

SADDLER RIDGE
METROPOLITAN DISTRICT

Weld County, Colorado

Financial Statements
December 31, 2025

Saddler Ridge Metropolitan District
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Saddler Ridge Metropolitan District
Weld County, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, and each major fund of the Saddler Ridge Metropolitan District (the "District"), as of and for the year ended December 31, 2025, which collectively comprise the District's basic financial statements as listed in the Table of Contents, and the related notes to the financial statements.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for one year after the date that the financial statements are issued.

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 auditing standards generally accepted in the United States of America, we:

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

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

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, 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. Our opinion on the basic financial statements is not affected by this missing information.

The budgetary comparison information in section E is not a required part of the basic financial statements but is supplementary information required by U.S. GAAP. The budgetary comparison 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 U.S. GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Independent Auditor's Report
To the Board of Directors
Saddler Ridge Metropolitan District
Weld County, Colorado

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise District's basic financial statements. The individual fund budgetary comparison information listed in the accompanying table of contents in Section F are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information in Section F are the responsibility of management and were derived from and relate 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 in Section F is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other supplementary information in section F is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The other supplementary information as listed in the table of contents 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 combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
Avon, Colorado
July 5, 2026

SADDLER RIDGE
METROPOLITAN DISTRICT

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Saddler Ridge Metropolitan District
Statement of Net Position
December 31, 2025

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and investments - Unrestricted	417,946	10,969	428,915
Cash and investments - Restricted	291	-	291
Accounts receivable	21,565	15,111	36,676
Property tax receivable	410,219	-	410,219
Prepaid expenses	16,965	-	16,965
Capital assets, net of accumulated depreciation	5,313,905	-	5,313,905
Total Assets	6,180,891	26,080	6,206,971
Liabilities:			
Accounts payable	52,140	-	52,140
Accrued interest	1,426,533	183,785	1,610,318
Bonds payable:			
Due within one year	1,065,555	-	1,065,555
Due in more than one year	9,934,445	-	9,934,445
Operating Advances from Developer:			
Due in more than one year	1,548,885	-	1,548,885
Capital Advances from Developer:			
Due in more than one year	-	853,930	853,930
Total Liabilities	14,027,558	1,037,715	15,065,273
Deferred Inflows of Resources:			
Property tax revenue	410,219	-	410,219
Total Deferred Inflows of Resources	410,219	-	410,219
Net Position:			
Net investment in capital assets	(5,292,636)	-	(5,292,636)
Restricted for emergencies	9,251	-	9,251
Restricted for debt service	2,573	-	2,573
Unrestricted	(2,976,074)	(1,011,635)	(3,987,709)
Total Net Position	(8,256,886)	(1,011,635)	(9,268,521)

The accompanying notes are an integral part of these financial statements.

Saddler Ridge Metropolitan District
Statement of Activities
For the Year Ended December 31, 2025

Functions/Programs:	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-type Activities	Net (Expense) Revenue and Changes in Net Position: Total
Governmental Activities:							
General government	553,943	96,913	-	20,000	(437,030)	-	(437,030)
Interest on long-term debt	606,238	-	-	-	(606,238)	-	(606,238)
Total Governmental Activities	1,160,181	96,913	-	20,000	(1,043,268)	-	(1,043,268)
Business-type Activities:							
Sewer	251,413	62,098	-	34,000	-	(155,315)	(155,315)
Total Business-type Activities	251,413	62,098	-	34,000	-	(155,315)	(155,315)
Total	1,411,594	159,011	-	54,000	(1,043,268)	(155,315)	(1,198,583)
		General Revenues:					
		Property tax			356,234	-	356,234
		Specific ownership tax			14,417	-	14,417
		Interest income			23,582	-	23,582
		Total General Revenues			394,233	-	394,233
		Change in Net Position			(649,035)	(155,315)	(804,350)
		Net Position (Deficit) - Beginning			(7,607,851)	(856,320)	(8,464,171)
		Net Position (Deficit) - Ending			(8,256,886)	(1,011,635)	(9,268,521)

The accompanying notes are an integral part of these financial statements.



