

PLATTE CANYON WATER AND SANITATION DISTRICT
Arapahoe and Jefferson Counties, Colorado

FINANCIAL STATEMENTS
For the Year Ended December 31, 2025

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Independent Auditor's Report

Board of Directors
Platte Canyon Water and Sanitation District
Arapahoe and Jefferson Counties, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Platte Canyon Water and Sanitation District (District) as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the Platte Canyon Water and Sanitation District, as of December 31, 2025, and the respective changes in financial position, and where applicable, cash flows thereof, and the respective budgetary comparisons for the Platte Canyon Water and Sanitation Subdistrict No. 1 and Platte Canyon Water and Sanitation Subdistrict No. 2 special revenue funds 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 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.

Responsibility of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the

District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relate 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, as listed in the table of contents, 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 included in the annual report. The other information is comprised of the other information, as listed in the table of contents, but does not include the basic financial statements and our auditor's report thereon. 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 otherwise 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.

Prior-Year Comparative Information

The financial statements include summarized prior-year comparative information. Such information does not include all of the information required or sufficient detail to constitute a presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended December 31, 2024, from which such summarized information was derived.

SCHILLING & COMPANY, INC.

Highlands Ranch, Colorado
April 24, 2026

**PLATTE CANYON WATER AND SANITATION DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2025**

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

The Management’s Discussion and Analysis (MD&A) should be read in conjunction with the District’s financial statements.

FINANCIAL HIGHLIGHTS

- The District remains in strong financial position with assets exceeding liabilities and deferred inflows of resources at the close of 2025 by \$31,122,835. Of this amount, \$12,819,813 or 41.2% is unrestricted and may be used to meet the District’s ongoing obligations to citizens.
- Due to the application of a comprehensive water main conditional assessment program, a significant number of capital water mains have been identified for replacement. During 2025, three major water capital projects were completed and amounted to \$1,155,691.
- Total net position increased \$3,123,260 or 11.2%.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis is intended to serve as an introduction to the Platte Canyon Water and Sanitation District’s basic financial statements. The District’s basic financial statements comprise three components: 1) the government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains supplementary information and other information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Platte Canyon Water and Sanitation District’s finances, in a manner similar to private-sector business.

The *Statement of Net Position* presents information on all of the District’s assets and liabilities, deferred inflows of resources and 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 *Statement of Changes in Net Position* presents information which 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, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods. (e.g., earned but unused compensated absences).

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes (*Governmental Activities*) from other functions that are intended to recover all or a significant portion of their costs through taxes and contract services (*Business-type Activities*). The Governmental Activities of the District include the financing and construction of certain water and sewer system improvements of the blended component units. The Business-type Activities of the District include the effective and economical operation of water and sewer systems.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Some funds are required to be established by state law and bond covenants. All of the District funds can be divided into two categories: Governmental Funds and Proprietary Funds.

Governmental Funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well on balances of *spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the *governmental funds* with similar information presented for *governmental activities* in the governmental-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental fund balance sheets and the governmental funds statement of revenue, expenditures, and changes in funds balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The District maintains two individual governmental funds, both of which are considered major funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenue, expenditures and changes in fund balances.

Proprietary Funds – When the District charges entities for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Changes in Net Position. In fact, the District's enterprise fund (a component of proprietary funds) is the same as the business-type activities reported in the government-wide statements, but provides more detail and additional information, such as a cash flow statement.

Notes to Financial Statements

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the District, assets exceeded liabilities and deferred inflows of resources by \$31,122,835 at the close of 2025. Current assets increased by 10.8% or \$1,569,884 from 2024 to 2025. Cash and cash equivalents decreased \$955,114 or 11.2% while investments increased \$2,329,918 or 74.2% due to the investment of funds in longer term holdings. Capital assets increased \$1,294,448 or 7.8% due to significant capital water replacements. Long-term liabilities decreased \$30,260 or 12.7% due primarily to the reduction in the outstanding loan balances of the Subdistricts. The decrease in other liabilities of \$284,368 or 48.5% is mostly attributed to the decrease in accounts payable of \$323,352 due to significant capital costs related to the water replacements payable at December 31, 2024. The decrease in accounts payable was offset by increases in accrued salaries and benefits as well as deposits from developers at December 31, 2025.

Net Position

Combined Net Position of the Platte Canyon Water and Sanitation District at December 31, 2025 and 2024 were:

	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Current assets and other assets	\$ 123,500	\$ 144,393	\$16,012,838	\$14,422,061	\$16,136,338	\$ 14,566,454
Capital assets	-	-	17,990,975	16,696,527	17,990,975	16,696,527
Total assets	123,500	144,393	34,003,813	31,118,588	34,127,313	31,262,981
Long-term obligations	55,712	109,893	151,861	127,940	207,573	237,833
Other liabilities	54,834	53,237	247,371	533,336	302,205	586,573
Total Liabilities	110,546	163,130	399,232	661,276	509,778	824,406
Deferred property tax revenue	29,000	57,500	2,465,700	2,381,500	2,494,700	2,439,000
Total deferred inflows of resources	29,000	57,500	2,465,700	2,381,500	2,494,700	2,439,000
Net Position:						
Investment in capital assets	-	-	17,990,975	16,696,527	17,990,975	16,696,527
Restricted	93,847	85,924	218,200	203,800	312,047	289,724
Unrestricted	(109,893)	(162,161)	12,929,706	11,175,485	12,819,813	11,013,324
Total net position	\$ (16,046)	\$ (76,237)	\$31,138,881	\$28,075,812	\$31,122,835	\$ 27,999,575

A significant portion (57.8%) of the District’s net position reflects its investment in capital assets (e.g. land, water and sewer systems, equipment, etc.). The District uses these capital assets to provide services to citizens; consequently these assets are not available for future spending. Unrestricted net position may be used to meet the District’s ongoing obligations to maintain the

water and sewer systems within the jurisdictional boundaries. Unrestricted net position makes up 41.2% of total net position. Total net position increased \$3,123,260 or 11.2%.

Platte Canyon Water and Sanitation District Subdistrict No. 1 (Subdistrict No. 1) and Platte Canyon Water and Sanitation District Subdistrict No. 2 (Subdistrict No. 2) financed the construction of water distribution system improvements which were conveyed to the District when completed. The related outstanding debt will be repaid with tax levies on property located within each Subdistrict. Negative net position will be reported for the Governmental Activities until the long-term debt obligation is satisfied. The District is not obligated to repay the debt in any way. Additional information regarding the Subdistricts may be found in Note 1 (Blended Component Units) of this report.

Changes in Net Position

The District's program and general revenue of \$7,643,576 is more than program expenses of \$4,520,316 by \$3,123,260. This increase is more favorable than the increase in net position in 2024 of \$2,796,244 due to the increase in charges for services and capital contributions.

The table below shows the summarized revenue and expenses for 2025 and 2024.

	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Program revenue:						
Charges for services	\$ -	\$ -	\$ 4,173,059	\$ 3,538,032	\$ 4,173,059	\$ 3,538,032
Capital contributions	-	-	381,207	158,051	381,207	158,051
General revenue:						
Property taxes	57,610	57,610	2,377,314	2,492,505	2,434,924	2,550,115
Specific ownership tax	3,905	3,736	153,849	150,810	157,754	154,546
Net investment income	4,568	5,139	533,949	567,445	538,517	572,584
Gain (loss) on sale of property and equipment	-	-	(41,885)	8,122	(41,885)	8,122
Total revenue	66,083	66,485	7,577,493	6,914,965	7,643,576	6,981,450
Program expenses:						
General government	866	866	-	-	866	866
Interest on long-term debt	5,026	6,883	-	-	5,026	6,883
Water operations	-	-	1,746,991	1,573,797	1,746,991	1,573,797
Sewer operations	-	-	791,420	752,356	791,420	752,356
Contract services	-	-	1,976,013	1,851,304	1,976,013	1,851,304
Total program expenses	5,892	7,749	4,514,424	4,177,457	4,520,316	4,185,206
Increase (decrease) in net position	60,191	58,736	3,063,069	2,737,508	3,123,260	2,796,244
Net Position-Beginning of Year	(76,237)	(134,973)	28,075,812	25,338,304	27,999,575	25,203,331
Net Position-End of Year	\$ (16,046)	\$ (76,237)	\$31,138,881	\$28,075,812	\$31,122,835	\$ 27,999,575

Governmental Activities

Property taxes were levied to satisfy the required annual debt payments on long-term obligations (see Note 5).

