Prepared by:

Urban Drainage &
Flood Control District

MILE HIGH FLOOD DISTRICT

2025 ANNUAL
COMPREHENSIVE FINANCIAL REPORT

LAKEWOOD, CO

www.mhfd.org

Annual Comprehensive Financial Report

For the Year Ended December 31, 2025

Urban Drainage & Flood Control District, Colorado

Prepared by the Finance Department

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BOARD OF DIRECTORS

EXECUTIVE COMMITTEE

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Jan Kulmann, Mayor, City of Thornton .... Chairperson Pro Tem

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Leslie Summey, Commissioner, Arapahoe County

George Teal, Commissioner, Douglas County

Jamie Torres, Council President, City & County of Denver

Tara Winer, Mayor Pro-Tem City of Boulder

DISTRICT STAFF

Laura Kroeger, Executive Director

Barbara Chongtoua, Director, Design, Maintenance and Construction (DCM)

Amelia Deleon, Director of Human Resources

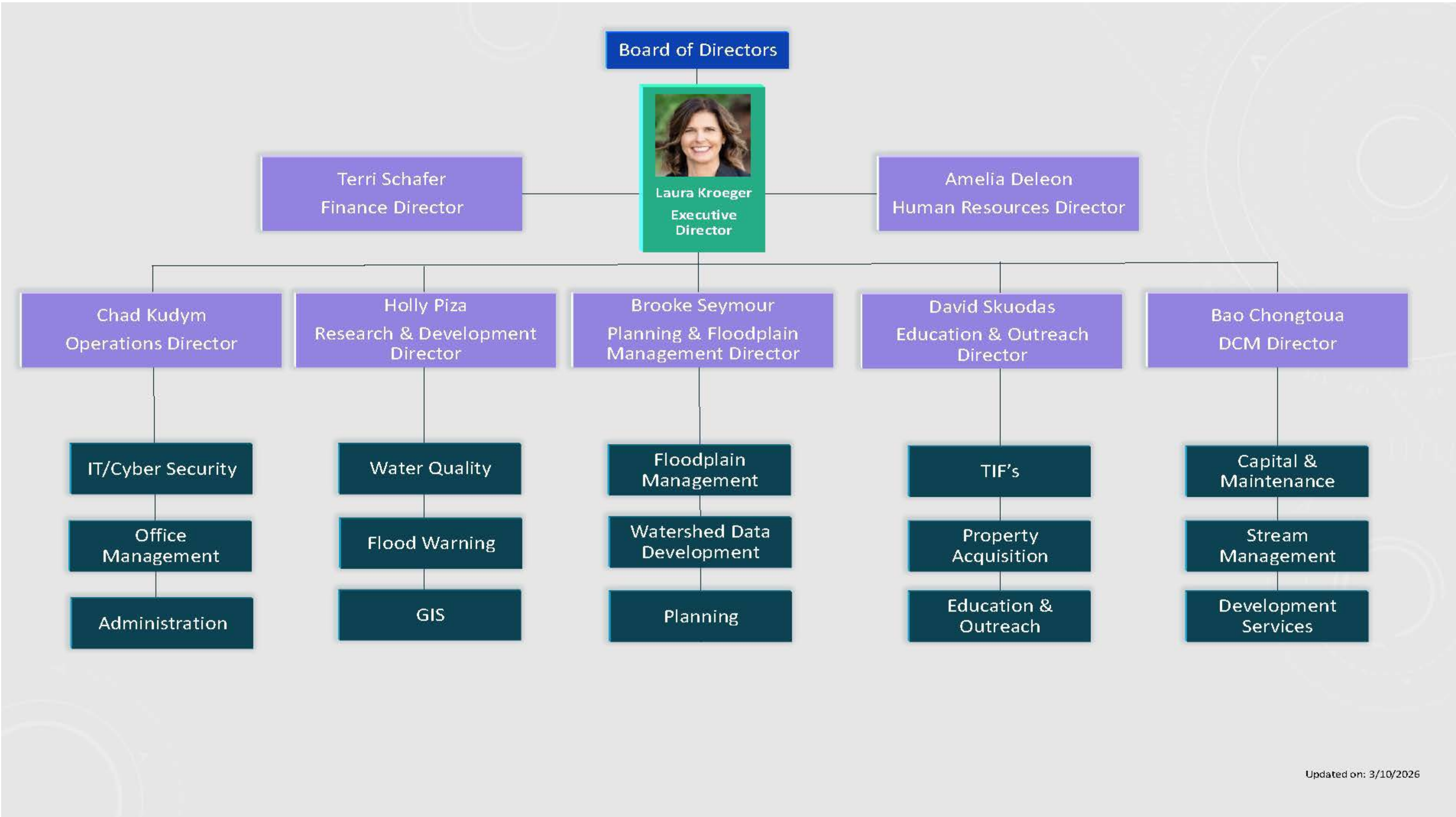
Chad Kudym, Director of Operations

Holly Piza, Director, Research & Development

Terri Schafer, Director of Finance

Dave Skuodas, Director, Education and Outreach

Brooke Seymour, Director, Planning & Floodplain Management


Board of Directors
Laura Kroeger
Executive Director
Terri Schafer
Finance Director
Amelia Deleon
Human Resources Director
Chad Kudym
Operations Director
Holly Piza
Research & Development Director
Brooke Seymour
Planning & Floodplain Management Director
David Skuodas
Education & Outreach Director
Bao Chongtoua
DCM Director
IT/Cyber Security
Office Management
Administration
Water Quality
Flood Warning
GIS
Floodplain Management
Watershed Data Development
Planning
TIF's
Property Acquisition
Education & Outreach
Capital & Maintenance
Stream Management
Development Services
Updated on: 3/10/2026

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April 02, 2026

Board of Directors
Urban Drainage and Flood Control District
d/b/a/ Mile High Flood District

INTRODUCTION

GENERAL

The Annual Comprehensive Financial Report (ACFR) of Urban Drainage and Flood Control District, d/b/a Mile High Flood District (District) for the year ended December 31, 2025 is submitted herewith. The report was prepared by staff of the District's Accounting Division with the assistance of Eide Bailly, LLP. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the District. We believe that the data presented are accurate in all material aspects; that the report is presented in a manner designed to fairly describe the results of operations of the District; that the report fairly presents the financial position of the District for the year then ended; and that all disclosures necessary to enable the reader to gain a maximum understanding of the District's financial activities have been included.

In the accompanying financial statements, the District has included all funds that are controlled by the District's Board of Directors in conformance with those standards set by the Governmental Accounting Standards Board (GASB). Control is determined on the basis of budget adoption, appropriating authority, funding, and approval by the District's Board of Directors. The reporting entity and funds are described in detail in Note 1 to the financial statements. The District is not a component unit of the State of Colorado, nor is it financially accountable for any other governmental entities.

In general terms, the District's operations may be described as: constructing and maintaining drainage and flood mitigation infrastructure; managing, and restoring urban streams; master planning of stream and watershed improvements; quantifying and delineating flood risk; providing early flood warning; managing and preserving floodplains and floodways; promulgating criteria and standards; performing research to advance the practice; maintaining and refining computational hydrologic and hydraulic models, and otherwise serving the residents of the 35 municipalities and those portions of the seven counties in the District's 1,608 square mile boundary in the Denver–Aurora–Lakewood metropolitan statistical area.

Generally accepted accounting principles (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is intended to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the Independent Auditor's Report.

ECONOMIC CONDITION AND OUTLOOK

The District's principal revenue source is an ad valorem tax levied against the assessed value of real property within the District boundary. Several bills passed by the Colorado General Assembly and Colorado Voters have impacted Assessed Valuations and will do so for the next few years.

In 2020, The Gallagher Amendment was repealed by voters. This resulted in the Residential and Commercial Assessed Valuation rates being held at 7.15% and 29% respectively unless changed by the Colorado General Assembly.

Senate Bill 22-238 passed in 2022, adjusting the Assessment Rates to 6.765% for Residential and 27.9% for Commercial for 2024 (payable in 2025). This Bill also reduced the actual property value used for the purposes of the valuation for assessment of residential real property by $15,000 and commercial property by $30,000. In 2024 the voters overwhelmingly defeated Proposition HH which would have offered reductions in the increase of both residential and non-residential property tax in exchange for a gradual lifting of the Taxpayer's Bill of Rights (TABOR) revenue cap. In November of 2024 the Legislature passed Senate Bill SB23B-001 which further reduced the actual valuation of all residential properties by an additional $55,000 and cut the assessment rate to 6.7%. Within the District about 51% of the property taxes comes from Residential and about 36% from Commercial. The reduction in the Assessed Valuation rate does have an impact on the revenue as the growth rate in the Denver metro area is slowing down. The growth rate in 2024 was 1.2% and in 2025 remained at 1.2%. With result of these factors as well as additional proposed legislation and potential ballot measures, the District is anticipating the flatlining of revenue for the next few years.

TABOR AMENDMENT

In November of 1992, the voters of Colorado passed Article X, Section 20 of the Colorado Constitution known as the Taxpayer's Bill of Rights (TABOR) which is designed to restrain the growth of government. In 2018, Ballot item 7G was passed by the voters of the District, removing the District's TABOR revenue and spending restrictions. Additional information and explanations as to how this amendment affects the District can be found in Management's Discussion and Analysis.

SIGNIFICANT ACTIVITIES

The District's activities are organized under the following Service Lines: Planning and Floodplain Management, Design, Construction and Maintenance, Development Services, Research and Development, Government Relations, and Information Technology.

The District hired an additional four new employees in 2025 bringing the total number of full-time employees to 52 to support and manage the work. There were two retirements in 2025 as well.

Planning and Floodplain Management

The District is the lead contracting agency for most master plans and co-manages the work with the Local Government (LG) sponsors.

Master Plans Started in 2025	Master Plans Completed in 2025	Number On-Going Master Plans
4	9	47

The District has worked with the Federal Emergency Management Agency (FEMA) as a Cooperating Technical Partner (CTP) since 2001. In this partnership, FEMA provides the District with grants and the District provides technical reviews for requests for Flood Insurance Rate Map (FIRM) changes. The program continued through 2025 and, while it has been ongoing for many years, future activities are subject to FEMA funding availability and program direction. In periods when federal grant funding is unavailable, the District may use local funding to maintain continuity of these services. The District assisted several local governments in obtaining FIRM changes brought about by the construction of the flood control projects discussed above.

The District is the lead contracting agency and provides all technical review for Flood Hazard Area Delineation Studies.

FHADs Started in 2025	FHADs Completed in 2025	Number of On-Going FHADs
2	1	30

Approximately 42,000 flood hazard information brochures were mailed to properties in or near high hazard zones.