SADDLER RIDGE

METROPOLITAN DISTRICT

FUND FINANCIAL STATEMENTS

Saddler Ridge Metropolitan District
Balance Sheet
Governmental Funds
December 31, 2025

	General Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
Assets:				
Cash and investments - Unrestricted	22,205	2,282	393,459	417,946
Cash and investments - Restricted	-	291	-	291
Accounts receivable	21,565	-	-	21,565
Property tax receivable	66,747	343,472	-	410,219
Prepaid expenses	16,965	-	-	16,965
Total Assets	127,482	346,045	393,459	866,986
Liabilities:				
Accounts payable	52,140	-	-	52,140
Total Liabilities	52,140	-	-	52,140
Deferred Inflows of Resources:				
Property tax revenue	66,747	343,472	-	410,219
Total Deferred Inflows of Resources	66,747	343,472	-	410,219
Fund Balances:				
Non-spendable	16,965	-	-	16,965
Restricted for emergencies	9,251	-	-	9,251
Restricted for debt service	-	2,573	-	2,573
Restricted for capital	-	-	393,459	393,459
Unassigned	(17,621)	-	-	(17,621)
Total Fund Balances	8,595	2,573	393,459	404,627
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	127,482	346,045	393,459	866,986

Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:		
Total Governmental Fund Balance Per Above		404,627
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		5,313,905
Long-term liabilities, are not due and payable in the current period and, therefore, are not reported in the funds.		
Accrued interest	(1,426,533)	
Developer advances	(1,548,885)	
Bonds payable	(11,000,000)	
		(13,975,418)
Net Position of Governmental Activities		(8,256,886)

The accompanying notes are an integral part of these financial statements.

Saddler Ridge Metropolitan District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2025

	General Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
Revenues:				
Property taxes	59,381	296,853	-	356,234
Specific ownership taxes	2,403	12,014	-	14,417
Interest income	4,096	1,233	18,253	23,582
Operations and maintenance fees	11,472	-	-	11,472
Supplemental operations fees	76,689	-	-	76,689
Transfer fees	1,900	-	-	1,900
System development fees	6,114	-	13,886	20,000
Late fees	2,843	-	-	2,843
Architectural review fees	1,125	-	-	1,125
Miscellaneous income	2,884	-	-	2,884
Total Revenues	168,907	310,100	32,139	511,146
Expenditures:				
General government	219,517	4,465	-	223,982
Debt service:				
Principal payments	-	-	13,073	13,073
Interest payments	6,114	303,650	813	310,577
Paying agent fees	-	1,500	-	1,500
Capital and maintenance	82,733	-	63,355	146,088
Total Expenditures	308,364	309,615	77,241	695,220
Excess (deficiency) of Revenues Over Expenditures	(139,457)	485	(45,102)	(184,074)
Other Financing Sources (Uses):				
Developer advances	87,000	-	-	87,000
Total Other Financing Sources (Uses)	87,000	-	-	87,000
Net Change in Fund Balances	(52,457)	485	(45,102)	(97,074)
Fund Balances - Beginning	61,052	2,088	438,561	501,701
Fund Balances - Ending	8,595	2,573	393,459	404,627

The accompanying notes are an integral part of these financial statements.

