CHERRY CREEK BASIN WATER QUALITY AUTHORITY
Arapahoe and Douglas Counties, Colorado

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Cherry Creek Basin Water Quality Authority
Arapahoe and Douglas Counties, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major governmental fund of Cherry Creek Basin Water Quality Authority (the Authority), as of and for the year ended December 31, 2025 and the related notes to the financial statements. We have audited the accompanying financial statements of the Proprietary Fund of the Authority as of and for the years ended December 31, 2025 and 2024. The above collectively comprise the basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the Authority as of December 31, 2025, the Proprietary Fund of the Authority as of December 31, 2025 and 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 Authority'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.

Fiscal Focus Partners, LLC

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Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, 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 Authority'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 Authority'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 X be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The supplementary information as identified in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary 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 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Fiscal Focus Partners, LLC

Arvada, Colorado
June 16, 2026

As management of the Cherry Creek Basin Water Quality Authority (the Authority), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended December 31, 2025.

Financial Highlights

- Assets exceeded liabilities and deferred inflows of resources by $8,461,532 at the close of the fiscal year.
- As of the close of the current fiscal year, the Authority's governmental funds reported an ending net position of $5,767,715.
- Total net position increased by $1,304,608.
- Total cash and investments increased by $1,177,199 as compared to the prior year.
- Property tax revenue increased by $93,203 as compared to the prior year.
- General government expenses decreased by $147,981 as compared to the prior year.
- At the end of the current fiscal year, unassigned fund balance for the governmental funds was $2,991,407.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Authority's basic financial statements. The Authority's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the Authority's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the Authority's assets, liabilities, and deferred inflow of resources, with the difference between the three 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 Authority is improving or deteriorating.

The statement of activities presents information showing how the Authority'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 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.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

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

The Authority maintains two governmental funds - the general fund and the pollution abatement fund. Both funds are considered to be major funds.

The Authority adopts an annual appropriated budget for its governmental funds. A budgetary comparison statement has been provided for this fund to demonstrate compliance with this budget.

Proprietary Funds. The Authority maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Authority uses an enterprise fund to account for its water monitoring activities of the pollution reduction facilities. These services are reported as business-type activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water monitoring operations, which is considered to be a major fund of the Authority.

Notes to Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information concerning the Authority, including a budgetary comparison schedule for the Authority's Water Activity Enterprise Fund and a five-year summary of property taxes.

Statements of Net Position

	Net Position 2025		
	Governmental Activities	Business-Type Activities	Total
Current Assets	$ 9,209,742	$ 2,343,817	$ 11,553,559
Capital Assets	-	350,000	350,000
Total Assets	9,209,742	2,693,817	11,903,559
Current Liabilities	136,041	-	136,041
Total Liabilities	136,041	-	136,041
Deferred Inflows of Resources	3,305,986	-	3,305,986
Total Deferred Inflows of Resources	3,305,986	-	3,305,986
Investment in Capital Assets	-	350,000	350,000
Restricted Net Position	2,613,957	-	2,613,957
Unrestricted Net Position	3,153,758	2,343,817	5,497,575
Total Net Position	$ 5,767,715	$ 2,693,817	$ 8,461,532

	Net Position 2024		
	Governmental Activities	Business-Type Activities	Total
Current Assets	$ 7,973,636	$ 2,145,670	$ 10,119,306
Capital Assets	-	350,000	350,000
Total Assets	7,973,636	2,495,670	10,469,306
Current Liabilities	204,168	9,416	213,584
Total Liabilities	204,168	9,416	213,584
Deferred Inflows of Resources	3,098,798	-	3,098,798
Total Deferred Inflows of Resources	3,098,798	-	3,098,798
Investment in Capital Assets	-	350,000	350,000
Restricted Net Position	2,147,335	-	2,147,335
Unrestricted Net Position	2,523,335	2,136,254	4,659,589
Total Net Position	$ 4,670,670	$ 2,486,254	$ 7,156,924

As noted earlier, net position may serve as a useful indicator for the Authority's financial position. In the Authority's case, 2025 and 2024 ended with total net position valued at $8,461,532 and $7,156,924, respectively, with outstanding liabilities and deferred inflows of resources of $3,442,027 and $3,312,382 respectively. Substantially all of the Authority's assets consist of cash and investments and current receivables. The remaining assets primarily represent the current value of the Authority's capital assets less accumulated depreciation.

The Authority's net position increased $1,304,608 in 2025 and increased $1,026,658 in 2024. As of December 31, 2025, $2,506,957 of monies restricted for pollution abatement projects were unspent.

