CASTLE PINES NORTH
METROPOLITAN DISTRICT

FINANCIAL STATEMENTS

DECEMBER 31, 2025

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CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

Independent Auditors' Report

Board of Directors
Castle Pines North Metropolitan District
Castle Pines, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of Castle Pines North Metropolitan 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 and each major fund 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities For The Audit Of The Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities Of Management For The Financial Statements

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

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

Auditors' Responsibilities For The Audit Of The Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America 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 auditing standards generally accepted in the United States of America, 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.

Report On Summarized Comparative Information

We have previously audited the District's 2024 financial statements, and we expressed unmodified audit opinions on those audited financial statements in our report dated July 28, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024 is consistent in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information for the General Fund on page 45, the schedule of the District's proportionate share of the net pension liability - cost-sharing defined benefit plans on page 46 and the schedule of the District's contributions - cost-sharing defined benefit plans on page 47 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 which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for forming opinions on the financial statements that collectively comprise the District's basic financial statements. The individual fund financial schedules on pages 48 through 49 are presented for purposes of additional analysis and are not required parts of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund financial schedules are fairly stated in all material respects in relation to the financial statements as a whole.

RubinBrown LLP

July 29, 2026

CASTLE PINES NORTH METROPOLITAN DISTRICT

STATEMENT OF NET POSITION
December 31, 2025
(With Comparative Totals For December 31, 2024)

	Governmental Activities	Business-Type Activities	2025 Total	2024 Total
Assets				
Cash and cash equivalents	$ 471,669	$ 49,602,239	$ 50,073,908	$ 50,733,104
Cash and cash equivalents - restricted	22,665	—	22,665	18,480
Property taxes receivable	970,577	—	970,577	988,516
Accounts receivable - services	—	869,391	869,391	581,388
Accounts receivable - other	42,601	—	42,601	84,838
Other receivables	—	—	—	271,419
Prepaid items	133,783	—	133,783	118,791
Capital assets, not being depreciated	21,770,930	10,263,352	32,034,282	66,553,366
Capital assets, net of accumulated depreciation	326,866	65,065,989	65,392,855	65,901,629
Total Assets	23,739,091	125,800,971	149,540,062	185,251,531
Deferred Outflows Of Resources				
Deferred outflows relating to pensions	80,664	6,249	86,913	155,931
Liabilities				
Accounts payable	101,240	1,721,956	1,823,196	2,097,196
Accrued expenses	—	6,224	6,224	6,904
Due to other government	39,543	—	39,543	81,561
Accrued payroll	5,925	10,767	16,692	—
Customer deposits	—	14,000	14,000	—
Long-term debt payable - less than one year	—	270,000	270,000	265,000
Long-term debt payable - greater than one year	—	2,154,750	2,154,750	2,424,750
Accrued compensated absences	35,956	169	36,125	27,151
Net pension liability	183,908	14,249	198,157	327,439
Total Liabilities	366,572	4,192,115	4,558,687	5,230,001
Deferred Inflows Of Resources				
Deferred property taxes	970,577	—	970,577	988,516
Deferred inflows of resources relating to pensions	28,399	2,200	30,599	44,361
Total Deferred Inflows Of Resources	998,976	2,200	1,001,176	1,032,877
Net Position				
Net investment in capital assets	22,097,796	72,904,591	95,002,387	129,765,245
Restricted for:				
Emergency reserve	43,242	—	43,242	57,298
Conservation Trust Fund	—	—	—	46
Unrestricted	313,169	48,708,314	49,021,483	49,321,995
Total Net Position	$ 22,454,207	$ 121,612,905	$ 144,067,112	$ 179,144,584

CASTLE PINES NORTH METROPOLITAN DISTRICT

STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2025
(With Comparative Totals For The Year Ended December 31, 2024)

		Program Revenues			Net (Expense) Revenue And Changes In Net Position			
Functions/Programs	**Total Expenses**	**Charges For Services**	**Operating Grants And Contributions**	**Capital Grants And Contributions**	**Governmental Activities**	**Business-Type Activities**	**2025 Total**	**2024 Total**
Governmental Activities								
General government	$ 2,164,320	$ 365,533	$ —	$ —	$ (1,798,787)	$ —	$ (1,798,787)	$ 689,451
Parks and open space	—	—	77,851	—	77,851	—	77,851	97,731
Conveyance to other government	39,269,995	—	—	—	(39,269,995)	—	(39,269,995)	(879,437)
Total Governmental Activities	41,434,315	365,533	77,851	—	(40,990,931)	—	(40,990,931)	(92,255)
Business-Type Activities								
Water	5,388,347	4,986,799	—	1,950,000	—	1,548,452	1,548,452	2,067,384
Wastewater	1,820,024	2,738,039	—	—	—	918,015	918,015	(1,692)
Total Business-Type Activities	7,208,371	7,724,838	—	1,950,000	—	2,466,467	2,466,467	2,065,692
Total	$ 48,642,686	$ 8,090,371	$ 77,851	$ 1,950,000	(40,990,931)	2,466,467	(38,524,464)	1,973,437
General Revenues								
Taxes:								
Property taxes					985,509	—	985,509	1,098,843
Specific ownership taxes					76,003	—	76,003	72,908
Miscellaneous income					185,559	86,859	272,418	384,458
Earnings on investments					14,350	2,098,712	2,113,062	2,702,271
Transfers					1,106,013	(1,106,013)	—	—
Total General Revenues					2,367,434	1,079,558	3,446,992	4,258,480
Changes In Net Position					(38,623,497)	3,546,025	(35,077,472)	6,231,917
Net Position At Beginning Of Year					61,077,704	118,066,880	179,144,584	172,912,667
Net Position At End Of Year					$ 22,454,207	$ 121,612,905	$ 144,067,112	$ 179,144,584

CASTLE PINES NORTH METROPOLITAN DISTRICT

BALANCE SHEET - GOVERNMENTAL FUND
December 31, 2025
(With Comparative Totals For December 31, 2024)

	2025	2024
Assets		
Cash and cash equivalents	$ **471,669**	$ 131,419
Cash and cash equivalents - restricted	**22,665**	18,480
Property taxes receivable	**970,577**	988,516
Other receivables	**42,601**	84,838
Prepaid items	**133,783**	—
Total Assets	$ **1,641,295**	$ 1,223,253
Liabilities		
Accounts payable	$ **101,240**	$ —
Due to other government	**39,543**	81,561
Accrued payroll	**5,925**	—
Total Liabilities	**146,708**	81,561
Deferred Inflows Of Resources		
Deferred property taxes	**970,577**	988,516
Fund Balance		
Nonspendable:		
Prepaid items	**133,783**	—
Restricted for:		
Emergency reserve	**43,242**	57,298
Conservation Trust Fund	**—**	46
Unassigned	**346,985**	95,832
Total Fund Balance	**524,010**	153,176
Total Liabilities, Deferred Inflows Of Resources And Fund Balance	$ **1,641,295**	$ 1,223,253

CASTLE PINES NORTH METROPOLITAN DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET WITH THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
December 31, 2025
(With Comparative Totals For December 31, 2024)

			2025	2024
Amounts reported for governmental activities in the statement of net position are different because:				
Total fund balance - governmental fund			**$ 524,010**	$ 153,176
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the fund financial statements.				
Capital assets			**22,097,796**	60,924,528
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the fund financial statements.				
Accrued compensated absences			**(35,956)**	—
Net pension liability and related deferred inflows and deferred outflows of resources are not current financial resources and, therefore, are not reported in the fund financial statements.				
Net pension liability	$	(183,908)		
Deferred outflows of resources relating to pensions		80,664		
Deferred inflows of resources relating to pensions		(28,399)	**(131,643)**	—
Total Net Position - Governmental Activities			**$ 22,454,207**	$ 61,077,704

