

**NORTHWEST LAKEWOOD
SANITATION DISTRICT
Jefferson County, Colorado**

**FINANCIAL STATEMENTS
DECEMBER 31, 2025 and 2024**

Table of Contents

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	I
MANAGEMENT'S DISCUSSION AND ANALYSIS	IV
BASIC FINANCIAL STATEMENTS	
Statements of Net Position	1
Statements of Revenues, Expenses and Changes in Net Position	2
Statements of Cash Flows	3
Notes to Financial Statements	4
SUPPLEMENTAL INFORMATION	
Schedule of Revenues, Expenditures and Changes in Funds Available – Budget and Actual (Budgetary Basis) – General Fund	16
Schedule of Revenues, Expenditures and Changes in Funds Available – Budget and Actual (Budgetary Basis) – Enterprise Fund	17
Schedule of Expenditures Compared to Budget (Budgetary Basis) - Enterprise Fund	18
Reconciliation of Budgetary Basis to Statement of Revenues, Expenses and Changes in Net Position	19
OTHER INFORMATION	
Summary of Assessed Valuation, Mill Levy and Property Taxes Collected	20



SCHILLING & COMPANY, INC.

Certified Public Accountants

P.O. Box 631579
HIGHLANDS RANCH, CO 80163

PHONE: 720.348.1086
FAX: 720.348.2920

Independent Auditor's Report

Board of Directors
Northwest Lakewood
Sanitation District
Jefferson County, Colorado

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Northwest Lakewood Sanitation District, as of December 31, 2025 and 2024, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibility of Management for the Financial Statements

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages IV through VII be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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.

Supplemental Information

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

Other Information

Management is responsible for the other information included in the annual report. The other information, as listed in the table of contents, does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

SCHILLING & COMPANY, INC.

Highlands Ranch, Colorado
June 24, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

**NORTHWEST LAKEWOOD SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2025 and 2024**

As management of the Northwest Lakewood Sanitation District, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal years ended December 31, 2025 and 2024.

Financial Highlights

- The assets of the District exceeded liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$29,436,142 of this amount; \$17,127,985 represents unrestricted net position that is available to meet the government's ongoing obligations to citizens.
- The District's total net position increased by \$2,363,416.
- The District did not complete the capital improvement plan in 2025. The project will continue into 2026.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of the following: 1) statement of net position, 2) statement of revenues, expenses, and changes in net position, 3) statement of cash flows, and 4) notes to the financial statements. This report also contains other supplemental and other information in addition to the basic financial statements.

Financial Statements: The statement of net position represents information of all the District's assets, and liabilities and deferred inflows of resources, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of revenues, expenses, and changes in net position presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected property taxes).

Since the District follows enterprise fund accounting and reporting requirements, there is a statement of cash flows included as part of the basic financial statements.

The District's basic financial statements can be found on pages 1 through 3 of this report. The notes to Financial Statements provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to financial statements can be found on pages 4 through 15 of this report.

Supplemental and other information also accompanies the basic financial statements on pages 16-20.

Condensed Statement of Net Position

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Current and Other Assets	\$ 19,202,365	\$ 16,520,261	\$ 14,074,329
Capital Assets	<u>12,230,857</u>	<u>12,489,532</u>	<u>12,731,331</u>
Total Assets	<u>31,433,222</u>	<u>29,009,793</u>	<u>26,805,660</u>
Current Liabilities	<u>106,405</u>	<u>129,055</u>	<u>501,374</u>
Total Liabilities	<u>106,405</u>	<u>129,055</u>	<u>501,374</u>
Deferred Inflows of Resources	<u>1,890,675</u>	<u>1,808,012</u>	<u>1,750,702</u>
Net Position:			
Net Investment in capital assets	12,230,857	12,489,532	12,731,331
Restricted	77,300	77,300	70,500
Unrestricted	<u>17,127,985</u>	<u>14,505,894</u>	<u>11,751,753</u>
Total Net Position	<u>\$ 29,436,142</u>	<u>\$ 27,072,726</u>	<u>\$ 24,553,584</u>

At the end of the 2025, 2024 and 2023, the District shows a positive balance in total net position in the amount of \$29,436,142, \$27,072,726 and \$24,553,584, respectively. The positive balance is the amount by which total assets exceed liabilities and deferred inflows of resources. The restriction of net position is for emergencies as mandated by State law. Additional information on this restriction can be found in Note 9 in the Notes to Financial Statements. The District's total net position increased by \$2,363,416 from 2024 to 2025 and \$2,519,142 from 2023 to 2024. Approximately 42% of its total net position are invested in capital assets for 2025. Current and other assets are comprised of cash and cash equivalents, investments and various receivables of the District. Total cash and cash equivalents decreased from 2024 to 2025 by \$4,267,283 or 35.8% as a result of the purchase of investments of \$19,363,372 during 2025 and net income for 2025 of \$2,363,416 and offset by the maturity of investments of \$12,445,000. The District has no long-term debt. The growth in capital assets between 2023 through 2025 can be attributed to slip-lining portions of the sewer lines and removal and replacement of certain lines owned by the District.