Business-type Activities

Business-type activities reflect an increase in Net Position of \$3,063,069 in 2025 compared to a \$2,737,508 increase in 2024.

- Total revenue increased by \$662,528 or 9.6%. Charges for services increased \$635,027. This increase is the result of raising the infrastructure fee effective January 1, 2025 from \$18.00 to \$25.00 per month per 3/4” single family equivalent (see Note 6). The increase in revenue generated from the \$7.00 increase amounted to \$572,679. More maintenance and administration services being provided to contract Districts during 2025 (see Note 9) resulted in additional contract services revenue of \$86,699 over 2024. Capital contributions increased by \$223,156 due to more significant contributions of water and sewer facilities by developers in 2025 compared with 2024.
- Total program expenses increased by \$336,967 or 8.1% from 2024 to 2025. Water operations increased by \$173,194. In addition to increases in equipment and vehicle expenses, the District participated in a cost share with the City of Littleton for the final paving of water replacement projects that were installed during 2024 amounting to \$104,306. Contract services increased by \$124,709. The percentage of hours devoted to contract services increased from 61.4% in 2024 to 62.56% in 2025, resulting in a shift of costs being allocated to contract services.

THE DISTRICT’S FUNDS

As noted earlier, Platte Canyon Water and Sanitation District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The Governmental Funds are accounted for using the modified accrual basis of accounting. As the District completed the year, its Governmental Funds reported a combined fund balance of \$94,500. This amount is comprised of accumulated net property taxes and specific ownership taxes and is restricted for the payment of the outstanding loans.

The budgets for the special revenue funds are prepared on a basis consistent with generally accepted accounting principles (GAAP).

Proprietary Fund

Unrestricted net position for the District’s enterprise fund at the end of 2025 amounted to \$12,929,706 compared to \$11,175,485 at the end of 2024.

BUDGETARY HIGHLIGHTS

The District prepares its Enterprise Fund budget on a non-GAAP budgetary basis of accounting to recognize the fiscal impact of sale of assets, capital outlay, in addition to operations and nonoperating revenues and contributions. Capital contributions of facilities and depreciation are not reflected on the budget as they do not affect “funds available”. This budgetary accounting is required by state statutes.

The District’s budgeted revenues exceeded actual revenues by \$335,747. Actual contract services revenue of \$2,116,391 resulted in a positive variance of 235,291 due to more hours being devoted to contract services than anticipated. Actual net investment income amounted to \$533,949 resulting in a positive budget variance of \$91,299. A fair value mark up of investments at December 31, 2025 amounted to \$71,445. It is the District policy to hold all investments to maturity, therefore, any fair value adjustment is considered unrealized.

Total budgeted expenditures exceeded total actual expenditures by \$1,725,217. Operation and maintenance for water and sewer resulted in positive budget variances. The District budgeted \$175,000 for water remediation as an estimated cost share with the City of Littleton for paving associated with the 2024 water main replacement projects. Actual costs totaled \$104,306, resulting in savings from the original estimate. In addition, contract maintenance related to water system failures was approximately \$91,000 under budget. Emergency sewer maintenance, point repairs, and corrective maintenance activities for the sewer system were also lower than projected in the 2025 budget. A negative budget variance for wages amounted to \$86,632. This variance is primarily attributable to the awarding of year-end bonuses and an increase of \$18,668 in the liability for compensated absences, reflecting higher vacation and sick leave hours earned and carried forward by District employees.

In addition to budgeting for emergency reserve, the District budgeted an additional 20% of the projected water and sewer capital expenses to cover unanticipated increases in construction costs. The percentage applied fluctuates from year to year depending on the predictability of the construction industry. The amount budgeted for contingencies and emergency reserves was \$620,590. Actual expenditures for the water distribution replacement projects were \$789,031 lower than budgeted, primarily due to lower-than-anticipated construction contract pricing. Expenditures related to the vehicle budget, which included the purchase of a Combination Sewer Cleaner/Vac Unit, were \$110,185 below budget.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The table below provides a summary of total capital assets, net of depreciation where applicable at December 31, 2025 and 2024.

	Business-Type Activities	
	2025	2024
Land	\$ 40,200	\$ 40,200
Construction in progress	113,339	63,580
Total non-depreciable assets	<u>153,539</u>	<u>103,780</u>
Water distribution system	13,283,277	12,283,187
Sewage collection system	2,687,494	2,650,362
Maintenance equipment	1,573,437	1,323,960
Office space and equipment	293,228	335,238
Total depreciable assets	<u>17,837,436</u>	<u>16,592,747</u>
Total capital assets	<u>\$17,990,975</u>	<u>\$16,696,527</u>

The District's improvements to the water system included the replacement of approximately 4,192 feet of cast iron pipe amounting to \$1,155,691. Additionally, the District completed one sewer capital project lining 2,631 feet of 7-inch vitrified clay pipe amounting to \$177,857. Developer contributed water and sewer facilities amounted to \$337,406 and \$8,968, respectively. Maintenance equipment includes the purchase of a Combination Sewer Cleaner/Vac Unit in the amount of \$489,815 and the write-off of the old unit for a loss of \$41,885. Total depreciation and amortization expense for 2025 amounted to \$942,459.

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

Debt

Subdistrict No. 1 and Subdistrict No. 2 have loans outstanding at December 31, 2025. During 2025, principal and interest payments on the loans were made as required. Detail of the long-term debt obligations are presented in Note 5.

Economic Factors and Next Year's Budget

- Property and specific ownership taxes for general operating purposes were budgeted in the amount of \$2,628,250, which represents 36.7% of total District budgeted revenue.
- Revenue from contract services is expected to be \$2,090,225.
- In 2026, the infrastructure fee imposed on customers' Denver Water bills will remain \$25.00 per month per ¾" equivalent service connection and is projected to generate revenue of \$2,025,900.
- The average yield on investments is projected to be 3.0% resulting in estimated investment income of approximately \$387,160.
- The budgets for operating expenditures and capital expenditures are \$3,709,500 and \$2,750,870, respectively.
- Four capital water projects involving the replacement of 4,148 feet of cast iron pipe with PVC pipe amounts to \$1,793,575, 65.2% of the total capital expenditure budget.
- Total revenue for 2026 is projected to exceed expenditures by \$696,245 resulting in an increase in District's current funds available. This surplus will contribute to the funding of planned replacements of remaining cast iron pipes in the water system.
- Subdistrict No. 1 will not levy a property tax assessment. Beginning fund balance and investment earnings are sufficient to cover the remaining debt service obligations and administrative costs during 2026.
- The Subdistrict No. 2 levied a property tax assessment in the amount of \$29,085, which is budgeted to satisfy its annual debt requirements.

Requests 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: Financial Administrator, Platte Canyon Water and Sanitation District, 8739 W. Coal Mine Ave., Littleton, Colorado 80123.