Design, Construction and Maintenance

The District has a 5-yr Capital Improvement Plan (CIP) to design and build master planned improvements. The 5-yr CIP identifies funding for current and new projects in 2025. Projects are done in cooperation with the local governments, who are also funding sponsors. The District is typically the contracting agency for both design and construction phases.

CIP Projects Started in 2025	CIP Projects Completed in 2025	Number of Ongoing CIP Projects
11	10	42

A critical part of the District's operations is its stream management or maintenance activity. The District assisted 36 local governments in 2025 by providing stream management assistance on major drainageways within their jurisdiction. Through ten separate contracts, stream management services were performed over 379 different drainageway sites totaling more than 224 miles of stream length and 1,838 acres of floodplain. These stream management activities included vegetation management, debris removal, tree removal, and small repairs. 245 agreements or amendments for stream management restoration services were issued during 2025 to address localized maintenance needs across the District. All stream management maintenance activities were contracted to the private sector.

In 2025, the District continued stream management and restoration activities along the South Platte River, a reach of approximately 41 miles from Chatfield Reservoir to the Adams/Weld County line. Stream management activities included trash and debris removal from the channel, mowing and tree/shrub pruning along trails, noxious weed and invasive plant control, and revegetation. Channel restorative activities included bank restoration, grade control construction and rehabilitation, revegetation, utility crossing buttress construction, and trail repairs. All design and construction activities were contracted to private sector vendors. Five new projects were started along the river, three projects were completed, and four existing projects continued.

Development Services

In 2017, the District established a Development Services Enterprise in order to contract with land developers, collect voluntary fees from the same, and to then hire vendors to design and construct master-planned stream improvement projects necessitated by the land development activities. These projects are called Development Improvement Projects (DIP) because the developer's fees are in lieu of the developer completing the required stream improvement work, and the District contracting the design and construction instead of providing maintenance eligibility reviews as a referral agency to the local governments we serve.

DIP Projects Started in 2025	DIP Projects Completed in 2025	Number On-Going DIP Projects
6	3	25

The District continued to provide plan review and construction observation services for projects that impact stream corridors under the Maintenance Eligibility Program (MEP). Projects constructed with non-District funds (typically land development projects) that are approved through the MEP may receive future stream management or maintenance assistance.

Research and Development

There are several ongoing efforts under this service line in addition to specific Research and Development (R&D) projects. Ongoing efforts include Flood Warning Systems, Water Quality Monitoring and Support, Environmental Services, and Education and Outreach.

Flood Warning Systems– In 2005, the District established Flood Warning and Information Services (FW/IS) in response to growing technology-driven support needs. The automated flood detection network, known as the ALERT system, continued to improve and expand in 2025.

Flood emergency and response procedures are reviewed annually, updated, and practiced with local governments. Meteorological and hydrological forecast services include direct notifications to local jurisdictions concerning potential and imminent flood threats and as-needed support during these events. The District also continued its long-running activities with the United States Geological Survey (USGS) to collect rainfall and runoff data throughout the Denver metropolitan area. In 2025, the District began an effort to build a new model for forecasting. Once completed, this model will include all major and some minor streams within the District. The model produces a twice-daily forecast of stream elevations based on the forecasted rainfall. The intent is to give our local emergency managers as much lead time as possible for flood events that present risk to people and property.

Water Quality Monitoring and Support – The District continues to coordinate the combined efforts by the three largest cities within the District to comply with and renew their National Pollutant Discharge Elimination System (NPDES) Phase I stormwater discharge permits and to participate and assist all Phase II municipalities as they continue to comply with the terms of their stormwater discharge permits. Much of the latter is done through active participation in the Colorado Stormwater Council and by engaging in topic-focused workgroups with the Colorado Department of Public Health and Environment (CDPHE). In support of stormwater quality efforts, the District continued to monitor several stormwater control measures (SCMs), collecting performance and maintenance data, and reporting our findings to the scientific and regulated communities. These monitoring efforts also informed design criteria updates in 2025.

Environmental Services – The District continued to achieve compliance with the Clean Water Act in 2025. This work includes securing all permits required for District projects including the Regional General Permit (RGP) which is a permit that allows certain qualifying District projects to advance without some of the time delays required for individual permits. Environmental Services also continued to develop work processes in 2025 in conjunction with the development of a vegetation management plan for the District and the Urban Stream Assessment Procedure (USAP).

Outreach – Outreach activities in 2025 included continued improvement to the District's website; producing an annual report; providing public outreach and education; and improving accessibility to comply with new changes in Colorado law.

R&D Projects – R&D projects in 2025 included those that inform and update technical standards, the Urban Storm Drainage Criteria Manual, specifications, and related support tools and software including the District’s own suite of hydrologic and hydraulic computational models as well as MHFD Confluence, a web-based platform to facilitate work requests, the annual workplan, and project management.

New R&D Projects in 2025	Completed R&D Projects in 2025	Ongoing R&D Projects in 2025
5	4	11

Government Relations

In 2025, the District contributed to the purchase of five properties totaling $3,678,717 from the recently expanded property acquisition fund reserve and plans to expend up to 3% of the District's annual revenue moving forward. The budget for 2025 was $3,750,000. In 2025, the District continued to support and coordinate work with the United State Army Corps of Engineers in Arapahoe and Denver counties.

Information Technology

Help Desk

The IT Team supports all District staff across voice communications, laptops, laptop accessories, servers, online services, and remote work capabilities. The ticket system is also used to track onboarding and offboarding of staff and interns.

Cyber Security

Secure access to electronic information helps staff work within the office, at home offices, and while offsite for meetings. The IT Team continues to manage the District's network, servers, endpoint protection, Internet services, system backups, disaster recovery, equipment upgrades, programming, software maintenance, and general IT oversight. In 2025, the District started migrating servers from a local data center on physical hardware to the Microsoft Azure Cloud environment. This was done for improved security, reliability, and scalability.

In 2025 we contracted for cyber security services with Arctic Wolf to provide 24/7/365 monitoring of our network and devices. The Arctic Wolf engagement includes network traffic log monitoring, server monitoring, laptop monitoring, Microsoft user account monitoring, Microsoft Active Directory monitoring, phishing simulation, phishing reporting, etc. Their Security Operations Center (SOC) reviews alerts for any false positives and then contacts District staff to discuss remediation. During monthly cybersecurity review sessions Arctic Wolf provided recommendations to improve Microsoft security settings.

Content Management

The District continues to invest in Microsoft SharePoint for improved security, data sharing, and offline access. The District also continues to invest in the OnBase platform to improve content management and associated business process automation.

MHFD Confluence

The IT and GIS Teams continued working together with staff and consulting teams to develop our online mapping and project management platform, Confluence. Confluence drove the need for a centralized database that incorporates resolution, agreement, and related project documentation to provide a robust platform for data sharing and project management tools.

PROSPECTS FOR THE FUTURE

With the repeal of the Gallagher Amendment and the additional legislation to stabilize the residential property tax rates, we anticipate that the District's revenue will remain flat or decrease a little for the next couple of years. With the current inflation rate and supply chain issues, the District is experiencing a 6-8% increase in construction costs. These two factors will result in the District being able to fund fewer projects over the next couple of years.

In 2021, the District created a fund reserve in the general fund, to increase by 3% of tax revenues annually and for the purpose of purchasing, remodeling and moving to establish a new base of operations prior to May 2026 when our current lease expires at the Diamond Hill office complex; our home for the past 47 years. In April of 2022 the District purchased and remodeled a building. The remodel was completed in April of 2023 and the District officially moved to its new home on May 1, 2023. The District's lease with Diamond Hill does not expire until May of 2026. We anticipate having to continue to pay rent on the current space until that time.

The four major program areas of the District are all fully funded for 2025. Work programs and budgets for the service lines have been approved by the District's Board of Directors.

FINANCIAL INFORMATION

INTERNAL CONTROL

In developing and evaluating the District's accounting system, an important consideration is the overall adequacy of internal controls. Internal controls are designed to provide District management with reasonable (but not absolute) assurance regarding: a) the safeguarding of assets against loss from unauthorized use or disposition; and b) the overall reliability of the financial records for preparing financial statements and for maintaining accountability and control over the District's assets. The concept of reasonable assurance recognizes that: a) the cost of a control should not exceed the benefits likely to be derived; and b) the evaluation of cost and benefits requires estimates and judgments by management.

We believe that the District's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

FISCAL CONTROL

Annually, appropriations are established to record the current year's fiscal requirements for the District. Portions of these appropriations are set aside as purchase orders and/or contracts. No commitment is authorized, nor any expenditure incurred, until it is determined that adequate appropriation balances exist for that purpose.

To facilitate this determination, the District's accounting records are delineated by category as shown in the financial statements. Budgetary control (that is, the level at which expenses cannot exceed the appropriated amount) is maintained at the category level within an individual fund. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in all funds. Encumbrances outstanding at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities. Variances with the budget are reported to the District's management on a monthly basis.

DEBT ADMINISTRATION

The District is in a very enviable position of having no debt, and therefore no debt issues outstanding.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Urban Drainage and Flood Control District for its annual comprehensive financial report for the fiscal year ended December 31, 2024

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement Program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

OTHER INFORMATION

INDEPENDENT AUDIT

The District is required to have an annual audit of the books of accounts, financial records and transactions conducted by a firm of independent certified public accountants. The accounting firm of Eide Bailly, LLP was selected by the District's Audit and Finance Committee and approved by the Board of Directors. The Independent Auditor's Report of Eide Bailly, LLP has been included in this report.

ACKNOWLEDGMENTS

In submitting this 2025 Annual Comprehensive Financial Report, we express our sincere appreciation to the District accounting staff and management team that participated in the preparation of this report.

Respectfully Submitted,

Laura A. Kroeger
Executive Director

Terri Schafer, CPA
Finance Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Urban Drainage and Flood Control
Colorado

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2024

Christopher P. Morrill

Executive Director/CEO

Independent Auditor's Report

To the Board of Directors
Urban Drainage and Flood Control District
Denver, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Urban Drainage and Flood Control 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of December 31, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). 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.

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Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government 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 GAAS and *Government 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 management's discussion and analysis and budgetary comparison information 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 GAAS, 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 budgetary comparison schedule for the Development Services fund is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the budgetary comparison schedule for the Development Services fund 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 comprises the introductory and statistical sections 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March XX, 2026 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Eide Bailly LLP

Denver, Colorado
April 2, 2026

The management of Urban Drainage and Flood Control District, Denver, Colorado offers this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2025 as a supplement to the District's basic financial statements.

Financial Highlights
The assets of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $56,323,185 (net position). Of this amount, $8,853,852 represents the District's investment in capital assets, and $39,015,395 is restricted for emergencies, construction, maintenance, South Platte River and floodplain preservation projects. Unrestricted net position at December 31, 2025 was $8,453,938.

The District's total net position increased by $5,697,394.

As of year-end, the District's Governmental Activities reported a combined ending net position of $55,655,256, an increase of $5,463,749 in comparison to the prior year.