CASTLE PINES NORTH METROPOLITAN DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUND
For The Year Ended December 31, 2025
(With Comparative Totals For The Year Ended December 31, 2024)

	2025	2024
Revenues		
Property taxes	**$ 985,509**	$ 1,098,843
Specific ownership taxes	**76,003**	72,908
Conservation Trust Fund	**77,851**	97,731
Farm land revenue	**42,600**	—
Lease income	**66,840**	63,127
Oil royalty income	**256,093**	674,312
Earnings on investments	**14,350**	753
Other income	**185,559**	359,183
Total Revenues	**1,704,805**	2,366,857
Expenditures		
Current:		
General government	**1,979,723**	16,491
Excess (Deficiency) Of Revenues Over Expenditures	**(274,918)**	2,350,366
Other Financing Sources (Uses)		
Conveyance to other government	**(460,261)**	(879,437)
Interfund transfers	**1,106,013**	(1,317,753)
Total Other Financing Sources (Uses)	**645,752**	(2,197,190)
Net Change In Fund Balance	**370,834**	153,176
Fund Balance - Beginning Of Year	**153,176**	—
Fund Balance - End Of Year	**$ 524,010**	$ 153,176

CASTLE PINES NORTH METROPOLITAN DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE WITH THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

For The Year Ended December 31, 2025
(With Comparative Totals For The Year Ended December 31, 2024)

		2025	2024
Amounts reported for governmental activities in the statement of activities are different because:			
Net change in fund balance - governmental fund		**$ 370,834**	$ 153,176
Capital outlay to purchase or build capital assets is reported in governmental funds as expenditures. However, for governmental activities, these costs are capitalized on the statement of net position and depreciated over their estimated useful lives as annual depreciation expense in the statement of activities.			
Depreciation expense		**(16,998)**	(141,673)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.			
Conveyance to other government	$ (38,809,734)		
Change in compensated absences	(35,956)	**(38,845,690)**	—
Pension income (expense) relating to the District's defined benefit retirement plan is recognized on the statement of activities and, therefore, not included in the fund financial statements.		**(131,643)**	110,176
Change In Net Position Of Governmental Activities		**$ (38,623,497)**	$ 121,679

CASTLE PINES NORTH METROPOLITAN DISTRICT

STATEMENT OF NET POSITION - ENTERPRISE FUNDS
December 31, 2025
(With Comparative Totals For December 31, 2024)

	Water	Wastewater	2025 Total	2024 Total
Assets				
Current Assets				
Cash and cash equivalents	$ 43,515,593	$ 6,086,646	$ 49,602,239	$ 50,601,685
Accounts receivable - services	629,209	240,182	869,391	581,388
Other receivables	—	—	—	271,419
Prepaid expenses	—	—	—	118,791
Total Current Assets	44,144,802	6,326,828	50,471,630	51,573,283
Capital Assets				
Property, plant and equipment	86,179,773	19,838,956	106,018,729	100,517,073
Accumulated depreciation	(25,465,377)	(5,224,011)	(30,689,388)	(28,986,606)
Total Capital Assets	60,714,396	14,614,945	75,329,341	71,530,467
Total Assets	104,859,198	20,941,773	125,800,971	123,103,750
Deferred Outflows Of Resources				
Deferred outflows of resources relating to pensions	4,999	1,250	6,249	155,931
Liabilities				
Current Liabilities				
Accounts payable	1,079,194	642,762	1,721,956	2,097,196
Accrued expenses	—	6,224	6,224	6,904
Accrued payroll	8,614	2,153	10,767	—
Customer deposits	14,000	—	14,000	—
Long-term debt payable - less than one year	—	270,000	270,000	265,000
Accrued compensated absences	135	34	169	27,151
Total Current Liabilities	1,101,943	921,173	2,023,116	2,396,251
Long-Term Liabilities				
Net pension liability	11,399	2,850	14,249	327,439
Long-term debt payable - greater than one year	—	2,154,750	2,154,750	2,424,750
Total Long-Term Liabilities	11,399	2,157,600	2,168,999	2,752,189
Total Liabilities	1,113,342	3,078,773	4,192,115	5,148,440
Deferred Inflows Of Resources				
Deferred inflows of resources relating to pensions	1,760	440	2,200	44,361
Total Deferred Inflows Of Resources	1,760	440	2,200	44,361
Net Position				
Net investment in capital assets	60,714,396	12,190,195	72,904,591	68,840,717
Unrestricted	43,034,699	5,673,615	48,708,314	49,226,163
Total Net Position	$ 103,749,095	$ 17,863,810	$ 121,612,905	$ 118,066,880

CASTLE PINES NORTH METROPOLITAN DISTRICT

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION - ENTERPRISE FUNDS
For The Year Ended December 31, 2025
(With Comparative Totals For The Year Ended December 31, 2024)

	Water	Wastewater	2025 Total	2024 Total
Operating Revenues				
Water charges	$ 4,804,699	$ —	$ 4,804,699	$ 5,597,837
Wastewater charges	—	2,738,039	2,738,039	2,853,396
Total Operating Revenues	4,804,699	2,738,039	7,542,738	8,451,233
Operating Expenses				
Water Operations				
General overhead	400,199	—	400,199	990,817
Salaries and wages	5,172	—	5,172	209,679
Employee benefits and taxes	11,192	—	11,192	65,398
Pension benefit	(130,448)	—	(130,448)	(20,576)
Memberships, training and subscriptions	—	—	—	7,805
Engineering	221,962	—	221,962	291,103
Repairs and maintenance	2,306,597	—	2,306,597	1,853,662
Utilities	1,110,685	—	1,110,685	1,086,066
Equipment and supplies	45,321	—	45,321	59,200
Water rebates	11,535	—	11,535	20,529
Other projects	128,817	—	128,817	212,222
Total Water Operations	4,111,032	—	4,111,032	4,775,905
Wastewater Operations				
General overhead	—	126,230	126,230	499,315
Salaries and wages	—	(6,943)	(6,943)	116,775
Employee benefits and taxes	—	2,798	2,798	35,213
Pension benefit	—	(75,221)	(75,221)	(10,038)
Memberships, training and subscriptions	—	—	—	4,203
Engineering	—	12,537	12,537	165,927
Repairs and maintenance	—	431,734	431,734	653,313
Utilities	—	97,768	97,768	130,325
Equipment and supplies	—	—	—	7,932
Treatment costs	—	723,490	723,490	728,348
Total Wastewater Operations	—	1,312,393	1,312,393	2,331,313
Total Operating Expenses	4,111,032	1,312,393	5,423,425	7,107,218
Operating Income Before Depreciation	693,667	1,425,646	2,119,313	1,344,015
Depreciation	1,277,315	425,467	1,702,782	1,672,313

CASTLE PINES NORTH METROPOLITAN DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - ENTERPRISE FUNDS
For The Year Ended December 31, 2025
(With Comparative Totals For The Year Ended December 31, 2024)