REMAINDER OF PAGE IS INTENTIONALLY BLANK

Condensed Statement of Activities and Changes in Net Position

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Operating Revenue:			
Service Fees	\$ 2,686,809	\$ 2,738,601	\$ 2,695,693
Total Operating Revenue	<u>2,686,809</u>	<u>2,738,601</u>	<u>2,695,693</u>
Expenses			
General and Administrative	291,064	338,544	308,086
Sewer operations	2,572,786	2,523,323	2,138,649
Total Operating Expenses	<u>2,863,850</u>	<u>2,861,867</u>	<u>2,446,735</u>
Gain (loss) from Operations	<u>(177,041)</u>	<u>(123,266)</u>	<u>248,958</u>
Non-Operating Revenues (Expenses)			
Taxes	1,925,446	1,933,731	1,796,935
Net investment Income	636,374	620,820	551,318
County Treasurer's Collection Fees	(27,273)	(27,616)	(25,454)
Sewer connection fees paid to MWRD	(5,910)	(167,283)	(143,973)
Total Non-Operating Revenues(Expenses)	<u>2,528,637</u>	<u>2,359,652</u>	<u>2,178,826</u>
Capital contributions	<u>11,820</u>	<u>282,756</u>	<u>183,100</u>
Change in Net Position	2,363,416	2,519,142	2,610,884
Net Position - Beginning of the Year	<u>27,072,726</u>	<u>24,553,584</u>	<u>21,942,700</u>
Net Position - End of the Year	<u><u>\$ 29,436,142</u></u>	<u><u>\$ 27,072,726</u></u>	<u><u>\$ 24,553,584</u></u>

Revenues

In 2025, property and specific ownership taxes provided 36.6% of the District's total revenue while service and maintenance fees provided 51.2% of total revenue. The most significant balance in services fees category is the facilities renovation fees which decreased slightly by \$14,761 or .6% from 2024 to 2025.

In 2024, property and specific ownership taxes provided 36.5% of the District's total revenue while service and maintenance fees provided 51.7% of total revenue. The most significant balance in services fees category is the service fees which increased by \$100,869 or 32% from 2023 to 2024 primarily due to increased Metro Water Recovery Treatment charges that are partially reimbursed by other entities.

Expenses

The District's sewer operating expenses increased from 2024 to 2025 by \$49,463 or 2.0%. There were no significant changes in any particular expense account but rather small changes in several accounts. General and administrative expenses decreased from 2024 to 2025 by \$47,480 or 14.0% primarily due to a decrease in administration expense of \$31,618.

The District's operating expenses increased from 2023 to 2024 by \$415,132. Of this increase, \$384,674 relates to sewer operations. This increase is primarily due to a

increase in the Metro Water Recovery treatment charges. There are no other significant changes in general and administrative expenses.

Capital Assets The District's net investment in capital assets as of December 31, 2025, 2024 and 2023 amounted to \$12,230,857, \$12,489,532 and \$12,731,331 (net of accumulated depreciation). The majority of this investment in capital assets is in the sewer lines. Over the past few years, the District's capital improvement plan has replaced sections of the system resulting in increases in its investment in capital assets. The treatment plant was closed September 3, 2004. Treatment services are now provided by the Metro Water Recovery. Additional information on the District's capital assets can be found in Note 4 in the notes to financial statements.

Long-Term Obligations On November 4, 2008, a majority of the District's voters approved an increase in the District's debt up to \$5,000,000 with a repayment of up to \$10,250,000, but without an increase in the District's taxes, for the financing of scheduled and emergency repair, replacement and improvement of the sanitary sewer system. As of December 31, 2025, 2024 and 2023, the District had not issued debt.

Economic Factors and Next Year's Budgets and Rates The 2026 budget as adopted contains no significant changes in service levels provided. The total assessed valuation increased from 2025 collection year to 2026 collection year by \$11,531,503. The District continues to budget for sewer maintenance and rehabilitation and construction annually which is offset by the facility renovation and service fees assessed by the District. The District is anticipating capital-related expenses of \$5,900,000 in 2026.

Requests for Information This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the District Manager, Northwest Lakewood Sanitation District, c/o Morain Bakarich, CPAs, 2801 Youngfield St., Suite 370, Golden, Colorado 80401.