Overview of the Financial Statements
Management's discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The basic financial statements comprise three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the basic financial statements. This report also contains other required supplementary information to supplement the basic financial statements themselves.

Government-Wide Financial Statements
The government-wide financial statements are designed to provide the reader of the District's basic financial statements a broad overview of the District's finances, in a manner similar to a private sector business. The government-wide financial statements include the Statement of Net Position and the Statement of Activities. The government-wide financial statements can be found on pages 22 and 23.

The Statement of Net Position presents information on all of the District's assets, liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the net position of the District changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in a future fiscal period (e.g., earned but unused compensated absences).

Fund Financial Statements

A fund is a grouping of related accounts that is used by management to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds and fiduciary 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 statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances or spendable resources available at year-end. 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 governmental funds with similar information presented for governmental activities in the government-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 funds balance sheet and governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains five different governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Construction Special Revenue Fund, Maintenance Special Revenue Fund, South Platte River Special Revenue Fund, and Federal Grants Fund.

The District adopts an annual appropriated budget for the General Fund and Special Revenue Funds, except as described in the notes to the basic financial statements. A budgetary comparison schedule for the General Fund and each major Special Revenue Fund is included in the required supplementary information.

The basic governmental fund financial statements can be found on pages 24 through 27 of this report.

Proprietary funds are used to account for business-type activities that are similar to the private sector and in which fees are charged for goods and services. The District reports one proprietary fund, an enterprise fund. The District created the Development Services Enterprise Fund in 2017 to account for voluntary fees collected from land developers for the District's participation in design and construction of regional drainage and flood control improvements.

The District adopts an annual appropriated budget for the Development Services Enterprise Fund. A budgetary comparison schedule for this fund is included in the supplementary information. The basic proprietary fund financial statements can be found on pages 28 through 30 of this report.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the District's own programs.

The District has one fiduciary fund, the Project Custodial Fund. The basic fiduciary fund financial statements can be found on pages 31 and 32 in the basic financial statements in 2025.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes can be found on pages 33 through 47 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's position. In the case of the District, assets exceeded liabilities and deferred inflows of resources by $56,323,185 at the close of the most recent fiscal year.

By far the largest portion of the District's current assets represent cash and investments of $51,206,670 and property taxes receivable of $84,418,523. Current liabilities include primarily accounts payable. Deferred inflows of resources include unearned revenue of $84,418,523 related to the property tax receivable recorded at year-end.

Statement of Net Position

	2025		2024	
	Governmental Activities	Business-Type Activities	Governmental Activities	Business-Type Activities
ASSETS				
Current Assets	$ 135,686,208	$ 686,623	$ 127,468,668	$ 442,296
Net Capital Assets	9,051,390	-	9,736,389	-
Total Assets	144,737,598	686,623	137,205,057	442,296
LIABILITIES				
Current Liabilities	2,973,502	18,694	2,423,567	8,012
Long-Term Liabilities	1,690,317	-	1,408,001	-
Total Liabilities	4,663,819	18,694	3,831,568	8,012
DEFERRED INFLOWS OF RESOURCES				
Property Tax Revenue	84,418,523	-	83,181,982	-
Total Deferred Inflows of Resources	84,418,523	-	83,181,982	-
NET POSITION				
Investment in Capital Assets	8,853,852	-	9,084,056	-
Restricted	39,015,395	-	35,130,739	-
Unrestricted	7,786,009	667,929	5,976,712	434,284
Total Net Position	$ 55,655,256	$ 667,929	$ 50,191,507	$ 434,284

Governmental activities increased the District's net position by $5,463,749, which represents a 10.9% increase in net position. The increase in net position was due primarily to the increased assessed valuation of property within the District.

Business-type activities increased the District's net position by $233,645. The increase in net position was primarily due to the decrease in commitment of the administrative fees collected on Fee-in-Lieu projects funded by developers, to additional projects of the District. This was new in 2020 and will continue to grow as a result of all the development in the metro area. Starting in 2027, the administrative fees will be transferred to the General Fund to help cover the salaries of the Development Services team.

Changes in Net Position

	2025		2024	
REVENUE	Governmental Activities	Business-Type Activities	Governmental Activities	Business-Type Activities
Program Revenue:				
Operating Grants and Contributions	$ 520,056	$ -	$ 718,944	$ -
Charges for Services	-	18,090,151	-	8,026,924
General Revenue:				
Taxes	86,636,133	-	88,570,892	-
Project participation	436,662	-	60,000	-
Investment Earnings	2,836,966	63,153	2,244,131	51,234
Other	107,244	306,161	173,934	113,224
Total Revenues	90,537,061	18,459,465	91,767,901	8,191,382
EXPENSES				
General Government	13,366,807	-	12,075,438	-
Maintenance	29,398,928	-	32,572,574	-
Floodplain Preservation	3,678,717	-	2,284,650	-
Project Custodial Funds	38,161,018	18,225,820	37,550,979	8,158,114
Debt Service Payments	467,842	-	455,503	-
Total Expenses	85,073,312	18,225,820	84,939,144	8,158,114
CHANGE IN NET POSITION	5,463,749	233,645	6,828,757	33,268
Net Position - Beginning of Year	50,191,507	434,284	43,362,750	401,016
NET POSITION - END OF YEAR	$ 55,655,256	$ 667,929	$ 50,191,507	$ 434,284

Financial Analysis of the District's Governmental Funds
As noted earlier, the District uses fund accounting to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of the District. The fund balance increased by $1,233,672 from the prior year. This increase is due to the delay in hiring two positions and an increase in investment earnings over the previous year.

The South Platte River Fund is used to account for the maintenance and improvements to that portion of the river that lies within the District. The fund balance increased by $644,035. The increase is primarily due to the delay in a maintenance project on the river and the funds being rolled to 2026.

The Construction Fund is used to account for capital costs of drainage projects. This fund balance decreased by $274,612. This decrease is a result of the decision by the Board to spend down a portion of the accumulated fund balance.

The Maintenance Fund is used to conduct maintenance on District funded facilities and for the preservation of floodplains and floodways. This fund balance increased during the year by $4,510,030. This increase is a result of projects that were scheduled to be started in 2025 that have been delayed until 2026.

Budgetary Highlights
There were differences between the original and final budgets. There was an amended budget presented and approved by the Board in April of 2025. The District's Board of Directors passed the original 2025 budget on November 21, 2024 during the normal budgeting process and based on the County Assessor's August estimate for the 2024 taxes to be collected in 2025. The only change in the amended budget was an increase in anticipated expenditures in the DSE Fund. There were a couple of projects that went to construction earlier that originally planned.

Capital Asset Administration and Long-term Debt
The District's net investment in capital assets for its governmental activities amounts to $8,853,852. The majority of the District's capital assets represent the building and improvements purchased in 2022 and completed in 2023 in the amount of $7,601,251. The District implemented GASB No. 87, *Leases*, as of January 1, 2022. This implementation added $1,903,921 to investment in capital assets. The implementation of GASB No. 87, also increased the long-term debt of the District by the same amount. Additional information on the District's capital assets and long-term debt can be found in Notes 3 and 4 of this report.

Economic Factors and Next Year's Budget and Rates

Property values within the District have continued to rise and are expected to continue to rise, due to a boom in land development and an ongoing housing demand that continues to outstrip the available supply. However, due to some recent state legislation to stabilize residential property taxes, and because the District's principal revenue source is an ad valorem tax levied against the assessed value of real property within the District boundary, the District anticipates that revenue will start to level out for the foreseeable future.

In November of 1992, the voters of Colorado passed Amendment One, Article X, Section 20 of the Colorado Constitution. Known as the Tax Payers Bill of Rights, or TABOR, this amendment is designed to restrain the growth of government through spending limits and property tax revenue limits. In November of 2018, the District asked the voters to exempt the District from certain TABOR provisions.

The ballot question asked the voters to allow the District to restore its mill levy to the amount authorized by the legislature, and to be able to retain all the revenue received as a result of this increase. The voters passed this ballot measure, increasing the District's statutory millage rate from 0.820 in 2019 to the full statutory millage rate of 1.000 being restored in 2021. Other provisions of TABOR still apply, including the prohibition of further tax increases without voter approval, and the requirement to maintain and appropriately administer an emergency reserve equal to 3% or more of the District's fiscal year spending.

The 2026 budgeted tax revenue across the four governmental funds with budgetary control is $87,837,005, which represents an increase over the 2025 revenue of $1,200,872. This modest increase is due to the current legislation that limited the increase in property taxes for property owners. The District anticipates the modest increase in revenue to continue for the next several years based on the State Legislature passing HB24B-1001 which reduces the assessed valuation on property and limits special district's property tax increases from the previous year to 10.5% during a 2-year reassessment cycle.

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Urban Drainage and Flood Control District, 12575 W Bayaud Avenue, Lakewood, Colorado 80228.

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and investments	$ 50,532,788	$ 673,882	$ 51,206,670
Property taxes receivable	84,418,523	-	84,418,523
Specific ownership taxes receivable	377,399	-	377,399
Other receivable	3,711	-	3,711
Accrued interest receivable	353,787	12,741	366,528
Total current assets	135,686,208	686,623	136,372,831
Noncurrent assets:			
Land and improvements (nondepreciable)	1,428,694	-	1,428,694
Other capital assets net of depreciation/amortization	7,622,696	-	7,622,696
Total noncurrent assets	9,051,390	-	9,051,390
Total assets	144,737,598	686,623	145,424,221
LIABILITIES			
Current liabilities:			
Accounts payable and other liabilities	1,957,635	18,694	1,976,329
Accrued salaries and benefits	315,589	-	315,589
Compensated absences	502,740	-	502,740
Lease liability	197,538	-	197,538
Total current liabilities	2,973,502	18,694	2,992,196
Noncurrent liabilities:			
Compensated absences	1,690,317	-	1,690,317
Total noncurrent liabilities	1,690,317	-	1,690,317
Total liabilities	4,663,819	18,694	4,682,513
DEFERRED INFLOWS OF RESOURCES			
Property tax revenue	84,418,523	-	84,418,523
Total deferred inflows of resources	84,418,523	-	84,418,523
Total liabilites and deferred inflows of resources	89,082,342	18,694	89,101,036
NET POSITION			
Net investment in capital assets	8,853,852	-	8,853,852
Restricted for:			
Construction	10,073,002	-	10,073,002
Emergencies	2,689,900	-	2,689,900
Maintenance	23,952,800	-	23,952,800
South Platte River	2,299,693	-	2,299,693
Unrestricted	7,786,009	667,929	8,453,938
Total net position	$ 55,655,256	$ 667,929	$ 56,323,185