	Water	Wastewater	2025 Total	2024 Total
Operating Income (Loss)	$ (583,648)	$ 1,000,179	$ 416,531	$ (328,298)
Nonoperating Revenues (Expenses)				
Earnings on investments	1,841,687	257,025	2,098,712	2,701,518
Interest expense	—	(82,164)	(82,164)	(97,602)
Reimbursable income	58,984	—	58,984	11,927
Miscellaneous revenues	26,640	1,235	27,875	13,348
Renewable water investment	182,100	—	182,100	667,700
Total Nonoperating Revenues	2,109,411	176,096	2,285,507	3,296,891
Income Before Capital Contributions, And Transfers	1,525,763	1,176,275	2,702,038	2,968,593
Capital Contributions And Transfers				
Capital improvement charges	1,950,000	—	1,950,000	1,823,892
Interfund transfers	(884,811)	(221,202)	(1,106,013)	1,317,753
Change In Net Position	2,590,952	955,073	3,546,025	6,110,238
Net Position - Beginning Of Year	101,158,143	16,908,737	118,066,880	111,956,642
Net Position - End Of Year	$103,749,095	$ 17,863,810	$121,612,905	$118,066,880

CASTLE PINES NORTH METROPOLITAN DISTRICT

STATEMENT OF CASH FLOWS - ENTERPRISE FUNDS
For The Year Ended December 31, 2025
(With Comparative Totals For The Year Ended December 31, 2024)

	Water	Wastewater	2025 Total	2024 Total
Cash Flows From Operating Activities				
Receipts from customers and others	$ 4,547,447	$ 2,992,707	$ 7,540,154	$ 8,183,443
Payments to suppliers	(4,725,810)	(1,147,514)	(5,873,324)	(5,444,997)
Payments to employees	(22,747)	(5,687)	(28,434)	(428,609)
Net Cash Flows Provided By (Used In) Operating Activities	(201,110)	1,839,506	1,638,396	2,309,837
Cash Flows From Noncapital Financing Activities				
Miscellaneous revenue	85,624	1,235	86,859	25,275
Renewable water investment	182,100	—	182,100	667,700
Net Cash Flows Provided By Noncapital Financing Activities	267,724	1,235	268,959	692,975
Cash Flows From Capital And Related Financing Activities				
Capital contributions	1,950,000	—	1,950,000	1,823,892
Principal payments on loans	—	(265,000)	(265,000)	(255,000)
Interest paid on loans	—	(82,844)	(82,844)	(90,698)
Acquisition of capital assets	(4,394,064)	(1,107,592)	(5,501,656)	(7,629,830)
Interfund transfers	(884,811)	(221,202)	(1,106,013)	1,317,753
Conveyance to other government	—	—	—	(24,377)
Net Cash Flows Used In Capital And Related Financing Activities	(3,328,875)	(1,676,638)	(5,005,513)	(4,858,260)
Cash Flows Provided By Investing Activities				
Earnings on investments	1,841,687	257,025	2,098,712	2,701,518
Net Increase (Decrease) In Cash And Cash Equivalents	(1,420,574)	421,128	(999,446)	846,070
Cash And Cash Equivalents, Beginning Of Year	44,936,167	5,665,518	50,601,685	49,755,615
Cash And Cash Equivalents, End Of Year	$ 43,515,593	$ 6,086,646	$ 49,602,239	$ 50,601,685
Reconciliation Of Operating Income (Loss) To Net Cash Flows From Operating Activities				
Operating income (loss)	$ (583,648)	$ 1,000,179	$ 416,531	$ (328,298)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:				
Depreciation	1,277,315	425,467	1,702,782	1,672,313
Changes in operating assets and liabilities:				
Accounts receivable	(271,252)	(16,751)	(288,003)	3,629
Other receivables	—	271,419	271,419	(271,419)
Prepaid items	77,214	41,577	118,791	(118,791)
Accounts payable	(577,908)	202,668	(375,240)	1,384,561
Accrued payroll	8,614	2,153	10,767	—
Customer deposits	14,000	—	14,000	—
Accrued compensated absences	(14,997)	(11,985)	(26,982)	(1,544)
Net pension liability and related deferred inflows/outflows of resources	(130,448)	(75,221)	(205,669)	(30,614)
Net Cash Flows Provided By (Used In) Operating Activities	$ (201,110)	$ 1,839,506	$ 1,638,396	$ 2,309,837

1. Summary Of Significant Accounting Policies

Form Of Organization

Castle Pines North Metropolitan District (the District) is a quasi-municipal corporation and political subdivision of the State of Colorado under the Special District Act (Title 32, Article 1, Colorado Revised Statutes (CRS)). The District was organized by a court order on June 11, 1984 and is governed by an elected five-member Board of Directors (the Board). The District was established to provide water service, wastewater service, storm drainage service and parks and open space services for the benefit of the property owners, residents and users of the facilities of the District. The District has several agreements with various entities to provide additional water resources for the community. As of December 31, 2023, the District is in the process of transferring storm drainage and parks and open space services to the City of Castle Pines (the City) in accordance with an intergovernmental agreement (IGA), as disclosed in Note 10.

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

Reporting Entity

In conformity with GASB financial reporting standards, the District is the reporting entity for financial reporting purposes. The District is the primary government financially accountable for all activities of the District. The District meets the criteria of a primary government: the Board is the publicly elected governing body; it is a legally separate entity and it is fiscally independent. The District is not included in any other governmental reporting entity.

As defined by GAAP established by GASB, the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Financial accountability is defined as:

- Appointment of a voting majority of the component unit's governing board, and either a) it has the ability to impose its will by the primary government or b) there is a potential for the component unit to provide specific financial benefits to, or impose specific financial burdens on, the primary government or

- Fiscal dependency on the primary government and the potential for the organization to provide specific benefits to, or impose specific financial burdens on, the primary government, regardless of whether the organization has (1) a separately elected governing board or (2) a governing board appointed by a higher level of government, or

- A jointly appointed board

Based on the application of these criteria, there are no component units included in the District's reporting entity.

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 activities of the District. Governmental activities, which normally are supported by taxes, charges for services and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on user charges for support.

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 those 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 properly included among program revenues are reported instead as general revenues.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments where the amounts are reasonably equivalent in value to the interfund services provided and other charges. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Separate fund financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis Of Accounting And Financial Statement Presentation

The government-wide and proprietary fund financial statements 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.

The governmental fund financial statements are accounted for using the current financial resources measurement focus, whereby only current assets, certain deferred outflows of resources, liabilities and certain deferred inflows of resources generally are included in the balance sheet, and the statement of revenues, expenditures and changes in fund balances presents increases and decreases in those components. These funds use the modified accrual basis of accounting, whereby 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. Expenditures generally are recognized when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recognized only when payment is due.

Property taxes and earnings on investments associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental fund:

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources, except those required to be accounted for in another fund.

Because governmental fund statements are presented using a measurement focus and basis of accounting different from that used in the government-wide statements, a reconciliation is presented that briefly explains the adjustments necessary to reconcile to ending net position and the change in net position.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. Property taxes are recognized as revenues in the year for which they are levied and become an enforceable lien on the property. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

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

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the primary intent is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The District reports the following major enterprise funds:

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

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

Comparative Financial Information

The accompanying financial statements include certain prior-year summarized comparative information in total but not in sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the District's audited financial statements for the year ended December 31, 2024, from which the summarized information was derived.

Budgets

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

- By October 15, the District Manager submits to the Board a proposed operating budget for the fiscal year beginning the following January 1. The operating budget includes proposed expenditures and the means of financing them.

- A duly noticed public hearing is conducted to obtain taxpayer comments.

- Prior to December 15, the budget is formally adopted, monies are appropriated by fund and a mill levy is certified through passage of a Board resolution.

- Any budget revisions that alter the total expenditures of any fund must be approved by the Board through passage of a budget amendment after a duly noticed public hearing.