Statements of Activities

	2025		
	Governmental Activities	Business-Type Activities	Total
Revenue			
Program Revenue:			
Charges for Services	$ -	$ 483,163	$ 483,163
General Revenue:			
Property Taxes	3,076,695	-	3,076,695
Specific Ownership Taxes	212,511	-	212,511
Net Investment Income	280,026	60,953	340,979
Other Revenue	72,214	-	72,214
Total Revenue	3,641,446	544,116	4,185,562
Expenses			
General Government	2,870,870	-	2,870,870
Water Activities	-	10,084	10,084
Total Expenses	2,870,870	10,084	2,880,954
Excess Revenue Over Expenses	770,576	534,032	1,304,608
Transfers In (Out)	326,469	(326,469)	-
Change in Net Position	1,097,045	207,563	1,304,608
Net Position - Beginning	4,670,670	2,486,254	7,156,924
Net Position - Ending	$ 5,767,715	$ 2,693,817	$ 8,461,532

	2024		
	Governmental Activities	Business-Type Activities	Total
Revenue			
Program Revenue:			
Charges for Services	$ -	$ 450,872	$ 450,872
General Revenue:			
Property Taxes	2,983,492	-	2,983,492
Specific Ownership Taxes	207,427	-	207,427
Net Investment Income	316,006	71,100	387,106
Other Revenue	122,488	-	122,488
Total Revenue	3,629,413	521,972	4,151,385
Expenses			
General Government	3,018,851	-	3,018,851
Water Activities	-	105,876	105,876
Total Expenses	3,018,851	105,876	3,124,727
Excess Revenue Over Expenses	610,562	416,096	1,026,658
Transfers In (Out)	313,183	(313,183)	-
Change in Net Position	923,745	102,913	1,026,658
Net Position - Beginning	3,746,925	2,383,341	6,130,266
Net Position - Ending	$ 4,670,670	$ 2,486,254	$ 7,156,924

Governmental Activities. Governmental activities increased the Authority's net position by $1,097,045 in 2025 and increased the Authority's net position by $923,745 in 2024. Key elements of these changes in net position were as follows:

- General Government expenses decreased by $147,981 (5%) from 2024 to 2025. This decrease was due to an overall decrease in general and administrative expenditures in 2025.
- Property taxes increased $93,203 (3.1%) from 2024 to 2025. This increase was due to slight increases in the Authority's assessed valuation and the mills levied.
- Net investment income decreased $35,980 (11%) from 2024 to 2025. This decrease was due to a decrease in interest rates.

Business-type Activities. Business-type activities increased the Authority's net position by $207,563 in 2025 and by $102,913 in 2024. Key elements of these changes in net position were as follows:

- Transfers out to other funds increased by $13,286 (4.25%) from 2024 to 2025, which was due to an increase in revenue.
- Operating revenue increased $32,291 (7.16%) and operating expenses decreased $95,792 (90%) from 2024 to 2025. The increase in operating revenue was due to an increase in area development and the decrease in operating expenses is due to a decrease in nonpollution abatement projects.

Financial Analysis of the Government's Funds

As noted earlier, the Authority uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the Authority's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Authority's financing requirements. Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Authority's general fund reported an ending fund balance of $3,260,758, of which $2,991,407, constitutes unassigned fund balance, which is available for spending at the Authority's discretion within the parameters established for the fund.

As of the end of the current fiscal year, the Authority's pollution abatement fund reported an ending fund balance of $2,506,957.

Proprietary Funds. The Authority's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the proprietary fund at the end of the year amounted to $2,343,817. Other factors concerning the finances of this fund have already been addressed in the discussion of the Authority's business-type activities.

General Fund Budgetary Highlights

The difference between the final budgeted revenue of $3,636,357 and the actual revenue of $3,566,565 was $(69,792). Actual expenditures of $798,002 not including transfers to other funds, were below the final budgeted expenditures of $1,151,162 by $353,160.

Capital Assets

The Authority added no capital assets during 2025.

Long-Term Debt

At the end of the current fiscal year, the Authority had no outstanding long-term obligations.

Next Year's Budgets and Rates

Government Funds. The 2026 budget reflects an increase in levied property tax revenue of $146,402. General fund expenditures are expected to stay about the same in 2026. Pollution Abatement fund expenditures are expected to decrease in 2026 due to a decrease in reservoir and stream reclamation projects in 2026.

Proprietary Funds. The Authority is not expecting a significant increase in fee collections in 2026. Per the 2026 budget, expenditures are expected to increase. The increase is due to increases in planning and studies/projects expenditures.

Requests for Information

This financial report is designed to provide a general overview of the Cherry Creek Basin Water Quality Authority's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Cherry Creek Basin Water Quality Authority
c/o CliftonLarsonAllen LLP
2001 16th Street, Suite 1700,
Denver, CO 80202

BASIC FINANCIAL STATEMENTS

CHERRY CREEK BASIN WATER QUALITY AUTHORITY
STATEMENT OF NET POSITION
DECEMBER 31, 2025

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	$ 3,196,331	$ 2,183,589	$ 5,379,920
Cash and Investments - Restricted	2,743,479	-	2,743,479
Accounts Receivable	-	160,228	160,228
Property Tax Receivable	3,245,200	-	3,245,200
Receivable from County Treasurer	17,582	-	17,582
Prepaid Insurance	7,150	-	7,150
Capital Assets:			
Capital Assets, Not Being Depreciated	-	350,000	350,000
Total Assets	9,209,742	2,693,817	11,903,559
LIABILITIES			
Accounts Payable	136,041	-	136,041
Total Liabilities	136,041	-	136,041
DEFERRED INFLOWS OF RESOURCES			
Deferred Property Tax	3,245,200	-	3,245,200
Unearned Revenue	60,786	-	60,786
Total Deferred Inflows of Resources	3,305,986	-	3,305,986
NET POSITION			
Investment in Capital Assets	-	350,000	350,000
Restricted for:			
Emergencies - TABOR	107,000	-	107,000
Pollution Abatement	2,506,957	-	2,506,957
Unrestricted	3,153,758	2,343,817	5,497,575
Total Net Position	$ 5,767,715	$ 2,693,817	$ 8,461,532

See accompanying Notes to Basic Financial Statements.