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Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Contributions and Grants	Program Revenues: Capital Contributions and Grants	Net (Expense) Revenue and Changes in Net Position — Primary Government: Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	$ 13,366,807	$ -	$ 520,056	$ -	$ (12,846,751)	$ -	$ (12,846,751)
Maintenance	29,398,928	-	-	-	(29,398,928)	-	(29,398,928)
District participation							
Floodplain preservation	3,678,717	-	-	-	(3,678,717)	-	(3,678,717)
Project custodial fund	38,161,018	-	-	-	(38,161,018)	-	(38,161,018)
Other financing uses							
Debt Service							
Principal	454,795	-	-	-	(454,795)	-	(454,795)
Interest	13,047	-	-	-	(13,047)	-	(13,047)
Total governmental activities	85,073,312	-	520,056	-	(84,553,256)	-	(84,553,256)
Business-type activites:							
Development services Enterprise	18,225,820	18,090,151	-	-	-	(135,669)	(135,669)
Total business-type activities	18,225,820	18,090,151	-	-	-	(135,669)	(135,669)
Total primary government	$ 103,299,132	$ 18,090,151	$ 520,056	$ -	(84,553,256)	(135,669)	(84,688,925)

	Governmental Activities	Business-type Activities	Total
General revenues:			
Property taxes	81,951,714	-	81,951,714
Specific ownership taxes	4,684,419	-	4,684,419
Project Participation	436,662	-	436,662
Investment earnings	2,836,966	63,153	2,900,119
Other	107,244	306,161	413,405
Total general revenues	90,017,005	369,314	90,386,319
Change in net position	5,463,749	233,645	5,697,394
Net position - beginning	50,191,507	434,284	50,625,791
Net position - ending	$ 55,655,256	$ 667,929	$ 56,323,185

	GENERAL	SPECIAL REV SOUTH PLATTE RIVER	SPECIAL REVENUE CONSTRUCTION	SPECIAL REVENUE MAINTENANCE	NONMAJOR FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS						
Cash and investments	$ 7,797,096	$ 2,788,518	$ 11,036,609	$ 28,733,185	$ 177,380	$ 50,532,788
Receivables:						
Property taxes	8,546,058	7,504,003	34,184,231	34,184,231	-	84,418,523
Specific ownership taxes	343,383	34,016	-	-	-	377,399
Other	-	-	-	3,711	-	3,711
Accrued interest	46,540	21,934	93,500	191,813	-	353,787
Total assets	$ 16,733,077	$ 10,348,471	$ 45,314,340	$ 63,112,940	$ 177,380	$ 135,686,208
LIABILITIES						
Accounts payable and other liabilities	$ 187,664	$ 297,975	$ 47,907	$ 1,364,946	$ 59,143	$ 1,957,635
Accrued salaries and benefits payable	315,589	-	-	-	-	315,589
Total liabilities	503,253	297,975	47,907	1,364,946	59,143	2,273,224
DEFERRED INFLOWS OF RESOURCES						
Property tax revenues	8,546,058	7,504,003	34,184,231	34,184,231	-	84,418,523
Total deferred inflows of resources	8,546,058	7,504,003	34,184,231	34,184,231	-	84,418,523
Total liabilities and deferred inflows of resources	9,049,311	7,801,978	34,232,138	35,549,177	59,143	86,691,747
FUND BALANCES						
Restricted						
Operations	7,279,066					7,279,066
Construction			10,073,002			10,073,002
Emergencies (TABOR)	404,700	246,800	1,009,200	1,029,200		2,689,900
Maintenance				23,834,563	118,237	23,952,800
South Platte River Projects		2,299,693				2,299,693
Committed:						
Floodplain Preservation				2,700,000		2,700,000
Total fund balances	7,683,766	2,546,493	11,082,202	27,563,763	118,237	48,994,461
Total liabilities and fund balances	$ 16,733,077	$ 10,348,471	$ 45,314,340	$ 63,112,940	$ 177,380	$ 135,686,208

Fund balances of governmental funds	$ 48,994,461
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund.	9,051,390
Compensated absences are not uses of financial resources in governmental activities and are therefore not reported in the fund. However, compensated absences are treated as a liability in the Statement of Net Position. This is the total of the liability as of December 31, 2025.	(2,193,057)
Some liabilities, including leases payable, are not due and payable in the current period and therefore are not reported in the fund.	
Lease liability	(197,538)
Net position of governmental activities	$ 55,655,256

	GENERAL	SPECIAL REVENUE SOUTH PLATTE RIVER	SPECIAL REVENUE CONSTRUCTION	SPECIAL REVENUE MAINTENANCE	NONMAJOR FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES						
Taxes	$ 13,049,299	$ 7,998,430	$ 32,793,391	$ 32,795,013	$ -	$ 86,636,133
Project participation	-	-	1,994	74,668	360,000	436,662
Investment earnings	336,503	228,173	842,775	1,429,515	-	2,836,966
Other revenue	101,997	-	-	5,247	-	107,244
Federal grants	-	-	-	-	520,056	520,056
Total revenues	13,487,799	8,226,603	33,638,160	34,304,443	880,056	90,537,061
EXPENDITURES						
General government	11,657,713	97,370	451,754	451,754	-	12,658,591
Maintenance	87,861	2,785,198	-	25,663,942	861,926	29,398,927
District participation						
Project custodial fund	-	4,700,000	33,461,018	-	-	38,161,018
Floodplain preservation	-	-	-	3,678,717	-	3,678,717
Total expenditures	11,745,574	7,582,568	33,912,772	29,794,413	861,926	83,897,253
Other financing (sources) uses						
Subscription proceeds	(261,450)	-	-	-	-	(261,450)
Capital outlay	302,161	-	-	-	-	302,161
Debt service						
Principal	454,795	-	-	-	-	454,795
Interest	13,047	-	-	-	-	13,047
Total other financing (sources) uses	508,553	-	-	-	-	508,553
Excess (deficiency) of revenues over expenditures	1,233,672	644,035	(274,612)	4,510,030	18,130	6,131,255
Net change in fund balances	1,233,672	644,035	(274,612)	4,510,030	18,130	6,131,255
Fund balances - beginning	6,450,094	1,902,458	11,356,814	23,053,733	100,107	42,863,206
Fund balances - ending	$ 7,683,766	$ 2,546,493	$ 11,082,202	$ 27,563,763	$ 118,237	$ 48,994,461

Net change in fund balances - total governmental funds	$ 6,131,255
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets are expensed in the governmental funds and depreciated/amortized in the Statement of Activities:	
Capital asset additions	40,711
Depreciation/amortization expense	(725,710)
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 government funds:	
Change in accrued compensated absences	(437,302)
Debt services payments for lease principal are reported as expenditures in governmental funds, but not as expenditures in the Statement of Activities	454,795
Change in net position of governmental activities	$ 5,463,749

		Development Services Fund
ASSETS		
Current Assets		
Cash and cash equivalents	$	673,882
Accrued interest receivable		12,741
Total assets		686,623
LIABILITIES		
Current liabilities		
Accounts payable	$	18,694
Total liabilities		18,694
NET POSITION		
Unrestricted		667,929
Total net position	$	667,929

		Development Services Fund
OPERATING REVENUES		
Charges for services	$	18,090,151
Administrative fee		306,161
Total operating revenues		18,396,312
OPERATING EXPENSES		
Development services projects		171,068
District Participation		
Project custodial fund		18,054,752
Total operating expenses		18,225,820
Operating income		170,492
NONOPERATING REVENUES		
Investment earnings		63,153
Total nonoperating revenue		63,153
Change in net position		233,645
Total net position - beginning		434,284
Total net position - ending	$	667,929

		Development Services Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers and users	$	18,396,312
Payments to suppliers		(18,215,138)
Net cash provided by operating activities		181,174
CASH FLOWS FROM INVESTING ACTIVITIES		
Net gain on investments		52,734
Net increase in cash and cash equivalents		233,908
Cash and cash equivalents - January 1		439,974
Cash and cash equivalents - December 31	$	673,882
Reconciliation of operating income to net cash provided by operating activities:		
Operating Income	$	170,492
Adjustments to reconcile operating income to net cash provided by operating activities:		
Change in assets and liabilities:		
Increase in accounts payable		10,682
Net cash provided by operating activities	$	181,174

		Project Custodial Fund
ASSETS		
Cash and investments	$	334,529,286
Accrued interest receivable		1,991,801
Total assets		336,521,087
LIABILITIES		
Accounts payable	$	9,153,186
Retainage payable		6,492,067
Participation deposits		288,116,513
Total liabilities		303,761,766
NET POSITION		
Restricted for:		
Construction and participant refunds	$	32,759,321

ADDITIONS		
Contributions:		
Project participation	$	155,347,020
Other contributions		1,886,923
Total contributions		157,233,943
Investment earnings:		
Interest earnings		11,048,310
Net increase in fair value in investments		2,135,109
Net investment earnings		13,183,419
Total additions		170,417,362
DEDUCTIONS		
Construction, maintenance and master plan costs		155,762,176
Refund of project participation		63,673
Other deductions		952,121
Total deductions		156,777,970
Net increase in fiduciary net position		13,639,392
Net Position - beginning		19,119,929
Net Position - end	$	32,759,321

Note 1 - Summary of Significant Accounting Policies

The financial statements of the Urban Drainage and Flood Control District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standard Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

Financial Reporting Entity

The District was created pursuant to the authority conferred by the Colorado Revised Statutes and is a governmental subdivision of the State of Colorado, with those powers specifically granted and those reasonably implied therefrom and necessary to carry out the objectives and purpose of the District. The District's purpose is to coordinate, plan, construct, maintain or otherwise attempt to minimize risk to persons and property from flood hazards inherent in the area. The District's Board of Directors is appointed as stipulated by the Colorado Revised Statutes.

The District, pursuant to the provisions of the Colorado Revised Statutes is exempt from sales, income and property taxes.

The District follows 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.

Governing Body

The Board of Directors is the governing body of the District. By Colorado state law, the board consists of 24 members constituted as follows: mayor or deputy mayor of the City and County of Denver as ex officio director; three Denver council members appointed by the City Council; one commissioner from each of the counties of Adams, Arapahoe, Boulder, Jefferson, and Douglas appointed by their respective board of county commissioners; one mayor from a city located in each county of Adams, Arapahoe, Boulder, Douglas, and Jefferson appointed by the governor; mayor or mayor pro-tem from the City and County of Broomfield; mayor or mayor pro-tem of any City having population in excess of 100,000 as ex officio member (currently Aurora, Arvada, Boulder, Centennial, Lakewood, Thornton and Westminster); and two licensed professional engineers appointed by the Board of Directors.

Government-Wide and Fund Financial Statements
The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the government. As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements with the exception of interfund services provided and used. Governmental activities are supported by taxes and intergovernmental revenues. Business-type activities are supported by charges for service for development services.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customer or applicants who purchase, 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 meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported instead as general revenues.

