North Washington Street Water and Sanitation District

Annual Financial Statements and Auditors' Report

For the years ended December 31, 2025 and December 31, 2024

Haynie

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Haynie

Independent Auditors' Report

Members of the Board of Directors
North Washington Street Water and Sanitation District
Adams County, Colorado

Opinions

We have audited the accompanying financial statements of the major proprietary funds of North Washington Street Water and Sanitation District (the "District") as of and for the year ended December 31, 2025 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 North Washington Street Water and Sanitation District's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the North Washington Street Water and Sanitation 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 North Washington Street Water and Sanitation 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.

Report on Summarized Comparative Information

We have previously audited North Washington Street Water and Sanitation District's 2024 financial statements, and we expressed unmodified audit opinions on those audited financial statements in our report dated September 4, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, 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. Our opinions on the basic financial statements are not affected by this missing information.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise North Washington Street Water and Sanitation District's financial statements as a whole. The other supplementary information sections are presented for purposes of additional analysis and are not a required part of the financial statements.

The other supplementary information as listed in the table of contents 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. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Littleton, Colorado
September 9, 2026

Basic Financial Statements

North Washington Street Water and Sanitation District
Statements of Net Position
December 31, 2025 and 2024

	Water Fund	Sanitation Fund	General and Administrative Fund	Total 2025	Total 2024
Assets					
Current Assets					
Cash and cash equivalents	$ 2,002,749	$ 775,231	$ 91,346	$ 2,869,326	$ 2,312,463
Investments	17,212,923	7,030,630	-	24,243,553	22,775,295
Accounts receivable:					
Customers	430,107	504,662	-	934,769	802,069
Taxes	-	-	490,293	490,293	475,586
Accrued interest	5,525	5,525	-	11,050	11,050
Unbilled receivables	123,705	133,390	335	257,430	307,603
Inventory	-	-	-	-	54,409
Other assets	-	-	265	265	265
Total Current Assets	19,775,009	8,449,438	582,239	28,806,686	26,738,740
Noncurrent Assets					
Loan proceeds receivable	-	-	-	-	1,173,027
Capital Assets					
Not Being Depreciated					
Land	105,508	22,470	-	127,978	127,978
Construction in progress	5,389,925	4,156,106	-	9,546,031	8,618,476
Total Capital Assets, Not Being Depreciated	5,495,433	4,178,576	-	9,674,009	8,746,454
Being Depreciated					
Buildings	-	-	1,812,931	1,812,931	1,781,833
Water system	23,723,618	-	-	23,723,618	22,425,334
Sewer system	-	13,353,770	-	13,353,770	12,491,538
Furniture and equipment	1,153,283	856,863	1,418,756	3,428,902	2,896,170
Total Capital Assets, Being Depreciated	24,876,901	14,210,633	3,231,687	42,319,221	39,594,875
Less accumulated depreciation	(5,629,877)	(4,102,599)	(1,249,944)	(10,982,420)	(10,585,777)
Net Capital Assets, Being Depreciated	19,247,024	10,108,034	1,981,743	31,336,801	29,009,099
Net Capital Assets	24,742,457	14,286,610	1,981,743	41,010,810	37,755,553
Restricted Cash and Investments					
Customer and other deposits-Restricted	72,340	72,340	-	144,680	127,912
Total Assets	$ 44,589,806	$ 22,808,388	$ 2,563,982	$ 69,962,175	$ 65,795,231

The accompanying notes are an integral part of these financial statements.

North Washington Street Water and Sanitation District
Statements of Net Position
December 31, 2025 and 2024

	Water Fund	Sanitation Fund	General and Administrative Fund	Total 2025	Total 2024
Liabilities, Deferred Inflows of Resources and Net Position					
Current Liabilities					
Accounts payable	$ 486,024	$ 401,904	$ 46,733	$ 934,661	$ 1,419,812
Note Payable -current portion	29,033	-	-	29,033	28,181
Compensated absences payable	55,950	55,950	35,160	147,060	106,415
Accrued payroll	5,705	5,705	9,453	20,862	20,862
Total Current Liabilities	576,712	463,559	91,346	1,131,616	1,575,270
Long-Term Liabilities					
Long-term portion of compensated absences	5,142	5,142	24,453	34,738	184,721
Note payable	652,129	-	-	652,129	681,162
Total Long-Term Liabilities	657,271	5,142	24,453	686,867	865,883
Restricted Liabilities					
Customer deposits	72,340	72,340	-	144,680	127,912
Total Restricted Liabilities	72,340	72,340	-	144,680	127,912
Total Liabilities	1,306,323	541,041	115,799	1,963,163	2,569,065
Deferred Inflows of Resources					
Deferred property tax revenue	-	-	490,292	490,292	475,586
Total Deferred Inflows of Resources	-	-	490,292	490,292	475,586
Net Position					
Net investment in capital assets	24,061,295	14,286,610	1,981,743	40,329,648	37,328,579
Unrestricted	19,222,188	7,980,737	(23,852)	27,179,072	25,422,000
Total Net Position	43,283,483	22,267,347	1,957,891	67,508,719	62,750,580
Total Liabilities, Deferred Inflows and Net Position	$ 44,589,806	$ 22,808,388	$ 2,563,982	$ 69,962,175	$ 65,795,231

The accompanying notes are an integral part of these financial statements.

North Washington Street Water and Sanitation District
Statements of Revenues, Expenses, and Changes in Net Position
For the Years Ended December 31, 2025 and 2024