CHERRY CREEK BASIN WATER QUALITY AUTHORITY
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

		Program Revenues			Net Revenues (Expenses) and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
FUNCTIONS/PROGRAMS							
Primary Government:							
Governmental Activities:							
General Government	$ 2,870,870	$ -	$ -	$ -	$ (2,870,870)	$ -	$ (2,870,870)
Business-Type Activities:							
Water Activity	10,084	483,163	-	-	-	473,079	473,079
Total Governmental Activities	$ 2,880,954	$ 483,163	$ -	$ -	(2,870,870)	473,079	(2,397,791)
GENERAL REVENUES							
Property Taxes					3,076,695	-	3,076,695
Specific Ownership Taxes					212,511	-	212,511
Interest Income					280,026	60,953	340,979
Other Revenue					72,214	-	72,214
Transfers In/Out					326,469	(326,469)	-
Total General Revenues and Transfers					3,967,915	(265,516)	3,702,399
CHANGES IN NET POSITION					1,097,045	207,563	1,304,608
Net Position - Beginning of Year					4,670,670	2,486,254	7,156,924
NET POSITION - END OF YEAR					$ 5,767,715	$ 2,693,817	$ 8,461,532

See accompanying Notes to Basic Financial Statements.

CHERRY CREEK BASIN WATER QUALITY AUTHORITY
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	General Fund	Pollution Abatement Fund	Total Governmental Funds
ASSETS			
Cash and Investments	$ 3,196,331	$ -	$ 3,196,331
Cash and Investments - Restricted	107,000	2,636,479	2,743,479
Receivable from County Treasurer	17,582	-	17,582
Prepaid Insurance	7,150	-	7,150
Property Tax Receivable	3,245,200	-	3,245,200
Total Assets	$ 6,573,263	$ 2,636,479	$ 9,209,742
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	$ 67,305	$ 68,736	$ 136,041
Total Liabilities	67,305	68,736	136,041
DEFERRED INFLOWS OF RESOURCES			
Deferred Property Tax	3,245,200	-	3,245,200
Unearned Revenue	-	60,786	60,786
Total Deferred Inflows of Resources	3,245,200	60,786	3,305,986
FUND BALANCES			
Nonspendable:			
Prepaid Insurance	7,150	-	7,150
Restricted for:			
Emergency Reserves	107,000	-	107,000
Pollution Abatement	-	2,506,957	2,506,957
Assigned to:			
Subsequent Year's Expenditures	155,201	-	155,201
Unassigned	2,991,407	-	2,991,407
Total Fund Balances	3,260,758	2,506,957	5,767,715
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 6,573,263	$ 2,636,479	$ 9,209,742

There are no reconciling differences between the fund balance
of the governmental fund and the net position of the governmental activities.

See accompanying Notes to Basic Financial Statements.

CHERRY CREEK BASIN WATER QUALITY AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2025

	General Fund	Pollution Abatement Fund	Total Governmental Funds
REVENUES			
Property Taxes	$ 3,076,695	$ -	$ 3,076,695
Specific Ownership Taxes	212,511	-	212,511
Interest Income	277,359	2,667	280,026
Other Revenue	-	72,214	72,214
Total Revenues	3,566,565	74,881	3,641,446
EXPENDITURES			
Current:			
Accounting	49,030	-	49,030
Administrative assistant	52,731	-	52,731
Auditing	8,450	-	8,450
CC Stewardship Partners	35,000	-	35,000
County Treasurer's Fee	46,058	-	46,058
Dues and Membership	1,408	-	1,408
Insurance	6,729	-	6,729
Legal	115,874	-	115,874
Management/Administration	35,000	262,035	297,035
Office/Miscellaneous	12,979	-	12,979
Regulatory Support and WQCC	11,733	-	11,733
Pollution Reduction Facilities	-	273,904	273,904
Reservoir Projects	-	359,776	359,776
Stream Reclamation	-	1,177,153	1,177,153
TAC Coordination	14,193	-	14,193
Website	4,088	-	4,088
Watershed Management	183,073	-	183,073
Monitoring and Reporting	221,656	-	221,656
Total Expenditures	798,002	2,072,868	2,870,870
OTHER FINANCING SOURCES (USES)			
Transfers In (Out)	(2,139,939)	2,466,408	326,469
Total Other Financing Sources(Uses)	(2,139,939)	2,466,408	326,469
NET CHANGE IN FUND BALANCES	628,624	468,421	1,097,045
Fund Balances - Beginning of Year	2,632,134	2,038,536	4,670,670
FUND BALANCES - END OF YEAR	$ 3,260,758	$ 2,506,957	$ 5,767,715

There are no reconciling differences between the fund balance
of the governmental fund and the change in net position of the governmental activities.

See accompanying Notes to Basic Financial Statements.