- The District appropriates revenues and expenditures by fund as part of the budget approval process. Budgets for the governmental funds are adopted on a basis consistent with GAAP. Budgetary comparisons presented for the enterprise funds are presented on a non-GAAP budgetary basis.

- Budgeted amounts in the financial statements are as originally adopted or as amended by the Board. All appropriations lapse at year end.

Cash And Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits, and participation in local government investment pools. All cash equivalents have an original maturity date of less than three months.

The District follows the practice of pooling cash and investments from all funds to maximize earnings on investments. Except when required by trust or other agreements, all cash is deposited to and disbursed from a minimum number of bank accounts. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Earnings on investments are allocated periodically to the participating funds based upon each funds' average equity balance in the total cash and investments.

Receivables

In the government-wide financial statements, receivables are reported at their gross value and, when appropriate, are reduced by the estimated portion that is expected to be uncollectible. Tap fees, user fees and similar fees set by the Board constitute a perpetual lien on or against the property served until paid. Such liens may be foreclosed upon as provided by the State of Colorado. Therefore, no provision for uncollectible receivables has been made in the financial statements.

Property Taxes

Property taxes are certified by the Board. The levy is based on assessed valuations determined by the Douglas County Assessor generally as of January 1 of each year. The levy is certified by December 15 to the County Commissioners and attach as an enforceable lien on property on January 1 of the following year. Taxes are payable in full on April 30 or in two installments on the last day of February and June 15. Delinquent taxpayers are notified in July or August and the sales of the resultant tax liens on delinquent properties are generally held in November or December. The County Treasurer's office collects property taxes and remits to the District on a monthly basis.

Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred inflow of resources is recorded at December 31. As the tax is collected in the succeeding year, the deferred inflows of resources are recognized as revenue, and the receivable is reduced.

Capital Assets

Capital assets, which include property, equipment and infrastructure assets, are reported in the applicable governmental or business-type activities column 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 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable using the straight-line method. Depreciation is reported on the statement of activities as a current expense.

Capital assets of the District are depreciated using the straight-line method over the following estimated useful lives:

Description	Estimated Lives
Distribution system	50 - 100 years
Collection system	50 - 100 years
Buildings	25 - 60 years
Machinery and equipment	5 - 25 years
Parking lots	15 years
Office furniture and equipment	5 years

Contributions Of Capital

Contributions of capital in government-wide and proprietary fund financial statements arise from outside contributions of capital assets, tap fees or from other outside contributions of resources restricted to capital acquisition and construction.

Interfund Transactions

Activity between funds that represent outstanding balances between funds are reported as "due to/from other funds." The outstanding balances between the funds result mainly from the time lag between the dates that (1) the interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Compensated Absences

Personal leave benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services rendered, the leave accumulates, and the leave is more likely than not to be used for time off or otherwise aid in cash or settled through noncash means. The District permits employees to accumulate earned but unused personal leave time. Accumulated, unpaid personal leave time is accrued when incurred in the government-wide and proprietary financial statements. 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.

Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund statement of net position.

Deferred Outflows/Inflows Of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. The District recognizes deferred outflows of resources related to pensions.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. Deferred property taxes are recognized as revenue in the period that the amounts become available. The District also recognizes deferred inflows of resources related to pensions.

Fund Balance And Net Position

Net position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. In the government-wide financial statements, net position is classified in the following categories:

Net Investment In Capital Assets **-** This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.

Restricted Net Position **-** This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position **-** This category represents the net position of the District, which is not restricted for any project or other purpose. A deficit will require future funding.

In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, fund balances of the governmental funds are classified as follows:

Nonspendable **-** amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact

Restricted **-** amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors or the laws or regulations of other governments

Committed **-** amounts that can be used only for specific purposes determined by a formal action of the Board. The Board is the highest level of decision-making authority for the District. Commitments may be established, modified or rescinded only through resolutions approved by the Board.

Assigned - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Board's adopted policy, the Board has the authority to assign the designated fund balance for each governmental fund based on the intended use of resources by the District in the most recently adopted budget.

Unassigned - all other spendable amounts. Only the General Fund reports a positive unassigned fund balance. In other governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed or assigned to other purposes, the funds would report a negative unassigned fund balance; however, any amount reported as assigned fund balance would have to be eliminated before a negative unassigned fund balance could be reported.

When an expenditure is incurred for purposes for which both restricted and unrestricted resources are available, the District considers restricted resources to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the District considers amounts to have been spent first out of restricted fund balance, then committed funds, then assigned funds and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

Pensions

The District participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado (PERA). The net pension (asset) liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of LGDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments at PERA are reported at fair value.

Estimates

The presentation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Actual results could differ from those estimates.

Subsequent Events

Management evaluates subsequent events through the date the financial statements are available for issue, which is the date of the Independent Auditors' Report.

2. Cash, Cash Equivalents And Investments

A summary of cash, cash equivalents and investments as of December 31, 2025, follows:

	S&P Rating	Fair Value	Weighted Ave. Maturity Date (In Days)	Concentration Of Credit Risk
Cash with county treasurer	NR	$ 6,348	N/A	N/A
Deposits with financial institutions	NR	769,202	N/A	N/A
Colorado Government Liquid Asset Trust (COLOTRUST)	AAAm	49,321,023	Under 60 days	100.00%
		$ 50,096,573		

The above amounts are classified in the statement of net position as follows:

Cash and cash equivalents:	
Governmental activities	$ 471,669
Business-type activities	49,602,239
	$ 50,096,573

Custodial Credit Risk - Deposits

CRS governs the entity's deposits of cash. For deposits in excess of federally insured limits, CRS requires the depository institution to maintain collateral on deposit with an official custodian (as authorized by the State Banking Board). The Colorado Public Deposit Protection Act (PDPA) requires state regulators to certify eligible depositories for public deposit. PDPA requires the eligible depositories with public deposits in excess of the amounts insured by the Federal Deposit Insurance Corporation to create a single institutional collateral pool of obligations of the State of Colorado or local Colorado governments and obligations secured by first lien mortgages on real property located in the state. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the assets in the pool must be at least 102% of the uninsured deposits. At December 31, 2025, the District had deposits with financial institutions with a carrying amount of $769,202. The bank balances with the financial institutions were $1,509,787 of which $250,000 was covered by federal depository insurance. The remaining balance of $1,259,787 was collateralized with securities held by the financial institutions' agents but not in the District's name.

Investments

The District has a formal investment policy which follows CRS, which specifies investment instruments meeting defined rating and risk criteria in which the District may invest.

These investments include:

- Certificates of deposit with an original maturity in excess of three months
- Certain obligations of the United States and U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Banker's acceptance of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

The District's policy is to hold investments until maturity.

Fair Value

The District categorizes its fair value measurement within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Local Government Investment Pools

During 2024, the District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing COLOTRUST. COLOTRUST records its investments at fair value and the District records its investments in COLOTRUST using the net asset value method. As of December 31, 2025, the District had $49,321,023 invested in COLOTRUST PLUS+, one of the three portfolios offered by COLOTRUST, which is included in cash equivalents. COLOTRUST PLUS+ operates similarly to a money market fund and each share is equal in value to $1.00. COLOTRUST is exempt from being measured at fair value and is excluded from the fair value hierarchy. There are no unfunded commitments, the redemption period frequency is daily and there is no redemption notice period. COLOTRUST PLUS+ may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies.

A designated custodial bank serves as custodian for COLOTRUST's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for COLOTRUST's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by COLOTRUST. COLOTRUST PLUS+ is rated AAAm by S&P Global Ratings with a weighted average maturity of under 60 days. Separate financial statements can be obtained by calling 303.864.7474 or going to www.colotrust.com.