BASIC FINANCIAL STATEMENTS

NORTHWEST LAKEWOOD SANITATION DISTRICT
STATEMENTS OF NET POSITION
December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 7,656,482	\$ 11,923,765
Investments	9,379,738	2,281,173
Due from County Treasurer	9,768	37,853
Accounts receivable - service fees	236,158	394,050
Interest receivable	-	37,833
Property taxes receivable	1,890,675	1,808,012
Prepaid expenses	29,544	37,575
Total current assets	<u>19,202,365</u>	<u>16,520,261</u>
CAPITAL ASSETS		
Assets not being depreciated:		
Land	7,584	7,584
Construction in process	249,091	72,226
	<u>256,675</u>	<u>79,810</u>
Assets being depreciated:		
Sewer lines	19,028,718	19,028,718
	<u>19,028,718</u>	<u>19,028,718</u>
Less accumulated depreciation	<u>(7,054,536)</u>	<u>(6,618,996)</u>
Total capital assets, net	<u>11,974,182</u>	<u>12,409,722</u>
TOTAL ASSETS	<u>\$ 31,433,222</u>	<u>\$ 29,009,793</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
CURRENT LIABILITIES		
Accounts and contracts payable	\$ 72,080	\$ 91,445
Prepaid customer accounts	30,730	21,707
Expense reimbursement deposits	3,595	15,903
Total current liabilities	<u>106,405</u>	<u>129,055</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred property taxes	1,890,675	1,808,012
Total deferred inflows of resources	<u>1,890,675</u>	<u>1,808,012</u>
NET POSITION		
Investment in capital assets	12,230,857	12,489,532
Restricted for emergencies	77,300	77,300
Unrestricted	17,127,985	14,505,894
Total net position	<u>29,436,142</u>	<u>27,072,726</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 31,433,222</u>	<u>\$ 29,009,793</u>

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

**NORTHWEST LAKEWOOD SANITATION DISTRICT
STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
Years Ended December 31, 2025 and 2024**

	<u>2025</u>	<u>2024</u>
OPERATING REVENUE		
Facilities renovation fees	\$ 2,279,031	\$ 2,293,792
Service fees	373,571	408,291
Grease trap/permits/inspections	16,685	17,450
Other income	17,522	19,068
Total operating revenue	<u>2,686,809</u>	<u>2,738,601</u>
OPERATING EXPENSES		
Sewer operations	2,137,246	2,086,161
General and administrative	291,064	338,544
Depreciation	435,540	437,162
Total operating expenses	<u>2,863,850</u>	<u>2,861,867</u>
NET GAIN (LOSS) FROM OPERATIONS	<u>(177,041)</u>	<u>(123,266)</u>
NONOPERATING REVENUES (EXPENSES)		
Property taxes	1,801,415	1,819,218
Specific ownership taxes	124,031	114,513
Net investment income	636,374	620,820
County treasurer's collection fees	(27,273)	(27,616)
Sewer connection fee paid to MWR	(5,910)	(167,283)
Total nonoperating revenues (expenses)	<u>2,528,637</u>	<u>2,359,652</u>
CAPITAL CONTRIBUTIONS		
Sewer connection fee - District	5,910	115,473
Sewer connection fee - MWR	5,910	167,283
Total capital contributions	<u>11,820</u>	<u>282,756</u>
CHANGE IN NET POSITION	2,363,416	2,519,142
NET POSITION - BEGINNING OF YEAR	<u>27,072,726</u>	<u>24,553,584</u>
NET POSITION - END OF YEAR	<u><u>\$ 29,436,142</u></u>	<u><u>\$ 27,072,726</u></u>

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

**NORTHWEST LAKEWOOD SANITATION DISTRICT
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2025 and 2024**

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 2,853,724	\$ 2,735,855
Cash paid to vendors	(2,451,952)	(2,706,603)
Net cash provided by operating activities	<u>401,772</u>	<u>29,252</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Property taxes	1,801,415	1,819,218
Specific ownership taxes	152,116	84,148
County treasurer's fees	(27,273)	(27,617)
Net cash provided by noncapital financing activities	<u>1,926,258</u>	<u>1,875,749</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Capital outlay	(176,865)	(241,915)
Sewer connection fees	11,820	282,756
Sewer connections fees paid to MWRD	(5,910)	(167,283)
Net cash required by capital financing activities	<u>(170,955)</u>	<u>(126,442)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(19,363,372)	(4,562,084)
Maturity of investments	12,445,000	4,335,000
Interest received	494,014	516,483
Net cash provided (required) by investing activities	<u>(6,424,358)</u>	<u>289,399</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	(4,267,283)	2,067,958
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	11,923,765	9,855,807
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 7,656,482</u></u>	<u><u>\$ 11,923,765</u></u>
RECONCILIATION OF OPERATING GAIN TO CASH FLOWS REQUIRED BY OPERATING ACTIVITIES		
Gain (loss) from operations	\$ (177,041)	\$ (123,266)
Adjustments to reconcile loss from operations to net cash provided (required) by operating activities:		
Depreciation and amortization	435,540	437,162
Effects of changes in operating assets and liabilities:		
Receivables	157,892	39,595
Prepaid expenses	8,031	1,528
Payables and other liabilities	(22,650)	(325,767)
Net cash provided by operating activities	<u><u>\$ 401,772</u></u>	<u><u>\$ 29,252</u></u>

Cash flows from investing activities do not include a positive fair value adjustment of \$180,193 for 2025 and \$66,505 for 2024.