BASIC FINANCIAL STATEMENTS

PLATTE CANYON WATER AND SANITATION DISTRICT
STATEMENT OF NET POSITION

December 31, 2025

(with comparative totals for December 31, 2024)

	Governmental	Business-type	Total	
	Activities	Activities	2025	2024
ASSETS				
Cash and cash equivalents	\$ 94,182	\$ 7,473,615	\$ 7,567,797	\$ 8,522,911
Investments	-	5,470,013	5,470,013	3,140,095
Receivable from County Treasurers	318	11,961	12,279	12,476
Accounts receivable	-	416,350	416,350	309,573
Accrued interest receivable	-	28,501	28,501	5,935
Property taxes receivable	29,000	2,465,700	2,494,700	2,439,000
Prepaid expenses	-	146,698	146,698	136,464
Capital assets not being depreciated:				
Land	-	40,200	40,200	40,200
Construction in progress	-	113,339	113,339	63,580
Capital assets, (net of accumulated depreciation):				
Water distribution system	-	13,283,277	13,283,277	12,283,187
Sewage collection system	-	2,687,494	2,687,494	2,650,362
Maintenance equipment	-	1,573,437	1,573,437	1,323,960
Office space and equipment	-	293,228	293,228	335,238
Total assets	123,500	34,003,813	34,127,313	31,262,981
LIABILITIES				
Accounts payable	-	51,123	51,123	374,475
Accrued salaries and benefits	-	110,070	110,070	87,193
Accrued interest payable	653	-	653	969
Deposits from developers	-	19,763	19,763	-
Long-term obligations, due within one year	54,181	66,415	120,596	123,936
Long-term obligations, due in more than one year	55,712	151,861	207,573	237,833
Total liabilities	110,546	399,232	509,778	824,406
DEFERRED INFLOWS OF RESOURCES				
Deferred property tax revenue	29,000	2,465,700	2,494,700	2,439,000
Total deferred inflows of resources	29,000	2,465,700	2,494,700	2,439,000
NET POSITION				
Investment in capital assets	-	17,990,975	17,990,975	16,696,527
Restricted for debt service	93,847	-	93,847	85,924
Restricted for Emergencies	-	218,200	218,200	203,800
Unrestricted	(109,893)	12,929,706	12,819,813	11,013,324
TOTAL NET POSITION	\$ (16,046)	\$ 31,138,881	\$ 31,122,835	\$ 27,999,575

These financial statements should be read only in connection with the accompanying notes to financial statements.

PLATTE CANYON WATER AND SANITATION DISTRICT
STATEMENT OF CHANGES IN NET POSITION
For the Year Ended December 31, 2025

(with comparative totals for December 31, 2024)

	Program Revenue		Net (Expense) Revenue and Changes in Net Position		
	Charges For Services	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Expenses			2025	2024	2024
FUNCTIONS/PROGRAMS					
Governmental Activities					
General government	\$ 866	\$ -	\$ (866)	\$ -	\$ (866)
Interest on long term obligations	5,026	-	(5,026)	-	(6,883)
Total Governmental Activities	<u>5,892</u>	<u>-</u>	<u>(5,892)</u>	<u>-</u>	<u>(7,749)</u>
Business-type Activities					
Water operations	1,746,991	354,806	-	(1,392,185)	(1,487,071)
Sewer operations	791,420	26,401	-	(765,019)	(681,031)
Contract services	1,976,013	-	-	2,197,046	1,686,728
Total Business-type Activities	<u>4,514,424</u>	<u>381,207</u>	<u>-</u>	<u>39,842</u>	<u>(481,374)</u>
Total Primary Government	<u>\$ 4,520,316</u>	<u>\$ 381,207</u>	<u>(5,892)</u>	<u>33,950</u>	<u>(489,123)</u>
GENERAL REVENUE					
Property tax revenue			57,610	2,377,314	2,434,924
Specific ownership tax			3,905	153,849	157,754
Net investment income (loss)			4,568	533,949	538,517
Gain (loss) on sale of property and equipment			-	(41,885)	(41,885)
Total General Revenue			<u>66,083</u>	<u>3,023,227</u>	<u>3,089,310</u>
Change in Net Position			<u>60,191</u>	<u>3,063,069</u>	<u>3,123,260</u>
Net Position - Beginning of year			<u>(76,237)</u>	<u>28,075,812</u>	<u>27,999,575</u>
Net Position - End of year			<u>\$ (16,046)</u>	<u>\$ 31,138,881</u>	<u>\$ 31,122,835</u>

These financial statements should be read only in connection with the accompanying notes to financial statements.

**PLATTE CANYON WATER AND SANITATION DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2025**

	Subdistrict No.1	Subdistrict No.2	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 49,977	\$ 44,205	\$ 94,182
Receivable from County Treasurer	157	161	318
Property taxes receivable	-	29,000	29,000
Total assets	\$ 50,134	\$ 73,366	\$ 123,500
DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
DEFERRED INFLOWS OF RESOURCES			
Deferred property tax revenue	\$ -	\$ 29,000	\$ 29,000
Total deferred inflows of resources	-	29,000	29,000
FUND BALANCES			
Restricted for debt service	50,134	44,366	94,500
Total fund balances	50,134	44,366	94,500
TOTAL DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 50,134	\$ 73,366	
 Amounts reported for governmental activities in the Statement of Net Position are different because:			
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds:			
Loans payable			(109,893)
Interest payable			(653)
Net Position of Governmental Activities			\$ (16,046)

These financial statements should be read only in connection with the accompanying notes to financial statements.

PLATTE CANYON WATER AND SANITATION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2025

	Subdistrict No.1	Subdistrict No.2	Total Governmental Funds
REVENUE			
Property taxes	\$ 28,525	\$ 29,085	\$ 57,610
Specific ownership taxes	1,934	1,971	3,905
Net investment income	2,409	2,159	4,568
Total revenue	32,868	33,215	66,083
EXPENDITURES			
Debt service			
Principal	26,730	25,538	52,268
Interest	1,795	3,547	5,342
Treasurer fees	429	437	866
Total expenditures	28,954	29,522	58,476
NET CHANGE IN FUND BALANCES	3,914	3,693	7,607
FUND BALANCE - BEGINNING OF YEAR	46,220	40,673	86,893
FUND BALANCES - END OF YEAR	\$ 50,134	\$ 44,366	\$ 94,500

These financial statements should be read only in connection with the accompanying notes to financial statements.

**PLATTE CANYON WATER AND SANITATION DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF CHANGES IN NET POSITION
For the Year Ended December 31, 2025**

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS \$ 7,607

Amounts reported for Governmental Activities in the Statement of Changes in Net Position are different because:

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

Change in accrued interest payable 316

The repayment of the principal of long-term debt consumes the current financial resources of governmental funds, but has no effect on net position.

Principal payments on loans 52,268

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 60,191

These financial statements should be read only in connection with the accompanying notes to financial statements.

PLATTE CANYON WATER AND SANITATION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - SUBDISTRICT NO. 1
For the Year Ended December 31, 2025

	Original and Final Budget	Actual Amounts	Variance with Final Budget
REVENUE			
Property taxes	\$ 28,525	\$ 28,525	\$ -
Specific ownership taxes	2,100	1,934	(166)
Net investment income	1,830	2,409	579
Total revenue	<u>32,455</u>	<u>32,868</u>	<u>413</u>
EXPENDITURES			
Debt service			
Principal	26,730	26,730	-
Interest	1,795	1,795	-
Treasurer fees	450	429	21
Total expenditures	<u>28,975</u>	<u>28,954</u>	<u>21</u>
NET CHANGE IN FUND BALANCE	3,480	3,914	434
FUND BALANCE - BEGINNING OF YEAR	45,774	46,220	446
FUND BALANCE - END OF YEAR	<u>\$ 49,254</u>	<u>\$ 50,134</u>	<u>\$ 880</u>

These financial statements should be read only in connection with the accompanying notes to financial statements.

PLATTE CANYON WATER AND SANITATION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - SUBDISTRICT NO. 2
For the Year Ended December 31, 2025

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUE			
Property taxes	\$ 29,085	\$ 29,085	\$ -
Specific ownership taxes	2,010	1,971	(39)
Net investment income	1,610	2,159	549
Total revenue	<u>32,705</u>	<u>33,215</u>	<u>510</u>
EXPENDITURES			
Debt service			
Principal	25,538	25,538	-
Interest	3,547	3,547	-
Treasurer fees	475	437	38
Total expenditures	<u>29,560</u>	<u>29,522</u>	<u>38</u>
NET CHANGE IN FUND BALANCE	3,145	3,693	548
FUND BALANCE - BEGINNING OF YEAR	40,210	40,673	463
FUND BALANCE - END OF YEAR	<u>\$ 43,355</u>	<u>\$ 44,366</u>	<u>\$ 1,011</u>

These financial statements should be read only in connection with the accompanying notes to financial statements.

