

DENVER WEST METROPOLITAN DISTRICT

FINANCIAL STATEMENTS

DECEMBER 31, 2025

DENVER WEST METROPOLITAN DISTRICT

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Green & Associates LLC

Certified Public Accountants & Business Consultants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Denver West Metropolitan District

Opinions

We have audited the accompanying financial statements of the governmental activities and the major funds of Denver West Metropolitan District as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise Denver West Metropolitan District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major funds of Denver West Metropolitan District as of December 31, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Denver West Metropolitan 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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, including omissions, 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 of 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 Denver West Metropolitan 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 Denver West Metropolitan 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 and Schedule of Revenues, Expenditures and Changes in Fund balances – Budget and Actual – General Fund 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.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Denver West Metropolitan District's financial statements as a whole. The other supplemental information which includes the Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual Debt Service Fund, and the Statement of Revenues, Expenditures and Changes in Fund Balances Budget and Actual Capital Projects Fund, as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. The other supplemental information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The 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 information is fairly stated in all material respects in relation to the financial statements as a whole.



Fort Collins, Colorado
June 26, 2026

**DENVER WEST METROPOLITAN DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2025**

The discussion and analysis of Denver West Metropolitan District's ("the District") financial performance provides an overview and analysis of the District's financial activities for the year December 31, 2025. This discussion and analysis includes comparative analysis of government-wide data for years ended December 31, 2025 and 2024 when available.

Overview of the Financial Statements

The discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements include: (1) combined government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. The District also includes additional information in this report to supplement the basic financial statements.

Combined Government-Wide and Fund Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the District's finances in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the District's assets and deferred outflows and liabilities and deferred inflows, with the difference between the two 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. Evaluation of the overall health of the District would extend to other non-financial factors such as diversification of taxpayer base or the condition of District infrastructure, in addition to the financial information provided within this report.

The *Statement of Activities* presents information showing how the District's net position changed during the calendar 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 cash flows. Therefore, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

The government-wide financial statements distinguish functions of the District that will be principally supported by taxes and intergovernmental revenues. The function of the District is to provide drainage, streets, traffic and safety controls, fire protection, television relay, transportation, parks and recreation improvements, sanitation and pest control and other related improvements to all present and future residents within the Metropolitan Districts of Denver West Metropolitan District (District) and Lena Gulch Metropolitan District (Lena Gulch).

Lena Gulch Metropolitan District was formed in 1998 to work in conjunction with the District to provide more efficient administration of services necessary to support the growth in the Denver West area. Each District has the power to provide water, streets, traffic and safety controls, fire protection, television relay, transportation, parks and recreation improvements, sanitation and pest control and other related improvements for the benefit of taxpayers and service users within the Districts' boundaries.

Lena Gulch is intended to serve as the "service district" while Denver West is intended to serve as the "financing district." Each District has a board of directors elected by the property owners.

The government-wide financial statements are combined with the fund financial statements and can be found within this report.

**DENVER WEST METROPOLITAN DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2025**

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related laws and regulations. All the District's funds are classified as major and are separately reported. The District maintains three governmental funds, the *General Fund*, *Capital Projects Fund* and *Debt Service Fund*.

Governmental Funds

Governmental funds encompass essentially all the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements report on near-term fiscal accountability focusing on inflows and outflows of expendable resources, as well as 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.

The focus of governmental funds is narrower than that of the government-wide financial statements and the financial statement users will have a better understanding of 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 change in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District adopts an annual appropriated budget for all funds. A budgetary comparison statement has been provided for the general fund, debt service fund and capital projects fund to demonstrate compliance with adopted budgets.

Notes to the Financial Statements

The accompanying notes provide additional information that is essential to a full understanding of the information provided in the government-wide and fund financial statement. The notes to the financial statements can be found within this report.

Government-Wide Financial Analysis

The net position may serve, over time, as a useful indicator of a District's financial position. As of December 31, 2025, the District's liabilities exceeded its assets resulting in a net deficit of \$13,230,535. The deficit decreased by the current year change in net position of \$4,132,737. Total District revenue decreased \$692,340 compared to total District revenue in 2024. The increase was primarily related to an decrease in assessed valuation, which decreased property tax revenue. District expenditures and transfers out to other districts decreased by \$148,707 for the year ended December 31, 2025. The District has planned for increases in net position to cover future debt service requirements and capital improvement projects of the District.

The largest portion of the District's net deficit reflects its investment in capital assets, net of related debt used to acquire those assets, including deferred outflows of resources, deferred inflows of resources, and accrued interest.

**DENVER WEST METROPOLITAN DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2025**

Financial Efforts of 2025

The table below shows a condensed version of the assets, deferred outflows, liabilities, deferred inflows, net position, revenues, expenses and transfer out for the years ended December 31st. Certain reclassifications of prior year information may be restated to conform to the current year presentation.

Summary of District's Net Position (Deficit) for governmental activities as of December 31st:

	<u>2025</u>	<u>2024</u>	<u>\$ Change</u>	<u>% Change</u>
Assets				
Current and other assets	\$ 14,626,588	\$ 13,792,301	\$ 834,287	6.0%
Capital assets, net	8,768,318	9,111,578	(343,260)	-3.8%
Total Assets	<u>23,394,906</u>	<u>22,903,879</u>	<u>491,027</u>	<u>2.1%</u>
Deferred Outflows of Resources	2,202	2,682	(480)	-17.9%
Total Assets and Deferred Outflows of Resources	<u>23,397,108</u>	<u>22,906,561</u>	<u>490,547</u>	<u>2.1%</u>
Liabilities				
Current liabilities and other liabilities	3,006,497	3,161,841	(155,344)	-4.9%
Long term liabilities outstanding	27,630,000	30,520,000	(2,890,000)	-9.5%
Total Liabilities	<u>30,636,497</u>	<u>33,681,841</u>	<u>(3,045,344)</u>	<u>-9.0%</u>
Deferred Inflows of Resources	5,991,146	6,587,992	(596,846)	-9.1%
Total Liabilities and Deferred Inflows of Resources	<u>36,627,643</u>	<u>40,269,833</u>	<u>(3,642,190)</u>	<u>-9.0%</u>
Net Position:				
Net Investment in Capital Assets	(22,413,561)	(24,928,001)	2,514,440	10.1%
Restricted for Emergencies	185,197	205,900	(20,703)	-10.1%
Restricted for Debt Service	502,486	894,034	(391,548)	-43.8%
Committed to Capital Projects	365	365	-	0.0%
Unrestricted	8,494,978	6,464,430	2,030,548	31.4%
Total Net Position (Deficit)	<u>\$ (13,230,535)</u>	<u>\$ (17,363,272)</u>	<u>\$ 4,132,737</u>	<u>23.8%</u>