Custodial Credit Risk - Investments

For investments, custodial credit risk is the risk that, in the event of a failure of a counterparty, the District would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Due to the limitations specified by Colorado statutes, as of December 31, 2025, the District had no investments exposed to custodial credit risk.

Interest Rate Risk

CRS limits investment maturities to five years or less from the date of purchase. This limit on investment maturities is a means of limiting exposure to fair value losses arising from increasing interest rates.

3. Capital Assets

A summary of changes in governmental activity capital assets is as follows:

	Balance December 31, 2024	Additions	Deletions	Balance December 31, 2025
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land and improvements to land	$ 45,583,416	$ —	$ (37,438,456)	$ 8,144,960
Water and water storage rights	13,625,970	—	—	13,625,970
Total Capital Assets, Not Being Depreciated	59,209,386	—	(37,438,456)	21,770,930
Capital Assets, Being Depreciated				
Parking lots	202,710	—	(202,710)	—
Parks, buildings and equipment	2,749,339	—	(2,063,580)	685,759
Concrete trails	2,283,069	—	(2,283,069)	—
Asphalt trails	302,064	—	(302,064)	—
Total Capital Assets, Being Depreciated	5,537,182	—	(4,851,423)	685,759
Less Accumulated Depreciation For:				
Parking lots	(202,710)	—	202,710	—
Parks, buildings and equipment	(2,120,113)	(16,998)	1,778,218	(358,893)
Concrete trails	(1,197,153)	—	1,197,153	—
Asphalt trails	(302,064)	—	302,064	—
Total Accumulated Depreciation	(3,822,040)	(16,998)	3,480,145	(358,893)
Total Capital Assets Being Depreciated, Net	1,715,142	(16,998)	(1,371,278)	326,866
Governmental Activities Capital Assets, Net	$ 60,924,528	$ (16,998)	$ (38,809,734)	$ 22,097,796

Depreciation for governmental activity capital assets has been allocated to general government activity in the statement of activities.

A summary of changes in business-type activity capital assets is as follows:

	Balance December 31, 2024	Additions	Deletions And Transfers	Balance December 31, 2025
Business-Type Activities:				
Capital Assets Not Being Depreciated				
Land and rights of way	$ 103,115	$ —	$ —	$ 103,115
Construction in progress	7,240,865	4,751,803	(1,832,431)	10,160,237
Total Capital Assets Not Being Depreciated	7,343,980	4,751,803	(1,832,431)	10,263,352
Capital Assets Being Depreciated				
Buildings and improvements	16,497,917	44,126	—	16,542,043
Landscaping, fencing and electrical	6,550,840	12,950	1,832,431	8,396,221
Ground water rights	2,956,516	—	—	2,956,516
Distribution system	28,785,829	63,161	—	28,848,990
Collection system	1,480,781	—	—	1,480,781
Water tanks	2,315,654	—	—	2,315,654
Machinery and equipment	12,001,067	585,528	—	12,586,595
Vehicles	177,259	44,088	—	221,347
Developer contributions*	17,226,658	—	—	17,226,658
Plum Creek Water Reclamation Authority (PCWRA) plant expansion	5,180,572	—	—	5,180,572
Total Capital Assets Being Depreciated	93,173,093	749,853	1,832,431	95,755,377
Less Accumulated Depreciation For:				
Buildings and improvements	(4,704,053)	(326,216)	—	(5,030,269)
Landscaping, fencing and electrical	(2,589,786)	(169,060)	—	(2,758,846)
Ground water rights	(390,923)	(10,896)	—	(401,819)
Distribution system	(4,215,599)	(315,468)	—	(4,531,067)
Collection system	(524,852)	(14,808)	—	(539,660)
Water tanks	(1,332,129)	(46,313)	—	(1,378,442)
Machinery and equipment	(9,926,807)	(391,349)	—	(10,318,156)
Vehicles	(145,186)	(8,890)	—	(154,076)
Developer contributions*	(4,184,477)	(172,266)	—	(4,356,743)
PCWRA plant expansion	(972,794)	(247,516)	—	(1,220,310)
Total Accumulated Depreciation	(28,986,606)	(1,702,782)	—	(30,689,388)
Net Capital Assets Being Depreciated	64,186,487	(952,929)	1,832,431	65,065,989
Business-Type Activities Capital Assets, Net	$ 71,530,467	$ 3,798,874	$ —	$ 75,329,341

* Certain classes of assets have been classified and reclassified over time to account for shifts in accounting principles, including but not limited to developer-contributed assets. The developer-contributed assets represent the original water distribution system and wastewater collection system assets that were obtained by the District but not readily identified with specific assets.

Depreciation for business-type activity capital assets has been allocated to the following activities:

Water	$ 1,277,315
Wastewater	425,467
Total Depreciation Expense - Business-Type Activities	$ 1,702,782

4. Long-Term Debt And Liabilities

Governmental Activities Long-Term Liability

The following is a summary of governmental activity long-term liability for the year ended December 31, 2025:

	Balance December 31, 2024	Additions	Retirements	Balance December 31, 2025	Due Within One Year
Governmental Activities					
Compensated absences	$ —	$ 35,956	$ —	$ 35,956	$ 35,956

Business-Type Activities Debt And Long-Term Liability

The following is a summary of business-type activity debt and long-term liability transactions for the year ended December 31, 2025:

	Balance December 31, 2024	Additions	Retirements	Balance December 31, 2025	Due Within One Year
Business-Type Activities					
JP Morgan Chase loan payable	$ 2,689,750	$ —	$ (265,000)	$ 2,424,750	$ 270,000
Compensated absences	27,151	47,941	(74,923)	169	169
Total Business-Type Activities	$ 2,716,901	$ 47,941	$ (339,923)	$ 2,424,919	$ 270,169

A description of the long-term debt as of December 31, 2025 is as follows:

JP Morgan Chase Loan

On December 31, 2018, the District secured a $4,125,000 bank loan for the purpose of paying project costs related to the District's proportionate share in its interest in PCWRA. The project consisted of the design and construction of improvements to expand the treatment capacity of PCWRA which was completed in 2022. Principal payments are due annually on December 1 and interest payments are due each June 1 and December 1 until maturity. The bank loan matures on December 1, 2033 and has a fixed interest rate of 3.08%. The loan security and repayment source is a pledge of the District's Wastewater and Water Activity Enterprise revenues backed by a rate covenant. The loan contains restrictive covenants.

The following is a summary of the annual long-term debt principal and interest requirement for the JP Morgan Chase loan:

Year Ending December 31,	Principal	Interest	Total
2026	$ 270,000	$ 74,690	$ 344,690
2027	280,000	66,374	346,374
2028	290,000	57,750	347,750
2029	300,000	48,818	348,818
2030	310,000	39,578	349,578
2031 - 2033	974,750	60,676	1,035,426
	$ 2,424,750	$ 347,886	$ 2,772,636

5. Employee Pension Plan

Plan Description

Eligible employees of the District are provided with pensions through LGDTF a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of CRS administrative rules set forth at 8 C.C.R. 1502-1 and applicable provisions of the federal Internal Revenue Code. Colorado state law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report that can be obtained at https://copera.org/forms-resources/financial-reports-and-studies.

Benefits Provided

PERA provides retirement, disability and survivor benefits. Retirement benefits are based upon a defined or fixed multiplier, age, years of credited service, and highest average salary. Retirement eligibility is specified in tables set forth at CRS § 24-51-602, 604, 1713 and 1714.