	Water Fund	Sanitation Fund	General and Administrative Fund	Total 2025	Total 2024
Water Operations					
Revenue					
Water sales	$ 6,852,974	$ -	$ -	$ 6,852,975	$ 6,809,796
Turn on fees	23,450	-	-	23,450	26,975
Miscellaneous	12,831	-	-	12,829	24,094
Total Water Revenue	6,889,255	-	-	6,889,254	6,860,865
Direct Water Expenses	(4,532,857)	-	-	(4,532,857)	(4,720,778)
Income from Water Operations	2,356,398	-	-	2,356,397	2,140,087
Sanitation Operations					
Revenue					
Sewage treatment	-	5,527,694	-	5,527,694	5,374,362
Direct sanitation expenses	-	(2,957,360)	-	(2,957,360)	(2,934,856)
Total Sanitation Operations	-	2,570,334	-	2,570,334	2,439,506
General and Administrative Expenses	(996,210)	(963,398)	(241,096)	(2,200,704)	(2,180,896)
Operating Income (Loss)	1,360,188	1,606,936	(241,096)	2,726,027	2,398,697
Nonoperating Revenues (Expenses)					
General property tax	-	-	456,290	456,290	446,448
Specific ownership tax	-	-	24,534	24,534	20,318
Interest expense	(21,071)	-	-	(21,071)	(16,011)
Net investment income	430,655	516,915	-	947,570	813,418
Unrealized gain (loss) on investment	88,212	36,031	-	124,243	269,771
Gain on sale of fixed asset	-	120,000	-	120,000	-
Miscellaneous revenue (expense)	-	(34,382)	125,724	91,342	343,930
County treasurer's fees	-	-	(6,785)	(6,785)	(6,540)
Loan forgiveness revenue	-	-	-	-	870,531
Total Nonoperating Revenues (Expenses)	497,796	638,564	599,763	1,736,123	2,741,865
Income Before Capital Contributions and Transfers	1,857,984	2,245,500	358,667	4,462,150	5,140,562
Transfers					
Interfund transfers	458,307	(865,815)	407,508	-	-
Total Transfers	458,307	(865,815)	407,508	-	-
Capital Contributions					
Contributed lines and system development fees	93,890	202,100	-	295,990	213,950
Total Capital Contributions	93,890	202,100	-	295,990	213,950
Change in Net Position	2,410,181	1,581,785	766,175	4,758,140	5,354,512
Net Position—Beginning of Year	40,873,301	20,685,563	1,191,716	62,750,579	57,396,066
Net Position—End of Year	$ 43,283,483	$22,267,347	$ 1,957,891	$ 67,508,719	$ 62,750,580

The accompanying notes are an integral part of these financial statements.

North Washington Street Water and Sanitation District
Statements of Cash Flows
For the Years Ended December 31, 2025 and 2024

	2025	2024
Cash Flows from Operating Activities:		
Cash received from customers	$ 12,336,485	$ 12,086,087
Cash paid to suppliers for goods and services	(7,141,777)	(7,246,367)
Cash paid to employees for services	(1,773,104)	(1,465,411)
Cash paid on behalf of employees	(589,979)	(684,250)
Net Cash From Operating Activities	2,831,625	2,690,059
Cash Flows from Non-capital Financing Activities:		
Miscellaneous nonoperating revenue (expense)	91,342	513,417
Property and specific ownership taxes received, net	488,745	343,930
Net Cash From Non-capital Financing Activities	580,087	857,347
Cash Flows from Capital and Related Financing Activities:		
Acquisition and construction of capital assets	(3,981,399)	(7,068,412)
Interest paid	(21,071)	(16,011)
Proceeds from issuance of debt	-	426,973
Collections on loan receivable	1,173,027	-
Principal payment on debt	(28,181)	(20,126)
Proceeds from sale of capital asset	120,000	-
Development fees received	295,990	213,950
Net Cash From Capital and Related Financing Activities	(2,441,634)	(6,463,626)
Cash Flows from Investing Activities:		
Investments purchased (sold), net	(1,344,015)	2,029,104
Net investment income received	947,568	813,418
Net Cash from Investing Activities	(396,447)	2,842,522
Net Change in Cash and Cash Equivalents	573,631	(73,698)
Cash and Cash Equivalents—Beginning of Year	2,440,375	2,514,073
Cash and Cash Equivalents—End of Year	$ 3,014,006	$ 2,440,375

The accompanying notes are an integral part of these financial statements.

North Washington Street Water and Sanitation District
Statements of Cash Flows (continued)
For the Years Ended December 31, 2025 and 2024

	2025	2024
Reconciliation of Net Operating Income to Net Cash From Operating Activities:		
Net operating income	$ 2,726,027	$2,398,697
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	726,144	710,360
Changes in assets and liabilities:		
Receivables—Customers	(147,406)	(9,452)
Receivables—Other	50,173	(133,675)
Inventory	54,409	-
Deposits	16,768	(6,010)
Accounts payable	(485,152)	(304,286)
Compensated absences payable	(109,338)	34,425
Total Adjustments	105,598	291,362
Net Cash From Operating Activities	$ 2,831,625	$2,690,059

The accompanying notes are an integral part of these financial statements.

North Washington Street Water and Sanitation District
Notes to Financial Statements
December 31, 2025 and 2024

1. Definition of Reporting Entity

North Washington Street Water and Sanitation District, (District) is a special district created under the laws of the State of Colorado to provide water and sanitation services to its customers. The District's service area is located in Adams County and the City and County of Denver. The District is an independent entity with its own taxing power. The District buys all of its water from the Denver Board of Water Commissioners. The District's sewage is transported to and treated by Metro Water Recovery. Since the major part of its income is derived from user charges, the District is classified and accounted for as an "Enterprise Fund". Because of the self-supporting nature of the District, its accounting is on the accrual basis much like a private, profit-making business. However, unlike a private business, the District is not subject to federal and state income taxes.

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.

2. Summary of Significant Accounting Policies

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

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

Basis of Accounting

The District's records are maintained on the accrual basis of accounting. Revenue is recognized when earned, and expenses are recognized when the liability is incurred. Depreciation is computed and recorded as an operating expense. Expenditures for capital assets are shown as increases in assets. System development fees and contributed lines received are recorded as capital contributions when received.

2. Summary of Significant Accounting Policies (continued)

Financial Reporting Entity

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

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

The District reports the following major proprietary funds:

The Water Fund accounts for water operations that are financed and operated in a manner similar to private business enterprises, where the intent is that the costs of providing services to the general public on a continuing basis be financed or recovered primarily through user charges.

The Sanitation Fund accounts for sanitation operations that are financed and operated in a manner similar to private business enterprises, where the intent is that the costs of providing services to the general public on a continuing basis be financed or recovered primarily through user charges.

The General and Administrative Fund accounts for shared services that are in support of water and sanitation operations, where the intent is that the costs of providing services to the general public on a continuing basis be financed or recovered primarily through property taxes and user charges.

Capital Assets

The District's property and equipment are carried at cost in the case of outright purchases or construction. In the case of property contributed by sub-dividers or customers, such as water and sewer lines, the asset is recorded at an estimated fair market value at the date of contribution as determined by the District's consulting engineers.