**DENVER WEST METROPOLITAN DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2025**

Summary of Changes in Net Position (Deficit) as of December 31st:

	2025	2024	\$ Change	% Change
General Revenues:				
General property taxes	\$ 5,300,780	\$ 6,305,195	\$ (1,004,415)	-15.9%
Specific ownership taxes	588,855	244,033	344,822	141.3%
Interest	348,228	378,838	(30,610)	-8.1%
Other	(2,137)	-	(2,137)	-100.0%
Total Revenues	<u>6,235,726</u>	<u>6,928,066</u>	<u>(692,340)</u>	<u>-10.0%</u>
Expenses:				
Accounting and auditing	19,982	21,278	(1,296)	-6.1%
Consulting	132,600	95,728	36,872	38.5%
Engineering	4,852	49,791	(44,939)	-90.3%
Service charges	3,560	3,340	220	6.6%
Debt service-interest	1,299,420	1,582,121	(282,701)	-17.9%
Treasurer's fees	79,720	94,580	(14,860)	-15.7%
Insurance	3,839	3,739	100	2.7%
Legal	2,370	-	2,370	100.0%
Repairs and maintenance	-	29,087	(29,087)	-100.0%
Office expense	-	46	(46)	-100.0%
Depreciation and amortization	368,580	371,986	(3,406)	-0.9%
Total Expenses	<u>1,914,923</u>	<u>2,251,696</u>	<u>(336,773)</u>	<u>-15.0%</u>
Increase (Decrease) in Net Position before Transfers	<u>4,320,803</u>	<u>4,676,370</u>	<u>(355,567)</u>	<u>-7.6%</u>
Transfers out-other governments	<u>(188,066)</u>	<u>-</u>	<u>188,066</u>	<u>100.0%</u>
Change in Net Position	<u>\$ 4,132,737</u>	<u>\$ 4,676,370</u>	<u>\$ (543,633)</u>	<u>-11.6%</u>
Beginning Net Position (Deficit)	<u>\$ (17,363,272)</u>	<u>\$ (22,039,642)</u>	<u>\$ 4,676,370</u>	<u>-21.2%</u>
Ending Net Position (Deficit)	<u><u>\$ (13,230,535)</u></u>	<u><u>\$ (17,363,272)</u></u>	<u><u>\$ 4,132,737</u></u>	<u><u>-23.8%</u></u>

Governmental Funds

General Fund

The General Fund was established and continually funded to provide for the normal administrative and operating costs of the District. The General Fund transfers revenues to Lena Gulch Metropolitan District to cover expenses of that District through intergovernmental agreements subject to annual appropriations. The primary funding sources for the General Fund are general ad valorem (real) property taxes and specific ownership taxes. The 2025 mill levy assessed for the General Fund was 11.048 mills, which generated \$1,552,080 of property tax revenue. Other revenue sources for the General Fund include interest income on reserve funds. The primary projects or program efforts for establishing funding during 2025 were:

- 1.) Normal operational costs of the District.
- 2.) An aggressive preventive maintenance program focused on maintaining peak performance for all District assets.

**DENVER WEST METROPOLITAN DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
DECEMBER 31, 2025**

Budgetary Highlights – General Fund

The difference between the total budgeted expenditures and transfers out of \$2,593,899 and the actual expenditures of \$403,567, is a favorable balance of \$2,190,332. This difference is primarily due to the District not transferring the budgeted amounts to Lena Gulch Metropolitan District due to significant capital projects within the District.

Capital Assets and Debt Administration

Debt Service Fund

The Debt Service Fund was established and continually funded to provide for segregation and designation of funds for purposes of financing infrastructure projects. The primary funding source for the Debt Service Fund is general ad valorem (real) property taxes. The Debt Service Fund’s 2025 assessed mill levy was 23.952 mills, which generated \$3,748,700 of property tax revenue in 2025. The real property tax revenue is deposited by the Jefferson County Treasurer into the Debt Service Fund as designated by the Board of Directors of the District.

Budgetary Highlights – Debt Service Fund

The difference between the original budgeted expenditures of \$4,160,976 and the actual expenditures of \$4,151,380, is a favorable balance of \$9,596. The variance between budgeted and actual expenditures was due to a difference in the actual amount of treasurer’s fees charged by Jefferson County for property tax collections, compared to what was originally anticipated at the time the budgeted was prepared.

Capital Projects Fund

The District’s investment in capital assets, net of accumulated depreciation at December 31, 2025 was \$8,768,318. The investment in capital assets includes drainage, rights-of-way (land), safety signals, landscaping and land improvements, utilities, and vehicles.

Capital assets as of December 31, 2025 and 2024, net of accumulated depreciation, were classified as follows:

	2025	2024
Drainage	\$ 4,833,297	\$ 5,132,186
Rights-of-Way (land)	3,053,766	3,053,766
Safety Signal	135,274	153,676
Landscape & Parks	636,515	663,170
Utilities	109,466	106,257
Vehicles	-	2,523
Total	<u>\$ 8,768,318</u>	<u>\$ 9,111,578</u>

Budgetary Highlights – Capital Projects Fund

The difference between the budgeted expenditures of \$365 and the actual expenditures of \$0, is a favorable balance of \$365. This difference is due to the District not expending the capital expenditures originally budgeted for.

**DENVER WEST METROPOLITAN DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2025**

Long-term Debt

The District had long-term debt outstanding of \$33,305,000 as of January 1, 2025, and made principal and interest payments on outstanding bonds of \$2,785,000 and \$1,307,401, respectively. As of December 31, 2025, the District has general obligation debt outstanding of \$30,520,000. The District's has total 2025 debt service obligations of \$4,095,863, comprising of principal retirements of \$2,890,000 and interest payments of \$1,205,863.

Net Deficit

The District has a deficit net position of \$13,230,535 as of December 31, 2025. The District has incurred debt since inception which relates to the construction of roads, streets, and rights-of-ways within the District. Many of these assets have been conveyed, deeded or transferred to other local and state governmental entities. These entities assume the responsibility for continued maintenance of these improvements and therefore no longer belong to the District but still exist for the benefit, enjoyment, and use of the taxpayers of the District. GASB 34 requires netting the debt acquired to purchase assets against those assets the District still holds title, which creates the net deficit at December 31, 2025.