PLATTE CANYON WATER AND SANITATION DISTRICT
STATEMENT OF NET POSITION
ENTERPRISE FUND
December 31, 2025

(with comparative totals for December 31, 2024)

	2025	2024
ASSETS		
Current assets		
Cash and cash equivalents	\$ 7,473,615	\$ 8,436,339
Investments	5,470,013	3,140,095
Receivable from County Treasurers	11,961	12,155
Accounts receivable	416,350	309,573
Accrued interest receivable	28,501	5,935
Property taxes receivable	2,465,700	2,381,500
Prepaid expenses	146,698	136,464
Total Current assets	16,012,838	14,422,061
Non-current assets		
Capital assets not being depreciated:		
Land	40,200	40,200
Construction in progress	113,339	63,580
Capital assets, net of depreciation:		
Water distribution system	13,283,277	12,283,187
Sewage collection system	2,687,494	2,650,362
Maintenance equipment	1,573,437	1,323,960
Office space and equipment	293,228	335,238
Total Noncurrent assets	17,990,975	16,696,527
TOTAL ASSETS	34,003,813	31,118,588
LIABILITIES		
Current liabilities		
Accounts payable	51,123	374,475
Accrued salaries and benefits	110,070	87,193
Deposits from developers	19,763	-
Long-term obligations, current portion	66,415	71,668
Total Current liabilities	247,371	533,336
Non-current liabilities		
Long-term obligations, non-current portion	151,861	127,940
TOTAL LIABILITIES	399,232	661,276
DEFERRED INFLOWS OF RESOURCES		
Deferred property tax revenue	2,465,700	2,381,500
TOTAL DEFERRED INFLOWS OF RESOURCES	2,465,700	2,381,500
NET POSITION		
Investment in capital assets	17,990,975	16,696,527
Restricted for emergencies	218,200	203,800
Unrestricted	12,929,706	11,175,485
TOTAL NET POSITION	\$ 31,138,881	\$ 28,075,812

These financial statements should be read only in connection with the accompanying notes to financial statements.

PLATTE CANYON WATER AND SANITATION DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
ENTERPRISE FUND
For the Year Ended December 31, 2025

(with comparative totals for December 31, 2024)

	2025	2024
OPERATING REVENUE		
Contract Services	\$ 2,116,391	\$ 2,029,692
Infrastructure fee	2,042,727	1,470,048
Other	13,941	38,292
Total operating revenue	4,173,059	3,538,032
OPERATING EXPENSES		
Water operations	1,211,246	1,059,372
Sewer operations	540,894	500,370
Contract services	1,976,013	1,851,304
General and administrative	750,577	728,999
Total operating expenses	4,478,730	4,140,045
(LOSS) FROM OPERATIONS	(305,671)	(602,013)
NONOPERATING REVENUE (EXPENSES)		
Property taxes	2,377,314	2,492,505
Specific ownership taxes	153,849	150,810
Net investment income (loss)	533,949	567,445
Gain (loss) on disposition of property and equipment	(41,885)	8,122
County Treasurers' collection fees	(35,694)	(37,412)
Total nonoperating revenue (expenses)	2,987,533	3,181,470
INCOME BEFORE CAPITAL CONTRIBUTIONS	2,681,862	2,579,457
CAPITAL CONTRIBUTIONS		
Tap fees	34,833	26,787
Contributed capital assets	346,374	127,377
Annexation fees	-	3,887
Total capital contributions	381,207	158,051
CHANGE IN NET POSITION	3,063,069	2,737,508
NET POSITION - BEGINNING OF YEAR	28,075,812	25,338,304
NET POSITION - END OF YEAR	\$ 31,138,881	\$ 28,075,812

These financial statements should be read only in connection with the accompanying notes to financial statements.

PLATTE CANYON WATER AND SANITATION DISTRICT
STATEMENT OF CASH FLOWS
ENTERPRISE FUND
For the Year Ended December 31, 2025

(with comparative totals for December 31, 2024)

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from contract services and customers	\$ 4,086,045	\$ 3,443,144
Cash payments to suppliers for goods and services	(1,154,698)	(937,618)
Cash payments to employees for services	(2,378,611)	(2,418,499)
Cash flows provided for operating activities	552,736	87,027
 CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Property taxes - Net of Treasurers' fees	2,341,620	2,455,093
Specific ownership taxes	154,043	147,467
Cash flows provided by noncapital financing activities	2,495,663	2,602,560
 CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Contributed capital - Tap fees	34,833	26,787
Inclusion fees	-	3,887
Acquisition of capital assets	(2,227,421)	(1,855,464)
Proceeds from sale of capital assets	-	12,500
Cash flows used for capital and related financing activities	(2,192,588)	(1,812,290)
 CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	448,539	458,157
Purchase of investments	(3,517,074)	-
Matured investments	1,250,000	1,750,000
Cash flows provided (used) by investing activities	(1,818,535)	2,208,157
 NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(962,724)	3,085,454
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	8,436,339	5,350,885
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 7,473,615	\$ 8,436,339

(Continued)

These financial statements should be read only in connection with the accompanying notes to financial statements

PLATTE CANYON WATER AND SANITATION DISTRICT
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2025

(with comparative totals for December 31, 2024)

(Continued)

	2025	2024
Reconciliation of (loss) from operations to net cash provided for operating activities		
(Loss) from operations	\$ (305,671)	\$ (602,013)
Adjustments to reconcile (loss) from operations to net cash used for operating activities		
Depreciation and amortization	942,459	892,024
Effects of changes in operating assets and liabilities:		
Receivables	(106,777)	(84,818)
Prepaid expenses	(10,234)	(13,989)
Accounts payable	(28,349)	(3,523)
Accrued salaries and benefits	22,877	17,283
Compensated absences	18,668	(107,867)
Deposits from developers	19,763	(10,070)
Total adjustments	858,407	689,040
Net cash provided for operating activities	\$ 552,736	\$ 87,027
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Net book value of property and equipment disposals	\$ (41,885)	\$ (4,378)
Fair value adjustment on investments gain	\$ 71,445	\$ 117,891
Contributed Capital Assets	\$ 346,374	\$ 127,377

These financial statements should be read only in connection with the accompanying notes to financial statements

PLATTE CANYON WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE 1 – DEFINITION OF REPORTING ENTITY

The District, a quasi-municipal corporation, is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in Jefferson and Arapahoe Counties, Colorado. The District was established to provide water and sanitation services.

The District has maintenance agreements with Southwest Metropolitan Water and Sanitation District and other water and sanitation districts. The agreements provide that the District will perform administration and maintenance services using the District's personnel and equipment, with reimbursement to the District for labor, materials and use of equipment and general and administration expenses (See Note 9).

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.

Blended Component Units

Platte Canyon Water and Sanitation Subdistrict No. 1 (Subdistrict No. 1) was established in 2005 pursuant to the provisions of § 32-1-1101(f) of the Colorado Revised Statutes. The area of the Subdistrict No. 1, located entirely within the District boundaries, is known as the Columbine Townhouses III Subdivision (Subdivision III). The Subdistrict No. 1 was formed for the purpose of financing certain public water distribution system improvements needed to serve the Subdivision III. The Subdistrict No. 1 will assess a levy against all real property within its boundaries for the payment of principal and interest on the loan. The Subdistrict No. 1 is included as a blended component unit of the District because the District's board members are the same, the District provides substantial support to the Subdistrict No. 1, and the improvements within the Subdistrict No. 1 ultimately benefit the District as a whole. Separate financial statements are not prepared for the Subdistrict No. 1.

In 2007 the District Board of Directors established the Platte Canyon Water and Sanitation Subdistrict No. 2 (Subdistrict No. 2) pursuant to the provisions of § 32-1-1101(f) of the Colorado Revised Statutes. The area of Subdistrict No. 2, located entirely within the District boundaries, is known as the Columbine Townhouses Four Subdivision (Subdivision Four). Subdistrict No. 2 was formed for the purpose of financing certain public water distribution system improvements needed to serve the Subdivision Four. The Subdistrict No. 2 will assess a levy against all real property within its boundaries for the payment of principal and interest on the loan. The Subdistrict No. 2 is included as a blended component unit of the District because the District's board members are the same, the District provides substantial support to Subdistrict No. 2, and the improvements will

PLATTE CANYON WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

ultimately benefit the District as a whole. Separate financial statements are not prepared for the Subdistrict No. 2.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-wide and fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Changes in Net Position) report information on all of the activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenue, are reported separately from *business-type activities*, which rely, to a significant extent on fees and charges for support.