2. Summary of Significant Accounting Policies (continued)

Depreciation expense has been computed using the straight-line method over the estimated economic useful lives:

Water system lines and accessories	50-100 years
Sewer system lines and accessories	50 years
Buildings	40 years
Equipment	5-20 years

Interest costs incurred during the construction phase are expensed as incurred in accordance with GASB Statement No. 89.

Accounts Receivable

The District does not provide a reserve for estimated uncollectible accounts for water and sewer services since such accounts are negligible. The District policy regarding delinquent accounts is to place a lien against the real estate and not provide water or sewer services until back charges are paid. A security deposit from customers also helps to ensure collection.

Property Tax Revenue Recognition

Annual property taxes are levied on January 1 of each year based on assessed valuations certified by the County Assessor. Property taxes are due in either one installment on April 30 or in two installments on February 28/29 and June 15.

Taxes unpaid by the respective due dates become delinquent. The County Treasurer collects the property taxes and remits the collections on a monthly basis to the District.

The District recognizes a receivable for property taxes when the mill levy is certified. A deferred inflow of resources is recorded in the same amount since the taxes are levied to finance expenditures of the subsequent year.

Property taxes are recognized as revenue in the year in which they are intended to finance operating expenses.

Budget and Budgetary Accounting

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 District's Board of Directors can modify the budget by line item within the total appropriation without notification. The total appropriation can only be modified upon completion of notification and publication requirements. The appropriation is at the total fund expenditures level and lapses at year end. Contributions of water and/or sewer lines are not reflected as a budgetary revenue or expenditure as they do not generate or require the use of funds available.

2. Summary of Significant Accounting Policies (continued)

Operations

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 and sewer services to its customers. Operating revenues consist of charges to customers for services provided. Operating expenses include the cost of service, administrative expenses and depreciation of assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

System Development Fees

System development revenue represents tap fees. These fees are recorded as contributions and combined with contributed lines (see below) on the Statements of Revenue, Expenses and Changes in Net Position.

Contributed Lines

Contributed lines represent contributions for plant and equipment acquired by the District primarily through donations by customers, developers and sub-dividers. These contributions are in the form of water and sewer lines installed and paid for by others and deeded over to the District and meter package charges paid by customers of the District.

Cash and Cash Equivalents

The District considers cash deposits and highly liquid investments with an original maturity of three months or less from the date of acquisition to be cash equivalents.

Investments

The District's policy is to account for investments at fair market value in accordance with GASB. Gains or losses on the sale of investments are recognized when the investment is sold.

Inventories

Inventory is stated at the lower of cost or net realizable value, using the first-in, first-out method, and consists of expendable supplies.

Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. The net position amount is also adjusted by any bond issuance deferral amounts. Net position is reported as restricted when there are limitations imposed by creditors, grantors or laws or regulations of other governments. All other net positions are reported as unrestricted.

The District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

2. Summary of Significant Accounting Policies (continued)

Management Estimates

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

Reclassifications

Certain prior year amounts have been adjusted to conform to the current year presentation. These reclassifications did not have an impact on the District's change in net position.

3. Cash, Cash Equivalents and Investments

Cash deposits and investments are reflected on the December 31 Statements of Net Position as follows:

	2025	2024
Cash and cash equivalents (less restricted balances)	$ 2,869,326	$ 2,312,463
Investments	24,243,553	22,775,295
Restricted cash and investments:		
Customer deposits	144,680	127,912
Total	$ 27,257,559	$ 25,215,670

Cash Deposits

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

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

3. Cash, Cash Equivalents and Investments (continued)

At December 31, 2025 and 2024, the District's deposits had bank balances of $3,002,344 and $2,440,375, respectively, of which $250,000 and $250,000, respectively, were covered by federal depository insurance and $2,752,344 and $2,190,375, respectively, were uninsured and collateralized with securities held by the pledging financial institutions' single institution collateral pools under PDPA.

Investments

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

- obligations of the United States and certain U.S. government agency securities,
- certain international agency securities, general obligation and revenue bonds of U.S. local government entities, bankers' acceptances of certain banks,
- commercial paper,
- written repurchase agreements collateralized by certain authorized securities,
- certain money market funds,
- guaranteed investment contracts, and
- Participation with other local governments in pooled investment funds ("trusts"). These trusts are supervised by participating governments and must comply with the same restrictions on cash deposits and investments. The District participates with Colorado Surplus Asset Fund Trust (CSAFE) pooled funds.

Credit Risk

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

Interest Rate Risk

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

Revenue bonds of U.S. local government securities, corporate and bank securities and guaranteed investment contracts not purchased with bond proceeds are limited to three years or less.

3. Cash, Cash Equivalents and Investments (continued)

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

2025

Type of Investment	Maturity	Reporting Basis
		Amortized Cost
Colorado Surplus Asset Fund Trust (CSAFE)	Less than one year	$ 4,728,550
		Fair Value
Bank deposit	Less than one year	$ 2,315
Certificates of Deposit	Less than one year	466,736
Certificates of Deposit	Matures between 1 and 5 years	734,113
U.S Agencies	Callable, less than one year	-
U.S. Agencies	Callable, one to five years	18,311,839
Total Investments		$ 24,243,553

2024

Type of Investment	Maturity	Reporting Basis
		Amortized Cost
Colorado Surplus Asset Fund Trust (CSAFE)	Less than one year	$ 8,402,997
		Fair Value
Bank deposit	Less than one year	$ 1,171,520
Certificates of Deposit	Less than one year	713,215
Certificates of Deposit	Matures between 1 and 5 years	-
U.S Agencies	Callable, less than one year	4,947,123
U.S. Agencies	Callable, one to five years	7,540,440
Total Investments		$ 22,775,295

CSAFE

At December 31, 2025 and 2024, the District had $4,728,550 and $8,402,997, respectively, in an investment vehicle established for local government entities in Colorado to pool surplus funds and is registered with the State Securities Commissioner. CSAFE is rated AAAm by Standard and Poor's. CSAFE operates similarly to a money market fund and each share is equal in value to $1.00. The portfolio may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper.