Measurement Focus, Basis of Accounting and Financial Statement Presentation
The government-wide financial statements, business type activities financial statements and the custodial fund are reported using the economic resources measurement focus and the accrual basis of accounting. 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 revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major source of revenue susceptible to accrual is property tax. Expenditures are generally recognized when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences are recorded only when payment is due.

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in other funds.

The South Platte River Special Revenue Fund is used to account for property tax revenue which, by statute, is to be used for the maintenance of and capital improvements on the portion of the South Platte River which lies within the District.

The Construction Special Revenue Fund is used to account for property tax revenue which, by statute, is to be used for capital costs of drainage projects. Generally, this fund accounts for the District's share of participation costs in various construction projects. The District's participation expenditures from the fund are recorded as participant deposits in the Project Custodial Fund for construction and design projects until such time when the related expenditures begins. Other participation expenditures are paid directly to other governmental entities for construction projects which are not administered by the District. Participation expenditures are recorded when the resolutions are approved by the Board of Directors and the contracts are executed by the participants.

The Maintenance Special Revenue Fund is used to account for property tax revenue which, by statute, is to be used to conduct maintenance on District-funded facilities and other major drainage ways in the District, and for the preservation of floodplains and floodways.

The District reports the following non-major governmental fund:

The Federal Grants Special Revenue Fund is used to account for financial resources received from the Federal Government.

The District reports the following proprietary fund:

Development Services Enterprise Fund is used to account for charges for services received from land developers, who require necessary projects related to regional drainage and flood control infrastructure within the District.

Additionally, the District reports the following fiduciary fund:

The Project Custodial Fund is used to account for the design and construction of drainage facilities which will be owned by other governmental entities. The District and other governmental entities share in the cost of the construction projects and, in some cases, maintenance of these projects. The District generally is responsible for receiving and disbursing moneys for construction and design.

Cash and Investments

The District pools the cash and investment of all funds in order to maximize interest earnings. Unless restricted by trust or other specific agreements, all deposits and disbursements are processed through a single bank account. This centralized approach allows the District to retain only the cash necessary for immediate operations, while placing excess balances into the pooled investment portfolio for greater flexibility and return potential.

Investment earnings are allocated monthly to participating funds based on each funds average equity balance within the pooled cash and investments portfolio. All investments are reported at fair value, except for CSAFE, which is carried at amortized cost, and ColoTrust, which is reported at net asset value (NAV).

Capital Assets
Capital assets, which include land and site improvements and equipment, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than $5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Capital assets are recorded in the government-wide financial statements but are not reported in the fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Useful lives vary from 3 to 40 years. Land is not depreciated.

The right to use leased assets consists of the lease on the previous office space occupied by the District. That lease commenced on July 10, 2020 and is set to expire on May 31, 2026. Right to use leased assets are recognized at the lease commencement date and represent the District's right to use an underlying asset for the lease term. Right to use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before the commencement of the lease term. Right to use leased assets are amortized over the shorter of the lease term or the useful life of the underlying asset using the straight-line method of amortization.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Non-depreciable assets consist of land held for preservation, land and land improvements. Land and land improvements consist of the Englewood and Holly Dam sites. These dam sites include land costs and costs that readied these earthen dams for their use. These earthen dams are only used as overflow drainage facilities, and as such, are considered inexhaustible capital assets and, therefore, are not depreciated.

Compensated Absences
District employees earn sick leave at a rate of 8 hours per month. Accumulated sick leave in excess of 480 hours, may be paid at one-half of cash value, or converted to vacation leave days, at the option of the employee. Any unused sick leave may be payable at cash value upon termination. Depending on their length of service, employees are entitled to 15 to 28 vacation leave days per year, of which a maximum of 300 hours can be carried forward to subsequent years. Unused vacation leave is paid to the employees upon termination.

Vacation leave and sick leave is accrued when incurred in the government-wide financial statements. The District has also implemented GASB Statement No. 101, *Compensated Absences* in 2024. This requires the accrual of the related payroll liabilities that are associated with the compensated absences. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Property Taxes

Property taxes are levied by the District Board of Directors. The levy is based on assessed valuations determined by the County Assessors, generally as of January 1 of each year. The levy is normally set during October or November by certification to the County Commissioners to put the tax lien on the individual properties as of December of each year. County Treasurers collect the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and July. Delinquent taxpayers are notified in August and tax sales of delinquent properties are held in November. The County Treasurers remit the taxes collected monthly to the District.The District is limited by statute to a maximum mill levy of one mill, except in Boulder and Broomfield Counties, where the limit is 0.9 mills. Not more than one-tenth (0.1) of a mill shall be used for engineering and operations (General Fund), not more than four-tenths (0.4) of a mill shall be used for capital costs (Construction Special Revenue Fund), and not more than four-tenths (0.4) of a mill shall be used for maintenance and preservation of floodways and floodplains (Maintenance Special Revenue Fund). Not more than one-tenth (0.1) of a mill, except in Boulder and Broomfield Counties, shall be used for the maintenance and improvements on that portion of the South Platte River, which lies within the District (South Platte River Special Revenue Fund).

Property taxes are recorded initially as a deferred inflow of resources in the year they are levied and measurable. The property taxes are recorded as revenue in the year they are available or collected.

Development Services Revenue

Development services revenue consists of charges for services and administrative fees. The charges for services are fees collected from developers for flood control projects within new developments. These fees are based on the cost to do a project's design and construction elements. The price is estimated by developing scopes of work with vendors who will be performing the work. The administrative fees are based on startup and closeout set costs for the District's staff to administer the work. Additionally, the fees also include a monthly set cost for management during the design phase and likewise for construction management based on the scale of the project. Development services revenue and administrative fees are recorded as revenue when they are received.

Net Position

In the government-wide financial statements, net position is categorized into three categories. The first category is net investment in capital assets, which represents net investment in property, plant, equipment and infrastructure. The second category is restricted, which represents constraints placed on the net position and are externally imposed. The third category is unrestricted net position, which consists of the remaining net position that does not meet the definition of either of the other two categories. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

The District's calculation of net investment in capital assets is as follows:

Governmental activities capital assets, net	$ 9,051,390
Less lease liability	(197,538)
Net investment in capital assets	$ 8,853,852

Fund Balances
For the governmental fund presentation, fund balances classified as "restricted" are balances with constraints placed on the use of resources by creditors, granters, contributors or laws or regulations of other governments. Fund balances classified as "committed" can only be used for specific purposes pursuant to constraints imposed by the Board of Directors through a resolution. Committed fund balance also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. "Assigned" fund balances are constrained by an intent to be used for specific purposes but are neither restricted nor committed. Assignments are made by the District's Executive Director based on the Board of Director's direction. The "non-spendable" fund balance classification includes items that are not expected to be converted to cash such as inventory and prepaid amounts. As of 2025, the District reports both restricted and committed fund balances.

It is the District's policy to use restricted amounts first, then committed, then assigned, and then unassigned, as they are needed.

Note 2 - Cash Deposits and Investments

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

Statement of Net Position:	
Cash and Investments	$ 51,206,670
Statement of Fiduciary Net Position	
Cash and Investments	334,529,286
Total Cash and Investments	$ 385,735,956

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

	Amount
Cash deposits	$ 57,841,435
Cash on hand	80
Investments	327,894,441
Total Cash and Investments	$ 385,735,956

Cash Deposits

Cash deposits include funds held in depository accounts with local banks. Of the cash deposits, $1,000,000 covered by FDIC and the remaining $56,841,435 is insured by PDPA. 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 fair value of the collateral must be at least equal to the aggregate uninsured deposits.

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

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

	Investment Maturities		
	Less than 1 Year	1 - 5 Years	Total
Federal Home Loan Mortgage Corporation	$ -	$ 27,078,063	$ 27,078,063
Federal National Mortgage Association	-	48,944,323	48,944,323
Federal Home Loan Bank	19,747,745	61,678,014	81,425,759
Federal Farm Credit Bank	10,968,569	40,042,938	51,011,507
International Bank	-	10,169,335	10,169,335
CSLIP	50,635,202	-	50,635,202
CSAFE	8,090,255	-	8,090,255
COLOTRUST	50,539,997	-	50,539,997
Total Investments	$ 139,981,768	$ 187,912,673	$ 327,894,441

As of December 31, 2025, the District had invested in local government investment pools which include the Colorado Local Government Liquid Asset Trust (COLOTRUST), Centennial State Liquid Investment Pool (CSLIP), and the Colorado Surplus Asset Fund Trust (CSAFE). The local government investment pools are investment vehicles which were established for local government entities in Colorado to pool surplus funds. Both pools are similar to money market funds, with each share valued at $1.00. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal mechanisms of the pooled funds.

The custodian's internal records identify the investments owned by each pool investor. The investment pools are routinely monitored by the Colorado Division of Securities with regard to operations and investments. As of December 31, 2025, the District had $50,539,997 invested in COLOTRUST, $50,635,202 invested in CSLIP, and $8,090,255 invested in CSAFE.

Credit Risk
The District follows state statutes regarding 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.
- Local government investment pools.

Interest Rate Risk
Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements. As of December 31, 2025, all of the District's investments had maturities of five years or less.

Concentration of Credit Risk
Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total investments are as follows:

	Fair Value	Percent of Investment Portfolio
Federal Home Loan Mortgage Corporation	$ 27,078,063	12%
Federal National Mortgage Association	48,944,323	22%
Federal Home Loan Bank	81,425,759	37%
Federal Farm Credit Banks	51,011,507	23%
International Bank	10,169,335	5%

Fair Value

The District categorized its fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value.

Level 1: Quoted prices (unadjusted) in active markets for an identical asset or liability that a government can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3: Unobservable inputs for an asset or liability.

The District has the following fair value measurements as of December 31, 2025:

	Total	Level 1	Level 2	Level 3
Investment by Fair Value Level:				
Federal Home Loan Mortgage Corporation	$ 27,078,063	$ -	$ 27,078,063	$ -
Federal National Mortgage Association	48,944,323	-	48,944,323	-
Federal Home Loan Bank	81,425,759	-	81,425,759	-
Federal Farm Credit Banks	51,011,507	-	51,011,507	-
International Bank	10,169,335	-	10,169,335	-
Total investments by fair value level	218,628,987	$ -	$ 218,628,987	$ -
Investments Measured at:				
CSAFE (Amortized Cost)	8,090,255			
CSLIP (Net Asset Value)	50,635,202			
Colotrust (Net Asset Value)	50,539,997			
Total investments	$ 327,894,441			

Note 3 - Capital Assets

A summary of changes in capital assets follows:

	Balance at January 1, 2025	Increases	Decreases	Balance at December 31, 2025
Capital assets, not being depreciated				
Englewood Dam	$ 544,474	$ -	$ -	$ 544,474
Holly Dam	635,503	-	-	635,503
Land held for preservation	248,717	-	-	248,717
Total capital assets not being depreciated	1,428,694	-	-	1,428,694
Capital assets, being depreciated				
Office furniture and equipment	811,413	40,711	-	852,124
Maple Grove Dam	350,000	-	-	350,000
Leasehold improvements	122,324	-	-	122,324
Building	7,722,796	-	-	7,722,796
Right to use leased assets - Building	1,903,921	-	-	1,903,921
Total capital assets	10,910,454	40,711	-	10,951,165
Less accumulated depreciation				
Office furniture and equipment	564,959	91,589	-	656,548
Maple Grove Dam	350,000	-	-	350,000
Leasehold improvements	74,381	7,160	-	81,541
Building	320,191	195,885	-	516,076
Right to use leased assets - Building	1,293,228	431,076	-	1,724,304
Total accumulated depreciation	2,602,759	725,710	-	3,328,469
Governmental activities capital assets, net	$ 9,736,389	$ (684,999)	$ -	$ 9,051,390

Depreciation/amortization expense was charged to the general government function for $725,710.