The statement of changes in net position demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or entities who use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among *program revenues* are reported instead as *general revenues*. Internally dedicated resources are reported as *general revenues* rather than as *program revenues*.

Separate financial statements are provided for the governmental funds and the proprietary fund because all are considered major funds.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus and accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied.

Governmental fund financial statements are reported using the *current financial resources measurement focus and modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenue to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

PLATTE CANYON WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

Property and specific ownership taxes, infrastructure service fees, capital project contributions, as well as investment income associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenue or contributions of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental funds:

Subdistrict No. 1 Fund and Subdistrict No. 2 Fund – These funds are included as blended component units of the District. The funds are used to account for the financing of certain public water distribution system improvements needed to serve specific subdivisions located in the District. The costs of the improvements are confined to the individual subdivisions by a separate tax levy than that of the District as a whole.

The District reports the following major proprietary fund:

Enterprise Fund – This fund is used to account for the effective and economical operation of water and sewer systems within the jurisdictional boundaries of the District.

Functional expenses for business-type activities in the government-wide and proprietary fund financial statements include allocated indirect overhead expense.

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating revenues of the District's enterprise fund consist of charges to other local governments for services provided. Operating expenses for the enterprise fund include cost of service, administrative expenses, and depreciation of assets. All revenues and expenses not meeting this definition are reported as nonoperating revenue and expenses or capital contributions.

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.

Budgets

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. A budget is legally adopted for each fund of the District. The budgets for the Special Revenue funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons for the Proprietary Fund are presented on a non-GAAP budgetary basis. Capital outlay is budgeted as an expenditure and depreciation is not budgeted. Budgeted amounts in the financial statements are as originally adopted, or as amended by the Directors.

PLATTE CANYON WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

Cash Equivalents and Investments

For purposes of the statement of cash flows, the District considers cash deposits and highly liquid investments with a maturity of three months or less when purchased, to be cash equivalents. Investments are recorded at fair value.

Receivables

All receivables are recorded at their gross value and where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Prepaid Expenses

Payments made to vendors for services which will benefit periods after December 31 are recorded as prepaid items.

Property Taxes

Property taxes are levied by the District 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 Treasurers collect the determined taxes during the ensuing calendar year. The taxes are payable by April 30 or if in equal installments, at the taxpayer election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are normally held in November or December. The County Treasurers remit the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are considered deferred inflows of resources and are recorded initially as deferred revenue in the year they are levied and measurable. The deferred property tax revenues are recorded as revenue in the year they are available or collected (the year that it is levied for).

Capital Assets

Capital assets which include property, equipment, and infrastructure are reported in the business-type activities columns in the government-wide financial statements and the proprietary funds in the fund financial statements. Such assets are recorded at cost except for those assets which have been contributed which are recorded at estimated fair value at the date of contribution or at developer's cost. Capital assets are defined by the District as assets with an initial cost of more than \$5,000 for equipment and \$50,000 for improvements and an estimated useful life of five or more years. Depreciation expense has been computed using the straight-line method over the following estimated economic useful lives:

Distribution and Collection Systems	20 – 40 years
Maintenance Equipment	5 – 15 years
Office Space and Equipment	5 – 40 years

PLATTE CANYON WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and balance sheets will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has no items reported as a deferred outflow of resources.

In addition to liabilities, the statement of financial position and balance sheets will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Property tax revenue that is related to a future period is recorded as deferred inflows. These amounts are deferred and will be recognized as an inflow of resources in the period the amounts become available.

Liabilities for Compensated Absences

The District accrues accumulated unpaid vacation and sick leave when earned by the employee. The District has a policy which allows employees to accumulate unused vacation and sick leave up to a certain maximum number of hours. In the event of termination, an employee is reimbursed for the accumulated vacation and sick hours. Compensated absences are recognized as current salary costs and salary-related payments when earned in the government-wide and proprietary fund financial statements.

Developer Deposits

Developer deposits include funds that have been collected by the District for services to be provided in subsequent periods. At the time the services are provided, the liability is removed from the government-wide and proprietary fund statements of net position, or the governmental fund balance sheet and revenue is recognized.

Fund Balances / Governmental Funds

The District's fund balances fall under the category of "restricted" because the balances are constrained for specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

At December 31, 2025, the District reported restricted fund balances in the Subdistrict No. 1 and Subdistrict No. 2 Special Revenue Funds, are to be used exclusively for debt service requirements (see Note 5).

Net Position

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

PLATTE CANYON WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

accumulated depreciation and if applicable, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

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 restricted net position in the Government Activities is restricted for debt service requirements (see Note 5). The restricted net position of the Business-Type Activities is restricted for emergencies (see Note 11).

Negative net position will be reported for the Governmental Activities until the long-term debt obligation is satisfied. At December 31, 2025, a deficit unrestricted net position in the amount of \$109,893 was reported for the Governmental Activities. It is anticipated that future tax revenues will be used to make future debt service payments and eliminate the deficit.

Comparative Data

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the District’s financial position and operations. However, comparative data has not been presented in all statements because such inclusion would make certain statements unduly complex and difficult to understand. Also, certain amounts presented in the prior year data have been reclassified to be consistent with the current year presentation.

NOTE 3 – CASH AND INVESTMENTS

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

Cash on hand	\$ 150
Cash deposits	498,352
Investments	12,539,308
Total	\$13,037,810

Cash deposits and investments are reflected on the December 31, 2025 Statement of Net Position as follows:

Cash and cash equivalents	\$ 7,567,797
Investments	5,470,013
Total	\$13,037,810

PLATTE CANYON WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

Cash Deposits

The Colorado Public Deposit Protection Act (PDPA) requires deposits of all units of local government to be made in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. 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 102% of the uninsured deposits.

Investments

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

- . Obligations of the U.S. and certain U.S. government agency securities and the World Bank
- . General obligation and revenue bonds of U.S. local government entities
- . Bankers’ acceptances of certain banks
- . Commercial paper
- . Certain reverse repurchase agreements
- . Written repurchase agreements collateralized by certain authorized securities
- . Certain money market mutual funds
- . Guaranteed investment contracts
- . Local government investment pools

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

<u>Investment</u>	<u>Rating</u>	<u>Maturities (in Years)</u>		
		<u>1 or less</u>	<u>1 - 5</u>	<u>Total</u>
U.S. Government Instrumentalities	AAA/AA+	\$ 737,722	\$ 1,492,290	\$ 2,230,012
U.S. Treasury Notes	N/A	985,800	2,004,200	2,990,000
COLOTRUST - PLUS+	AAAm	3,008,029	-	3,008,029
COLOTRUST - EDGE	AAAf/S1	885,749	-	885,749
CSAFE - Core	AAAf/S1	3,425,518	-	3,425,518
		<u>\$9,042,818</u>	<u>\$ 3,496,490</u>	<u>\$ 12,539,308</u>

Interest Rate Risk – The District’s investment policy limits investment maturities by investment type. Maturities for investments in U.S. Treasuries and U.S. Agencies are limited to a maximum of 10 years.

Credit risk – The District’s investment policy limits investments to U.S. Treasury obligations, U.S. Government Agency and Instrumentality securities, local government investment pools, and certain money market mutual funds approved by the Board of Directors. At the time of purchase, investments must have a credit rating equal to or greater than that specified by state statutes.