3. Cash, Cash Equivalents and Investments (continued)

A designated custodial bank serves as custodian for CSAFE's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. CSAFE records its investments at amortized cost and the District records its investments in CSAFE using the amortized cost method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

Fair Value Measurement and Application

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. Investments not measured at fair value and not categorized include money market funds, bank insured deposits (generally held by Bank Trust Departments in their role as paying agent or trustee); and CSAFE which record their investments at amortized cost.

The District has also invested in U.S agency securities, which are reported at fair value using Level 1 inputs.

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4. Capital Assets

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

	Balance, December 31, 2024	Additions / Transfers In	Disposals / Transfers out	Balance, December 31, 2025
Capital Assets, not being Depreciated				
Land	$ 127,978	$ -	$ -	$ 127,978
Construction in Progress	8,618,476	3,093,897	(2,166,344)	9,546,029
Total Capital Assets, not being depreciated	8,746,454	3,093,897	(2,166,344)	9,674,007
Capital Assets, being depreciated				
Building	1,781,833	31,098	-	1,812,931
Water System	22,425,334	1,388,886	(90,602)	23,723,618
Sewer System	12,491,538	901,099	(38,867)	13,353,770
Equipment	2,896,170	862,232	(329,500)	3,428,902
Total capital assets, being depreciated	39,594,875	3,183,315	(458,969)	42,319,221
Less accumulated depreciation for:				
Building	(951,473)	(43,260)	-	(994,733)
Water System	(4,044,261)	(260,561)	-	(4,304,822)
Sewer System	(3,450,517)	(214,842)	-	(3,665,359)
Equipment	(2,139,526)	(207,480)	329,500	(2,017,506)
Total accumulated depreciation	(10,585,777)	(726,143)	329,500	(10,982,420)
Total capital assets, being depreciated, net	29,009,098	2,457,172	(129,469)	31,336,802
Capital Assets, net	**$ 37,755,552**	**$ 5,551,070**	**$ (2,295,813)**	**$ 41,010,810**

Certain prior year capital asset balances have been reclassified to conform to the current year presentation. The reclassifications did not affect total capital assets, net position, or changes in net position as previously reported.

4. Capital Assets (continued)

	Balance, December 31, 2023	Additions / Transfers In	Disposals / Transfers out	Balance, December 31, 2024
Capital Assets, not being Depreciated				
Land	$ 127,978	$ -	$ -	$ 127,978
Construction in Progress	5,050,706	6,153,202	(2,585,433)	8,618,476
Total Capital Assets, not being depreciated	5,178,684	6,153,202	(2,585,433)	8,746,454
Capital Assets, being depreciated				
Building	1,750,407	31,426	-	1,781,833
Water System	20,047,372	2,471,302	(93,340)	22,425,334
Sewer System	11,693,287	798,251	-	12,491,538
Equipment	4,295,694	199,662	(1,599,186)	2,896,170
Total capital assets, being depreciated	37,786,760	3,500,641	(1,692,526)	39,594,875
Less accumulated depreciation for:				
Building	(909,440)	(42,033)	-	(951,473)
Water System	(3,805,413)	(248,904)	10,057	(4,044,261)
Sewer System	(3,247,499)	(294,437)	91,419	(3,450,517)
Equipment	(3,505,527)	(124,985)	1,490,986	(2,139,526)
Total accumulated depreciation	(11,467,879)	(710,359)	1,592,462	(10,585,777)
Total capital assets, being depreciated, net	26,318,881	2,790,282	(100,064)	29,009,099
Capital Assets, net	**$ 31,497,565**	**$ 8,943,484**	**$ (2,685,496)**	**$ 37,755,552**

5. Long-Term Liabilities

As of December 31, 2025, long-term liabilities are summarized as follows:

	Balance at December 31, 2024	Additions	Reductions	Balance at December 31, 2025	Due Within One Year
Loans					
CWRPDA Loan	$ 709,343	$ -	$ 28,181	$ 681,162	$ 29,033
Other					
Compensated absences	291,136	-	109,338	181,798	147,060
Total	$ 1,000,479	$ -	$ 137,519	$ 862,960	$ 176,093

CWRPDA Loan

On February 6, 2024, the District executed a $1,600,000 loan agreement with the Colorado Water Resources and Power Development Authority (CWRPDA) through the Drinking Water Revolving Fund (DWRF) BIL Supplemental Direct Loan Program to finance upgrades to the District's aging water distribution system, primarily along the East 73rd Avenue corridor.

5. Long-Term Liabilities (continued)

In addition to new potable water pipes, the project includes upgrades to isolation gate valves, fire hydrants, and water service infrastructure.

The agreement provides for up-front principal forgiveness in the amount of $870,531, with the remaining $729,469 constituting the repayable principal portion of the loan. Although only $426,973 in project costs had been incurred and disbursed as of December 31, 2024, the District recognized the full $1,600,000 loan in 2024 based on the executed agreement and a confirmation received from CWRPDA. Accordingly, the District recorded $870,531 as loan forgiveness revenue and $729,469 as a loan payable. The undisbursed portion of the loan was recorded as a loan receivable at December 31, 2024. During 2024, the District made scheduled principal payments totaling $20,126, reducing the outstanding loan balance from $729,469 to $709,343 at December 31, 2024. During 2025, the remaining loan proceeds were disbursed for eligible project costs, eliminating the loan receivable balance. As of December 31, 2025, the outstanding principal balance of the loan was $681,162.

The loan bears interest at 3.00% annually, has a term of 20 years, and is secured by a pledge of net revenues of the District's water utility enterprise. Semiannual payments of principal and interest began on May 1, 2024.

The CWRPDA loan is a direct borrowing of the District. The loan is secured by a pledge of net revenues of the District's water enterprise system. In accordance with the loan agreement, an event of default occurs if (1) the District fails to make a required loan payment and such failure continues for 30 days, (2) the District fails to make required payments on other indebtedness secured by the pledged revenues after any applicable grace period, (3) the District fails to comply with other covenants or provisions of the loan agreement and such failure continues for 30 days after notice, (4) a material representation made by the District is determined to be false or misleading, or (5) certain bankruptcy or insolvency events occur. Upon an event of default, the lender may withhold future loan disbursements, pursue legal or equitable remedies, and seek appointment of a receiver for the water system. The District may also be required to reimburse the lender for costs incurred in enforcing the agreement, including attorney fees and other related expenses. The loan agreement does not contain a subjective acceleration clause. The District has no unused lines of credit.