CHERRY CREEK BASIN WATER QUALITY AUTHORITY
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	$ 3,098,798	$ 3,076,695	$ (22,103)
Specific Ownership Taxes	247,559	212,511	(35,048)
Interest Income	285,000	277,359	(7,641)
Other Revenue	5,000	-	(5,000)
Total Revenues	3,636,357	3,566,565	(69,792)
EXPENDITURES			
General and Administrative			
Accounting	73,500	49,030	24,470
Administrative assistant	86,500	52,731	33,769
Auditing	8,500	8,450	50
CC Stewardship Partners	35,000	35,000	-
County Treasurer's Fee	46,482	46,058	424
Dues and Membership	2,000	1,408	592
Information & Education Coordination	12,000	-	12,000
Insurance	7,780	6,729	1,051
Legal	115,000	115,874	(874)
Management/Administration	35,000	35,000	-
Office/Miscellaneous	16,200	12,979	3,221
Regulatory Support and WQCC	55,000	11,733	43,267
TAC Coordination	20,800	14,193	6,607
Website	4,000	4,088	(88)
Total General and Administrative	517,762	393,273	124,489
Watershed Management			
Annual Report	36,000	34,368	1,632
Database Modules and GIS	49,000	30,673	18,327
Site Application Review	6,400	11,666	(5,266)
General Watershed Technical Support	143,000	100,591	42,409
Land Use Reviews	13,000	5,775	7,225
Total Watershed Management	247,400	183,073	64,327
Monitoring and Reporting			
General Technical Support	50,000	21,857	28,143
Monitoring - Reservoir	40,000	31,053	8,947
Monitoring - Watershed	53,000	38,259	14,741
Monitoring - Laboratory	120,000	78,705	41,295
WQ Data Reporting	58,000	51,782	6,218
Equipment	65,000	-	65,000
Total Monitoring and Reporting	386,000	221,656	164,344
Total Expenditures	1,151,162	798,002	353,160
OTHER FINANCING SOURCES (USES)			
Transfers To Pollution Abatement Fund	(2,181,814)	(2,139,939)	41,875
Supplemental Transfers	(500,000)	-	500,000
Total Other Financing Sources (Uses)	(2,681,814)	(2,139,939)	541,875
NET CHANGE IN FUND BALANCE	(196,619)	628,624	825,243
Fund Balance - Beginning of Year	2,621,316	2,632,134	10,818
FUND BALANCE - END OF YEAR	$ 2,424,697	$ 3,260,758	$ 836,061

See accompanying Notes to Basic Financial Statements.

CHERRY CREEK BASIN WATER QUALITY AUTHORITY
POLLUTION ABATEMENT FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Interest Income	$ 3,200	$ 2,667	$ (533)
Reimbursed Expenditures	-	72,214	72,214
Other Revenue	5,000	-	(5,000)
Total Revenues	8,200	74,881	66,681
EXPENDITURES			
General and Administrative			
Management/Administration	341,800	262,035	79,765
Contingency	205,000	-	205,000
Pollution Reduction Facilities			
PRF Repairs and Maintenance	127,100	48,379	78,721
PRF Reservoir Destratification Service Plan	27,400	39,164	(11,764)
PRF Meteorological Station Service	3,000	1,100	1,900
PRF Weed Control	15,500	-	15,500
PRF Wetlands Harvesting	108,000	105,709	2,291
PRF Utilities - Reservoir Destratification	75,000	79,552	(4,552)
Reservoir Projects			
RDS Rehabilitation	48,000	23,045	24,955
Shoreline Stabilization			
RSS East Shade Shelter	671,000	336,731	334,269
Stream Reclamation			
SR - CC Arapahoe (R3-4)	200,000	200,000	-
SR - Happy Canyon - Jordan to Broncos Pk	300,000	300,000	-
SR - Piney Creek (Reach 1-2)	25,000	25,000	-
SR - Reservoir to LV Road (CC Reach 1)	775,000	402,153	372,847
SR - Preservation Acquisition Lease	100,000	-	100,000
SR - Lone Tree Creek*	112,000	-	112,000
SR - Lone Tree Creek (Downstream Pond)	50,000	-	50,000
SR - Piney Creek (Reach 4-5)	150,000	150,000	-
SR - Reservoir to LV Road Construction Fund	1,000,000	-	1,000,000
SR - Pond Retrofit	100,000	100,000	-
Total Expenditures	4,433,800	2,072,868	2,360,932
OTHER FINANCING SOURCES (USES)			
Transfers From General Fund	2,181,814	2,139,939	(41,875)
Transfers From Enterprise Fund	346,800	326,469	(20,331)
Supplemental Transfers	500,000	-	(500,000)
Total Other Financing Sources (Uses)	3,028,614	2,466,408	(562,206)
NET CHANGE IN FUND BALANCE	(1,396,986)	468,421	1,865,407
Fund Balance - Beginning of Year	2,054,356	2,038,536	(15,820)
FUND BALANCE - END OF YEAR	$ 657,370	$ 2,506,957	$ 1,849,587

See accompanying Notes to Basic Financial Statements.

CHERRY CREEK BASIN WATER QUALITY AUTHORITY
PROPRIETARY FUND
STATEMENTS OF NET POSITION
DECEMBER 31, 2025
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2024)

	Water Activity Fund	
	2025	2024
ASSETS		
Current Assets		
Cash and Investments	$ 2,183,589	$ 2,095,076
Accounts Receivable	160,228	50,594
Total Current Assets	2,343,817	2,145,670
Capital Assets, Not Being Depreciated	350,000	350,000
Total Capital Assets	350,000	350,000
Total Assets	2,693,817	2,495,670
LIABILITIES		
Current Liabilities		
Accounts Payable	-	9,416
Total Current Liabilities	-	9,416
NET POSITION		
Net Investment in Capital Assets	350,000	350,000
Unrestricted	2,343,817	2,136,254
Total Net Position	$ 2,693,817	$ 2,486,254

See accompanying Notes to Basic Financial Statements.