PLATTE CANYON WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

Concentration of Credit Risk – It is the policy of the District to diversify its investment portfolio to eliminate risk of loss resulting from over concentration of assets in a specific maturity, a specific class, and specific issuer of securities. The District policy includes cash deposits in the total portfolio when determining concentration of investments. The policy provides that the total portfolio of the District may be comprised of 100% U.S. Treasury Notes, Bills and Bonds. Investments in U.S. Government instrumentalities may not exceed 45% of the District’s total portfolio and investment in any one issuer may not exceed 20% of the total portfolio. As of December 31, 2025, the District’s investment in Federal Home Loan Bank and Federal Home Loan Mortgage Corp were 5.9% and 11.9%, respectively, of the District’s total investments and 5.7% and 11.5%, respectively, of the District’s total portfolio. Investments in local government investment pools may not exceed 50%, of the District’s total portfolio. A maximum of 35% of the District’s total portfolio may be invested in any one local government investment pool. The policy provides for variances in the stated maximum percentage limitations not to exceed 10% at any given time and the Board may ratify exceptions as deemed necessary.

Local Government Investment pools:

COLOTRUST – As of December 31, 2025, the District has invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST), 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 COLOTRUST. It operates similarly to a money market fund. COLOTRUST offers shares in three portfolios: PRIME, PLUS+, and EDGE. All portfolios may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies and instrumentalities, and repurchase agreements collateralized with certain U.S. government agencies or instrumentalities. Both PLUS+ and EDGE may also invest in the highest rated commercial paper. The PRIME and PLUS portfolios are restricted to a weighted average maturity (WAM) of 60 days or less while the EDGE portfolio incorporates longer-dated securities with a WAM of 60 days or more. Both PRIME and PLUS+ portfolios are rated AAAM by Standard and Poor’s and the EDGE portfolio is rated AAAs/S1 by FitchRatings. COLOTRUST records its investments at fair value and the District records its investments in COLOTRUST at net asset value as determined by fair value. Each share of PRIME and PLUS is equal in value to \$1.00 and the redemption frequency is daily with no redemption notice period. EDGE’s net asset value is managed to approximate a \$10.00 transactional share price and the redemption frequency is five business days. The principal value of an EDGE investment may fluctuate and could be greater or less than \$10.00 per share at time of purchase, prior to redemption, and at the time of redemption. There are no unfunded commitments.

CSAFE – As of December 31, 2025, the District has invested in the Colorado Surplus Asset Fund Trust (CSAFE), an investment vehicle established by State statute for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces the requirements of creating and operating CSAFE. CSAFE operates similarly to money market funds, and each share of CSAFE Cash is equal in value to \$1.00 and each share of CSAFE Core is equal in value to \$2.00. Standard and Poor’s rates CSAFE AAAM. Investments are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian’s internal records identify the investments owned by the participating governments. CSAFE Core

PLATTE CANYON WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

calculates the net asset value on a fair value basis as provided for by GASB Statements 31 and 72, and the District records its investment in CSAFE Core at this net asset value. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

Investment Valuation

The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District also has investments not categorized within the fair value hierarchy. These investments are measured at amortized cost or in certain circumstances the value is calculated using the net asset value (NAV) per share, or its equivalent of the investment. These investments include 2a7-like external investment pools and money market investments. The District held investments in COLOTRUST and CSAFE which are not categorized within the fair value hierarchy. As of December 31, 2025, fair value and NAV measurements of the District's investments are as follows:

	Carrying Amount
Investment measured at fair value:	
U.S. Government Instrumentalities (Level 1 inputs)	\$ 2,230,012
U.S. Treasury Notes (Level 1 inputs)	2,990,000
Total investments by fair value level	5,220,012
Investments measured at NAV:	
COLOTRUST - PLUS+	3,008,029
COLOTRUST - EDGE	885,749
CSAFE - Core	3,425,518
Total investments at NAV	7,319,296
Total investments at carrying amount	\$ 12,539,308

PLATTE CANYON WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE 4 – CAPITAL ASSETS

The following is an analysis of changes in the business-type activities capital assets for the year ended December 31, 2025:

<u>By Classification</u>	<u>Balance January 1, 2025</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2025</u>
Business-type Activites				
Land	\$ 40,200	\$ -	\$ -	\$ 40,200
Construction in progress	63,580	113,339	63,580	113,339
Total non-depreciable assets	<u>103,780</u>	<u>113,339</u>	<u>63,580</u>	<u>153,539</u>
Water distribution system	22,163,627	1,500,797	60,921	23,603,503
Sewage collection system	9,981,207	186,825	27,385	10,140,647
Maintenance equipment	2,317,336	535,341	335,082	2,517,595
Office space and equipment	1,076,064	6,070	8,935	1,073,199
Total capital assets being depreciated	<u>35,538,234</u>	<u>2,229,033</u>	<u>432,323</u>	<u>37,334,944</u>
Less Accumulated Depreciation/Amortization				
Water distribution system	(9,880,440)	(500,707)	(60,921)	(10,320,226)
Sewage collection system	(7,330,845)	(149,693)	(27,385)	(7,453,153)
Maintenance equipment	(993,376)	(243,979)	(293,197)	(944,158)
Office space and equipment	(740,826)	(48,080)	(8,935)	(779,971)
Total Accumulated Depreciation	<u>(18,945,487)</u>	<u>(942,459)</u>	<u>(390,438)</u>	<u>(19,497,508)</u>
Total capital assets being depreciated, net	<u>16,592,747</u>	<u>1,286,574</u>	<u>41,885</u>	<u>17,837,436</u>
Net Capital Assets	<u>\$ 16,696,527</u>	<u>\$ 1,399,913</u>	<u>\$ 105,465</u>	<u>\$ 17,990,975</u>

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

Business-type Activites:	
Water operations	\$ 562,792
Sewer operations	207,606
Contract services	172,061
	<u>\$ 942,459</u>

PLATTE CANYON WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE 5 - LONG-TERM OBLIGATIONS

The following is an analysis of changes in the governmental activities and business-type activities long-term obligations for the year ended December 31, 2025:

	<u>Balance January 1, 2025</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at December 31, 2025</u>	<u>Due within one year</u>
Government Activities:					
Loans from direct borrowings:					
Subdistrict No. 1					
(2006) - \$400,000					
CWRPDA Loan	\$ 54,472	\$ -	\$ 26,730	\$ 27,742	\$ 27,742
Subdistrict No. 2					
(2008) - \$475,000					
CWRPDA Loan	107,689	-	25,538	82,151	26,439
	<u>162,161</u>	<u>\$ -</u>	<u>\$ 52,268</u>	<u>109,893</u>	<u>\$ 54,181</u>
Less current portion	<u>(52,268)</u>			<u>(54,181)</u>	
	<u>\$ 109,893</u>			<u>\$ 55,712</u>	
Business-type Activities:					
Liabilities for compensated					
absences	\$ 199,608	\$ 160,848	\$ 142,180	\$ 218,276	\$ 66,415
Less current portion	<u>(71,668)</u>			<u>(66,415)</u>	
	<u>\$ 127,940</u>			<u>\$ 151,861</u>	

Accrual for compensated absences (see Note 2) is liquidated from the Enterprise fund.

The detail of the District's governmental activities long-term obligation is as follows:

Colorado Water Resources and Power Development Authority:

\$400,000 Loan, dated June 30, 2006, with interest of 3.75%, due semi-annually through 2026. Loan repayments may be prepaid, in whole or in part, upon prior written notice of not less than ninety (90) days to the Authority. In the event of default, failure to make required payments for a period of thirty days, the Authority may consent to an extension of time to accommodate corrective action. This loan was entered into by the Subdistrict No. 1 for the purpose of financing water system improvements. The District is in no way obligated to repay the loan.

\$475,000 Loan, dated July 15, 2008, with interest of 3.50%, due semi-annually through 2028. Loan repayments may be prepaid, in whole or in part, upon prior written notice of not less than ninety (90) days to the Authority. In the event of default, failure to make required payments for a period of thirty days, the Authority may consent to an extension of time to accommodate corrective action. This loan was entered into by the Subdistrict No. 2 for the purpose of financing water system improvements. The District is in no way obligated to repay the loan.