Note 4 - Long Term Obligations

	Balance at January 1, 2025	Additions	Reductions	Balance at December 31, 2025	Current Portion
Leases	$ 652,333	$ -	$ 454,795	$ 197,538	$ 197,538
Compensated Absences	1,755,755	947,973	510,671	2,193,057	502,740
	$ 2,408,088	$ 947,973	$ 965,466	$ 2,390,595	$ 700,278

Remaining principal and interest payments on leases are as follows:

Year Ending December 31,	Principal	Interest
2026	$ 197,538	$ 3,951

Note 5 - Retirement Plans

Employees' Retirement Plan

The employees of the District participate in the Colorado Retirement Association Defined Contribution Plan (CRA). In a defined contribution plan, benefits depend solely on amounts contributed to the Plan plus investment earnings. Employees become Plan members on the date of employment. Under this Plan, 4% of the employees' compensation is withheld and remitted to CRA, along with a payment of 6% from the District. The District's contributions, plus earnings, become vested at a rate of 20% for each year of participation in the Plan. District contributions for employees who leave employment before five years of participation are used to reduce the District's current period contribution requirement. Plan provisions and contribution requirements are established and may be amended by CRA and would have to be approved by the District's Board of Directors.

Both the District and participating employees made the required contribution for the year ended December 31, 2025. The District contribution amount was $426,054 and the employees contributed $286,282.

Employees' Money Purchase Plan

The District established a defined contribution money purchase plan as a replacement for social security. This Plan is also administered by CRA. Employees become Plan members on the date of employment.

For employees hired before or on March 31, 1986, the contribution requirements of the District and the employees are the same as those required under social security. For employees hired after March 31, 1986, the contribution requirements of the District and the employees are 6.2% of individual compensation. The District's contributions, plus earnings, become fully vested after 18 months of continuous employment. District contributions for employees who leave employment before 18 months are used to reduce the District's current period contribution requirement. There is no liability for benefits under the Plan beyond the District's matching payments.

Both the District and the participating employees made the required contribution of $435,058 for the year ended December 31, 2025.

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 CRA. Participation in the Plan is optional for all employees. The District no longer contributes to this plan. Effective July 1, 2021, the District moved its 2% contribution to the 401(a) plan.

Note 6 - Risk Management

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

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

Encumbrances

Outstanding encumbrances as of December 31, 2025, by fund, were as follows:

	Amount
General Fund	$ 335,463
Special Revenue Funds:	
Construction	2,491,352
Maintenance	9,357,650
South Platte River	648,484
Proprietary Fund:	
Development Services	36,704
Total	$ 12,869,653

Note 7 - 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 of such revenue.

In November 2018, the District obtained voter approval to keep and spend all revenue it receives from current tax levies beginning in 2019 and thereafter. With this approval, the District no longer has revenue or spending limitations.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3 percent of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

Note 8 - Commitments and Contingencies

Committed Construction

As of December 31, 2025, the District does not have any unexpended construction related to commitments other than those items related to encumbrances (Note 6).

Litigation

Although the District is subject to pending and threatened litigation, the District's Management and Attorney believe that all lawsuits and claims, which have been filed against the District, are either adequately covered by insurance or the final settlement of uninsured matters will not have a materially adverse effect on the financial position of the District.

Required Supplementary Information
December 31, 2025

Urban Drainage and Flood Control District

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Operating				
Taxes				
Property taxes	$ 8,725,568	$ 8,725,568	$ 8,788,680	$ 63,112
Specific ownership taxes	3,700,000	3,700,000	4,260,619	560,619
Investment earnings	50,000	50,000	336,503	286,503
Other revenue	10,201	10,201	101,997	91,796
Total revenues	12,485,769	12,485,769	13,487,799	1,002,030
EXPENDITURES				
General government				
Salaries and services	11,212,709	11,212,709	10,348,792	863,917
Office and operating costs	2,480,913	2,480,913	2,100,382	380,531
Total expenditures	13,693,622	13,693,622	12,449,174	1,244,448
Excess (deficiency) of revenues over expenditures	(1,207,853)	(1,207,853)	1,038,625	2,246,478
Reconciliation to GAAP basis:				
Current year encumbrances			335,463	
Prior year encumbrances			(140,416)	
Net adjustment to GAAP basis			195,047	
Excess of revenue over expenditures (GAAP) Basis			1,233,672	
Fund balances - beginning			6,450,094	
Fund balances - ending			$ 7,683,766	

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Operating				
Property taxes	$ 7,629,463	$ 7,629,463	$ 7,574,630	$ (54,833)
Specific ownership taxes	320,000	320,000	423,800	103,800
Investment earnings	68,680	68,680	228,173	159,493
Total revenues	8,018,143	8,018,143	8,226,603	208,460
EXPENDITURES				
General government				
Office and operating costs	101,600	101,600	97,370	4,230
Maintenance	3,200,000	3,200,000	2,450,154	749,846
District participation				
Project trust fund	4,700,000	4,700,000	4,700,000	-
Total expenditures	8,001,600	8,001,600	7,247,524	754,076
Excess (deficiency) of revenues over expenditures	16,543	16,543	979,079	962,536
Reconciliation to GAAP basis:				
Current year encumbrances			648,484	
Prior year encumbrances			(983,529)	
Net adjustment to GAAP basis			(335,045)	
Excess of revenue over expenditures (GAAP) Basis			644,034	
Fund balances - beginning			1,902,459	
Fund balances - ending			$ 2,546,493	

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Operating				
Property taxes	$ 33,030,635	$ 33,030,635	$ 32,793,391	$ (237,244)
Investment earnings	252,500	252,500	842,775	590,275
Other Revenue	-	-	1,995	1,995
Total revenues	33,283,135	33,283,135	33,638,161	355,026
EXPENDITURES				
General government				
Office and operating costs	470,500	470,500	451,754	18,746
District Participation				
Project trust fund	32,882,500	32,882,500	32,523,483	359,017
Total expenditures	33,353,000	33,353,000	32,975,237	377,763
Excess (deficiency) of revenues over expenditures	(69,865)	(69,865)	662,924	732,789
Reconciliation to GAAP basis:				
Current year encumbrances			2,491,352	
Prior year encumbrances			(3,428,888)	
Net adjustment to GAAP basis			(937,536)	
Excess of revenue over expenditures (GAAP) Basis			(274,612)	
Fund balances - beginning			11,356,814	
Fund balances - ending			$ 11,082,202	

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Operating				
Property taxes	$ 33,030,635	$ 33,030,635	$ 32,795,013	$ (235,622)
Investment earnings	408,040	408,040	1,429,515	1,021,475
Other revenue	-	-	79,915	79,915
Total revenues	33,438,675	33,438,675	34,304,443	865,768
EXPENDITURES				
General Government				
Operations and development	1,100,000	1,100,000	804,792	295,208
Office and operating costs	470,500	470,500	451,754	18,746
Special projects	1,000,000	1,000,000	1,240,313	(240,313)
Maintenance	27,952,001	27,952,001	25,111,142	2,840,859
Flood Monitoring	1,200,000	1,200,000	1,151,110	48,890
Flood Plain Preservation	3,500,000	3,500,000	3,743,965	(243,965)
Total expenditures	35,222,501	35,222,501	32,503,076	2,719,425
Excess (deficiency) of revenues over expenditures	(1,783,826)	(1,783,826)	1,801,367	3,585,193
Reconciliation to GAAP basis:				
Current year encumbrances			9,357,650	
Prior year encumbrances			(6,648,987)	
Net adjustment to GAAP basis			2,708,663	
Excess of revenue over expenditures (GAAP) Basis			4,510,030	
Fund balances - beginning			23,053,733	
Fund balances - ending			$ 27,563,763	

Note 1 - Budgets and Budgetary Accounting

The Colorado Revised Statutes require that fixed budgets be legally adopted for all governmental fund types, and that moneys shall not be expended in excess of the amount appropriated by resolution for a particular fund. The level of control for the budgets is at the fund level within an individual fund. Categories are the consolidation of the District's sub-function budget accounts and combine to total fund expenditures.

In the fall of each year, the District's Board of Directors holds public hearings to approve the budgets and appropriate the funds for the following year. The District's management cannot amend the budget without approval by the District's Board of Directors. The District's Board of Directors can modify the budget and appropriation resolutions upon completion of notifications and publication requirements. The District, by state budget law, cannot exceed the total appropriation without Board modification during the year. Appropriations for all funds lapse at year-end.

Budgets for governmental funds are adopted on a basis which differs from generally accepted accounting principles (GAAP). Encumbrances and inter-fund transfers are included for budget purposes as expenditures. Budgetary comparisons in this report are presented on the Non-GAAP budgetary basis.

Formal budgetary integration is employed as a management control device during the year for the General Fund and Special Revenue Funds, except as described below. Formal budgetary integration is also employed to comply with the State of Colorado Budget Law.

The District does not adopt a formal budget for the Project Custodial Fund (formerly the Project Private Purpose Trust Fund) or the Federal Grants Special Revenue Fund because effective budgetary control is achieved through specific contract agreements. Additionally, the District and other participating governmental entities are individually responsible for budgeting and appropriating the expenditures they individually make to the Project Custodial Fund for the other participating governmental entities.

Budgeted amounts presented are as originally adopted and subsequently amended by the Board.