CHERRY CREEK BASIN WATER QUALITY AUTHORITY
PROPRIETARY FUND
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
YEAR ENDED DECEMBER 31, 2025
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2024)

	Water Activity Fund	
	2025	2024
OPERATING REVENUES		
Building Permit Fees	$ 130,871	$ 93,159
Recreation Fees	197,775	220,115
Wastewater Fees	154,517	137,598
Total Operating Revenues	483,163	450,872
OPERATING EXPENSES		
Equipment	-	16,785
CCBWQA Planning	-	6,805
Tributary Planning	-	60,000
Management/Administration	390	-
Sulphur, Sara, and Tallman Gulches MD	307	-
SSP BMP Effectiveness	9,387	22,286
Total Operating Expenses	10,084	105,876
OPERATING INCOME (LOSS)	473,079	344,996
NONOPERATING REVENUES		
Interest Income	60,953	71,100
Total Nonoperating Revenues	60,953	71,100
OTHER FINANCING SOURCES (USES)		
Transfers In (Out)	(326,469)	(313,183)
Total Other Financing Sources (Uses)	(326,469)	(313,183)
CHANGE IN NET POSITION	207,563	102,913
Net Position - Beginning of Year	2,486,254	2,383,341
TOTAL NET POSITION - END OF YEAR	$ 2,693,817	$ 2,486,254

See accompanying Notes to Basic Financial Statements.

CHERRY CREEK BASIN WATER QUALITY AUTHORITY
PROPRIETARY FUND
STATEMENTS OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2025
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2024)

	Water Activity Fund	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	$ 373,529	$ 506,154
Payments to Suppliers	(19,500)	(109,615)
Net Cash Provided by Operating Activities	354,029	396,539
CASH FLOWS FROM INVESTING AND FINANCING ACTIVITIES		
Transfers to Pollution Abatement Fund	(326,469)	(313,183)
Interest Received	60,953	71,100
Net Cash Used by Investing and Financing Activities	(265,516)	(242,083)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	88,513	154,456
Cash and Cash Equivalents - Beginning of Year	2,095,076	1,940,620
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 2,183,589	$ 2,095,076
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income	$ 473,079	$ 344,996
Adjustments to Reconcile Operating Income to Net Cash Flows Provided by Operating Activities:		
(Increase) Decrease in:		
Accounts Receivable (Increase) Decrease	(109,634)	55,282
Increase (Decrease) in:		
Accounts Payable Increase (Decrease)	(9,416)	(3,739)
Net Cash Provided by Operating Activities	$ 354,029	$ 396,539

See accompanying Notes to Basic Financial Statements.

NOTE 1 DEFINITION OF REPORTING ENTITY

Cherry Creek Basin Water Quality Authority (the Authority) is a quasi-municipal corporation and political subdivision of the state of Colorado. Formed on June 16, 1988, the Authority was created by Colorado HB1029 to monitor the water quality in the Cherry Creek Basin and to construct facilities to control the accumulation of pollutants. The Authority receives its funding primarily from property taxes assessed and fees charged by other governmental entities for remittance to the Authority.

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all the activities of the Authority. The effect of interfund activity has been removed from these statements. Both statements distinguish between governmental activities, which normally are supported by taxes and intergovernmental revenues, and business-type activities, which rely to a significant extent on fees and charges for support.

The statement of net position reports all financial and capital resources of the Authority. The difference between the assets plus deferred outflows of resources and liabilities plus deferred inflows of resources of the Authority is reported as net position.

The statement of activities demonstrates the degree to which the direct and indirect 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 customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual Government and Enterprise funds are reported as separate columns in fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes and specific ownership taxes. All other revenue items are considered to be measurable and available only when cash is received by the Authority. Expenditures are recorded when the liability is incurred.

The Authority reports the following major governmental funds:

> The General Fund is the Authority's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
>
> The Pollution Abatement Fund is used to account for revenues earned and expenditures incurred in connection with the reduction of pollutants within the Cherry Creek Basin.

The Authority reports the following major proprietary fund:

> The Water Activity Fund, an Enterprise Fund, accounts for the water activities that are financed and operated in a manner where the intent of the Authority is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges.

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 a proprietary fund's principal ongoing operations. Operating revenues consist of charges to customers for service provided.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

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 nonoperating revenues and expenses or capital contributions.

Budgets

In accordance with the State Budget Law, the Authority'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 Authority'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. The budget includes each fund on its basis of accounting unless otherwise indicated.

Pooled Cash and Investments

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

Cash Equivalents

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

Property Taxes

Property taxes are levied by the Authority'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 or if in equal installments, 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 Authority.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., water quality improvements, pollution abatement facilities, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Authority as assets with an initial, individual cost of more than $5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Capital assets which are anticipated to be conveyed to other governmental entities are recorded as construction in progress and are not included in the investment in capital assets calculation of the Authority's net position.

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.

Water Rights

The cost of water rights includes acquisition cost; legal and engineering costs related to the development and augmentation of those rights. Since the rights have a perpetual life, they are not depreciated. All other costs, including costs incurred for the protection of those rights, are expensed.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Authority has one item that qualifies for reporting in this category. Accordingly, the item, *deferred property tax revenue,* is deferred and recognized as an inflow of resources in the period that the amount becomes available.