PLATTE CANYON WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

The District’s long-term obligations of the governmental activities will mature as follows:

	Loans from Direct Borrowings		
	Principal	Interest	Total
2026	\$ 54,181	\$ 3,429	\$ 57,610
2027	27,373	1,712	29,085
2028	28,339	745	29,084
	\$ 109,893	\$ 5,886	\$ 115,779

NOTE 6 – SERVICE CONTRACTS

Water

The District has a distributor’s contract with the Denver Water Board whereby the Denver Water Department provides water in the District’s service area and charges the users directly (“read and bill” type of distributor’s contract). The District owns and maintains the water distribution system.

In 2019, under the distributor contract with Denver, the District entered into an Intergovernmental Agreement with Denver to impose an infrastructure service fee of \$12.00 per month per ¾” equivalent to District. The infrastructure fee is to be used for operations, maintenance, and rehabilitation of the District facilities. The District increased the service fee to \$18.00 in 2024 and \$25.00 in 2025. Infrastructure service fee revenue amounted to \$2,042,727 in 2025.

Sewer

The District has a contract with the City of Littleton whereby the City provides sewage treatment for the District and bills the users directly. The District owns and maintains the sewage collection system.

NOTE 7 – DEFINED CONTRIBUTION PENSION PLAN

The District has adopted a single employer defined contribution pension plan administered by Colorado Retirement Association (CRA) which covers substantially all employees (minimum eligibility requirements of 20 or more hours of work per week and one full year of continuous service). Contribution requirements of the District and eligible employees are established and may be amended by the District Board of Directors. Eligible employees must participate in the plan with an elected contribution between 3% and 10% of gross wages less overtime pay. The District matches the employees elected contribution level.

Withdrawal from the Plan may occur only upon retirement, death, disability or termination of employment. Employees vest 100% in personal contributions and 20% for each year of employment in employer contributions (fully vested after five years of employment). District contributions for employees who leave employment before five years of participation are used to reduce the District’s current period contribution requirement. There is no liability for benefits

PLATTE CANYON WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

under the plan beyond the District's matching payments. For the year ended December 31, 2025, employee contributions totaled \$147,166, and the District recognized pension expense of \$148,747. Pension expense includes salary-related accruals of \$1,581 related to liabilities for compensated absences at December 31, 2025. During 2025, there were no forfeitures.

At December 31, 2025, the District had 15 current active plan members and the District's liability to the plan amounted to \$6,875.

NOTE 8 – DEFERRED COMPENSATION PLAN

The District has a deferred compensation plan created in accordance with Internal Revenue Code Section 457. This plan is administered by Colorado Retirement Association (CRA). Participation in the plan is optional for all employees. The plan allows the employees to contribute to a Roth account or to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement or death or unforeseen emergencies.

NOTE 9 – COMMITMENTS

Management and Maintenance Agreement

The District has an intergovernmental agreement with Southwest Metropolitan Water and Sanitation District (Southwest) to provide management, maintenance, inspection and clerical services. Under the agreement, the District bills Southwest monthly for its proportionate share of costs. During 2024 the contract was renewed for ten years with an option to renew for successive five-year periods after December 31, 2034. During 2025 the District earned reimbursement for contract services from Southwest in the amount of \$1,728,881.

Intergovernmental Agreement – Joint Office and Garage Facility

The District has an agreement for office and storage space with Southwest. The District jointly funded the expansion and renovation of Southwest's office space being used for District operations. The District paid 30% of the construction costs and began amortizing the amount paid of \$618,417 on July 1, 2000. The District amortizes the amount over a 40-year term. As of December 31, 2025, the unamortized balance amounted to \$226,486. In accordance with the agreement, the District pays Southwest a proportionate share (30%) of the operation and maintenance expense and capital improvement costs determined on a quarterly basis. The Intergovernmental Agreement for Joint Office and Garage Facility will be effective until December 31, 2029, with the option for renewal for successive periods not to exceed ten years each. Upon termination, the District will be entitled to 30% of the appraised replacement value of the joint facility excluding land value. Operation, maintenance, and improvement costs paid to Southwest during 2025 amounted to \$49,718.

PLATTE CANYON WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

Contracts for Services

The District has entered into intergovernmental agreements with Bow Mar Water and Sanitation District (Bow Mar), Columbine Water and Sanitation District (Columbine), and Valley Sanitation District (Valley) to provide certain administrative and maintenance services. The District bills Bow Mar, Columbine, and Valley monthly for work performed based on agreed upon rates of hours worked and cost of materials. During 2025, the District earned \$387,510 which is recorded as contract services.

NOTE 10 – RISK MANAGEMENT

Except as provided in the Colorado Government Immunity Act, as amended from time to time, the District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets, errors or omissions, injuries to employees, or acts of God. The District is a member of the Colorado Special Districts Property and Liability Pool (Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery, and workers compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for property, general and automobile liability, public officials, auto physical damage, inland marine, and boiler and machinery. In the event aggregate losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds, which the Pool determines are not needed for purposes of the Pool, may be returned to the members pursuant to a distribution formula.

The District maintains commercial insurance for injuries to employees (worker's compensation). Settled claims have not exceeded this 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.

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.

On November 4, 2003, a majority of the District's electors authorized the District to collect, retain and spend all revenues and other funds received from all sources, including without limitation the District's existing general operating property tax rate of 7.104 mills, commencing January 1, 2004, for general operations and capital improvements as a voter-approved revenue change, offset and

PLATTE CANYON WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

exception to the limits which would otherwise apply under Article X, Section 20 and as a permanent waiver of the 5.5 percent limitation under Section 29-1-301 C.R.S.

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.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending. Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. At December 31, 2025, the District's reserve of \$218,200 was recorded as a restriction of net position in the enterprise fund.

This information is an integral part of the accompanying financial statements.

SUPPLEMENTARY INFORMATION

PLATTE CANYON WATER AND SANITATION DISTRICT
SCHEDULE OF OPERATING EXPENSES
ENTERPRISE FUND
For the Year Ended December 31, 2025

(with comparative totals for December 31, 2024)

	2025	2024
WATER OPERATIONS		
Personnel	\$ 211,021	\$ 212,108
Operations and maintenance	423,367	304,799
Depreciation and amortization	543,982	505,931
Equipment and vehicles	12,626	16,053
Insurance	15,438	14,879
Communications	4,812	5,602
Total water operations	1,211,246	1,059,372
SEWER OPERATIONS		
Personnel	241,291	208,086
Operations and maintenance	53,960	50,882
Depreciation and amortization	199,155	197,091
Equipment and vehicles	23,334	24,220
Insurance	17,652	14,596
Communications	5,502	5,495
Total sewer operations	540,894	500,370
CONTRACT SERVICES		
Personnel	1,514,050	1,428,641
Operations and maintenance	38,986	41,015
Depreciation and amortization	172,060	158,925
Equipment and vehicles	60,087	63,981
Insurance	17,629	14,531
Office Expenses	155,966	126,582
Communications	17,235	17,629
Total contract maintenance	1,976,013	1,851,304
GENERAL AND ADMINISTRATIVE		
Personnel	453,794	479,080
Professional and consulting	158,882	102,777
Operations and maintenance	20,393	20,603
Depreciation and amortization	27,262	30,077
Insurance	33,198	33,606
Office expenses	49,153	54,937
Other	7,895	7,919
Total general and administrative	750,577	728,999
Total operating expenses	\$ 4,478,730	\$ 4,140,045