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

**NORTHWEST LAKEWOOD SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 and 2024**

NOTE 1 – DEFINITION OF REPORTING ENTITY

Northwest Lakewood Sanitation District (District), a quasi-municipal corporation, is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in Jefferson County, Colorado. The District provides sewer collection service to property within its service area and provides sewer treatment services through an intergovernmental agreement with Metro Water Recovery.

The District has no employees and all operations and administrative functions are contracted.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency. The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Basis of Accounting

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

**NORTHWEST LAKEWOOD SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 and 2024**

Operating Revenues and Expenses

The District distinguishes *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. Operating revenues consist of charges to customers for service provided. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses or capital contributions.

Restricted resources

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

Budgets

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. For basic financial statement presentation purposes, the District is reported as a single enterprise fund. For budgetary purposes, the District separately budgets for a General Fund and Enterprise Fund.

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April 30 or if in equal installments, or at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

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

**NORTHWEST LAKEWOOD SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 and 2024**

Cash Equivalents

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

Capital Assets

Capital assets are recorded at cost except for those assets which have been contributed which are stated at estimated fair value at the date of contribution. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Depreciation expense has been computed using the straight-line method over the estimated economic useful lives of 50 years for sewer lines.

Sewer Connection Fees and Contributed Lines

Sewer connection fees are recorded as capital contributions when received. Lines contributed to the District by developers are recorded as capital contributions and additions to the systems at estimated fair market value when received.

Facilities Renovation and Service Fee

The District charges a facilities renovation and service fee in the amount of \$100 per quarter per single family equivalent tap in order to defray the costs of system repairs, renovations and if necessary, to defray annual maintenance costs and expenses associated with the system.

Deferred Outflows/Inflows of Resources

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

**NORTHWEST LAKEWOOD SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 and 2024**

NOTE 3 - CASH AND INVESTMENTS

Cash equivalents and investments are reflected for the December 31, 2025 and 2024 statements of net position and statements of cash flows as follows:

	2025	2024
Cash and cash equivalents	\$ 7,656,482	\$ 11,923,765
Investments	9,379,738	2,281,173
	<u>\$ 17,036,220</u>	<u>\$ 14,204,938</u>

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

	2025	2024
Deposits with financial institutions	\$ 3,017,519	\$ 8,265,522
Investments	14,018,701	5,939,416
Total cash and investments	<u>\$ 17,036,220</u>	<u>\$ 14,204,938</u>

Cash Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits.

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

At December 31, 2025, the District's cash deposits had a bank balance of \$3,107,701 and a carrying balance of \$3,017,519. At December 31, 2024, the District's cash deposits had a bank balance of \$8,267,745 and a carrying balance of \$8,265,522.

Investments

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

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

- . Obligations of the United States and certain U.S. government agency securities and the World Bank

**NORTHWEST LAKEWOOD SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 and 2024**

- . General obligation and revenue bonds of U.S. local government entities
- . Bankers' acceptances of certain banks
- . Commercial paper
- . Certain reverse repurchase agreements
- . Certain securities lending agreements
- . Certain corporate bonds
- . Written repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- . Local government investment pools

The District held the following investments as of December 31, 2025:

<u>Investment Type</u>	<u>Carrying Value</u>	<u>Maturity</u>
COLOTRUST Plus+	\$ 4,395,987	Less than one year
Money Market Mutual Funds	242,976	Weighted avg. 46 days
U.S. Treasury Bills / Notes	9,379,738	Mature in 2026
Total investments	<u>\$ 14,018,701</u>	

The District held the following investments as of December 31, 2024:

<u>Investment Type</u>	<u>Carrying Value</u>	<u>Maturity</u>
COLOTRUST Plus+	\$ 3,599,740	Less than one year
Money Market Mutual Funds	58,503	Weighted avg. 46 days
U.S. Treasury Bills / Notes	2,281,173	Mature in 2025
Total investments	<u>\$ 5,939,416</u>	

Interest Rate Risk

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

Credit Risk

COLOTRUST

As of December 31, 2025 and 2024, the District has invested in the Colorado Local Government Liquid Asset Trust (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities

**NORTHWEST LAKEWOOD SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 and 2024**

Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund. The Trust offers shares in three portfolios, COLOTRUST Prime (Prime), COLOTRUST Plus+ (Plus+) and COLOTRUST Edge (Edge). All portfolios may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies and instrumentalities, and repurchase agreements collateralized with certain U.S. government agencies or instrumentalities. COLOTRUST Plus+ and COLOTRUST Edge may also invest in the highest rated commercial paper. The Prime and Plus+ portfolios are restricted to a weighted average maturity (WAM) of 60 days or less while the Edge portfolio incorporates longer-dated securities with a WAM of 60 days or more. Both Prime and Plus+ portfolios are rated AAAm by Standard and Poor's and the EDGE portfolio is rated AA Af/S1 by Fitch Ratings. Information related to COLOTRUST, including the annual audited financial statements, can be found at the COLOTRUST website at www.colotrust.com.