5. Long-Term Liabilities (continued)

The following is a schedule of expected principal and interest payments on the loan for the next five years and thereafter as of December 31, 2025:

	Principal	Interest
2026	$ 29,033	$ 20,219
2027	29,910	19,341
2028	30,814	18,437
2029	31,745	17,506
2030	32,705	16,546
Thereafter	526,955	150,396
	$ 681,162	$ 242,445

Compensated Absences

The District's vacation policy allows employees to carry forward unused vacation leave, not to exceed the amount normally earned in one year. In accordance with the provisions of GASB Statement No. 101, *Compensated Absences*, a liability is recorded for employee leave that is attributable to services already rendered, accumulates, and is probable of resulting in a future payment or is expected to be used by the employee. This liability includes applicable salary-related payments such as payroll taxes and retirement contributions.

The District's sick leave policy provides that employees with at least 10 years of service are eligible to receive a payout for accumulated sick leave up to a maximum of 90 days upon separation from employment. Sick leave expected to be paid under this policy is also included in the compensated absences liability in accordance with GASB 101. A portion of this amount is considered current based on anticipated usage or payout within one year, with the remainder classified as noncurrent.

6. Net Position

The District's net position consists of two components—net investment in capital assets and unrestricted. Net investment in capital assets includes capital assets, net of accumulated depreciation, reduced by outstanding debt related to those assets.

As of December 31, 2025 the District had outstanding debt of $681,162 related to the CWRPDA loan issued for water infrastructure improvements. The remaining balance was spent on construction in progress and is therefore included in the calculation of net investment in capital assets.

6. Net Position

As of December 31, 2025 and 2024, the District had net investment in capital assets of $40,329,648 and $37,328,579, respectively.

Restricted net position includes amounts 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 no restricted net position as of December 31, 2025 and 2024.

Unrestricted net position consists of net position that does not meet the definition of invested in capital assets or restricted.

When an expenditure is incurred for purposes for which both restricted and unrestricted net position are available, restricted resources are considered expended.

7. Sanitation Service Fees

Sewer service fees paid to Metro Water Recovery are based on estimates. The actual charge is not determined until all flow data has been received and laboratory analysis made of the sewage of all connecting members of the Metro Water Recovery. According to the service contract, this actual charge is calculated by March following the end of the calendar year. Service charges for 2025 and 2024 have been adjusted to reflect the actual expense. Overpayments or underpayments arising from the difference between the original estimated charge and a revised estimated charge in August of each year is paid or credited in the next year. The difference between the revised estimated amount and the final adjusted amount is paid or credited in the second year following the adjustment. At December 31, 2025 and 2024, the District had a payable of $237,176 and $9,783, respectively, to Metro Water Recovery. These adjustments arise from differences between actual charges and revised estimated charges.

8. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains commercial insurance for all risks of loss. Settled claims have not exceeded commercial coverage in any of the past three years.

9. Employees' Retirement Plan

The District participates in a retirement plan administered by the Colorado Counties Officials and Employees Retirement Association (Association). The Association established a defined contribution plan called the Colorado County Officials and Employees Retirement Plan (Plan) through which contributions of the District are combined with contributions of employees and invested in income earning instruments for the benefit of Plan participants. Any county, municipality, or special district of the State of Colorado may, with the consent of the Association, become a member of the Association and participate in the Plan by adopting it for its officers and employees. Employees of the District are required to participate in the Plan after the completion of one year of service, but participation is optional for all elected officers. The District matches contributions equal to 6% of the eligible employees' salaries. Employees may make additional voluntary contributions not to exceed 10% of their salary. Participants vest in employer contributions at the rate of 10% per year, and are immediately vested 100% in their own contributions and earnings on those contributions.

Any employee contributions forfeited by a participant due to termination of employment before becoming fully vested are returned to the District and netted against the pension expense on the District's financial statements.

The District may at any time elect to terminate the Plan. In the event of such termination or withdrawal from the Plan by the District, each participant becomes 100% vested.

During 2025 and 2024, the District's contribution to the Plan was $82,083 and $74,579 respectively. At December 31, 2025 and 2024, there were no amounts due to the plan.

10. Deferred Compensation Plan

The District has a deferred compensation plan created in accordance with Internal Revenue Code Section 457. This plan is also administered by the District. Participation in the plan is optional for all employees. The plan allows the employees to defer a portion of their salary until future years.

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.

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

11. Tax, Spending and Debt Limitations (continued)

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.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate fiscal year spending limits and qualification as an enterprise will require judicial interpretation.

12. Subsequent Events

The District has evaluated subsequent events through September 9, 2026, the date which the financial statements were available to be issued.

Supplementary Information

North Washington Street Water and Sanitation District
Schedule of Direct Water Operating Expenses
For the Years Ended December 31, 2025 and 2024

Water Operating Expenses	2025	2024
Source of Supply:		
Purchased water	$ 3,604,571	$3,696,494
Repairs and maintenance	1,186	50,830
Telephone	-	286
Total Source of Supply	3,605,757	3,747,610
Transmission and Collection:		
Power for pumping	17,393	21,195
Operating supplies	18,369	31,873
Repairs and maintenance	67,853	193,353
Salaries and wages	441,946	395,884
Employee benefits	122,631	141,776
Payroll taxes	33,992	27,848
Worker's compensation insurance	6,890	7,444
Gasoline	5,238	5,348
Inventory write-off	54,409	-
Training	7,736	2,040
Total Transmission and Collection	776,457	826,761
Water meter reading:		
Operating supplies	-	858
Salaries and wages	105,233	93,339
Employee benefits	27,239	33,718
Payroll taxes	8,347	6,833
Worker's compensation insurance	5,841	6,311
Gasoline	3,983	5,348
Total Water Meter Reading	150,643	146,407
Total Water Operating Expenses	$ 4,532,857	$ 4,720,778

North Washington Street Water and Sanitation District
Schedule of Direct Sanitation Operating Expenses
For the Years Ended December 31, 2025 and 2024