Equity

Net Position

For government-wide presentation purposes when both restricted and unrestricted resources are available for use, it is the Authority's practice to use restricted resources first, then unrestricted resources as they are needed.

Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance (continued)

Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

Nonspendable Fund Balance – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

Restricted Fund Balance – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

Committed Fund Balance – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

Assigned Fund Balance – The portion of fund balance that is constrained by the government's intent to be used for specific purposes but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

Unassigned Fund Balance – The residual portion of fund balance that does not meet any of the criteria described above.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the Authority's practice to use the most restrictive classification first.

Adoption of New Accounting Standards

In December 2023, the GASB issued Statement No. 102, Certain Risk Disclosures (Statement 102). Statement 102 requires note disclosure when (a) a concentration or constraint is known prior to issuance of the financial statements, (b) it makes the reporting unit vulnerable to the risk of a substantial impact, and (c) an event associated with the concentration or constraint has occurred, has begun to occur, or is more likely than not to begin to occur within 12 months of issuance.

The Authority adopted the requirements of the guidance effective January 1, 2025, and has elected to apply the provisions of this standard to the beginning of the period of adoption. Management performed the analysis required under Statement 102 and did not identify any concentrations or constraints that require disclosure.

NOTE 3 CASH AND INVESTMENTS

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

Statement of Net Position:		
Cash and Investments	$	5,379,920
Cash and Investments - Restricted		2,743,479
Total Cash and Investments	$	8,123,399

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

Deposits with Financial Institutions	$	61,215
Investments		8,062,184
Total Cash and Investments	$	8,123,399

Deposits with Financial Institutions

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 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.

On December 31, 2025, the Authority's cash deposits had a bank balance and a carrying balance of $61,215.

Investments

The Authority has not adopted a formal investment policy; therefore, interest rate disclosures are not presented. The Authority follows state statutes regarding investments.

The Authority generally limits its concentration of investments to those noted with an asterisk (*) below, which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk. Additionally, the Authority is not subject to concentration risk or investment custodial risk disclosure requirements for investments that are in the possession of another party.

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

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

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

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

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

Investment	Maturity	Amount
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted-Average Under 60 Days	$ 6,606,531
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted-Average Under 60 Days	1,455,653
Total		$ 8,062,184

COLOTRUST

The Authority invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust); 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 the Trust. The Trust currently offers three portfolios – COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE.

COLOTRUST PRIME and COLOTRUST PLUS+, which operate similarly to a money market fund and each share is equal in value to $1.00, offer daily liquidity. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

COLOTRUST (Continued)

COLOTRUST EDGE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a $10.00 transactional share price. COLOTRUST EDGE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust'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 the Trust. COLOTRUST PRIME and COLOTRUST PLUS+ are rated AAAm by Standard & Poor's; however, COLOTRUST EDGE is rated AAAf/S1 by Fitch Ratings. COLOTRUST records its investments at fair value, and the Authority records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.

The Authority held all funds in Colorado Plus on December 31, 2025.

CSAFE

The Authority invested in the Colorado Surplus Asset Fund Trust (CSAFE) (the Trust), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust currently offers two portfolios – CSAFE CASH FUND and CSAFE CORE.

CSAFE CASH FUND operates similar to a money market fund, with each share valued at $1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper, any security allowed under CRS 24-75-601.

CSAFE CORE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a $2.00 transactional share price. CSAFE CORE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

CSAFE (Continued)

A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE CASH FUND is rated AAAmmf and CSAFE CORE is rated AAAf/S1 by Fitch Ratings. CSAFE records its investments at amortized cost, and the Authority records its investments in CSAFE at net asset value as determined by amortized cost. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

The Authority held all funds in CSAFE Cash Fund on December 31, 2025.

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
Business-Type Activities:				
Capital Assets, Not Being Depreciated:				
Water Rights and Interest in Real Property	$ 350,000	$ -	$ -	$ 350,000
Total Capital Assets, Not Being Depreciated	$ 350,000	$ -	$ -	$ 350,000

The state of Colorado has assumed ownership of the Reservoir Destratification Facility (Facility); however, the Authority retains financial responsibility for operations and maintenance as well as insures the Facility. The Authority also maintains other pollution reduction facilities which are owned by the state but not recorded on the Authority's records.

NOTE 5 NET POSITION

The Authority 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, the Authority had investment in capital assets as follows:

	Governmental Activities	Business-Type Activities
Investment in Capital Assets	$ -	$ 350,000

NOTE 5 NET POSITION (CONTINUED)

The restricted component of net position includes assets 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 Authority had a restricted net position on December 31, 2025, as follows:

	Governmental Activities	Business-Type Activities
Restricted Net Position:		
Emergencies - TABOR	$ 107,000	$ -
Pollution Abatement (see Note 10)	2,506,957	-
Total Restricted Net Position	$ 2,613,957	$ -

The Authority's unrestricted net position as of December 31, 2025, is $5,497,575.

NOTE 6 INTERGOVERNMENTAL AGREEMENTS

Non-Point Source Pollution Reduction Facility Maintenance Agreement

On January 12, 2006, the Authority entered into a nonpoint source pollution reduction facility maintenance agreement with the state of Colorado for the use and benefit of the Department of Natural Resources, Division of Parks and Outdoor Recreation (the State).