COLOTRUST records its investments at fair value and the District records its investments in COLOTRUST at net asset value as determined by fair value. Each share of Prime and Plus is equal in value to \$1.00 and the redemption frequency is daily with no redemption notice period. Edge's net asset value is managed to approximate a \$10.00 transactional share price and the redemption frequency is five business days. The principal value of an Edge investment may fluctuate and could be greater or less than \$10.00 per share at time of purchase, prior to redemption, and at the time of redemption. There are no unfunded commitments.

Goldman Sachs Financial Square Government MMF

As of December 31, 2025 and 2024, the District was invested in the Goldman Sachs Financial Square Government Money Market Fund which is a money market mutual fund that invests primarily in U.S. government Securities and other obligations issued by the U.S government, its agencies or instrumentalities. The fund is rated AAAm by Standard & Poor's.

Investment Valuation

Certain investments that are measured at fair value on a recurring basis are categorized within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Certain investments held by the District are not required to be categorized within the fair value hierarchy. These investments are measured at amortized cost or in certain circumstances the value is calculated using the net asset value (NAV) per share, or its equivalent of the investment. These investments include 2a7-like external investment pools and money market investments. The District held investments in COLOTRUST at yearend for which the investment valuations were determined as follows.

**NORTHWEST LAKEWOOD SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 and 2024**

The valuation of the District's investments are as follows as of December 31, 2025:

	<u>Carrying Amount</u>	<u>Level 1 Inputs</u>
Investments measured at fair value:		
U.S. Treasury Bills / Notes	\$ 9,379,738	\$ 9,379,738
Total investments at fair value	<u>9,379,738</u>	<u>9,379,738</u>
Investments measured at NAV:		
COLOTRUST Plus+	4,395,987	
Goldman Sachs Government Fund	<u>242,976</u>	
Total investments at NAV	<u>4,638,963</u>	
 Total investments	 <u>\$ 14,018,701</u>	

The valuation of the District's investments are as follows as of December 31, 2024:

	<u>Carrying Amount</u>	<u>Level 1 Inputs</u>
Investments measured at fair value:		
U.S. Treasury Bills / Notes	\$ 2,281,173	\$ 2,281,173
Total investments at fair value	<u>2,281,173</u>	<u>2,281,173</u>
Investments measured at NAV:		
COLOTRUST Plus+	3,599,740	
Goldman Sachs Government Fund	<u>58,503</u>	
Total investments at NAV	<u>3,658,243</u>	
 Total investments	 <u>\$ 5,939,416</u>	

**NORTHWEST LAKEWOOD SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 and 2024**

NOTE 4 – CAPITAL ASSETS

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

	Balance at December 31, 2024	Increases	Decreases	Balance at December 31, 2025
Capital assets, not being depreciated:				
Land	\$ 7,584	\$ -	\$ -	\$ 7,584
Construction in process	72,226	176,865	-	249,091
Total capital assets not being depreciated	<u>79,810</u>	<u>176,865</u>	<u>-</u>	<u>256,675</u>
Capital assets, being depreciated:				
Sewer lines	19,028,718	-	-	19,028,718
Total capital assets being depreciated	<u>19,028,718</u>	<u>-</u>	<u>-</u>	<u>19,028,718</u>
Total accumulated depreciation	<u>(6,618,996)</u>	<u>(435,540)</u>	<u>-</u>	<u>(7,054,536)</u>
Total capital assets, net	<u><u>\$ 12,489,532</u></u>	<u><u>\$ (258,675)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 12,230,857</u></u>

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

	Balance at December 31, 2023	Increases	Decreases	Balance at December 31, 2024
Capital assets, not being depreciated:				
Land	\$ 7,584	\$ -	\$ -	\$ 7,584
Construction in process	1,138,423	195,363	1,261,560	72,226
Total capital assets not being depreciated	<u>1,146,007</u>	<u>195,363</u>	<u>1,261,560</u>	<u>79,810</u>
Capital assets, being depreciated:				
Sewer lines	17,767,158	1,261,560	-	19,028,718
Total capital assets being depreciated	<u>17,767,158</u>	<u>1,261,560</u>	<u>-</u>	<u>19,028,718</u>
Total accumulated depreciation	<u>(6,181,834)</u>	<u>(437,162)</u>	<u>-</u>	<u>(6,618,996)</u>
Total capital assets, net	<u><u>\$ 12,731,331</u></u>	<u><u>\$ 1,019,761</u></u>	<u><u>\$ 1,261,560</u></u>	<u><u>\$ 12,489,532</u></u>