Supplementary Information
December 31, 2025

Urban Drainage and Flood Control District

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual – Development Services Fund
Year Ended December 31, 2025

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
OPERATING REVENUES				
Charges for services	$ 15,000,000	$ 50,000,000	$ 18,090,151	$ (31,909,849)
Administrative fees	100,482	616,256	306,161	(310,095)
Total operating revenues	15,100,482	50,616,256	18,396,312	(32,219,944)
OPERATING EXPENSES				
Project trust fund	15,000,000	50,000,000	18,054,752	31,945,248
Development services projects	150,000	250,000	143,980	106,020
Total operating expenses	15,150,000	50,250,000	18,198,732	32,051,268
Operating income (loss)	(49,518)	366,256	197,580	(168,676)
NONOPERATING REVENUES (EXPENSES)				
Investment earnings	-	-	63,153	63,153
Total nonoperating revenues	-	-	63,153	63,153
Change in net position	(49,518)	366,256	260,733	(105,523)
Reconciliation to GAAP basis:				
Current year encumbrances			36,704	
Prior year encumbrances			(63,792)	
Net adjustment to GAAP basis			(27,088)	
Excess of revenue over expenditures (GAAP) Basis			233,645	
Total net position - beginning			434,284	
Total net position - ending			$ 667,929	

This part of the Urban Drainage and Flood Control District's Annual Comprehensive Financial Report presents detailed information as context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the District's most significant sources of revenue.

Debt Capacity

This schedule contains information to help the reader assess the affordability of the District's current level of debt and the District's ability to issue debt in the future.

Demographic and Economic Information

This schedule offers demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

Operating Information

These schedules contain information regarding the number of employees in various job categories and types of assets by function/department.

Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities										
Net investment in capital assets	$ 1,534,335	$ 1,527,077	$ 1,584,204	$ 1,720,345	$ 1,728,477	$ 1,678,483	$ 6,762,177	$ 9,235,510	$ 9,084,056	$ 9,051,390
Restricted	7,088,960	9,324,833	9,976,395	15,619,923	29,868,266	25,270,111	28,343,280	31,754,228	35,130,739	39,015,395
Unrestricted	-	-	-	-	-	7,465,178	4,758,752	2,373,012	5,976,712	7,588,471
Total governmental activities net position	8,623,295	10,851,910	11,560,599	17,340,268	31,596,743	34,413,772	39,864,209	43,362,750	50,191,507	55,655,256
Business-type activities										
Unrestricted	-	-	-	-	399,522	844,466	416,994	401,016	434,284	667,929
Total business-type activities net position	-	-	-	-	399,522	844,466	416,994	401,016	434,284	667,929
Primary government										
Net investment in capital assets	1,534,335	1,527,077	1,584,204	1,720,345	1,728,477	1,678,483	6,762,177	9,235,510	9,084,056	8,853,852
Restricted	7,088,960	9,324,833	9,976,395	15,619,923	29,868,266	25,270,111	28,343,280	31,754,228	35,130,739	39,015,395
Unrestricted	-	-	-	-	399,522	8,309,644	5,175,746	2,774,028	6,410,996	8,453,938
Total primary government net position	$ 8,623,295	$ 10,851,910	$ 11,560,599	$ 17,340,268	$ 31,996,265	$ 35,258,238	$ 40,281,203	$ 43,763,766	$ 50,625,791	$ 56,323,185

Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental activities										
General government										
Operating	$ 7,227,326	$ 6,830,414	$ 10,468,512	$ 9,314,469	$ 11,978,409	$ 9,290,030	$ 10,156,607	$ 11,866,977	$ 12,530,941	$ 13,834,649
Maintenance	11,321,086	10,614,568	9,139,356	14,904,339	17,425,992	25,802,797	26,214,503	27,615,369	32,572,574	29,398,928
Floodplain Preservation	-	-	-	-	-	738,015	1,282,995	1,634,747	2,284,650	3,678,717
District project participation	10,533,602	11,122,624	11,850,473	18,059,674	23,548,124	29,740,859	29,333,164	30,651,467	37,550,979	38,161,018
Total governmental activities expenses	29,082,014	28,567,606	31,458,341	42,278,482	52,952,525	65,571,701	66,987,269	71,768,560	84,939,144	85,073,312
Business-type activities										
Development Services	-	-	90,438	1,786,506	10,985,479	14,406,726	4,248,933	15,326,947	8,158,114	18,225,820
Total business-type activities expenses	-	-	90,438	1,786,506	10,985,479	14,406,726	4,248,933	15,326,947	8,158,114	18,225,820
Total expenses	29,082,014	28,567,606	31,548,779	44,064,988	63,938,004	79,978,427	71,236,202	87,095,507	93,097,258	103,299,132
Program revenue										
Governmental activities										
Operating grants and contributions	695,306	240,549	476,561	545,758	650,786	550,856	540,473	620,000	718,944	520,056
Charges for services	-	185,279	-	-	-	-	-	-	-	-
Total governmental activities	695,306	425,828	476,561	545,758	650,786	550,856	540,473	620,000	718,944	520,056
Business-type activities										
Charges for services	-	-	90,438	1,786,506	10,984,379	14,643,607	3,730,861	15,016,881	8,026,924	18,090,151
Total Business-type activities	-	-	-	-	10,984,379	14,643,607	3,730,861	15,016,881	8,026,924	18,090,151
Total program revenue	695,306	425,828	476,561	545,758	11,635,165	15,194,463	4,271,334	15,636,881	8,745,868	18,610,207
General revenues										
Property taxes	26,896,344	27,819,596	29,162,970	43,434,353	62,087,847	63,318,149	67,680,385	67,948,605	83,965,267	81,951,714
Specific ownership taxes	1,996,046	2,388,135	2,203,745	3,403,210	4,121,586	4,379,668	4,365,373	4,526,785	4,605,625	4,684,419
Investment earnings	(14,468)	129,215	253,562	591,390	342,280	(29,023)	(596,993)	2,053,566	2,295,365	2,836,966
Other	33,677	33,447	70,192	83,440	407,122	377,143	448,648	412,233	347,158	543,906
Total general revenues	28,911,599	30,370,393	31,690,469	47,512,393	66,958,835	68,045,937	71,897,413	74,941,189	91,213,415	90,017,005
Total revenue	29,606,905	30,796,221	32,167,030	48,058,151	78,594,000	83,240,400	76,168,747	90,578,070	99,959,283	108,627,212
Change in net position										
Governmental activities	524,891	2,228,615	708,689	5,779,669	14,657,096	3,025,092	5,450,437	3,498,541	6,828,757	5,463,749
Business-type Activities	-	-	(90,438)	-	(1,100)	236,881	(427,472)	(15,978)	33,268	233,645
	$ 524,891	$ 2,228,615	$ 618,251	$ 5,779,669	$ 14,655,996	$ 3,261,973	$ 5,022,965	$ 3,482,563	$ 6,862,025	$ 5,697,394

Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Restricted	$ 29,310	$ 671,850	$ 867,014	$ 1,690,439	$ 5,309,268	$ 4,943,087	$ 1,643,653	$ 4,364,650	$ 8,186,567	$ 7,683,766
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	2,500,000	2,500,000	-	-	-
Total general fund	29,310	671,850	867,014	1,690,439	5,309,268	7,443,087	4,143,653	4,364,650	8,186,567	7,683,766
All other governmental funds										
Restricted	7,466,070	9,107,579	9,865,890	15,121,993	24,047,463	24,951,611	28,255,532	29,390,273	31,976,639	38,610,695
Committed	-	-	-	-	2,000,000	2,000,000	2,000,000	2,000,000	2,700,000	2,700,000
Total all other governmental funds	7,466,070	9,107,579	9,865,890	15,121,993	26,047,463	26,951,611	30,255,532	31,390,273	34,676,639	41,310,695
Total general and all other governmental funds	$ 7,495,380	$ 9,779,429	$ 10,732,904	$ 16,812,432	$ 31,356,731	$ 34,394,698	$ 34,399,185	$ 35,754,923	$ 42,863,206	$ 48,994,461

Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Taxes	$ 28,892,390	$ 30,207,731	$ 31,366,715	$ 46,837,563	$ 66,209,433	$ 67,697,817	$ 72,045,758	$ 72,475,389	$ 88,570,892	$ 86,636,133
Project participation										
Earned	-	-	-	-	100,000	40,000	40,000	82,000	60,000	360,000
Refunded, including related interest	341,533	33,076	6,240	25,823	42,551	23,836	-	2,082	130	76,662
Charges for services	-	185,279	-	-	-	-		-	-	-
Federal grants	353,773	207,473	470,321	519,935	508,235	487,020	540,473	620,000	718,944	520,056
Investment earnings (loss)	(14,468)	129,215	253,562	591,390	342,280	(28,483)	(596,993)	1,981,077	2,244,131	2,836,966
Other	33,677	33,447	70,192	83,440	6,500	168,540	148,901	106,552	173,804	107,244
Total revenues	29,606,905	30,796,221	32,167,030	48,058,151	67,208,999	68,388,730	72,178,139	75,267,100	91,767,901	90,537,061
Expenditures										
Current:										
General government										
Operating	7,227,326	6,775,127	10,223,577	9,014,612	12,085,200	8,826,627	9,717,272	10,850,307	11,674,367	12,658,591
Maintenance	11,321,086	10,614,568	9,139,356	14,904,339	17,024,566	24,469,717	26,214,502	27,615,369	32,572,574	29,398,928
District participation										
Project trust funds	10,481,786	11,122,624	11,850,473	18,059,674	23,554,934	31,316,404	29,333,164	30,651,467	37,550,979	38,161,018
Floodplain preservation	-	-	-	-	-	738,015	1,282,995	1,634,747	2,284,650	3,678,717
Capital outlay	-	-	-	-	-	-	5,186,921	2,712,321	121,545	40,711
Debt service	-	-	-	-	-	-	438,798	447,151	455,503	467,842
Contingency	51,816	-	-	-	-	-	-	-	-	-
Total expenditures	29,082,014	28,512,319	31,213,406	41,978,625	52,664,700	65,350,763	72,173,652	73,911,362	84,659,618	84,405,807
Net change in fund balance	524,891	2,283,902	953,624	6,079,526	14,544,299	3,037,967	4,487	1,355,738	7,108,283	6,131,254
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.66%	0.63%	0.54%	0.55%

Year	General	South Platte	Construction	Maintenance	Non-major	Total
2025	$ 12,254,127	$ 7,582,569	$ 33,912,772	$ 29,794,413	$ 861,926	$ 84,405,807
2024	11,313,971	8,041,805	33,204,611	31,380,549	718,682	84,659,618
2023	13,233,283	6,359,983	27,328,599	26,257,573	731,924	73,911,362
2022	14,377,076	6,479,272	26,826,622	23,940,107	550,575	72,173,652
2021	8,480,455	6,499,946	25,923,686	23,919,527	527,149	65,350,763
2020	6,512,787	5,264,735	21,603,297	18,715,646	568,235	52,664,700
2019	4,048,627	4,292,756	16,897,030	16,220,277	519,935	41,978,625
2018	3,991,902	-	12,972,977	10,865,759	3,382,770	31,213,408
2017	3,795,419	-	11,857,440	10,424,318	2,434,995	28,512,172
2016	3,935,486	2,566,013	11,514,199	10,712,543	353,773	29,082,014