The purpose of this agreement is to further the ongoing cooperation between the parties with respect to Pollution Reduction Facilities (PRFs) located within the Cherry Creek State Park (CCSP) that, in addition to abating pollution and protecting the quality of the water in the Reservoir, enhance the aesthetic, natural, and recreation values associated with the use of CCSP and promote terrestrial and aquatic life. In particular, this agreement is entered into for the purpose of allocating maintenance responsibilities between the parties with regard to the PRFs and the ancillary facilities within CCSP in a way that encourages the efficient use of public resources, fosters public accountability, and enhances the cooperation between the parties.

Under the terms of this agreement, the Authority shall share maintenance expenditures with the State regarding the specifically identified PRFs; however, all PRFs shall be deemed to be the property of the State.

Reservoir Destratification Facilities Operation and Maintenance Agreement

On March 7, 2007, the Authority entered into a reservoir destratification facilities operation and maintenance agreement with the state of Colorado for the use and benefit of the State.

NOTE 6 INTERGOVERNMENTAL AGREEMENTS (CONTINUED)

Reservoir Destratification Facilities Operation and Maintenance Agreement (Continued)

The purpose of this agreement is to further the ongoing cooperation between the parties with respect to Reservoir Destratification Facilities (Facilities) located within the CCSP that, in addition to abating pollution and protecting the quality of the water in the Reservoir, enhance the aesthetic, natural, and recreation values associated with the use of CCSP and promote terrestrial and aquatic life. In particular, this agreement is entered into for the purpose of furthering and promoting construction, operation, and maintenance of the Facilities in a way that encourages the efficient use of public resources, fosters public accountability, and enhances the cooperation between the parties.

Under the terms of this agreement, the Authority shall be responsible for the design, construction and operation of the Facilities, routine inspections, restorative and rehabilitative maintenance, park visitor information and removal of the Facilities, when and if the Facilities are no longer necessary. The State shall be responsible for routine maintenance and regular inspections of the Facilities. The Facilities shall be deemed to be the property of the State.

Agreement for Installation and Operation of a Meteorological Station at the Cherry Creek State Park

On February 20, 2020, the Authority entered into an installation and operation agreement of a meteorological station at the Cherry Creek State Park with the Upper Cherry Creek Basin Water Association (the Association).

The purpose of this agreement is to replace and upgrade the current nonworking meteorological station with a station that will meet the needs of both parties. The station is estimated to cost between $14,000 and $16,000. The Authority and the Association will each pay 50% of the station cost up to a total cost of $20,000. If the station cost exceeds $20,000 the agreement will terminate, and the parties may renegotiate another agreement at their discretion. Operations and maintenance costs of the station are estimated at $500 a month. The Association agrees to pay 50% of the operations and maintenance costs so long as the total amount does not exceed $10,000 per year.

Under the terms of this agreement, the Authority will be responsible for the acquisition, installation, operations, and maintenance of the station. The Authority will retain ownership of the station. Both parties will have the opportunity to access and utilize the data recorded by the station.

NOTE 7 RISK MANAGEMENT

The Authority 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.

NOTE 7 RISK MANAGEMENT (CONTINUED)

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

The Authority pays annual premiums to the Pool for liability, property, workers' compensation, and public officials' liability 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 8 TAX, SPENDING, AND DEBT LIMITATIONS

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

Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR. The Authority's management believes the Water Activity Fund qualifies as an enterprise and is excluded from the provisions of TABOR.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

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

NOTE 9 ESTABLISHMENT OF WATER ACTIVITY ENTERPRISE

On February 15, 2001, the Authority established the Cherry Creek Basin Water Activity Enterprise (the Enterprise). Under the Enterprise Act of the Colorado Revised Statutes (part 1 of article 45.1 of title 37), water activity enterprises are excluded from the provisions of Article X, Section 20, of the Colorado State Constitution (the TABOR amendment). The Enterprise will be wholly owned by the Authority and not combined with any water activity enterprise owned by another district. The Enterprise may conduct one or more water activities as determined by the governing body (the Authority Board), including, but not limited to, the diversion, storage, carriage, delivery, distribution, collection, and treatment of water. The fund balance of the Capital Projects Fund was transferred to the Enterprise Fund on January 1, 2001.

NOTE 10 MINIMUM SPENDING REQUIREMENTS

Colorado Revised Statute 25-8.5-111(3), as amended by Senate Bill 01-066 in 2001, states that the Authority must spend on an annual basis a minimum of 60% of revenues collected from fees, tolls, and property tax sources (Revenue) on the construction and maintenance of pollution abatement projects in the Cherry Creek Basin or on payments due on debt incurred entirely for such projects. During 2025, the Authority spent $2,072,868 on pollution abatement projects (amounting to approximately 60% of total 2025 revenue).