**NORTHWEST LAKEWOOD SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 and 2024**

NOTE 5 – LONG-TERM OBLIGATIONS

Debt Authorization

On November 4, 2008, the District's voters authorized the issuance of debt up to \$5,000,000 with a repayment of up to \$10,250,000, but without an increase in the District's taxes, for the financing of scheduled and emergency repair, replacement and improvement of the sanitary sewer system. As of December 31, 2025, the District had not issued the debt.

NOTE 6 - NET POSITION

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

Investment in capital assets, consists of capital assets, net of accumulated depreciation. As of December 31, 2025 and 2024, the District had investment in capital assets of \$12,230,857 and \$12,489,532, respectively equal to its net capital assets as the District has no outstanding debt.

Restricted assets include net position that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had restricted net position as of December 31, 2025 and 2024 of \$77,300 for TABOR emergency reserves (Note 9).

NOTE 7 – INTERGOVERNMENTAL AGREEMENTS

SEWER SERVICE AGREEMENT

Metro Water Recovery

The District has an agreement with Metro Water Recovery (Metro) for sewage treatment and disposal. The District is responsible for the maintenance and future construction costs of all sewer lines and retains title to all sewer lines within the District. The standard service agreement with Metro provides for annual charges to be assessed by formula against the District on an estimated basis for sewage treatment. Adjustments to the estimated charge for metered flows and actual costs are billed and payable or credited during the two succeeding years. Metro assesses tap fees against the District for connections to the system.

**NORTHWEST LAKEWOOD SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 and 2024**

The composition of the sewage treatment charges for 2025 and 2024 is as follows:

	2025	2024
Estimate for current year	\$ 1,679,521	\$ 1,585,415
Adjustment of second preceding year estimate to actual	(121,934)	22,340
Preliminary adjustment of preceding year estimate	(33,283)	23,790
Total annual charges	<u>\$ 1,524,304</u>	<u>\$ 1,631,545</u>

The 2026 sewer treatment estimate is \$1,763,419. The total annual charge is expected to be \$1,588,646 which includes a favorable 2024 final adjustment of \$132,125 and a favorable 2025 preliminary adjustment of \$42,648.

College Park Water and Sanitation District

The District has an agreement to provide sewer treatment and transmission services to College Park Water and Sanitation District (College Park). The agreement is cancelable upon mutual agreement from both parties. The District bills College Park for a portion of the annual sewer treatment charges paid to Metro Water Recovery. The District also bills College Park for reimbursement of actual maintenance expenses incurred and capital improvements made to the interceptor.

During the years ending December 31, 2025 and 2024, the District received fees in connection with the agreement as follows:

	2025	2024
Treatment service	\$ 269,802	\$ 288,784
	<u>\$ 269,802</u>	<u>\$ 288,784</u>

In accordance with the Agreement, the District calculated actual maintenance expenses incurred related to College Park for the calendar years 2010 – 2012 and determined that the District owed College Park a credit of \$15,036. During the years ended December 31, 2025 and 2024, the District incurred actual maintenance expenses related to College Park in the amount of \$0 and \$0, respectively, which leaves a remaining credit owed to College Park of \$15,036 as of December 31, 2025.

Sewer Service Agreement - Applewood Sanitation District

In September 2003, the District entered into the Restated and Amended Sewer Service Agreement with Applewood Sanitation District (Applewood). Both districts provide sanitary sewer service to certain properties located within the boundaries of the other district. The District has agreed to continue to serve each Applewood property located within its boundaries and Applewood has agreed to continue to serve each District property within its boundaries. The agreement outlines the charges and billing methodology to be followed by each district so that each district is charged the same rate.

**NORTHWEST LAKEWOOD SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 and 2024**

During the years ended December 31, 2025 and 2024, the District paid treatment fees in connection with the Applewood taps in the amount of \$2,900 and \$2,500, respectively. The District received service fees from Applewood in the amount of \$14,400 and \$14,400 for the years ended December 31, 2025 and 2024, respectively.

On November 24, 2021, the District entered into a new Sewer Service Agreement with Applewood effective January 1, 2022. The new Sewer Service Agreement supersedes the Restated and Amended Sewer Service Agreement. The District has agreed to continue to serve each Applewood property (36 taps) located within its boundaries and Applewood has agreed to continue to serve each District property (5 taps) within its boundaries. The agreement outlines the charges and billing methodology to be followed by each district. The initial term of the agreement shall be 10 calendar years and shall automatically renew for two times, each time being for an additional term of 10 years unless either District provides the other District with written notice of non-renewal.