The lifetime retirement benefit for all eligible retiring employees under the PERA benefit structure is the greater of the:

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit
- The value of the retiring employee's member contribution account plus a 100% match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

In all cases, the service retirement benefit is limited to 100% of the highest average salary and also cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers, waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50% or 100% on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether five years of service credit has been obtained and the benefit structure under which contributions were made.

Upon meeting certain criteria, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments, referred to as annual increases in CRS, once certain criteria are met. Pursuant to SB 18-200, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, and all benefit recipients of the Denver Public School (DPS) benefit structure will receive an annual increase of 1.25% unless adjusted by the automatic adjustment provision (AAP) pursuant to CRS § 24-51-413. Eligible benefit recipients under the PERA benefit structure who began eligible employment on or after January 1, 2007 will receive the lessor of an annual increase of 1.25% or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed 10% of PERA's Annual Increase Reserve (AIR) for LGDTF. AAP may raise or lower the aforementioned annual increase by up to 0.25% based on the parameters specified in CRS § 24-51-413.

Disability benefits are available for eligible employees once they reach 5 years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the retirement benefit formula shown above, considering a minimum 20 years of service credit, if deemed disabled.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained and the qualified survivor(s) who will receive the benefits.

Contributions

Eligible employees and the District are required to contribute to LGDTF at a rate set by Colorado statute. The contribution requirements are established under CRS § 24-51-401, et seq. and § 24-51-413. The employer contribution requirements are summarized in the table below:

	January 1, Through December 31, 2024
Employer contribution rate	11.00%
Amount of employer contribution apportioned to the Health Care Trust Fund (HCTF) as specified in CRS § 24-51-208(1)(f)	(1.02)%
Amount apportioned to LGDTF	9.98%
Amortization equalization disbursement (AED) as specified in CRS § 24-51-411	2.20%
Supplemental amortization equalization disbursement (SAED) as specified in CRS § 24-51-411	1.50%
Defined contribution supplement as specified in CRS § 24-51-415	0.08%
Total employer contribution rate to LGDTF	13.76%

Note: Rates are expressed as a percentage of salary as defined in CRS § 24-51-101(42).

Employer contributions are recognized by LGDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to LGDTF. Employer contributions recognized by LGDTF from the District were $47,467 for the year ended December 31, 2025.

Pension Liabilities, Pension Income And Deferred Outflows Of Resources And Deferred Inflows Of Resources Related To Pensions

At December 31, 2025, the District reported a net pension liability of $198,157 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023. Standard update procedures were used to roll forward the total pension liability to December 31, 2024. The District's proportion of the net pension liability was based on District contributions to LGDTF for the calendar year 2024 relative to the total contributions of participating employers to LGDTF.

At December 31, 2024, the District's proportion was 0.03229%, which was a decrease of 0.01231% from its proportion measured as of December 31, 2023.

For the year ended December 31, 2025, the District recognized pension income of $26,560 and reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Differences between expected and actual experience	$ 14,952	$ —
Changes of assumptions or other inputs	5,848	—
Net difference between projected and actual earnings on pension plan investments	18,646	—
Changes in proportion and differences between contributions recognized and proportionate share of contributions	—	30,599
District contributions subsequent to the measurement date	47,467	—
Total	$ 86,913	$ 30,599

The $47,467 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a decrease of the net pension liability in the year ended December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Amortization
2026	$ 7,663
2027	45,243
2028	(31,563)
2029	(12,496)
	$ 8,847

Actuarial Assumptions

The total pension liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial cost method	Entry Age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.20 - 11.30%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Future post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (automatic)	1.00%
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by AIR

The total pension liability as of December 31, 2024, measurement date, was adjusted to reflect additional payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the LGDTF and HCTF were $486 and $20, respectively.

The actuarial assumptions used in the December 31, 2023 valuations were based on the 2020 experience analysis, dated October 28, 2020, for the period January 1, 2016 through December 31, 2019. Revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020.

Based on the 2024 experience analysis, dated January 3, 2025, for the period January 1, 2020 to December 31, 2023, revised actuarial assumptions were adopted by PERA's Board on January 17, 2025, and were effective as of December 31, 2024. The following assumptions were reflected in the roll forward calculation of the total pension liability from December 31, 2023 to December 31, 2024.

Salary increases, including wage inflation, assumed for members other than Safety Officers is 3.40% - 13.00%. Salary scale assumptions were altered to better reflect actual experience. Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

The estimated administrative expense as a percentage of covered payroll was increased from 0.40% to 0.45%.

The adjustments for credibility applied to the Pub-2010 mortality tables for active and retired lives were updated based on the experience. All mortality assumptions are developed on a benefit-weighted basis and apply generational mortality. Note that the mortality tables are generationally projected using the 2024 scale MP-2021.

Pre-retirement mortality assumptions for members other than Safety Officers were based upon the PubG-2010 Employee Table.

Post-retirement nondisabled mortality assumptions for members other than Safety Officers were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

- Males: 90% of the rates for all ages
- Females: 85% of the rates prior to age 85 and 105% of the rates for ages 85 and older, with generational projection using scale MP-2019.

Disabled mortality assumptions for members other than Safety Officers were based upon the PubNS-2010 Disabled Retiree Table using 95% of the rates for all ages.

The long-term expected return on plan assets is monitored on an ongoing basis and reviewed as part of periodic experience studies prepared every four years, and asset/liability studies, performed every three to five years for PERA. The most recent analyses were outlined in the 2024 Experience Study report dated January 3, 2025.

Several factors are considered in evaluating the long-term rate of return assumption for LGDTF, including long-term historical data, estimates inherent in current market data and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019 meeting, and again at the Board's September 20, 2024 meeting. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	30-Year Expected Geometric Real Rate Of Return*
Global equity	51.00%	5.00%
Fixed income	23.00%	2.60%
Private equity	10.00%	7.60%
Real estate	10.00%	4.10%
Alternatives	6.00%	5.20%
Total	100.00%	

* In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25%.

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The basis for the projection of liabilities and the fiduciary net position used to determine the discount rate was an actuarial valuation performed as of December 31, 2023, and the financial status of the LGDTF as of the current measurement date (December 31, 2024). In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, the total covered payroll was assumed to increase annually at a rate of 3.00%.

- Employee contributions were assumed to be made at the member contribution rates in effect for each year and the required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the required adjustments resulting from the 2018 and the 2020 AAP assessments. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.

- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above actuarial cost method and assumptions, LGDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

Sensitivity Of The District's Proportionate Share Of The Net Pension Liability To Changes In The Discount Rate

The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
District's proportionate share of the net pension liability	$ 433,725	$ 198,157	$ 252

Subsequent Events

Governmental accounting standards require the net pension liability for financial reporting purposes be measured using the plan provisions in effect as of the pension plan's year end. The passage of Senate Bill (SB) 25-310 into law is considered a nonrecognized subsequent event as these statutory changes to plan provisions did not exists as of the December 31, 2024 measurement date.

SB 25-310: Proposition 130 Implementation, enacted June 2, 2025, and effective immediately, allows PERA to accept a series of warrants from the State Treasurer totaling $500 million (actual dollars) on or after July 1, 2025, and before October 1, 2025. These dollars are to be proportioned over time to replace reductions to future direct distributions intended to fund the Peace Officer Training and Support Fund and, at that time, will be allocated to the appropriate Division Trust Fund(s) within PERA. SB 25-310 also allows for an alternative actuarial method to allocate the direct distribution if the allocation, based on the reported payroll of each participating division, results in an AAP assessment ratio below the 98% benchmark.