In 2003, the Board adopted a resolution establishing a restricted reserve fund to be funded on an annual basis in the full amount of any spending deficiency under said Section and into which the Authority transfers, if necessary, on annual basis sufficient funds to comply with the 60% spending requirement. All monies in the reserve fund can be spent only for the construction and maintenance of pollution abatement projects in the Cherry Creek Basin or for payments due under loans or other debt incurred by the Authority entirely for such projects. All monies in the reserve fund must be spent within five years from the end of the calendar year in which said monies were initially transferred into the fund. As of December 31, 2025, the total amount spent by the Authority on pollution abatement projects was $2,506,957 less than the total funds designated for such purposes as reflected by the following analysis of the changes in the pollution abatement reserve fund:

Pollution Abatement Reserve Fund Balance - December 31, 2024	$ 2,038,536
60% of Current Year Revenue and Related Interest	2,541,289
Current Year Pollution Abatement Expenditures	(2,072,868)
Pollution Abatement Reserve Fund Balance - December 31, 2025	$ 2,506,957

NOTE 11 INTERFUND AND OPERATING TRANSFERS

The transfers from the General and Enterprise Funds to the Pollution Abatement Fund are due to the requirement of the Colorado Revised Statute 25-8.5-111(3), as amended by Senate Bill 01-066 (see Note 10).

SUPPLEMENTARY INFORMATION

CHERRY CREEK BASIN WATER QUALITY AUTHORITY
WATER ACTIVITY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUNDS AVAILABLE –
BUDGET AND ACTUAL (BUDGETARY BASIS)
YEAR ENDED DECEMBER 31, 2025

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Building Permit Fees	$ 135,000	$ 130,871	$ (4,129)
Recreation Fees	213,000	197,775	(15,225)
Wastewater Fees	155,000	154,517	(483)
Other Revenue	5,000	-	(5,000)
Interest Income	70,000	60,953	(9,047)
Total Revenues	578,000	544,116	(33,884)
EXPENDITURES			
General and Administrative			
Management/Administration	51,000	390	50,610
Reservoir To 12-Mile Park Study	5,000	-	5,000
Contingency	25,000	-	25,000
Planning			
CCBWQA Planning	10,000	-	10,000
Sulphur, Sara, and Tallman Gulches MD	7,000	307	6,693
Tributary Planning	10,000	-	10,000
Special Studies/Projects			
SSP BMP Effectiveness	15,000	9,387	5,613
SSP PRF/PAP WQ Benefits	10,000	-	10,000
SSP Reservoir Nutrient Mitigation	50,000	-	50,000
SSP Reservoir Model	10,000	-	10,000
SSP Watershed Master Plan	50,000	-	50,000
Total Expenditures	243,000	10,084	232,916
OTHER FINANCING SOURCES (USES)			
Transfers To Pollution Abatement Fund	(346,800)	(326,469)	20,331
Total Other Financing Sources (Uses)	(346,800)	(326,469)	20,331
NET CHANGE IN FUND BALANCE	(11,800)	207,563	219,363
Fund Balance - Beginning of Year	2,403,941	2,486,254	82,313
FUND BALANCE - END OF YEAR	$ 2,392,141	$ 2,693,817	$ 301,676

CHERRY CREEK BASIN WATER QUALITY AUTHORITY
FIVE YEAR 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 for General Fund			Total Property Taxes		Percent Collected to Levied
	Arapahoe	Douglas	Arapahoe		Douglas	Levied	Collected	
2021	$ 2,211,840,000	$ 2,880,107,619	0.478	(1)	0.478	$ 2,433,951	$ 2,416,896	99.30 %
2022	2,399,081,190	3,155,270,089	0.479	(2)	0.479	2,660,534	2,644,574	99.40 %
2023	2,361,223,686	3,208,146,428	0.500	(3)	0.500	2,784,685	2,775,545	99.67 %
2024	2,911,874,181	4,159,589,770	0.425	(4)	0.425	3,004,097	2,983,492	99.31 %
2025	2,929,654,669	4,276,853,247	0.430	(5)	0.430	3,098,798	3,076,695	99.29 %
Estimated for Year Ending December 31,								
2026	$ 2,950,939,248	$ 4,260,615,978	0.450	(6)	0.450	$ 3,245,200		

Source: Arapahoe County and Douglas County Assessors and Treasurers.

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

(1) The Authority did not levy any mills in Arapahoe and Douglas Counties for collection of abatements related to the General Fund in 2021, and temporarily decreased the mill levy to the General Fund for a TABOR adjustment in 2021 by 0.022 ($112,022 total) in both counties.

(2) The Authority did not levy any mills in Arapahoe and Douglas Counties for collection of abatements related to the General Fund in 2022, and temporarily decreased the mill levy to the General Fund for a TABOR adjustment in 2022 by 0.021 ($116,642 total) in both counties.

(3) The Authority did not levy any mills in Arapahoe and Douglas Counties for collection of abatements related to the General Fund in 2023, nor temporarily decrease the mill levy to the General Fund for a TABOR adjustment in 2023 in either counties.

(4) The Authority did not levy any mills in Arapahoe and Douglas Counties for collection of abatements related to the General Fund in 2024, and temporarily decreased the mill levy to the General Fund for a TABOR adjustment in 2024 by 0.075 ($530,135 total) in both counties.

(5) The Authority did not levy any mills in Arapahoe and Douglas Counties for collection of abatements related to the General Fund in 2025, and temporarily decreased the mill levy to the General Fund for a TABOR adjustment in 2025 by 0.070 ($504,456 total) in both counties.

(6) The Authority did not levy any mills in Arapahoe and Douglas Counties for collection of abatements related to the General Fund in 2025, and temporarily decreased the mill levy to the General Fund for a TABOR adjustment in 2026 by 0.050 ($360,578 total) in both counties.