Economic Conditions and 2026 Budget

The District's 2024 total debt service assessed valuation, for 2025 collection, was \$182,562,391, which decreased to \$164,697,130 for 2025 debt service assessed valuations, for 2026 collection. The District assessed 26.482 mills for debt service and 8.518 mills for general operations in 2026. The 2026 budget anticipates a net decrease in the ending General Fund balance of \$979,164 and a \$5,125 increase to the ending fund balance in the Debt Service Fund. The District decreased the 2026 budgeted transfer to Lena Gulch from \$1,400,000 to \$900,000. Transfers to Lena Gulch fund maintenance costs of both Districts.

Requests for Information

This report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Denver West Metropolitan District
C/O Morain Bakarich, CPAs
Attention: Michael A Bakarich, CPA
2801 Youngfield Street, Suite 370
Golden, CO 80401

DENVER WEST METROPOLITAN DISTRICT
STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEETS
December 31, 2025

	Governmental Activities				Adjustments	Statement
	General	Capital Projects	Debt Service	Total	(Page 2)	of Net Position
	Fund	Fund	Fund			
<u>Assets</u>						
<u>Current Assets</u>						
Cash and cash equivalents	\$ 8,624,636	\$ -	\$ 528,104	\$ 9,152,740	\$ -	\$ 9,152,740
Property taxes receivable	1,257,936	-	4,169,618	5,427,554	-	5,427,554
Ownership taxes receivable	30,976	-	-	30,976	-	30,976
Prepaid expenses	2,601	-	-	2,601	-	2,601
Internal balances	25,253	365	(25,618)	-	-	-
Deposits	12,717	-	-	12,717	-	12,717
Total current assets	9,954,119	365	4,672,104	14,626,588	-	14,626,588
<u>Capital Assets, Net</u>						
Storm drainage	-	-	-	-	4,833,297	4,833,297
Safety signals	-	-	-	-	135,274	135,274
Rights of way	-	-	-	-	3,053,766	3,053,766
Landscaping and land improvements	-	-	-	-	636,515	636,515
Utilities	-	-	-	-	109,466	109,466
Total capital assets	-	-	-	-	8,768,318	8,768,318
<u>Deferred Outflows of Resources</u>						
Bond discount costs, net	-	-	-	-	2,202	2,202
Total deferred outflows of resources	-	-	-	-	2,202	2,202
Total assets and deferred outflows of resources	\$ 9,954,119	\$ 365	\$ 4,672,104	\$ 14,626,588	\$ 8,770,520	\$ 23,397,108
<u>Liabilities</u>						
<u>Current Liabilities</u>						
Accounts payable	16,008	-	-	16,008	-	16,008
Accrued interest payable	-	-	-	-	100,489	100,489
Long-term debt, current portion	-	-	-	-	2,890,000	2,890,000
Total current liabilities	16,008	-	-	16,008	2,990,489	3,006,497
<u>Long-term liabilities</u>						
General obligation bonds payable, net	-	-	-	-	27,630,000	27,630,000
Total long-term liabilities	-	-	-	-	27,630,000	27,630,000
<u>Deferred Inflows of Resources</u>						
Bond premiums, net	-	-	-	-	563,592	563,592
Unavailable revenue-property taxes	1,257,936	-	4,169,618	5,427,554	-	5,427,554
Total deferred inflow of resources	1,257,936	-	4,169,618	5,427,554	563,592	5,991,146
<u>Fund Balances</u>						
Restricted for emergencies	185,197	-	-	185,197	(185,197)	-
Restricted for debt service	-	-	502,486	502,486	(502,486)	-
Committed to capital projects	-	365	-	365	(365)	-
Unassigned	8,494,978	-	-	8,494,978	(8,494,978)	-
Total fund balance	8,680,175	365	502,486	9,183,026	(9,183,026)	-
Total liabilities, deferred inflows of resources, and fund balances	\$ 9,954,119	\$ 365	\$ 4,672,104	\$ 14,626,588	\$ 22,001,055	\$ 36,627,643
<u>Net Position (Deficit)</u>						
Net investment in capital assets					(22,413,561)	(22,413,561)
Restricted for emergencies					185,197	185,197
Restricted for debt service					502,486	502,486
Committed to capital projects					365	365
Unrestricted					8,494,978	8,494,978
Total net position (deficit) governmental activities					\$ (13,230,535)	\$ (13,230,535)

The accompanying notes and independent auditors' report are an integral part of the financial statements.

DENVER WEST METROPOLITAN DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEETS
TO THE STATEMENT OF NET POSITION
December 31, 2025

Total governmental fund balances	\$	9,183,026
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Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the fund balance sheets. However, in the Statement of Net Position the cost of assets are capitalized and expensed over their estimated lives through depreciation expense.

Cost	\$	20,956,865	
Accumulated depreciation		(12,188,547)	8,768,318

Governmental funds report the effect of bond discounts on bonds payable when first issued, whereas these amounts are capitalized and amortized in the Statement of Activities.

Bond discount costs	\$	9,607	
Accumulated amortization		(7,405)	2,202

Governmental funds report the effect of bond premiums on bonds payable when first issued, whereas these amounts are capitalized and amortized in the Statement of Activities.

Bond premiums	\$	(1,423,812)	
Accumulated amortization		860,220	(563,592)

Certain liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the fund balance sheets. Those liabilities consist of:

Long term liabilities - bonds	\$	(30,520,000)	
Accrued interest - bonds		(100,489)	(30,620,489)

Net Position (Deficit) of Governmental Activities	\$	(13,230,535)
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The accompanying notes and independent auditors' report are an integral part of the financial statements.