Pension Plan Fiduciary Net Position

Detailed information about LGDTF's fiduciary net position is available in PERA's annual comprehensive financial report which can be obtained at https://copera.org/forms-resources/financial-reports-and-studies.

6. Postemployment Healthcare Benefits

Plan Description

The District contributes to HCTF, a cost-sharing multiple-employer healthcare trust administered by PERA. The HCTF benefit provides a health care premium subsidy and health care programs (known as PERACare) to PERA-participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of CRS, as amended, establishes HCTF and sets forth a framework that grants authority to the PERA Board to contract, self-insure and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of health care subsidies. PERA issues a publicly available annual comprehensive financial report that includes financial statements and required supplementary information for HCTF. That report can be obtained at https://copera.org/forms-resources/financial-reports-and-studies.

Funding Policy

The District is required to contribute at a rate of 1.02% of PERA-includable salary for all PERA members, as set by statute. No member contributions are required. The contribution requirements for the District are established under Title 24, Article 51, Part 4 of CRS, as amended. The apportionment of the contributions to HCTF is established under Title 24, Article 51, Section 208(1)(f) of CRS, as amended. For the years ending December 31, 2025 and 2024, the District's employer contributions to HCTF were $3,511 and $3,204, respectively, equal to their required contributions for each year. The effect of this plan would result in an immaterial liability and therefore is not recorded at December 31, 2025.

7. Defined Contribution Pension Plan

Plan Description

Employees of the District who are members of LGDTF may voluntarily contribute to the Voluntary Investment Program, an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Plan participation is voluntary, and contributions are separate from others made to PERA. Title 24, Article 51, Part 14 of CRS, as amended, assigns the authority to establish the 401(k) plan provisions to the state legislature. PERA issues a publicly available annual comprehensive financial report for the program. That report can be obtained at https://copera.org/forms-resources/financial-reports-and-studies.

Funding Policy

The Voluntary Investment Program is funded by voluntary member contributions of up to a maximum limit set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402, of CRS, as amended. The District does not contribute to the Voluntary Investment Program. Employees are immediately vested in their own contributions, employer contributions and investment earnings. For the year ended December 31, 2025, the 401(k) plan member contributions were $7,890.

8. Risk Management

The District is exposed to various risks of loss related to workers' compensation; general liability; unemployment; torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The District has elected to participate in the Colorado Special Districts Property and Liability Pool (the Pool), which is an organization created by intergovernmental agreement to provide common liability and casualty insurance coverage to its members at a cost that is considered economically appropriate. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for auto, public officials' liability and property and general liability coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and its accumulated reserves, the District may be called upon to make additional contributions to the Pool on a basis proportionate to other members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula. The District also maintains an active insurance program, whereby the District annually evaluates appropriate liability coverage.

9. TABOR Compliance

In November 1992, Colorado voters passed an amendment (the Amendment or TABOR) to the State Constitution (Article X, Section 20), which limits the revenue raising and spending abilities of state and local districts. The limits on property taxes, revenue and fiscal year spending include allowable annual increases tied to inflation and local growth in construction valuation. Fiscal year spending, as defined by the Amendment, excludes spending from certain revenue and financing sources, such as federal funds, gifts, property sales, fund transfers, damage awards and fund reserves (balances). The Amendment requires voter approval for any increase in mill levy or tax rates, new taxes or creation of multi-year debt. Revenue earned in excess of the spending limit must be refunded or approved to be retained by the District under specified voting requirements by the entire electorate.

The Amendment also requires local districts to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by the Amendment, exclude economic conditions, revenue shortfalls or salary or fringe benefit increases. These reserves are required to be 3% or more of fiscal year spending (excluding bonded debt service). The District has restricted $43,242 for this purpose.

The District believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions will require judicial interpretation.

10. IGAs With The City

IGA Between The City And District Regarding Operation, Maintenance And Transfer Of Recreation Properties

The District and the City entered into an IGA regarding the transfer of the District's parks, recreation, trails and open space assets (the Parks and Recreation IGA), effective March 31, 2023, in order to provide for the transfer of the responsibility for the ownership, operation and maintenance of the parks, recreation, trails and open space assets from the District to the City.

In accordance with the Parks and Recreation IGA, the District is to convey to the City all real property, buildings, fixtures, easements for parks and trails infrastructure and interests therein related to the recreation properties that are owned by the District. During the year ended December 31, 2025, the District conveyed $38,809,734 of net book value to the City, which resulted in additional transfer costs of $315,043. The District expects the conveyance of all such real property interests, facilities and fixtures to be completed in 2026. As of December 31, 2025, the net book value of capital assets expected to be transferred to the City is approximately $5,600,000.

The Parks and Recreation IGA also provides that the District transfer all 2023 available parks and recreation funds to the City to be used for the operation and maintenance of all parks and recreation properties for the benefit of the District taxpayers, the community of Castle Pines and for all persons using such properties.

In 2025, the District received additional funds of $145,218 attributable to the Parks and Recreation IGA that are to be remitted to the City, with $39,543 due to the City which are included in the due to other government in the balance sheet and statement of net position as of December 31, 2025.

Lease Of Real Property

In May 2025, the District conveyed legal title of the real property and improvements related to the community center. In July 2025, the District entered into a lease agreement with the City to allow for the District's ongoing use of the community center property. The lease maturity was December 31, 2025 and automatically renews on a 12-month basis. The District will pay to the City $1 as rent for the lease term and each renewal term. The District is responsible for all costs and expenses associated with the leased premises on a triple net basis during the term of the lease.

Although legal title to the asset was conveyed, the District evaluated the transaction in accordance with GASB guidance to determine whether the transfer qualified as a sale. The District concluded that the transfer does not constitute a sale for financial reporting purposes because the District retains control of the asset. Control is evidenced by the District's continued ability to use the asset and obtain substantially all of its remaining service capacity. Additionally, the District continues to bear significant risks and obligations associated with the asset, and therefore the transaction does not represent a substantive change in economic ownership. Accordingly, the transaction has been accounted for based on its economic substance rather than its legal form.

Therefore, the community center remains recognized in the District's capital assets as the District retains control over its use and service capacity. Depreciation continues to be recorded in accordance with the District's capital asset policy.

Required Supplementary Information

CASTLE PINES NORTH METROPOLITAN DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (BUDGET AND ACTUAL) - GENERAL FUND
For The Year Ended December 31, 2025
(With Comparative Totals For The Year Ended December 31, 2024)