General Government Revenues by Source
Last Ten Fiscal Years

Year	Taxes	Interest	Miscellaneous	Total
2025	$ 86,636,133	$ 2,836,966	$ 1,063,962	$ 90,537,061
2024	88,570,892	2,244,131	952,878	91,767,901
2023	72,475,389	1,981,077	810,634	75,267,100
2022	72,045,758	(596,993)	729,374	72,178,139
2021	67,697,817	(28,483)	719,396	68,388,730
2020	66,209,433	342,280	657,286	67,208,999
2019	46,837,563	591,390	629,198	48,058,151
2018	31,366,715	253,562	546,753	32,167,030
2017	30,207,731	129,215	459,275	30,796,221
2016	28,892,390	(14,468)	728,983	29,606,905

Urban Drainage and Flood Control District
Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(Amounts Expressed in Thousands)

Levy Year	Residential	Commercial	Industrial	Vacant Land	Agricultural	Natural Resources	State Assessed	Personal Property	Exempt Property	Assessed Valuation	Actual Value	Percentage of Assessed Total Estimated Actual Value	Total Direct Tax Rate (1) Boulder and Broomfield	Total Direct Tax Rate (1) All Other Counties
2025	$ 45,486,574	$ 30,162,549	$ 2,057,735	$ 2,078,533	$ 31,306	$ 1,189,272	$ 1,417,690	$ 5,701,573	$ 18,693,517	$ 106,818,749	$ 950,914,289	11.23%	0.900	1.000
2024	45,690,778	29,790,692	1,951,613	1,768,273	41,717	1,603,259	1,525,901	5,677,644	17,201,804	105,251,681	901,916,554	11.67%	0.900	1.000
2023	41,647,205	28,011,606	2,008,629	1,709,019	51,393	1,673,679	1,568,630	5,183,641	15,542,058	97,795,860	786,486,987	12.43%	0.900	1.000
2022	37,780,528	26,644,634	1,445,127	1,469,754	71,352	867,191	2,224,505	4,438,752	14,010,961	80,541,950	677,370,929	11.89%	0.900	1.000
2021	38,022,026	26,871,198	1,413,154	1,478,345	72,102	152,847	2,289,940	4,110,051	14,240,975	76,088,426	649,583,175	11.71%	0.900	1.000
2020	34,341,895	24,300,902	1,656,815	1,129,302	68,681	588,643	2,243,446	3,845,594	11,487,464	64,193,120	572,556,104	11.21%	0.900	1.000
2019	35,546,396	25,425,830	1,845,251	1,641,052	106,862	353,747	2,428,984	3,736,599	14,050,838	63,526,460	530,526,653	11.97%	0.900	0.997
2018	30,929,209	21,692,114	1,456,572	1,349,079	101,978	133,081	2,452,885	3,525,349	12,944,689	62,682,745	497,425,472	12.60%	0.726	0.820
2017	30,357,924	21,168,849	2,291,398	1,294,053	104,127	95,515	2,518,684	3,427,945	12,691,267	60,096,774	492,316,528	12.21%	0.500	0.557
2016	23,809,283	16,139,722	873,498	919,114	36,635	90,845	1,856,102	3,424,004	10,667,112	47,149,204	395,852,708	11.91%	0.559	0.620

SOURCE: Adams, Arapahoe, Broomfield, Boulder, Denver, Douglas and Jefferson County Assessor offices.

(1) Average of the rates from the seven contributing counties

Fiscal Year	Total Tax Levy	Current Property Tax Collections	% of Current Property Tax Collections	Delinquent Tax Collections	Total Property Tax Collections	Ratio Total	Outstanding Delinquent Tax	Ratio Delinquent
2025	$ 83,181,982	$ 82,985,326	99.76%	$ 282,599	$ 83,267,925	100.10%	$ 196,656	0.24%
2024	85,181,000	83,894,160	98.49%	71,107	83,965,267	98.57%	1,286,840	1.51%
2023	68,349,041	67,909,167	99.36%	39,348	67,948,515	99.41%	439,874	0.64%
2022	69,003,415	68,351,663	99.06%	168,561	68,520,224	99.30%	651,752	0.94%
2021	63,850,997	63,278,667	99.10%	563,418	63,842,085	99.99%	572,330	0.90%
2020	63,035,988	62,433,862	99.04%	(2,718)	62,431,144	99.04%	602,126	0.96%
2019	43,979,215	43,533,552	98.99%	(30,639)	43,502,913	98.92%	445,663	1.01%
2018	29,334,022	29,137,624	99.33%	14,287	29,151,911	99.38%	196,398	0.67%
2017	27,728,896	27,660,411	99.75%	3,795	27,664,206	99.77%	68,485	0.25%
2016	27,482,569	26,852,936	97.71%	20,140	26,873,076	97.78%	629,633	2.29%

Fiscal	Counties						
Year	Arapahoe	Douglas	Denver	Adams	Jefferson	Boulder	Broomfield
2025	1.000	1.000	1.000	1.000	1.000	0.900	0.900
2024	1.000	1.000	1.000	1.000	1.000	0.900	0.900
2023	1.000	1.000	1.000	1.000	1.000	0.900	0.900
2022	1.000	1.000	1.000	1.000	1.000	0.900	0.900
2021	1.000	1.000	1.000	1.000	1.000	0.900	0.900
2020	1.000	1.000	1.000	1.000	1.000	0.900	0.900
2019	0.997	0.997	0.997	0.997	0.997	0.900	0.900
2018	0.820	0.820	0.820	0.820	0.820	0.726	0.726
2017	0.557	0.557	0.557	0.557	0.557	0.500	0.500
2016	0.620	0.620	0.620	0.620	0.620	0.559	0.559

NOTE: Taxes levied in a given year are collected the following year.

Legal Debt Margin
Last Ten Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Assessed valuations										
Assessed value	$ 84,307,841,451	$ 83,479,156,091	$ 69,204,638,634	$ 69,864,122,786	$ 64,537,799,806	$ 63,661,616,285	$ 47,856,520,521	$ 47,275,182,348	$ 46,677,694,552	$ 39,052,903,688
Legal debt margin										
Debt limitation 3% of total assessed value	$ 2,529,235,244	$ 2,504,374,683	$ 2,076,139,159	$ 2,095,923,684	$ 1,936,133,994	$ 1,909,848,489	$ 1,435,695,616	$ 1,418,255,470	$ 1,400,330,837	$ 1,171,587,111
Debt applicable to limitation	-	-	-	-	-	-	-	-	-	-
Legal debt margin	$ 2,529,235,244	$ 2,504,374,683	$ 2,076,139,159	$ 2,095,923,684	$ 1,936,133,994	$ 1,909,848,489	$ 1,435,695,616	$ 1,418,255,470	$ 1,400,330,837	$ 1,171,587,111

	Governmental Activities	Business-Type Activities			
Fiscal Year	Leases	Leases	Total District	Percentage of Personal Income *	Per Capita *
2025	$ 197,538		$ 197,538	N/A	N/A
2024	652,333	-	652,333	0.21%	0.20%
2023	1,086,114	-	1,086,114	0.39%	0.33%
2022	1,503,201	-	1,503,201	0.58%	0.46%
2021	-	-	-	-	-
2020	-	-	-	-	-
2019	-	-	-	-	-
2018	-	-	-	-	-
2017	-	-	-	-	-
2016	-	-	-	-	-

Note: Details regarding outstanding debt can be found in the notes to the financial statements

* See the demographic statistics for personal income and population data These ratios are calculated using personal income and population for the prior calendar year

Fiscal Year	(2) Personal Income (thousands of $)	(2) Population	(2) Per Capita Income	(1) Unemployment Rate
2025	N/A	N/A	N/A	3.80%
2024	$ 311,234,198	$ 3,320,023	$ 93,917	4.40%
2023	296,639,372	3,269,966	90,834	3.20%
2022	281,105,300	3,252,355	86,811	2.90%
2021	257,788,304	3,241,942	78,931	4.20%
2020	231,256,836	3,240,895	70,739	8.40%
2019	312,881,542	3,236,481	62,040	2.50%
2018	209,220,052	3,197,929	65,764	3.50%
2017	191,254,910	3,151,607	61,564	3.00%
2016	180,109,544	3,117,539	60,061	2.90%

Urban Drainage and Flood Control District
Full-Time Equivalent Employees by Function / Program
Last Ten Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General government	11	10	4	12	14	48	49	49	50	52
Maintenance	6	9	13	11	14	-	-	-	-	-
SPR operations	2	3	3	1	10	-	-	-	-	-
Construction	8	7	12	11		-	-	-	-	-
Student interns	10	10	10	10	10	11	10	9	10	11
Other part time	2	-	-	-	-	-	-	-	-	-
Total	39	39	42	45	48	59	59	58	60	63

DATA SOURCE:

District's payroll system

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Trust Fund Projects started	25	25	30	35	32	30	22	32	26	25
Trust Fund Projects completed	27	7	4	23	9	13	12	6	10	13

DATA SOURCE:

District's Project accounting system

Type of Coverage	Name of Company	Dates From	Dates To	Coverage
Public Officials Liability	Colorado Special Districts Property and Liability Pool	1/1/2025	12/31/2025	$2,000,000
Property	Colorado Special Districts Property and Liability Pool	1/1/2025	12/31/2025	$7,800,000 Buildings and Business Personal Property; $150,000 computer coverage limit, $2,000,000 earthquake and flood per occurrence
Automobile	Colorado Special Districts Property and Liability Pool	1/1/2025	12/31/2025	$2,000,000 liability limit on non-owned and hired autos; $50,000 physical damage on hired autos; $2,500 physical damage on non-owned autos for employee deductible reimbursement
Commercial Crime	Colorado Special Districts Property and Liability Pool	1/1/2025	12/31/2025	$100,000 Employee theft, Client theft Forgery or alteration, Computer systems fraud, Debit or credit card fraud, Social engineering fraud
Business Income	Colorado Special Districts Property and Liability Pool	1/1/2025	12/31/2025	$250,000 Business income including extra expense/rental income
Inland Marine	Colorado Special Districts Property and Liability Pool	1/1/2025	12/31/2025	$4,875,000 Portable Equipment, Mobil Equipment and other Inland Marine Scheduled items
General Liability	Colorado Special Districts Property and Liability Pool	1/1/2025	12/31/2025	$2,000,000 each occurrence, except for sublimits: $10,000 medical expense limit per person, $10,000 medical expense limit for any one accident.
Worker's Compensation	Colorado Special Districts Property and Liability Pool	1/1/2025	12/31/2025	Statutory

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Directors
Urban Drainage and Flood Control District
Denver, Colorado

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Urban Drainage and Flood Control 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 and have issued our report thereon dated <Report Date>.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Eide Bailly LLP

Denver, Colorado
April 2, 2026