Sanitation Operating Expenses	2025	2024
Sanitation Treatment		
Outside services—Treatment	$ 2,327,216	$ 2,316,926
Transmission and Collection		
Training	375	2,069
Operating supplies	12,602	26,799
Repairs and maintenance	7,096	10,277
Salaries and wages	441,946	395,884
Employee benefits	122,630	141,776
Payroll taxes	33,992	27,848
Worker's compensation insurance	6,892	7,446
Gasoline	4,611	5,831
Total Transmission and Collection	630,144	617,930
Total Operating Expenses	$ 2,957,360	$ 2,934,856

North Washington Street Water and Sanitation District
Schedule of General and Administrative Expenses
For the Years Ended December 31, 2025 and 2024

General and Administrative Expenses	2025	2024
Administration and management:		
Directors' fees and expenses	$ 22,799	$ 23,202
Office supplies	1,878	6,353
Repairs and maintenance	-	8,645
Salaries and wages	308,475	269,137
Employee benefits	53,387	94,672
Payroll taxes	27,423	23,650
Worker's compensation insurance	3,209	3,467
Gasoline	3,334	11,458
Postage	3,312	3,238
Training	3,167	-
Publications/memberships	276	4,449
Total administration and management	427,260	448,271
Billings and collection:		
Office supplies	3,752	12,709
Repairs and maintenance	56,335	50,994
Equipment lease	662	536
Salaries and wages	118,860	131,400
Employee benefits	57,601	57,837
Payroll taxes	9,158	9,766
Worker's compensation insurance	740	800
Postage	29,137	28,496
Total billings and collection	$ 276,245	$ 292,538

North Washington Street Water and Sanitation District
Schedule of General and Administrative Expenses
For the Years Ended December 31, 2025 and 2024
(continued)

	2025	2024
Accounting and finance:		
Accounting services	$ 4,650	$ 5,299
Auditing	15,001	14,500
Office supplies	3,756	12,706
Equipment lease	662	536
Repairs and maintenance	48,482	24,826
Salaries and wages	247,306	214,192
Employee benefits	56,666	82,834
Payroll taxes	18,021	14,342
Postage	2,760	2,498
Worker's compensation insurance	1,110	1,200
Service charges	386	1,642
Total accounting and finance	398,800	374,575
General and Administrative Expenses		
General:		
Insurance	56,970	48,440
Legal	33,903	46,775
Miscellaneous	39,521	141,897
Repairs and maintenance	184,102	62,723
Telephone	29,580	30,147
Utilities	28,179	25,170
Total general	372,255	355,152
Depreciation expense	726,144	710,360
Total General and Administrative Expenses	$ 2,200,704	$ 2,180,896

North Washington Street Water and Sanitation District
Budget Comparison (Non-GAAP Basis) - Source of Funds - Water
For the Year Ended December 31, 2025

	Original Budgeted Amounts	Final Budgeted Amounts	2025 Actual	Variance with Final Budget Positive (Negative)
Operating Revenue:				
Fees for service:				
Residential	$ 3,622,080	$ 3,622,080	$ 3,882,772	$ 260,692
Commercial	2,230,185	2,230,185	2,501,562	271,377
Industrial	524,651	524,651	468,641	(56,010)
Nonmetered Fees	257,705	257,705	12,831	(244,874)
Turn on fees	21,735	21,735	23,450	1,715
Miscellaneous income (expense)	6,424	6,424	-	(6,424)
Total operating revenue	6,662,780	6,662,781	6,889,256	226,475
Non Operating Revenue:				
Transfers in - General Fund	13,055	13,055	458,307	445,252
Net Investment Income (loss)	312,648	312,648	518,867	206,219
Miscellaneous	35,000	35,000	-	(35,000)
Total nonoperating revenue	360,703	360,703	977,174	616,471
Capital Contributions				
Contributed lines	-	-	22,500	22,500
Imprest accounts	-	-	-	-
System development fees	200,000	200,000	71,390	(128,610)
Total capital contributions	200,000	200,000	93,890	(106,110)
Total source of funds	$ 7,223,483	$ 7,223,484	$ 7,960,320	$ 736,836

North Washington Street Water and Sanitation District
Budget Comparison (Non-GAAP Basis) - Expenditures - Water
For the Year Ended December 31, 2025

	Original Budgeted Amounts	Final Budgeted Amounts	2025 Actual	Variance with Final Budget Positive (Negative)
Operating Expenditures:				
Water source of supply:				
Purchased water	$ 3,760,406	$ 3,760,406	$ 3,604,571	$ 155,835
Repairs and maintenance	-	-	1,186	(1,186)
Telephone	589	589	-	589
Total Water source of supply	$ 3,760,995	$ 3,760,995	$ 3,605,757	$ 155,238
Transmission and distribution:				
Power for pumping	$ 32,657	$ 32,657	$ 17,393	$ 15,264
Operating supplies	38,343	38,343	18,369	19,974
Repairs and maintenance	123,948	123,948	67,853	56,095
Salaries and wages	433,835	433,835	441,946	(8,111)
Employee benefits	149,388	149,388	122,631	26,757
Payroll taxes	35,574	35,574	33,992	1,582
Workmen's compensation insurance	12,389	12,389	6,890	5,499
Gasoline	4,435	4,435	5,238	(803)
Training	1,112	1,112	7,736	(6,624)
Total transmission and distribution	$ 831,681	$ 831,681	$ 722,048	$ 109,633
Accounting and finance:				
Accounting services	$ 962	$ 962	$ 1,550	$ (588)
Auditing	4,978	4,978	5,000	(22)
Office supplies	3,212	3,212	1,878	1,334
Equipment lease	552	552	331	221
Service charges	1,450	1,450	193	1,257
Repairs and maintenance	12,127	12,127	24,241	(12,114)
Salaries and wages	96,588	96,588	155,114	(58,526)
Employee benefits	47,654	47,654	28,333	19,321
Payroll taxes	7,920	7,920	10,996	(3,076)
Postage	1,145	1,145	1,380	(235)
Worker's compensation insurance	999	999	555	444
Total accounting and finance	$ 177,587	$ 177,587	$ 229,571	$ (51,984)
Administration and management:				
Directors' fees and expenses	$ 10,638	$ 10,638	$ 7,599	$ 3,039
Office supplies	3,212	3,212	1,878	1,334
Repairs and maintenance	1,170	1,170	-	1,170
Salaries and wages	116,548	116,548	102,800	13,748
Employee benefits	40,363	40,363	16,471	23,892
Payroll taxes	9,557	9,557	9,450	107
Worker's compensation insurance	1,922	1,922	1,069	853
Gasoline	6,619	6,619	1,667	4,952
Postage	1,145	1,145	1,380	(235)
Training	-	-	3,167	(3,167)
Publications/memberships	2,015	2,015	92	1,923
Total administration and management	$ 193,189	$ 193,189	$ 145,573	$ 47,616