DENVER WEST METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2025

	Governmental Activities				Adjustments	Statement
	General	Capital Projects	Debt Service	Total	(Page 4)	of Activities
	Fund	Fund	Fund			
Expenditures/expenses:						
Governmental activities:						
Accounting and auditing	\$ 19,982	\$ -	\$ -	\$ 19,982	\$ -	\$ 19,982
Consulting	132,600	-	-	132,600	-	132,600
Engineering	4,852	-	-	4,852	-	4,852
Service charges	310	-	3,250	3,560	-	3,560
Debt Service:						
Principal	-	-	2,785,000	2,785,000	(2,785,000)	-
Interest	-	-	1,307,401	1,307,401	(7,981)	1,299,420
Treasurer's fee	23,991	-	55,729	79,720	-	79,720
Capital outlay	27,557	-	-	27,557	(27,557)	-
Depreciation and amortization	-	-	-	-	368,580	368,580
Insurance	3,839	-	-	3,839	-	3,839
Legal	2,370	-	-	2,370	-	2,370
Total expenditures/expenses	<u>215,501</u>	<u>-</u>	<u>4,151,380</u>	<u>4,366,881</u>	<u>(2,451,958)</u>	<u>1,914,923</u>
General revenues:						
General property taxes	1,552,080	-	3,748,700	5,300,780	-	5,300,780
Specific ownership taxes	588,855	-	-	588,855	-	588,855
Interest	272,377	-	11,132	283,509	64,719	348,228
Gain/(loss) on sale of asset	100	-	-	100	(2,237)	(2,137)
Total revenues	<u>2,413,412</u>	<u>-</u>	<u>3,759,832</u>	<u>6,173,244</u>	<u>62,482</u>	<u>6,235,726</u>
Excess (deficiency) of revenues over expenditures	<u>2,197,911</u>	<u>-</u>	<u>(391,548)</u>	<u>1,806,363</u>	<u>2,514,440</u>	<u>4,320,803</u>
Other financing sources (uses):						
Transfers out - other governments	<u>(188,066)</u>	<u>-</u>	<u>-</u>	<u>(188,066)</u>	<u>-</u>	<u>(188,066)</u>
Net other financing sources (uses)	<u>(188,066)</u>	<u>-</u>	<u>-</u>	<u>(188,066)</u>	<u>-</u>	<u>(188,066)</u>
Excess (deficiency) of revenues and transfers in over expenditures and transfers out	<u>2,009,845</u>	<u>-</u>	<u>(391,548)</u>	<u>1,618,297</u>	<u>(1,618,297)</u>	<u>-</u>
Change in net position	-	-	-	-	4,132,737	4,132,737
Fund balance/net position (deficit), beginning of year	<u>6,670,330</u>	<u>365</u>	<u>894,034</u>	<u>7,564,729</u>	<u>(24,928,001)</u>	<u>(17,363,272)</u>
Fund balance/net position (deficit), end of year	<u>\$ 8,680,175</u>	<u>\$ 365</u>	<u>\$ 502,486</u>	<u>\$ 9,183,026</u>	<u>\$ (22,413,561)</u>	<u>\$ (13,230,535)</u>

The accompanying notes and independent auditors' report are an integral part of the financial statements.

DENVER WEST METROPOLITAN DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE -
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

Excess (deficiency) of revenues and transfers in over expenditures and transfers out - governmental funds	\$ 1,618,297
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Governmental funds report capital outlay, bond issue costs, and bond discounts as expenditures. However, in the Statement of Activities the costs of those assets are allocated over the estimated useful lives or term of the debt, as applicable, and reported as depreciation and amortization expense.

Capital outlay	27,557
Depreciation	(368,580)
Loss on Sale	(2,237)
Amortization included as interest expense from bond discount and loss on bond refunding	(480)

Governmental funds report bond premiums as other financing sources. However, in the Statement of Activities the cost of those liabilities are amortized over the term of the debt and recorded as interest income.

Amortization-bond premiums	64,719
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Repayment of bond principal is reported as an expenditure in governmental funds and, thus, has the effect of reducing fund balance because current financial resources have been used. The principal payments reduce the liabilities in the Statement of Net Position and do not result in an expense in the Statement of Activities.	2,785,000
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Interest expense in the Statement of Activities differs from the amount reported in governmental funds. The net change in accrued interest is as follows.	8,461
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Change in net position	\$ 4,132,737
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The accompanying notes and independent auditors' report are an integral part of the financial statements.

DENVER WEST METROPOLITAN DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

I. Summary of Significant Accounting Policies

A. Reporting Entity

The Denver West Metropolitan District operates under a governing Board of Directors and is considered a separate political subdivision of the State of Colorado providing water, streets, traffic and safety controls, fire protection, television relay, transportation, parks and recreation improvements, sanitation and pest control and other related improvements to all present and future residents within the Metropolitan Districts of Denver West (District) and Lena Gulch (Lena Gulch).

The Districts basic financial statements include the accounts and funds of all District operations. The statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles

The District has adopted the provisions of GASB Statement No. 34 – *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. The primary features of the Statement are:

- Government-wide financial reporting, which provides a picture of the District as a single, unified entity.
- Narrative overview and analysis, which provides financial statement users with a narrative introduction, overview, and analysis of the basic financial statements in the form of Management’s Discussion and Analysis (MD&A).
- Expanded budgetary reporting showing budgetary comparisons based on the District’s original and final budgets.

B. Principles Determining Scope of Reporting Entity

The financial statements of the District consist only of the funds of the District. The District has no oversight responsibility for any other governmental entity, including Lena Gulch, since no other entities are considered to be controlled by or dependent on the District. Control or independence is determined on the basis of financial accountability and responsibility, budget adoption, taxing authority, funding, and election of the respective governing board.

Therefore, in accordance with Governmental Accounting Standards Board Statement No. 14, the District is considered a stand-alone entity.

C. Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the primary government (the District). These statements include the financial activities of the overall District government, except for fiduciary activities. Governmental activities generally are financed through taxes.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District’s governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) grants and contributions that are restricted to meeting the operational needs of a particular program and (b) fees, grants and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

DENVER WEST METROPOLITAN DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

I. Summary of Significant Accounting Policies – (continued)

C. Government-Wide Financial Statements – (continued)

The Government-Wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of the related cash flows.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are spent and the means by which spending activities are controlled.

All governmental funds are accounted for on a flow of current financial resources basis and the modified accrual basis of accounting. Balance sheets for these funds generally include only current assets and current liabilities. Reported fund balances are considered a measure of available, spendable resources. Operating statements for these funds present a summary of available, spendable resources and expenditures for the period.

Separate financial statements are provided for governmental funds.

Funds are organized into three major categories: governmental, proprietary, and fiduciary. The District has three governmental funds (below) and does not maintain proprietary or fiduciary funds.

Major Funds

GASB Statement 34 defines major funds and requires that the District's major governmental funds be identified and presented separately in the fund financial statements. All other funds, called non-major funds, are combined and reported in a single column, regardless of their fund-type.

Major funds are defined as funds that have either assets, liabilities, revenues, or expenditures/expenses equal to ten percent of their fund-type total and five percent of the grand total. The General Fund is always a major fund. The District may also select other funds it believes should be presented as major funds.

The following governmental funds were used by the District during 2025 and are presented as major funds:

GENERAL FUND

To account for and report all financial resources not accounted for in another fund.