Saddler Ridge Metropolitan District
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2025

Net Change in Fund Balances of Governmental Funds		(97,074)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense:		
Depreciation of capital assets	(270,870)	
Capital outlay	95,424	
		(175,446)
The issuance of long-term debt (e.g., bonds, notes, and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also governmental funds reflect the effects of other items when debt is issued, whereas these amounts are deferred and amoritized in the statement of activities:		
Developer advances	(87,000)	
Repayment of developer advances	13,073	
Change in accrued interest	(302,588)	
		(376,515)
Change in Net Position of Governmental Activities		(649,035)

Saddler Ridge Metropolitan District
Statement of Net Position
Proprietary Fund
December 31, 2025

	Sewer
Assets:	
Current Assets:	
Cash and investments - Unrestricted	10,969
Accounts receivable	15,111
Total Assets	26,080
Liabilities:	
Current Liabilities:	
Accrued interest	183,785
Total Current Liabilities	183,785
Long-term Liabilities:	
Due to developer - capital advances	853,930
Total Long-Term Liabilities	853,930
Total Liabilities and Deferred Inflows of Resources	1,037,715
Net Position:	
Unrestricted	(1,011,635)
Total Net Position	(1,011,635)

The accompanying notes are an integral part of these financial statements.

Saddler Ridge Metropolitan District
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Fund
For the Year Ended December 31, 2025

	Sewer
Operating Revenues:	
Service fees	62,098
Total Operating Revenues	62,098
Operating Expenses:	
Administration:	
Accounting	38,230
Billing expense	4,431
Legal	1,491
Operations:	
Internet	1,709
Electricity	12,633
Supplies	3,506
Repairs and maintenance	16,880
Site visits	2,963
Wastewater lab	4,495
Operations contract	68,751
Trash	1,150
Waste hauling	24,373
Pumps and other items	32,069
Total Operating Expenses	212,681
Operating Income (Loss):	(150,583)
Non-operating Revenues and (Expenses)	
Plant investment fees	4,000
Interest expense	(38,732)
Total Non-operating Revenues and (Expenses)	(34,732)
Contributions and Transfers:	
Sewer tap fees	30,000
Total Contributions and Transfers	30,000
Change in Net Position	(155,315)
Total Net Position (Deficit) - Beginning	(856,320)
Total Net Position (Deficit) - Ending	(1,011,635)

The accompanying notes are an integral part of these financial statements.

Saddler Ridge Metropolitan District
Statement of Cash Flows
Proprietary Fund
For the Year Ended December 31, 2025

	Sewer
Cash Flows from Operating Activities:	
Cash received from customers and others	73,051
Cash payments for goods and services	(212,681)
Net Cash (Used) by Operating Activities	(139,630)
Cash Flows from Capital and Related Financing Activities:	
Loan proceeds	103,000
Tap fees received	30,000
Net Cash Provided by Capital and Related Financing Activities	133,000
Cash Flows From Investing Activities:	
Interest income received	4,000
Net Cash Provided by Investing Activities	4,000
Net Change in Cash	(2,630)
Cash and Investments - Beginning	13,599
Cash and Investments - Ending	10,969
Reconciliation of Operating (Loss) to Net Cash Provided by Operating Activities:	
Operating (loss)	(150,583)
Adjustments to reconcile operating (loss) to net cash provided by operating activities:	
(Increase) in accounts receivable	13,665
(Increase) in customer deposits	(2,712)
Total Adjustments	10,953
Net Cash (Used) by Operating Activities	(139,630)

The accompanying notes are an integral part of these financial statements.

SADDLER RIDGE
METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

Saddler Ridge Metropolitan District (the "District"), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized on November 25, 2003 in Weld County, Colorado, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under an Amended and Restated Service Plan Approved by the Town Council of the Town of Severance, Colorado on July 28, 2008. The District's service area is located in the Town of Severance, Weld County, Colorado.

The District was established to provide financing for the design, acquisition, installation, construction and completion of public improvements and services, including water and sanitation service, street construction, installation of safety control devices, construction and maintenance of parks and recreation facilities, public transportation, fire protection, television relay and translation system, security services and mosquito control.

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

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

A. Reporting Entity

The reporting entity consists of (a) the primary government; i.e., the District, and (b) organizations for which the District is financially accountable. The District is considered financially accountable for legally separate organizations if it is able to appoint a voting majority of an organization's governing body and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the District. Consideration is also given to other organizations, which are fiscally dependent; i.e., unable to adopt a budget, levy taxes, or issue debt without approval by the District. Organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete are also included in the reporting entity.