PLATTE CANYON WATER AND SANITATION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUNDS AVAILABLE
BUDGET AND ACTUAL (Non-GAAP BUDGETARY BASIS)
ENTERPRISE FUND
Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance with Final Budget
REVENUE			
Contract Services	\$ 1,881,100	\$ 2,116,391	\$ 235,291
Infrastructure service fee	2,024,100	2,042,727	18,627
Property taxes	2,381,276	2,377,314	(3,962)
Specific ownership taxes	166,700	153,849	(12,851)
Net investment income	442,650	533,949	91,299
Tap fees	26,351	34,833	8,482
Other	15,080	13,941	(1,139)
Total revenue	6,937,257	7,273,004	335,747
EXPENDITURES			
OPERATIONS AND ADMINISTRATION			
Operations and Maintenance			
Water	592,225	427,874	164,351
Sewer	98,925	59,114	39,811
Equipment and vehicles	113,250	96,047	17,203
Communications	32,400	27,549	4,851
Building maintenance	50,690	49,718	972
Personnel			
Wages	1,649,240	1,735,872	(86,632)
Benefits	689,695	684,284	5,411
Office Expenses	135,020	104,593	30,427
Professional and consulting	218,460	259,408	(40,948)
Insurance	94,260	83,917	10,343
Other	41,720	43,589	(1,869)
Total operations and administration	3,715,885	3,571,965	143,920
CAPITAL OUTLAY			
Water distribution system	2,002,180	1,213,149	789,031
Sewage collection system	235,960	177,857	58,103
Software	-	6,070	(6,070)
Vehicles	600,000	489,815	110,185
Maintenance equipment	54,985	45,527	9,458
CONTINGENCY	620,590	-	620,590
Total capital outlay	3,513,715	1,932,418	1,581,297
Total expenditures	7,229,600	5,504,383	1,725,217
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(292,343)	1,768,621	2,060,964
FUNDS AVAILABLE - BEGINNING OF YEAR	11,066,367	11,379,285	312,918
FUNDS AVAILABLE - END OF YEAR	\$ 10,774,024	\$ 13,147,906	\$ 2,373,882
Funds available is computed as follows:			
Current assets		\$ 16,012,838	
Current liabilities		(247,371)	
Non-current portion of compensated absences		(151,861)	
Deferred property tax revenue		(2,465,700)	
		\$ 13,147,906	

**PLATTE CANYON WATER AND SANITATION DISTRICT
RECONCILIATION OF ACTUAL (Non-GAAP BUDGETARY BASIS) TO STATEMENT OF
REVENUES, EXPENSES AND CHANGES IN NET POSITION
ENTERPRISE FUND
Year Ended December 31, 2025**

REVENUE (BUDGETARY BASIS)	\$ 7,273,004
Loss on asset disposition	(41,885)
Contributed capital assets	346,374
	<u>7,577,493</u>
Total revenue per statement of revenues, expenses and changes in net position	<u>7,577,493</u>
 EXPENDITURES (BUDGETARY BASIS)	 5,504,383
Depreciation and amortization	942,459
Acquisition of plant and equipment	(1,932,418)
	<u>4,514,424</u>
Total expenses per statement of revenues, expenses, and changes in net position	<u>4,514,424</u>
 Change in net position	 <u><u>\$ 3,063,069</u></u>

OTHER INFORMATION

**PLATTE CANYON WATER AND SANITATION DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
GOVERNMENTAL ACTIVITIES LONG-TERM OBLIGATIONS
December 31, 2025**

Year Ending December 31,	Subdistrict No.1 \$400,000 General Obligation Loan Dated June 30, 2006 Interest rate 3.75%		Subdistrict No. 2 \$475,000 General Obligation Loan Dated July 15, 2008 Interest rate 3.50%		Totals		
	Interest Due May 1 and November 1	Principal Due May 1 and November 1	Interest Due May 1 and November 1	Principal Due May 1 and November 1	Total Interest	Total Principal	Total
	2026	\$ 783	\$ 27,742	\$ 2,646	\$ 26,439	\$ 3,429	\$ 54,181
2027	-	-	1,712	27,373	1,712	27,373	29,085
2028	-	-	745	28,339	745	28,339	29,084
	<u>\$ 783</u>	<u>\$ 27,742</u>	<u>\$ 5,103</u>	<u>\$ 82,151</u>	<u>\$ 5,886</u>	<u>\$ 109,893</u>	<u>\$ 115,779</u>

**PLATTE CANYON WATER AND SANITATION DISTRICT
SUMMARY OF ASSESSED VALUATION , MILL LEVY
AND PROPERTY TAXES COLLECTED
Year Ended December 31, 2025**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy		Mills Levied		Total Property Taxes		Percentage Collected to Levied
	Jefferson	Arapahoe	Operations	Abatements	Levied	Collected	
			Mill Levy	Mill Levy			
2016	\$ 165,635,322	\$ 43,852,522	7.104	0.000	\$ 1,488,202	\$ 1,484,559	99.8%
2017	\$ 163,160,892	\$ 44,636,824	7.104	0.022	\$ 1,480,767	\$ 1,483,781	100.2%
2018	\$ 181,469,575	\$ 47,782,132	7.104	0.000	\$ 1,628,604	\$ 1,612,744	99.0%
2019	\$ 181,879,298	\$ 48,331,438	7.104	0.053	\$ 1,647,618	\$ 1,645,849	99.9%
2020	\$ 204,198,164	\$ 55,344,898	7.104	0.017	\$ 1,848,206	\$ 1,827,871	98.9%
2021	\$ 204,244,359	\$ 55,367,814	7.104	0.002	\$ 1,844,804	\$ 1,819,078	98.6%
2022	\$ 223,630,817	\$ 61,216,110	7.104	0.004	\$ 2,024,692	\$ 2,019,712	99.8%
2023	\$ 218,367,495	\$ 60,309,822	7.104	0.093	\$ 2,005,641	\$ 2,002,592	99.8%
2024	\$ 250,992,024	\$ 83,399,959	7.104	0.015	\$ 2,380,537	\$ 2,492,505	104.7%
2025	\$ 251,485,460	\$ 83,615,833	7.104	0.003	\$ 2,381,565	\$ 2,377,314	99.8%
Estimated for year ending December 31, 2026	\$ 265,684,225	\$ 80,672,924	7.104	0.015	\$ 2,465,717		

NOTE: Property taxes collected in any one year may 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.

(Continued)

**PLATTE CANYON WATER AND SANITATION DISTRICT
SUMMARY OF ASSESSED VALUATION, MILL LEVY
AND PROPERTY TAXES COLLECTED
Year Ended December 31, 2025**

(Continued)

Year Ended December 31,	Subdistrict No. 1				Subdistrict No. 2						
	Prior Year Assessed Valuation for Current Year		Property Tax Levy		Debt		Total Property Taxes Collected		Percentage Collected to Levied		
	Property Tax Levy		Tax Levy		Mill Levy		Levied		Collected		
	Jefferson		Jefferson		Mill Levy		Levied	Collected	Collected	to Levied	
2016	\$ 950,483		\$ 1,026,394		30.187		\$ 28,692	\$ 28,692	\$ 29,088	\$ 29,088	100.0%
2017	\$ 954,152		\$ 1,026,394		29.895		\$ 28,524	\$ 28,524	\$ 29,084	\$ 29,084	100.0%
2018	\$ 1,237,435		\$ 1,296,177		23.052		\$ 28,525	\$ 28,525	\$ 29,085	\$ 29,085	100.0%
2019	\$ 1,240,946		\$ 1,339,140		22.986		\$ 28,524	\$ 28,525	\$ 29,085	\$ 29,085	100.0%
2020	\$ 1,463,614		\$ 1,559,492		19.489		\$ 28,524	\$ 28,525	\$ 29,085	\$ 29,085	100.0%
2021	\$ 1,471,971		\$ 1,563,468		19.379		\$ 28,525	\$ 28,525	\$ 29,085	\$ 29,085	100.0%
2022	\$ 1,654,083		\$ 1,707,876		17.245		\$ 28,525	\$ 28,525	\$ 29,085	\$ 29,085	100.0%
2023	\$ 1,604,684		\$ 1,661,887		17.776		\$ 28,525	\$ 28,525	\$ 29,085	\$ 29,085	100.0%
2024	\$ 1,642,113		\$ 1,703,222		17.371		\$ 28,525	\$ 28,525	\$ 29,084	\$ 29,085	100.0%
2025	\$ 1,649,053		\$ 1,705,034		17.298		\$ 28,525	\$ 28,525	\$ 29,084	\$ 29,085	100.0%
Estimated for year ending December 31, 2026	\$ 1,909,190		\$ 1,963,708		0.000		\$ -	\$ -	\$ 29,084	\$ 29,084	100.0%

NOTE: Property taxes collected in any one year may 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.