North Washington Street Water and Sanitation District
Budget Comparison (Non-GAAP Basis) - Expenditures - Water
For the Year Ended December 31, 2025
(continued)

	Original Budgeted Amounts	Final Budgeted Amounts	2025 Actual	Variance with Final Budget Positive (Negative)
Billings and collection:				
Office supplies	$ 3,212	$ 3,212	$ 1,874	$ 1,338
Repairs and maintenance	54,328	54,328	32,094	22,234
Equipment lease	552	552	331	221
Salaries and wages	35,976	35,976	59,430	(23,454)
Employee benefits	23,115	23,115	28,801	(5,686)
Payroll taxes	2,950	2,950	4,579	(1,629)
Worker's compensation insurance	665	665	370	295
Postage	19,172	19,172	18,366	806
Total billings and collection	$ 139,970	$ 139,970	145,845	$ (5,875)
Water meter reading:				
Salaries and wages	$ 102,356	$ 102,356	$ 105,233	$ (2,877)
Employee benefits	34,959	34,959	27,239	7,720
Payroll taxes	8,393	8,393	8,347	46
Workmen's compensation insurance	10,502	10,502	5,841	4,661
Gasoline	4,435	4,435	3,983	452
Total water meter reading	$ 160,645	$ 160,645	$ 150,643	$ 10,002
General:				
Insurance	$ 32,773	$ 32,773	$ 18,988	$ 13,785
Legal	23,713	23,713	11,300	12,413
Repairs and maintenance	27,089	27,089	55,274	(28,185)
Telephone	14,445	14,445	9,859	4,586
Utilities	17,016	17,016	14,090	2,926
Miscellaneous	-	-	54,409	(54,409)
Other expenses	2,622	2,622	2,638	(16)
Total general	$ 117,658	$ 117,658	$ 166,558	$ (48,900)
Total operating expenditures	$ 5,381,725	$ 5,381,725	$ 5,165,995	$ 215,730
Nonoperating Expenditures:				
Interest expense	20,841	20,841	21,071	(230)
Capital improvements from District funds	5,868,000	5,868,000	2,049,663	3,818,337
Contingencies	25,000	25,000	-	25,000
Total Expenditures Water	$ 11,295,566	$ 11,295,566	$ 7,236,728	$ 4,058,837

North Washington Street Water and Sanitation District
Budget Comparison (Non-GAAP Basis)
Source of Funds - Sanitation
For the Year Ended December 31, 2025

	Original Budgeted Amounts	Final Budgeted Amounts	2025 Actual	Variance with Final Budget Positive (Negative)
Operating Revenue:				
Fees for service:				
Residential	$ 3,078,110	$ 3,078,110	$ 3,058,098	$ (20,012)
Commercial	1,291,761	1,291,761	1,227,946	(63,815)
Industrial	1,090,984	1,090,984	1,241,650	150,666
Miscellaneous income	22,227	22,227	-	(22,227)
Total operating revenue	5,483,082	5,483,082	5,527,694	44,612
Non Operating Revenue:				
Net Investment Income (Loss)	417,972	417,972	552,946	134,974
Gain on sale of fixed asset	-	-	120,000	120,000
Total nonoperating revenue	417,972	417,972	672,946	254,974
Transfers				
Transfers in - General Fund	13,055	13,055	-	(13,055)
Total interfund transfers	13,055	13,055	-	(13,055)
Capital Contributions				
Contributed lines	-	-	22,500	22,500
System development fees	200,000	200,000	179,600	(20,400)
Total capital contributions	200,000	200,000	202,100	2,100
Total source of funds	6,101,054	6,101,054	6,402,740	301,686
Total available resources	$ 6,101,054	$ 6,101,054	$ 6,402,740	$ 301,686

North Washington Street Water and Sanitation District
Budget Comparison (Non-GAAP Basis) - Expenditures - Sanitation
For the Year Ended December 31, 2025

	Original Budgeted Amounts	Final Budgeted Amounts	2025 Actual	Variance with Final Budget Positive (Negative)
Operating Expenditures				
Sanitation Treatment:				
Outside services - Treatment	$ 4,547,664	$ 4,547,664	$ 2,327,216	$ 2,220,448
Total sanitation treatment	$ 4,547,664	$ 4,547,664	$ 2,327,216	$ 2,220,448
Collection and transmission:				
Training	$ 1,112	$ 1,112	$ 375	$ 737
Operating supplies	27,890	27,890	12,602	15,288
Repairs and maintenance	10,846	10,846	7,096	3,750
Salaries and wages	433,835	433,835	441,946	(8,111)
Employee benefits	149,388	149,388	122,630	26,758
Payroll taxes	35,574	35,574	33,992	1,582
Workmen's compensation insurance	12,391	12,391	6,892	5,499
Gasoline	5,430	5,430	4,611	819
Total transmission and collection	$ 676,466	$ 676,466	$ 630,144	$ 46,322
Accounting and finance:				
Accounting services	$ 962	$ 962	$ 1,550	$ (588)
Auditing	4,978	4,978	5,000	(22)
Service charges	1,450	1,450	193	1,257
Office supplies	3,212	3,212	1,878	1,334
Equipment lease	552	552	331	221
Repairs and maintenance	12,127	12,127	24,241	(12,114)
Salaries and wages	96,588	96,588	92,192	4,396
Employee benefits	47,654	47,654	28,333	19,321
Payroll taxes	7,920	7,920	7,025	895
Postage	1,145	1,145	1,380	(235)
Worker's compensation insurance	999	999	555	444
Total accounting and finance	$ 177,587	$ 177,587	$ 162,678	$ 14,909
Administration and management:				
Directors' fees and expenses	$ 10,638	$ 10,638	$ 7,599	$ 3,039
Repairs and maintenance	5,158	5,158	-	5,158
Salaries and wages	103,164	103,164	102,814	350
Employee benefits	36,399	36,399	20,422	15,977
Payroll taxes	8,459	8,459	9,450	(991)
Worker's compensation insurance	1,924	1,924	1,070	854
Gasoline	6,619	6,619	1,667	4,952
Postage	1,145	1,145	1,380	(235)
Publications/memberships	2,015	2,015	92	1,923
Total administration and mgmt	$ 175,521	$ 175,521	$ 144,494	$ 31,027