Based on the criteria above, the District is not financially accountable for any other entity nor is the District a component unit of any other government.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segments 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. Other items not properly included among program revenues are reported instead as *general revenues.*

I. Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements (continued)

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

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and 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. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

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

The District reports the following major governmental funds:

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

The *Debt Service Fund* accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt of the governmental fund.

The *Capital Projects Fund* accounts for financial resources to be used for the acquisition and construction of capital equipment and facilities.

The District reports the following proprietary funds:

The *Sewer Fund* accounts for the activities of the water and sewer operations that are financed and operated in a manner where the intent of the District is that the costs of providing goods and services to the general public on a continuing bases be financed or recovered primarily through user charges..

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions. Internally dedicated resources are reported as *general revenues* rather than program revenues. Likewise, general revenues include all taxes.

I. Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's Water and Sewer Fund are charges for water and sewer fees. The principal operating revenues of the District's Infrastructure / Recreation Fund are charges for infrastructure fees. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Financial Statement Accounts

1. Cash, Cash Equivalents and Investments

Cash and cash equivalents are defined as deposits that can be withdrawn at any time without notice or penalty and investments with maturities of three months or less. Investments are stated at net asset value, amortized cost, or fair value. The change in the value of investments is recognized as an increase or decrease to investment assets and investment income.

For the purposes of the Statement of Cash Flows, the District defines cash and cash equivalents as amounts in demand deposits as well as short-term, highly liquid investments with original maturities of twelve months or less.

The District is required to comply with State statutes which specify investment instruments meeting defined rating, maturity, custodial and concentration risk criteria in which local governments may invest, which include (with applicable minimum NRSRO credit rating restrictions):

- Obligations of the United States and certain U.S. agency securities
- General obligation and revenue bonds of U.S. local government entities (AA)
- Bankers' acceptance of certain banks (AA)
- Commercial paper and corporate bonds (A-1)
- Written repurchase agreements collateralized by certain authorized
- securities
- Certain money market funds (AAAm)
- Certificates of deposit – non-negotiable
- Local government investment pools (AAAm)

2. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to / from other funds" (i.e., the current portion of interfund loans) or "advances to / from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to / from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

The trade and property taxes receivable are shown net of uncollectibles. All receivables at December 31, 2025 are considered collectible and, therefore, an allowance for uncollectible taxes and trade receivables has not been recorded.

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

3. Property Taxes

Property taxes are assessed in one year as a lien on the property, but not collected by governmental units until the subsequent year. In accordance with GAAP, the assessed but uncollected property taxes have been recorded as a receivable and as deferred inflow of resources.

4. Prepaid Items

Prepaid expenses are amounts paid in the current year for expenses related to the subsequent year.

5. Capital Assets

The initial capitalized assets of the governmental activities and business-type activities are recorded at historical cost. The reported values exclude normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the asset or extend its useful life beyond then original estimates.

Depreciation is provided on a straight-line basis over the estimated useful life of the assets, which is 15 to 30 years.

6. Long-term Debt

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

7. Deferred Outflows and Inflows of Resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for “deferred inflows of resources.” Deferred inflows of resources represent property taxes levied in the current period to be collected in future periods. The District reports property taxes as deferred inflows of resources in the period the property taxes are levied.

8. Interfund Transactions

Interfund services provided and used are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures or expenses initially made from it that are properly applicable to another fund, are recorded as “due from other funds” or “due to other funds” on the balance sheet when they are expected to be liquidated within a reasonable amount of time. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

9. Fund Equity

The District classifies governmental fund balances as follows:

Non-spendable – includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements.

Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority which is the Board of Directors.

Assigned – includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by the Board of Directors or its management designee.