	Original Budget	Final Budget	2025 Actual Amounts Budget Basis	Variance Favorable (Unfavorable)	2024 Actual Amounts Budget Basis
Revenues					
Property taxes	$ 988,516	$ 988,516	$ 985,509	$ (3,007)	$ 1,098,843
Specific ownership taxes	79,110	75,740	76,003	263	72,908
Conservation Trust Fund	—	93,661	77,851	(15,810)	97,731
Farm land revenue	—	42,600	42,600	—	—
Lease income	—	66,839	66,840	1	63,127
Oil royalty income	—	259,176	256,093	(3,083)	674,312
Interfund service income	—	1,048,073	—	(1,048,073)	—
Earnings on investments	—	3,434	14,350	10,916	753
Miscellaneous income	—	278,037	185,559	(92,478)	359,183
Total Revenues	1,067,626	2,856,076	1,704,805	(1,151,271)	2,366,857
Expenditures					
General government:					
Salaries and wages	—	385,725	338,683	47,042	—
Employee benefits and taxes	—	117,251	104,821	12,430	—
Accounting, audit and legal	—	756,923	705,960	50,963	—
Other professional services	—	412,938	378,955	33,983	—
Utilities	—	160,292	133,563	26,729	—
Insurance	—	116,146	116,146	—	—
County collection fees	14,829	14,829	14,791	38	16,491
Memberships, training and subscriptions	—	27,547	33,440	(5,893)	—
Other office expenses	—	93,759	100,602	(6,843)	—
Repairs and maintenance	—	64,953	52,762	12,191	—
Total Expenditures	14,829	2,150,363	1,979,723	170,640	16,491
Excess (Deficiency) Of Revenues Over Expenditures	1,052,797	705,713	(274,918)	(980,631)	2,350,366
Other Financing Sources (Uses)					
Conveyance to other government	—	(661,107)	(460,261)	200,846	(879,437)
Interfund transfers	(1,012,797)	—	1,106,013	1,106,013	(1,317,753)
Total Other Financing Sources (Uses)	(1,012,797)	(661,107)	645,752	1,306,859	(2,197,190)
Net Change In Fund Balance	40,000	44,606	370,834	326,228	153,176
Fund Balance - Beginning Of Year	—	153,176	153,176	—	—
Fund Balance - End Of Year	$ 40,000	$ 197,782	$ 524,010	$ 326,228	$ 153,176

CASTLE PINES NORTH METROPOLITAN DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - COST-SHARING DEFINED BENEFIT PLAN

For The Year Ended December 31, 2024 (Measurement Date)

Employee Pension Plan

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability	0.03229%	0.04461%	0.05629%	0.07308%	0.08999%	0.09498%	0.11594%	0.10967%	0.10655%	0.10914%
District's proportionate share of the net pension liability (asset)	$ 198,157	$ 327,439	$ 564,298	$ (62,656)	$ 468,970	$ 694,708	$ 1,457,671	$ 1,221,153	$ 1,438,726	$ 1,202,296
District's covered payroll	$ 314,164	$ 391,889	$ 461,822	$ 543,778	$ 635,974	$ 654,102	$ 727,906	$ 677,776	$ 666,309	$ 648,164
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	63.07%	83.55%	122.19%	11.52%	73.74%	106.21%	200.26%	180.17%	215.92%	185.49%
Plan fiduciary net position as a percentage of the total pension	90.45%	88.03%	82.99%	101.49%	90.88%	86.26%	75.96%	79.37%	73.60%	76.90%

CASTLE PINES NORTH METROPOLITAN DISTRICT

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS - COST-SHARING DEFINED BENEFIT PLAN
For The Year Ended December 31, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily required contribution	$ 47,467	$ 42,599	$ 53,948	$ 62,030	$ 71,779	$ 82,146	$ 85,599	$ 92,408	$ 87,730	$ 81,004
Contributions in relation to the statutorily required contributions	47,467	42,599	53,948	62,030	71,779	82,146	85,599	92,408	87,730	81,004
Contribution deficiency (excess)	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Covered payroll	$ 344,213	$ 314,164	$ 391,889	$ 461,822	$ 543,778	$ 635,974	$ 654,102	$ 727,906	$ 677,776	$ 666,309
Contributions as a percentage of covered payroll	13.79%	13.56%	13.77%	13.43%	13.20%	12.92%	13.09%	12.70%	12.94%	12.16%

Other Supplementary Information

CASTLE PINES NORTH METROPOLITAN DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION (BUDGET AND ACTUAL) - ENTERPRISE FUNDS
For The Year Ended December 31, 2025
(With Comparative Totals For The Year Ended December 31, 2024)
Page 1 Of 2

	Original And Final Budget	2025 Actual Amounts Budget Basis	Variance Favorable (Unfavorable)	2024 Actual Amounts Budget Basis
Revenues				
Water charges	$ 4,047,386	$ 4,804,699	$ 757,313	$ 5,597,837
Wastewater charges	2,526,614	2,738,039	211,425	2,853,396
Capital improvement charges	1,929,204	1,950,000	20,796	1,823,892
Earnings on investments	881,000	2,098,712	1,217,712	2,701,518
Reimbursable income	—	58,984	58,984	11,927
Renewable water investment	121,400	182,100	60,700	667,700
Miscellaneous income	1,017,000	27,875	(989,125)	13,348
Transfers in	1,012,797	—	(1,012,797)	1,317,753
Total Revenues	11,535,401	11,860,409	325,008	14,987,371
Expenditures				
Water Operations				
General overhead	1,142,310	400,199	742,111	990,817
Salaries and wages	369,910	20,169	349,741	213,199
Employee benefits and taxes	87,925	11,192	76,733	65,398
Memberships, training and subscriptions	21,390	—	21,390	7,805
Engineering	439,000	221,962	217,038	291,103
Repairs and maintenance	2,108,830	2,306,597	(197,767)	1,853,662
Utilities	959,060	1,110,685	(151,625)	1,086,066
Equipment and supplies	83,470	45,321	38,149	59,200
Treatment costs	5,250	—	5,250	—
Water rebates	75,000	11,535	63,465	20,529
Other projects	4,730	128,817	(124,087)	212,222
Transfers out	—	884,811	(884,811)	—
Total Water Operations	5,296,875	5,141,288	155,587	4,800,001
Wastewater Operations				
General overhead	598,172	126,230	471,942	499,315
Salaries and wages	199,240	5,042	194,198	114,799
Employee benefits and taxes	47,355	2,798	44,557	35,213
Memberships, training and subscriptions	11,290	—	11,290	4,203
Engineering	112,000	12,537	99,463	165,927
Repairs and maintenance	634,680	431,734	202,946	653,313
Utilities	120,060	97,768	22,292	130,325
Equipment, supplies and other projects	16,340	—	16,340	7,932
Treatment costs	725,000	723,490	1,510	728,348
Debt service - interest	92,852	82,844	10,008	90,698
Debt service - principal	255,000	265,000	(10,000)	255,000
Transfers out	—	221,202	(221,202)	—
Total Wastewater Operations	2,811,989	1,968,645	843,344	2,685,073

CASTLE PINES NORTH METROPOLITAN DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION (BUDGET AND ACTUAL) - ENTERPRISE FUNDS
For The Year Ended December 31, 2025
(With Comparative Totals For The Year Ended December 31, 2024)
Page 2 Of 2

	Original And Final Budget	2025 Actual Amounts Budget Basis	Variance Favorable (Unfavorable)	2024 Actual Amounts Budget Basis
Capital Outlay	$ 10,215,000	$ 5,501,656	$ 4,713,344	$ 7,629,830
Total Expenditures	18,323,864	12,611,589	5,712,275	15,114,904
Change In Net Position - Budgetary Basis	(6,788,463)	(751,180)	6,037,283	(127,533)
Net Position - Beginning Of Year - Budgetary Basis	46,719,850	49,476,087	2,756,237	49,603,620
Net Position - End Of Year - Budgetary Basis	$ 39,931,387	$ 48,724,907	$ 8,793,520	$ 49,476,087
Reconciliation To GAAP Basis				
Change in net position - budgetary basis		$ (751,180)		$ (127,533)
Change in accrued compensated absences		26,982		1,544
Change in accrued interest		680		(6,904)
Pension income		205,669		30,614
Debt service - principal		265,000		255,000
Capital outlay		5,501,656		7,629,830
Depreciation		(1,702,782)		(1,672,313)
Change In Net Position - GAAP Basis		3,546,025		6,110,238
Net Position - Beginning Of Year - GAAP Basis		118,066,880		111,956,642
Net Position - End Of Year - GAAP Basis		$ 121,612,905		$ 118,066,880