7,196,478	276
2016	26,500.00	13,250.00	1.25	0.99	0.25	0.44	6,805,630	259
2017	26,500.00	13,250.00	1.25	0.99	0.25	0.44	5,663,307	268
2018	27,250.00	13,625.00	1.25	0.99	0.25	0.44	6,497,035	231
2019	28,000.00	14,000.00	1.30	1.03	0.26	0.46	12,337,623	664
2020	28,000.00	9,000.00	1.30	1.03	0.26	0.46	6,863,873	288
2021	28,000.00	9,000.00	1.30	1.03	0.26	0.46	8,293,232	307
2022	29,000.00	9,320.00	1.35	1.07	0.27	0.48	3,144,829	205
2023	29,000.00	9,320.00	1.35	1.07	0.27	0.48	3,041,599	273
2024	30,000.00	9,646.00	1.40	1.12	0.30	0.50	3,676,005	274
2025	31,000.00	10,128.00	1.47	1.17	0.32	0.53	2,552,233	62
2026	32,000.00	10,453.00	1.52	1.21	0.33	0.55		

Note: (A) Formally known as the Northern Project Construction Fund.
(B) In 2020, the Multi-Family water tap fee was decreased for indoor water and the irrigation rate will apply to the outdoor water.

EAST CHERRY CREEK VALLEY WATER AND SANITATION DISTRICT
CONTINUING DISCLOSURE ANNUAL FINANCIAL INFORMATION (UNAUDITED)
YEAR ENDED DECEMBER 31, 2025

Budget to Actual (Non-GAAP) Comparison of Results of Operations
Water and Sewer Enterprise

	Original and Final Budget	Actual	Variance with Budget Positive (Negative)
SERVICE REVENUES (EXPENDITURES)			
Rate Related Customer Service Fees	$ 35,443,000	$ 35,559,354	$ 116,354
Operating Expenditures	(42,994,000)	(39,720,338)	3,273,662
Net Service Revenues Over Expenditures	(7,551,000)	(4,160,984)	3,390,016
CAPITAL RELATED REVENUES (EXPENDITURES)			
Water and Sewer Tap Fees	2,776,000	3,075,533	299,533
Sustainable Water Assurance Fee	7,421,000	8,196,559	775,559
Other Revenue	2,833,000	11,462,376	8,629,376
Other Capital Related Revenue	10,334,000	5,612,800	(4,721,200)
Water Conservation Rebates	(215,000)	(90,274)	124,726
Meters Purchased	(1,740,000)	(1,741,046)	(1,046)
Capital Outlay	(25,346,000)	(15,671,945)	9,674,055
Net Capital Related Revenues Over (Under) Expenditures	(3,937,000)	10,844,003	14,781,003
DEBT SERVICE	(8,169,000)	(7,008,727)	1,160,273
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(19,657,000)	(325,708)	19,331,292
Water and Sewer Enterprise Funds Available - Beginning of Year (Restated)	63,031,000	49,267,697	(13,763,303)
WATER AND SEWER ENTERPRISE FUNDS AVAILABLE - END OF YEAR	$ 43,374,000	$ 48,941,989	$ 5,567,989

NOTE: This schedule is reflective of data on the Schedules of Revenues, Expenditures, and Funds Available - Budget and Actual (Budgetary Basis) on pages 38 and 39, but is presented in a manner that is consistent with the schedule presented in the original offering document.