Unassigned - includes residual positive fund balance within the General Fund which has not been classified within the other above-mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The District uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the District first uses committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The District does not have a formal minimum fund balance policy. However, the District's budget includes a calculation of a targeted reserve positions and management calculates targets and reports them annually to Board of Directors.

10. Fees

The following fees were in place for 2025:

Operations and Maintenance Fee – The recurring monthly fee for residential units owned by an end user was $95 per month during 2025. The recurring monthly fee for commercial units owned by an end user was $95 per month during 2025. The fee for a vacant lot owned by an end user was $478 per year during 2025.

Transfer Fee – The fee is $150 per transfer for each residential unit, commercial lot or vacant lot.

System Development Fee – The fee is $5,000 per single family, townhouse, paired home, or condominium unit, and $.60 per square foot of commercial real property. The due date for commercial property is at the time a certificate of occupancy is issued or pursuant to the Bulk Sale provision. The fee for a residential property is due at the closing of the sale of a platted lot or parcel to an individual or entity purchaser or pursuant to the Bulk Sale provision of the Development Fee Agreement.

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

10. Fees (continued)

Plant Investment Fee – The fee is a one-time charge of $1,000 per vacant lot prior to the issuance of a building permit.

Sewer Tap Fee – The fee is a one-time charge of $7,500 per vacant lot prior to the issuance of a building permit.

Sewer Service Fee – The fee for 2025 was $70/month per residential unit owned and $118/month per commercial unit owned by an end- user.

II. Stewardship, Compliance, and Accountability

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all funds, as required by Colorado Statutes.

In the fall of each year, the District's Board of Directors formally adopts a budget with appropriations for the ensuing year pursuant to the Colorado Local Budget Law. The budget for the governmental funds is adopted on a basis consistent with generally accepted accounting principles ("GAAP").

As required by Colorado Statutes, the District followed this timetable in approving and enacting a budget for the ensuing year.

(1) For the 2025 budget, prior to August 25, 2024, the County Assessor sent to the District a certified assessed valuation of all taxable property within the District's boundaries. The County Assessor may change the assessed valuation on or before December 10, 2024, only once by a single notification to the District.

(2) On or before October 15, 2024, the Budget Director submitted to the District's Board of Directors a recommended budget that detailed the necessary property taxes needed along with other available revenues to meet the District's operating requirements.

(3) Prior to December 15, 2024, the District computed and certified to the County Commissioners a rate of levy that derived the necessary property taxes as computed in the proposed budget.

(4) After a required publication of "Notice of Proposed Budget" and a public hearing, the District adopted the proposed budget and an appropriating resolution, which legally appropriated expenditures for the upcoming year.

(5) After adoption of the budget resolution, the District may make the following changes: (a) it may transfer appropriated monies between funds or between spending agencies within a fund, as determined by the original appropriation level; (b) supplemental appropriations to the extent of revenues in excess of the estimate in the budget; (c) emergency appropriations; and (d) reduction of appropriations for which originally estimated revenues are insufficient.

The level of control in the budget at which expenditures exceed appropriations is at the fund level. All appropriations lapse at year-end.

II. Stewardship, Compliance, and Accountability (continued)

A. Budgetary Information (continued)

Taxes levied in one year are collected in the succeeding year. Thus, taxes certified in 2025 will be collected in 2026. Taxes are due on January 1st in the year of collection; however, they may be paid in either one installment (no later than April 30th) or two equal installments (not later than February 28th and June 15th) without interest or penalty. Taxes that are not paid within the prescribed time bear interest at the rate of one percent (1%) per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 15th.

B. TABOR Amendment

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20, commonly known as the Taxpayer's Bill of Rights ("TABOR"). TABOR contains revenue, spending, tax, and debt limitations that apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that of the prior year, extension of any expiring tax, or tax policy change directly causing a net tax revenue gain to any local government.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in future years.