Sewer Service Agreement - Westridge Sanitation District

On June 24, 2009, the District approved the Second Restated and Amended Sewer Service Agreement with Westridge Sanitation District (Westridge).

On November 15, 2022, the District entered into a Sewer Service Agreement with Westridge Sanitation District that replaces the 2009 Agreement discussed above, in its entirety). Both districts provide sanitary sewer service to certain properties located within the boundaries of the other district. The District has agreed to continue to serve each Westridge property located within its boundaries and Westridge has agreed to continue to serve each District property within its boundaries. The agreement outlines the charges and billing methodology to be followed by each district so that each district is charged the same rate. On March 21, 2023, the 1st amendment to the Sewer Service Agreement was approved between the parties to increase the number of connections served by the District to 10.

During the years ended December 31, 2025 and 2024, the District paid fees to Westridge in the amount of \$4,000 and \$3,200, respectively. The District received service fees from Westridge in the amount of \$4,000 and \$3,200 for the years ended December 31, 2025 and 2024, respectively.

NOTE 8 - RISK MANAGEMENT

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

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool) as of December 31, 2025. The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery and workers compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

**NORTHWEST LAKEWOOD SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 and 2024**

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

NOTE 9 - TAX, SPENDING AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR) contains tax, spending, revenue and debt limitations that apply to the State of Colorado and all local governments.

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

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

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

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

SUPPLEMENTAL INFORMATION

**NORTHWEST LAKEWOOD SANITATION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUNDS AVAILABLE - BUDGET AND ACTUAL (BUDGETARY BASIS)
GENERAL FUND
Year Ended December 31, 2025**

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget -
REVENUES			
Property taxes	\$ 1,808,012	\$ 1,801,415	\$ (6,597)
Specific ownership taxes	120,000	124,031	4,031
Net investment income	90,000	80,612	(9,388)
Other income	-	17,423	17,423
Total Revenues	<u>2,018,012</u>	<u>2,023,481</u>	<u>5,469</u>
EXPENDITURES			
General and administrative:			
Audit and accounting	66,000	64,263	1,737
Administration	88,000	66,465	21,535
Billing services	53,000	53,222	(222)
Directors' fees	6,600	2,900	3,700
Dues and subscriptions	1,400	1,238	162
Election and publications	25,000	1,135	23,865
Insurance and bonds	40,000	37,575	2,425
Legal	65,000	52,673	12,327
Website maintenance	2,500	1,340	1,160
Bank charges	120	-	120
Office supplies	5,000	10,031	(5,031)
County treasurer's fees	27,120	27,043	77
Payroll taxes - directors	512	222	290
Miscellaneous	1,000	-	1,000
Operating expenses:			
Treatment charges	1,524,304	1,236,102	288,202
Engineering	60,000	-	60,000
Utilities	4,000	-	4,000
Contingency and reserves	289,460	-	289,460
Total Expenditures	<u>2,259,016</u>	<u>1,554,209</u>	<u>704,807</u>
NET CHANGE IN FUNDS AVAILABLE	(241,004)	469,272	710,276
FUNDS AVAILABLE - BEGINNING OF YEAR	<u>2,657,908</u>	<u>3,100,518</u>	<u>442,610</u>
FUNDS AVAILABLE - END OF YEAR	<u><u>\$ 2,416,904</u></u>	<u><u>\$ 3,569,790</u></u>	<u><u>\$ 1,152,886</u></u>

**NORTHWEST LAKEWOOD SANITATION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUNDS AVAILABLE - BUDGET AND ACTUAL (BUDGETARY BASIS)
ENTERPRISE FUND
Year Ended December 31, 2025**

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget -
REVENUES			
Facilities renovation fee	\$ 2,400,000	\$ 2,279,031	\$ (120,969)
Service fees - Commercial	50,000	56,253	6,253
Service fees - College Park	1,385,380	269,802	(1,115,578)
Service fees - Applewood and Westridge	18,400	18,400	-
Denver water service agreement	36,000	22,318	(13,682)
Sewer connection fee - District	70,920	5,910	(65,010)
Sewer connection fee - Metro	-	5,910	5,910
Transfer service fees	4,500	6,798	2,298
Grease trap/permits/inspections	17,100	16,685	(415)
Net investment income	250,000	555,762	305,762
Miscellaneous	-	100	100
Total Revenues	<u>4,232,300</u>	<u>3,236,969</u>	<u>(995,331)</u>
EXPENDITURES (Page 18)	<u>4,429,601</u>	<u>1,084,150</u>	<u>3,345,451</u>
NET CHANGE IN FUNDS AVAILABLE	(197,301)	2,152,819	2,350,120
FUNDS AVAILABLE - BEGINNING OF YEAR	<u>11,579,927</u>	<u>11,482,676</u>	<u>(97,251)</u>
FUNDS AVAILABLE - END OF YEAR	<u>\$ 11,382,626</u>	<u>\$ 13,635,495</u>	<u>\$ 2,252,869</u>
FUNDS AVAILABLE - GENERAL FUND (PAGE 16)		\$ 3,569,790	
FUNDS AVAILABLE - ENTERPRISE FUND		13,635,495	
		<u>\$ 17,205,285</u>	
Total current assets		\$ 19,202,365	
Total current liabilities and deferred inflows of resources		(1,997,080)	
		<u>\$ 17,205,285</u>	