DEBT SERVICE FUND

To account for and report financial resources that are restricted, committed or assigned to expenditures for debt service.

CAPITAL PROJECTS FUND

To account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlay. The District has elected to report the capital projects fund as a major fund of the District.

DENVER WEST METROPOLITAN DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

I. Summary of Significant Accounting Policies – (continued)

C. Government-Wide and Fund Financial Statements – (continued)

Major Funds – (continued)

The highest level of decision-making authority is the Board of Directors. A quorum of the Board of Directors and a majority vote is required to establish, modify, or rescind a commitment of fund balance. Only a majority vote by the Board of Directors may *assign* amounts to specific purposes, and the policy pursuant to that authorization.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. Additionally, when an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the District considers committed amounts to be reduced first, then assigned, and then unassigned. The Capital Projects Fund has committed amounts of \$365 at December 31, 2025.

D. Measurement Focus and Basis of Accounting

Measurement Focus

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. Property taxes are recognized as revenues in the year for which they are levied.

The modified accrual basis of accounting is used by all governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Those revenues associated with the current period susceptible to accrual are property taxes, interest revenue and charges for services. All other revenues are reported when the cash is received. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, debt service expenditures, principal and interest on long-term debt, are recorded only when payment is due.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

DENVER WEST METROPOLITAN DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

I. Summary of Significant Accounting Policies – (continued)

E. Budgets and Budgetary Accounting

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

1. On or prior to October 15th the budget is submitted to the Board of Directors of the District.
2. A public hearing on the budget is held prior to its adoption.
3. On the date of the hearing, the Board reviews the proposed budget and formally adopts it by resolution.
4. At the time of adopting the budget the Board also adopts the mill levies.
5. Prior to the beginning of the calendar year, the Board passes an appropriating ordinance giving the District legal authority to spend.
6. The District adopts budgets for the General, Capital Projects and Debt Service funds on a basis consistent with generally accepted accounting principles. The District's Board of Directors can modify the budget and appropriations resolutions upon completion of notification and publication requirements. The appropriation is at the total fund expenditures level and lapses at year end.

Budgeted amounts reported in the accompanying financial statements are as originally adopted and as amended by the Board of Directors.

F. Capital Assets

Capital assets, which include rights-of-way (land), storm drainage, signal lights, utilities, vehicles, landscaping, and land improvements are reported in the applicable governmental activities column. Capital assets are valued at cost or estimated historical cost. The District's policy is to capitalize assets or improvements with initial acquisition costs of \$5,000 or more. The cost of normal maintenance and repairs, that do not add to the value of the asset or materially extend the assets' lives are not capitalized.

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

<u>Asset Class</u>	<u>Estimated Useful Life</u>
Rights of Way (Land)	N/A
Landscaping and Land Improvements	20-40 years
Storm Drainage	40 years
Safety Signals	20 years
Vehicles	7 years
Utilities	20 years

DENVER WEST METROPOLITAN DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

I. Summary of Significant Accounting Policies – (continued)

G. Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing attributable to the acquisition or construction of improvements of those assets. Net position is reported as restricted when there are external limitations imposed on their use by creditors, grantors, laws, or regulations of other governments. Unrestricted net position includes all funds not invested in capital assets or restricted by external restrictions.

H. Property Taxes

Property taxes attach an enforceable lien on property as of January 1st. Taxes are levied on January 1st and are payable in either one installment on or before April 30th, or in two installments due on or before February 28th and June 15th of each year. The collections and assessments are made by Jefferson County and are remitted to the District monthly. The District's property taxes, which are due to be paid in the next period and representing an enforceable lien at January 1st of the next year, have been recorded as a receivable and deferred inflow in the appropriate funds. Property taxes reflected in the Statement of Activities and Governmental Fund Revenues are reported net of abatements. These property taxes represented deferred inflows of \$5,427,554 as of December 31, 2025.

Property taxes are calculated by multiplying the assessed valuation of the properties within the District by the certified mill levy. The District levied 35.000 mills for 2026 tax collections, which is recorded as a deferred inflow of resources at December 31, 2025.

I. Encumbrances

The District does not employ encumbrance accounting methods.

J. Fund Balances-Governmental Funds

Beginning with fiscal year 2011, the District implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This statement provides more defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- *Nonspendable* – amounts that are not in nonspendable form or are required to be maintained intact.
- *Restricted* – amounts constrained to specific purposes by their providers (such as grantors, bondholder, and higher levels of government), through constitutional provisions, or enabling legislation.
- *Committed* – amounts constrained to specific purposes by the District, using its highest level of decision-making authority, the Board of Directors. Committed amounts cannot be used for any other purpose unless the Board of Directors take action to remove or change the constraints.
- *Assigned* – amounts the District intends to use for a specific purpose. 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* – amounts that are available for any purpose.

DENVER WEST METROPOLITAN DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

I. Summary of Significant Accounting Policies – (continued)

K. Bond and Related Premiums, Discounts, Issuance Costs, and Refunding Losses

In the government-wide financial statements, bond premiums and discounts are reported as deferred inflows or outflows of resources and amortized over the life of the bonds using the straight-line method. In governmental fund financial statements, bond premiums and discounts are recognized in the current period as other financing sources and uses. Issuance costs are reported as expenditures in the year incurred.

Bond discount costs, net of accumulated amortization, of \$2,202 are included in the Statement of Net Position. Bond discount costs are being amortized over the life of the 2010 bond issue (20 years) and are reflected as a component of interest expense in the Statement of Activities. In 2025, \$480 of amortization relating to the bond discount costs was included in interest expense in the Statement of Activities.

Bond premiums, net of accumulated amortization, of \$563,592 are included in the Statement of Net Position as a deferred inflow of resources. The bond premium is being amortized over the life of the 2012 A&B bonds. In 2025, \$64,719 of amortization of the bond premiums was included in interest income in the Statement of Activities.

Losses from the refunding of debt, net of accumulated amortization, are included in the Statement of Net Position as a deferred outflow of resources. As of December 31, 2025, the loss on the refunding of the District's Series 2003 and Series 2004 bonds, and the subsequent issuance of Series 2012A and 2012B bonds, has been fully amortized. The loss on refunding was amortized over the life of the refunded bonds (13 years) and is reflected as a component of interest expense in the Statement of Activities. In 2025, \$480 of amortization relating to the loss on refunding was included in interest expense in the Statement of Activities.