TABOR also requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% or more of fiscal year spending (excluding bonded debt service). The District has reserved a portion of its December 31, 2025, year-end fund balances for emergencies in the amount of $9,251 which is the approximate required reserve at December 31,2025.

Under TABOR, future spending and revenue limits are determined based on the prior year's fiscal year spending adjusted for inflation in the prior calendar year plus annual local growth. Fiscal year spending is generally defined as expenditures and reserve increases with certain exceptions. Revenue, if any, in excess of the fiscal year spending limit must be refunded in the next fiscal year unless voters approve retention of such revenue.

On November 6, 2007, the District's voters approved for an annual increase in taxes of $1,000,000 for general operations and maintenance without limitation of rate. This election question allowed the District to collect and spend the additional revenue without regard to any spending, revenue raising, or other limitations contained within TABOR.

The District's management believes it is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions, including the interpretation of how to calculate fiscal year spending limits, will require judicial interpretation.

II. Stewardship, Compliance, and Accountability (continued)

B. TABOR Amendment (continued)

Pursuant to C.R.S. 32-1-1101(2) a District is only authorized to issue bonds for a period up to twenty years following the date of the election at which such bonds were authorized by the District's voters. The District has the following Authorized Debt as of December 31, 2025:

Authorization	Amount	Authorization Used	Remaining
Street Improvements	9,900,000	(1,710,706)	8,189,294
Water System	4,100,000	(1,780,768)	2,319,232
Sanitation System	10,500,000	(6,752,125)	3,747,875
Parks and Recreation	6,100,000	(756,401)	5,343,599
Traffic and Safety	750,000	-	750,000
Refunding	31,350,000	-	31,350,000
	62,700,000	**(11,000,000)**	**51,700,000**

III. Detailed Notes on All Funds

A. Deposits and Investments

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 coverage provided by the Federal Depository Insurance Corporation ("FDIC") must be collateralized. The eligible collateral is determined by Colorado's Public Deposit Protection Act ("PDPA"). The PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to the aggregate uninsured deposits.

The District's deposits are entirely covered by Federal Depository Insurance Corporation ("FDIC") or by the collateral held under. The FDIC insures the first $250,000 of the District's deposits at each financial institution. At December 31, 2025, the District's carrying amount of demand deposits was $29,000 at year end.

*Interest Rate Risk***.** As a means of limiting its exposure to interest rate risk, the District diversifies its investments by security type and institution, and limits holdings in any one type of investment with any one issuer. The District coordinates its investment maturities to closely match cash flow needs and restricts the maximum investment term to less than five years from the purchase date. As a result of the limited length of maturities the District has limited its interest rate risk.

Credit Risk. State law and District policy limit investments to those authorized by State statutes including U.S. Agencies and 2a7-like pools. The District's general investment policy is to apply the prudent-person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments.

Concentration of Credit Risk. The District diversifies its investments by security type and institution.

For purposes of the cash flow statement, the District considers investments on demand (e.g. ColoTrust and CSAFE) and with a maturity date of three months or less to be cash equivalents.

III. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

At December 31, 2025, the District had the following deposits and investments with the following maturities:

	Standard & Poors Rating	Carrying Amounts	Term to Maturity	
			Less than one year	More than one year
Deposits:				
Checking and savings	Not rated	29,000	29,000	-
Investments:				
Investment pool	AAAm	400,206	400,206	-
		429,206	429,206	-

At December 31, 2025, the District had the following recurring value measurements:

Investments Measured at Net Asset Value	Total
ColoTrust Plus+	397,924

Investments Measured at Amortized Cost	Total
CSAFE	2,282

Fair Value of Investments. The District measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than quoted market prices; and,
- *Level 3:* Unobservable inputs.