North Washington Street Water and Sanitation District
Budget Comparison (Non-GAAP Basis) - Expenditures - Sanitation
For the Year Ended December 31, 2025
(continued)

	Original Budgeted Amounts	Final Budgeted Amounts	2025 Actual	Variance with Final Budget Positive (Negative)
Billings and collection:				
Office supplies	$ 3,212	$ 3,212	$ 1,878	$ 1,334
Repairs and maintenance	12,127	12,127	24,241	(12,114)
Equipment lease	552	552	331	221
Salaries and wages	35,976	35,976	59,430	(23,454)
Employee benefits	23,115	23,115	28,800	(5,685)
Payroll taxes	2,950	2,950	4,579	(1,629)
Worker's compensation insurance	665	665	370	295
Postage	11,303	11,303	10,771	532
Total billings and collection	$ 89,900	$ 89,900	$ 130,400	$ (40,500)
General:				
Insurance	$ 32,773	$ 32,773	$ 18,988	$ 13,785
Legal	23,713	23,713	11,300	12,413
Repairs and maintenance	25,429	25,429	105,880	(80,451)
Telephone	14,445	14,445	9,859	4,586
Payroll Processing	2,622	2,622	2,638	(16)
Utilities	17,016	17,016	14,089	2,927
Total general	$ 115,997	$ 115,997	$ 162,754	$ (46,757)
Total operating expenditures	$ 5,783,135	$ 5,783,135	$ 3,557,686	$ 2,225,449
Nonoperating Expenditures:				
Capital improvements from District funds	$ 2,696,185	$ 2,696,185	$ 1,845,525	$ 850,660
Contingencies	25,000	25,000	-	25,000
Total nonoperating expenditures	$ 2,721,185	$ 2,721,185	$ 1,845,525	$ 875,660
Transfers				
Transfers out	-	-	865,815	(865,815)
Total interfund transfers	-	-	865,815	(865,815)
Total Expenditures Sanitation	$ 8,504,320	$ 8,504,320	$ 6,269,026	$ 3,101,107

North Washington Street Water and Sanitation District
Budget Comparison (Non-GAAP Basis)
Source of Funds and Expenditures - General and Administrative
For the Year Ended December 31, 2025

	Original Budgeted Amounts	Final Budgeted Amounts	2025 Actual	Variance with Final Budget Positive (Negative)
Nonoperating Revenue				
Property taxes	$ 472,501	$ 472,501	$ 456,290	$ (16,211)
Specific ownership tax	29,527	29,527	24,534	(4,993)
Miscellaneous revenue (expense)	-	-	125,724	125,724
Total nonoperating revenue	502,029	502,029	606,548	104,519
Net source of funds	$ 502,029	$ 502,029	$ 606,548	$ 104,519
Operating Expenditures				
Accounting and finance:				
Accounting services	$ 962	$ 962	$ 1,550	$ (588)
Auditing	4,979	4,979	5,001	(22)
Total accounting and finance	$ 5,941	$ 5,941	$ 6,551	$ (610)
Administration and management:				
Directors' fees and expenses	$ 10,638	$ 10,638	7,601	$ 3,037
Salaries and wages	116,548	116,548	102,861	13,687
Employee benefits	40,363	40,363	16,494	23,869
Payroll taxes	9,557	9,557	8,523	1,034
Workmen's compensation insurance	1,924	1,924	1,070	854
Postage	459	459	552	(93)
Publications/memberships	2,015	2,015	92	1,923
Total administration and management	$ 181,504	$ 181,504	$ 137,193	$ 44,311
General:				
Insurance	$ 32,783	$ 32,783	$ 18,994	$ 13,789
Legal	23,719	23,719	11,303	12,416
Miscellaneous	51,199	51,199	34,245	16,954
Repairs and maintenance	18,532	18,532	22,948	(4,416)
Telephone	14,449	14,449	9,862	4,587
Total general	$ 140,682	$ 140,682	$ 97,352	$ 43,330
Total operating expenditures	$ 328,127	$ 328,127	$ 241,096	$ 87,031
Nonoperating Expenditures:				
Capital improvements from District funds	$ 90,000	$ 90,000	$ 60,237	$ 29,763
County Treasurer's collection fees	3,398	3,398	6,785	(3,387)
Total nonoperating expenditures	$ 93,398	$ 93,398	$ 67,022	$ 26,376
Contingencies	25,000	25,000	-	25,000
Transfers				
Transfers out	-	-	-	-
Total interfund transfers	-	-	-	-
Total Expenditures	$ 446,524	$ 446,524	$ 308,119	$ 138,407

North Washington Street Water and Sanitation District
Reconciliation of Budgetary Basis Actual to Statements of Revenues, Expenses and Changes in Net Position
For the Year Ended December 31, 2025

	Water	Sanitation	General and Administration	Total
Revenue				
Revenue budget basis (Non-GAAP basis)	$ 7,502,013	$ 6,402,740	$ 606,548	$14,511,301
Plus:				
Transfers	458,307	-	407,508	865,815
Less:				
Transfers	-	(865,815)	-	(865,815)
Revenue (GAAP basis)	$ 7,960,320	$ 5,536,925	$ 1,014,056	$14,511,301
Water operating revenue				$ 6,889,254
Sewer operating revenue				5,527,694
Nonoperating revenue				2,094,351
Total Revenue				$14,511,301
Expenses				
Expenses budget basis (Non-GAAP basis)	$ 7,236,728	$ 5,403,211	$ 308,119	$12,948,058
Plus:				
Depreciation	363,072	363,072	-	726,144
Less:				
Capital improvements	(2,049,663)	(1,845,525)	(60,237)	(3,955,425)
Expenses (GAAP basis)	$ 5,550,137	$ 3,920,758	$ 247,882	$ 9,718,777
Direct water expenses				$ 4,532,857
Direct sewer expenses				2,957,360
General and administrative expenses				2,200,704
Nonoperating expenses				27,856
Total Expenses				$ 9,718,777