II. Reconciliation of Government-wide and Fund Financial Statements

The governmental funds balance sheet includes a reconciliation between fund balances of the governmental funds and the net position of governmental activities as reported in the government-wide statement of net position. Additionally, the governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between the net change in fund balances of the governmental funds and the changes in net position of governmental activities as reported in the government-wide statement of activities.

These reconciliations detail items that require adjustment to convert from the current resources measurement and modified accrual basis for government fund statements to the economic resources measurement and full accrual basis used for government-wide statements.

III. Tax, Spending and Debt Limitations

Colorado voters passed an amendment to the State Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR) Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. The District's financial activity provides the basis for calculations of limitations adjusted for allowable increases tied to inflation and local growth. Fiscal year spending is generally defined as expenditures plus reserve increases with certain exceptions. In effect, it has been generally interpreted that fiscal year spending approximates nonexempt revenues or receipts. Spending includes spending from certain revenue and financial sources such as federal funds, gifts, property sales, fund transfers, damage awards, and fund reserves.

DENVER WEST METROPOLITAN DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

III. Tax, Spending and Debt Limitations – (continued)

The Amendment requires, with certain exceptions, voter approval prior to imposing new taxes, increasing tax rates, increasing a mill levy above that for the prior year, extending an expiring tax, or implementing a tax policy change directly causing a net tax revenue gain to any local government. The District levied 35.000 mills on real property assessments to be collected in 2025, which included 23.952 mills for debt service and 11.048 mills for general administration and operating expenses, as approved by the voters of the District. The District's mill levy raised \$5,300,780 of general property taxes in 2025.

Except for bond refinancing at lower rates, the Amendment specifically prohibits the creation of multiple-fiscal year debt or other financial obligations without voter approval or irrevocably pledging present cash reserves for all future payments.

The Amendment requires that Emergency Reserve be established. These reserves must be at least 3 percent (3%) of Fiscal year spending (excluding bond debt service). As of December 31, 2025, the District had emergency reserves totaling \$185,197, which have been presented as a restricted fund balance in the General Fund and restricted net position in the Statement of Net Position. The District is not allowed to use emergency reserve to compensate for economic conditions, revenue shortfalls, or salary, or benefit increases. The Amendment is complex and subject to judicial interpretations. The District believes it is in compliance with the requirements of the amendment. However, the District has made certain interpretations in the amendment's language in order to determine its compliance.

IV. Cash, Deposits, and Investments

Deposits/Custodial Risk

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Amounts on deposit in excess of federal insurance coverage must be collateralized. PDPA allows eligible depositories to create a single collateral pool for all public funds. The market value of eligible collateral (determined under PDPA) must exceed the aggregate uninsured deposits held by a financial institution on behalf of all local government deposits.

Investments/Credit Risk

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

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. Investments not measured at fair value and not categorized include governmental money market funds (PFM funds Governmental Select series) and money market funds (generally held by Bank Trust Departments in their role as Paying Agent or Trustee), and Colotrust, which record their investments at amortized costs.

DENVER WEST METROPOLITAN DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

IV. Cash, Deposits, and 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 and certain U.S. Government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

District policy is to hold investments until maturity.

As of December 31, 2025, the District's money market savings accounts were not rated. Cash deposits held by the District as of December 31, 2025 comprised of checking accounts (16%) and money market savings accounts (84%), summarized as follows:

	<u>Book Balance</u>	<u>Bank Balance</u>
Insured bank deposits	\$ 253,430	\$ 253,430
Collateralized bank deposits	8,899,310	8,899,315
Total cash deposits	<u>\$ 9,152,740</u>	<u>\$ 9,152,745</u>

V. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expenditure) until then. The District has discount costs along with a deferred charge on refunding reported as deferred outflows of resources in the Statement of Net Position. The bond discount costs are amortized over the life of the underlying bonds. The deferred charge on refunding is amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the Statement of Net Positions reports a section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until then. The District has bond premiums and deferred property tax revenue reported as deferred inflows of resources in the Statement of Net Position. The governmental funds report deferred property tax revenue which is deferred and recognized as an inflow of resources in the period collected. Bond premiums are not considered an inflow of resources when the bonds are issued and are deferred and amortized as a component of interest income over the life of the bonds issued.

DENVER WEST METROPOLITAN DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

VI. Capital Assets

Prior to GASB Statement No. 34, the District was not required to calculate depreciation expense for reporting capital assets. In accordance with the implementation of GASB Statement No. 34, capital assets have been adjusted to reflect historical cost for the purpose of calculating depreciation.

Capital asset activity for the year ended December 31, 2025 was as follows:

	Balance 12/31/2024	Additions	Deletions	Balance 12/31/2025
<i>Capital Assets, not being depreciated:</i>				
Land – Right of Way	\$ 3,053,766	\$ -	\$ -	\$ 3,053,766
Total Capital Assets, not being depreciated	3,053,766	-	-	3,053,766
<i>Capital Assets, being depreciated:</i>				
Landscaping and Land Improvements	1,055,497	-	-	1,055,497
Drainage	12,366,835	11,245	-	12,378,080
Safety Signals	4,164,196	-	-	4,164,196
Vehicles	40,475	-	(4,000)	36,475
Utilities	252,539	16,312	-	268,851
Total Capital Assets, being depreciated	17,879,542	27,557	(4,000)	17,903,099
<i>Less, Accumulated Depreciation for:</i>				
Landscaping and Land Improvements	(392,327)	(26,655)	-	(418,982)
Drainage	(7,234,649)	(310,134)	-	(7,544,783)
Safety Signals	(4,010,520)	(18,402)	-	(4,028,922)
Vehicles	(37,952)	(286)	1,763	(36,475)
Utilities	(146,282)	(13,103)	-	(159,385)
Total Accumulated Depreciation	(11,821,730)	(368,580)	1,763	(12,188,547)
<i>Total Capital Assets, being depreciated, net:</i>	6,057,812	(341,023)	(2,237)	5,714,552
Governmental Activities Capital Assets, Net	\$ 9,111,578	\$ (341,023)	\$ (2,237)	\$ 8,768,318

Depreciation expense for the year ending December 31, 2025 totaled \$368,580.

DENVER WEST METROPOLITAN DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

VII. Long-Term Debt

General Obligation Bonds

The District issues general obligation bonds to provide funding for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental activities. All general obligation bond payments are made by the Debt Service Fund. At December 31, 2025, the amount of advanced refunded bonds considered defeased and removed from the Statement of Net Position totaled \$44,750,000.