**NORTHWEST LAKEWOOD SANITATION DISTRICT
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET
(BUDGETARY BASIS)
ENTERPRISE FUND
Year Ended December 31, 2025**

	Original Budgeted Amounts	Actual	Variance with Final Budget -
ADMINISTRATIVE			
Billing	\$ 24,000	\$ 31,161	\$ (7,161)
Treasurer's fees	450	229	221
Legal	750	-	750
Miscellaneous	500	408	92
Total administrative	<u>25,700</u>	<u>31,798</u>	<u>(6,098)</u>
OPERATIONS			
Treatment charges - College Park	288,784	269,802	18,982
Treatment charges - Applewood	3,800	17,300	(13,500)
Treatment charges - Westridge	10,200	4,000	6,200
Repairs and maintenance	45,000	66,365	(21,365)
Connection fees - MWR	33,120	5,910	27,210
Contract operator services	390,500	452,921	(62,421)
Utilities	250	299	(49)
Total operations	<u>771,654</u>	<u>816,597</u>	<u>(44,943)</u>
CAPITAL OUTLAY			
Sewer lines	200,000	176,865	23,135
Non-capitalizable	3,432,247	58,890	3,373,357
Total capital outlay	<u>3,632,247</u>	<u>235,755</u>	<u>3,396,492</u>
TOTAL EXPENDITURES	<u>\$ 4,429,601</u>	<u>\$ 1,084,150</u>	<u>\$ 3,345,451</u>

**NORTHWEST LAKEWOOD SANITATION DISTRICT
RECONCILIATION OF BUDGETARY BASIS TO STATEMENT OF
REVENUES, EXPENSES AND CHANGES IN NET POSITION
Year Ended December 31, 2025**

General Fund revenues - budgetary basis	\$ 2,023,481
Enterprise Fund revenues- budgetary basis	<u>3,236,969</u>
Revenues per Statements of Revenues, Expenses and Changes in Net Position	<u>5,260,450</u>
General Fund expenses - budgetary basis	1,554,209
Enterprise Fund expenses- budgetary basis	1,084,150
Depreciation	435,540
Capital outlay	<u>(176,865)</u>
Expenses per Statements of Revenues, Expenses and Changes in Net Position	<u>2,897,034</u>
Change in net position per Statements of Revenues, Expenses and Changes in Net Position	<u><u>\$ 2,363,416</u></u>

OTHER INFORMATION

**NORTHWEST LAKEWOOD SANITATION DISTRICT
SUMMARY OF ASSESSED VALUATION , MILL LEVY
AND PROPERTY TAXES COLLECTED
December 31, 2025**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied	Property Taxes		Percentage Collected to Levied
			Levied	Collected	
2015	\$ 164,757,771	7.703 *	\$ 1,267,976	\$ 1,267,961	100.0%
2016	\$ 190,485,375	6.878 *	\$ 1,310,158	\$ 1,306,898	99.8%
2017	\$ 204,848,910	6.522 *	\$ 1,336,024	\$ 1,285,763	96.2%
2018	\$ 229,357,320	6.825 *	\$ 1,565,364	\$ 1,549,810	99.0%
2019	\$ 228,984,259	5.437 *	\$ 1,244,987	\$ 1,240,959	99.7%
2020	\$ 246,812,983	5.987 *	\$ 1,477,670	\$ 1,498,472	101.4%
2021	\$ 246,658,967	6.047 *	\$ 1,491,547	\$ 1,481,613	99.3%
2022	\$ 273,032,512	5.661 *	\$ 1,537,826	\$ 1,527,504	99.3%
2023	\$ 267,393,173	6.317 *	\$ 1,676,490	\$ 1,676,056	100.0%
2024	\$ 308,222,182	5.680 *	\$ 1,750,702	\$ 1,728,609 **	98.7%
2025	\$ 306,442,787	5.900 *	\$ 1,808,012	\$ 1,801,415	99.6%
Estimated for year ending December 31, 2026	\$ 317,974,290	5.946 *	\$ 1,890,675		

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

* May include a temporary mill levy rate reduction.

** Excludes funds received during the year from SB22-238/ 23B-001 of \$90,609.