Changes in Long-Term Debt

Long-term debt activity – Governmental activities for the year ended December 31, 2025, was as follows:

	Balance 12/31/24	Additions	Deletions	Balance 12/31/25
GO Bonds, Series 2005B	\$ 2,890,000	--	\$ (465,000)	\$ 2,425,000
GO Refunding Bonds, Series 2010	1,295,000	--	(150,000)	1,145,000
GO Refunding Bonds, Series 2012A	29,120,000	--	(2,170,000)	26,950,000
(GO=General Obligation)	<u>\$ 33,305,000</u>	<u>--</u>	<u>\$ (2,785,000)</u>	<u>\$ 30,520,000</u>

GENERAL OBLIGATION BONDS SERIES 2005B

The District was authorized to issue general obligation and improvement bonds totaling \$3,215,000. These bonds were issued on September 7, 2005 to finance certain capital project. The bonds mature in periodic installments on December 1, 2010, 2016, 2025 and 2030. The bonds bear interest rates between 3.75% and 5.25% depending on the year of maturity. Interest on the bonds is payable semi-annually on June 1st and December 1st. Additionally, bonds maturing at December 1, 2025 are to be redeemed at 104.007% of par value. Bonds maturing at December 1, 2030 are to be redeemed at 102.782%. Bonds redeemed at December 1, 2010 and 2016 are to be redeemed at par value. At December 31, 2025, \$2,425,000 remains outstanding.

GENERAL OBLIGATION REFUNDING BONDS SERIES 2010

The District was authorized to issue general obligation refunding bonds totaling \$5,680,000. These bonds were issued in July of 2010 to refund general obligation bond 1997 and 1997B. The bonds mature in annual installments on December 1st of each year beginning in 2014 and bear interest rates ranging from 2.25% - 4.75%, depending on the year of maturity. Interest on the bonds is payable semiannually on June 1st and December 1st. At December 31, 2024, \$1,145,000 remains outstanding.

GENERAL OBLIGATION REFUNDING BONDS SERIES 2012A

The District was authorized to issue general obligation refunding bonds totaling \$45,450,000. These bonds were issued in September of 2012 to refund the general obligation refunding and improvement bonds series 2003 and general obligation bond series 2004. The bonds mature in annual installments on December 1st of each year beginning in 2019 and continuing until 2034. These bonds bear interest rates ranging from 3.00% - 5.00% depending on the year of maturity. Interest on the bonds is payable semiannually on June 1st and December 1st. At December 31, 2025, \$26,950,000 remains outstanding.

DENVER WEST METROPOLITAN DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

VII. Long-Term Debt – (continued)

As of December 31, 2025, debt service requirements on the District's general obligation bonds through maturity are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	2,890,000	1,205,863	4,095,863
2027	2,995,000	1,100,113	4,095,113
2028	3,105,000	990,675	4,095,675
2029	3,235,000	858,850	4,093,850
2030	3,375,000	721,225	4,096,225
2031-2034	14,920,000	1,452,813	16,372,813
	<u>\$ 30,520,000</u>	<u>\$ 6,329,539</u>	<u>\$ 36,849,539</u>

VIII. Authorized but Unissued Debt

The District does not have any authorized, but unissued debt, pursuant to 29-1-605 in House Bill 08-1125.

IX. Other Information

Risk Management

Except as provided in the Colorado Governmental Immunity Act, 24-10-101, et seq., CRS, the District may be exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets; errors or omissions; injuries to agents; and natural disasters. The District has elected to participate in the Colorado Special Districts Property and Liability Pool ("Pool") which is an organization created by intergovernmental agreement to provide common liability and casualty insurance coverage to its members at a cost that is considered economically appropriate. Settled claims have not exceeded commercial coverage limits in any of the past three fiscal years.

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

Major Property Owners

The major property owners within the District are Colorado Mills, LLLP, Sunrise Equities, Denver West Village, LP, Denver West Apartments LLC, Avalon Denver West LLC, ICP Flywheel Denver West LLC, Patricia A. Stevinson, Golden Mesa LLC, Denver West Park LLC's, HB Denver West Park LLC, Asbury Lakewood Toyota LLC, Automotive Services Inc., Target Corporation, and Sequoia Equities Montrachet LLC, Lakewood CO I MG LLC.

DENVER WEST METROPOLITAN DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

IX. Other Information – (continued)

Related Party Transactions

The District conducts joint Board meetings with Lena Gulch. The respective Boards are composed of the same Directors, all of whom are members of the Stevinson family. Other related parties include Denver West Management, Inc., Denver West Realty, Inc., Denver West Properties, LLC, Denver West Village, Inc., Denver West Village, LLC, Stevinson Colorado Mills Holdings, LLC, Stevinson Automotive, Inc., Stevinson Auto Imports, Inc., Stevinson Chevrolet West, Inc., Stevinson Group Inc., Stevinson Realty, Inc., Stevinson Land Company, Stevinson Partnership, Ltd., LLLP, Golden Mesa, LLC, and Wide Acres Land Company.

Various members of the Stevinson family have financial interests in the above-named entities and/or serve as managers, officers and directors to the various entities and their affiliates.

Intergovernmental Agreement

The District entered into a District Facilities Construction Service Agreement (“IGA”) on May 8, 1988 with Lena Gulch. The IGA sets forth the rights and obligations of the financing district to fund, and of the service district to construct, own or transfer, and to operate and maintain, public facilities and services of benefit to both Districts, and to implement the Consolidated Service Plan (“Service Plan”) of the Districts. The Service Plan describes the relationship between the Districts. In the agreement, the District contracts for and supervises the construction and acquisition of facilities subject to annual budget appropriation, as described in the Service Plan.

Lena Gulch owns all facilities, except as otherwise provided, and is responsible for the operation and maintenance of all facilities. Under the Service Plan, certain facilities may be transferred or leased to other governmental entities for operation and maintenance purposes. Lena Gulch also performs certain administrative services for the District in exchange for fees.

Under the IGA, future capital needs of the two Districts will be accomplished through the issuance of (i) revenue bonds issued by Lena Gulch, secured by future development fees, and (ii) general obligation bonds by the District once certain assessed valuation levels are achieved. No bonds have been issued by Lena Gulch as of December 31, 2025. The District is designated as the Financing District, and Lena Gulch is designated as the Service District. The District currently generates tax revenue sufficient to pay the costs of capital improvements for Lena Gulch.

Pursuant to the terms of the IGA, the District is responsible for generating property tax revenues that are used to pay for the costs of the District’s facilities, including annual obligation debt service, and pay the annual operating, maintenance and administrative expenditures incurred by Lena Gulch. Proceeds from the District’s general obligation bond issues are used to contribute construction funds to Lena Gulch. Lena Gulch uses these construction funds to pay for the costs of required municipal infrastructure improvements. For the year ended December 31, 2025, nothing was appropriated under the Operation and Maintenance Agreement with Lena Gulch, and the District had amounts due to Lena Gulch of \$0 as of December 31, 2025.

DENVER WEST METROPOLITAN DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

X. Commitments and Contingencies

As more fully described in Note IX, the District has entered into an intergovernmental agreement (“IGA”) with Lena Gulch. Under the IGA, the District and Lena Gulch acknowledge and agree that the maximum amount of Total Actual Costs and Total Actual Service Costs (as defined in the IGA), which could become due under the IGA are not permitted to exceed an amount in excess of both Districts’ respective voters’ authorization. The District’s voters have authorized expenditures of total actual capital costs of sixty seven million dollars and total actual service costs of three million dollars. The IGA states that, due to annual budget limitations, unpaid amounts carry forward to the subsequent years until paid in full.

The District has entered into agreements with other governmental and non-governmental entities subject to annual budget appropriations, including a Construction, Operation and Maintenance Agreement between Jefferson County, Lena Gulch, and other Denver West/Stevinson signatories.

XI. Deficit Net Position

The District has deficit net position of \$13,230,535 as of December 31, 2025. The District has incurred general obligation debt since inception for the construction of road and street rights-of-way within the District. Many of these assets have been deeded or transferred to other local and state governmental entities. These entities have assumed the responsibility for continued maintenance of these improvements and therefore, these assets no longer belong to the District but still exist for the benefit and use of the taxpayers of the District. GASB 34 requires netting the debt acquired to purchase assets against those assets the District still holds title to, which creates the net deficit as of December 31, 2025.

XII. Internal Balances and Transfers

As of December 31, 2025, internal balances consisted of the following:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Debt Service	\$ 25,428
Capital Projects	Debt Service	\$ 190
Capital Projects	General	\$ 175

XIII. Subsequent Events

The District has evaluated subsequent events through June 26, 2026, which is the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

DENVER WEST METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL-
BUDGETARY BASIS

GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>BUDGETED AMOUNTS</u>		Variance
	<u>ORIGINAL AND FINAL</u>	<u>ACTUAL</u>	<u>favorable (unfavorable)</u>
Revenues			
General property taxes	\$ 1,793,509	\$ 1,552,080	\$ (241,429)
Specific ownership taxes	350,000	588,855	238,855
Interest	225,000	272,377	47,377
Other	-	100	100
Total revenues	<u>2,368,509</u>	<u>2,413,412</u>	<u>44,903</u>
Expenditures:			
Accounting and auditing	30,000	19,982	10,018
Legal	5,000	2,370	2,630
Service charges	1,000	310	690
Insurance	4,000	3,839	161
Treasurer's fee	27,799	23,991	3,808
Capital outlay	1,000,000	27,557	972,443
Consulting	60,000	132,600	(72,600)
Engineering	60,000	4,852	55,148
Repairs and maintenance	5,000	-	5,000
Office expense	100	-	100
Other	1,000	-	1,000
Total expenditures	<u>1,193,899</u>	<u>215,501</u>	<u>978,398</u>
Excess (deficiency) of revenues over expenditures	<u>1,174,610</u>	<u>2,197,911</u>	<u>1,023,301</u>
Other financing sources/(uses):			
Transfers out-other districts	<u>(1,400,000)</u>	<u>(188,066)</u>	<u>1,211,934</u>
Net other financing sources/(uses):	<u>(1,400,000)</u>	<u>(188,066)</u>	<u>1,211,934</u>
Excess (deficiency) of revenues over expenditures and other financing (uses)	<u>(225,390)</u>	<u>2,009,845</u>	<u>2,235,235</u>
Fund balance, beginning of year	<u>5,961,382</u>	<u>6,670,330</u>	<u>708,948</u>
Fund balance, end of year	<u>\$ 5,735,992</u>	<u>\$ 8,680,175</u>	<u>\$ 2,944,183</u>

The accompanying notes and independent auditors' report are an integral part of these financial statements.

OTHER SUPPLEMENTARY INFORMATION

DENVER WEST METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
BUDGETARY BASIS

CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>BUDGETED AMOUNTS</u>		Variance
	<u>ORIGINAL AND FINAL</u>	<u>ACTUAL</u>	<u>favorable (unfavorable)</u>
Revenues			
Interest	\$ -	\$ -	\$ -
Total revenues	-	-	-
Expenditures:			
Capital improvements	365	-	365
Total expenditures	365	-	365
Excess (deficiency) of revenues over expenditures	(365)	-	365
Other financing sources/(uses):			
Transfers in-other funds	-	-	-
Net other financing sources/(uses):	-	-	-
Excess (deficiency) of revenues and expenditures and other financing sources/(uses)	(365)	-	365
Fund balance, beginning of year	365	365	-
Fund balance, end of year	\$ -	\$ 365	\$ 365

The accompanying notes and independent auditors' report are an integral part of these financial statements.

DENVER WEST METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
BUDGETARY BASIS

DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>BUDGETED AMOUNTS</u>		Variance
	<u>ORIGINAL</u>	<u>ACTUAL</u>	<u>favorable</u>
	<u>AND FINAL</u>		<u>(unfavorable)</u>
Revenues			
General property taxes	\$ 4,166,172	\$ 3,748,700	\$ (417,472)
Interest	-	11,132	11,132
Total revenues	<u>4,166,172</u>	<u>3,759,832</u>	<u>(406,340)</u>
Expenditures:			
Debt Service:			
Principal	2,785,000	2,785,000	-
Interest	1,307,400	1,307,401	(1)
Services and charges	4,000	3,250	750
Treasurer's fees	64,576	55,729	8,847
Total expenditures	<u>4,160,976</u>	<u>4,151,380</u>	<u>9,596</u>
Excess (deficiency) of revenues over expenditures	<u>5,196</u>	<u>(391,548)</u>	<u>(396,744)</u>
Excess (deficiency) of revenues and expenditures and other financing sources/(uses)	<u>5,196</u>	<u>(391,548)</u>	<u>(396,744)</u>
Fund balance, beginning of year	<u>1,093,680</u>	<u>894,034</u>	<u>(199,646)</u>
Fund balance, end of year	<u>\$ 1,098,876</u>	<u>\$ 502,486</u>	<u>\$ (596,390)</u>

The accompanying notes and independent auditors' report are an integral part of these financial statements.