Investments classified in Level 1 are valued using prices quoted in active markets for those securities. Investments classified in Level 2 are valued using the following approaches:

- U.S. Treasuries, U.S. Agencies, and Commercial Paper: quoted prices for identical securities in markets that are not active;
- Repurchase Agreements, Negotiable Certificates of Deposit, and Collateralized Debt Obligations: matrix pricing based on the securities' relationship to benchmark quoted prices;
- Money Market, Bond, and Equity Mutual Funds: published fair value per share (unit) for each fund.

The Investment Pool represents investments in COLOTRUST PLUS+ and CSAFE. The net asset value of the pool is determined by the pool's share price. The District has no regulatory oversight for the pool. At December 31, 2025, the District's investments in COLOTRUST PLUS+ and CSAFE were 99% and 1%, respectively, of the District's investment portfolio.

III. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

At December 31, 2025, District had invested $397,924 in the Colorado Local Government Liquid Asset Trust (the "Trust") an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commission administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to $1. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. COLOTRUST PRIME invests only in U.S. Treasury and government agencies. COLOTRUST PLUS+ can invest in U.S. Treasury, government agencies, and in the highest-rate commercial paper. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as a 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. The Trust is rated AAAm by Standard and Poor's and is measured at net asset value. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

At December 31, 2025, the District had invested $2,282 in the Colorado Surplus Asset Fund ("CSAFE"). The Trust is 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 operates similarly to a money market fund, measured at net asset value, and each share is equal in value to $1.00. Investments consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank.

B. Capital Assets

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

	Beginning Balance	Additions	Disposals	Ending Balance
Governmental Activities:				
Capital assets not being depreciated:				
Constuction in progress	273,828	63,355	-	337,183
Total capital assets not being depreciated	273,828	63,355	-	337,183
Capital assets being depreciated:				
Parks and recreation	1,154,194	-	-	1,154,194
Sewer and sanitation	2,734,728	32,069		2,766,797
Streets and roadways	3,644,803	-	-	3,644,803
Total capital assets being depreciated	7,533,725	32,069	-	7,565,794
Less: Accumulated depreciation:				
Parks and recreation	(433,122)	(54,059)	-	(487,181)
Sewer and sanitation	(1,004,168)	(92,895)		(1,097,063)
Streets and roadways	(880,912)	(123,916)	-	(1,004,828)
Total accumulated depreciation	(2,318,202)	(270,870)	-	(2,589,072)
Total Governmental Activities, Net	5,489,351	(175,446)	-	5,313,905

The depreciation expense is recorded to the general government function.

III. Detailed Notes on All Funds (continued)

C. Long-term Debt

1. Funding and Reimbursement Agreement

On May 31 2019, the District entered into the Funding and Reimbursement Agreement (the "Operations and Maintenance"), Funding and Reimbursement Agreement (the "Wastewater Enterprise") and Funding and Reimbursement Agreement (the "Capital Costs") with Liberty Savings Bank, F.S.B. (collectively, the "Funding and Reimbursement Agreements"). The Funding and Reimbursement Agreements established the terms and conditions pursuant to which Liberty Savings Bank would advance funds to the District for the various purposes covered by the respective Funding and Reimbursement Agreement and how such advances would be repaid by the District.

The Funding and Reimbursement Agreements superseded and replaced in their entirety the prior funding agreements and their amendments. In addition to the Funding and Reimbursement Agreements, the District and Liberty Savings Bank entered into two fill-up promissory notes that would accompany the Funding and Reimbursement Agreement (the "Operations and Maintenance") and the Funding and Reimbursement Agreement (the "Wastewater Enterprise") (collectively, the "Promissory Notes").

The Promissory Notes established advances in the amount of up to $2,000,000 for operations and maintenance advances and up to $1,000,000 for the wastewater enterprise advances as "debt" of the District that would be owed to Liberty Savings Bank. An accompanying promissory note was not put in place for the Funding and Reimbursement Agreement (Capital Costs) due to impacts it could have had on the outstanding 2017A and 2017B Bonds. The Promissory Notes are subordinate to the 2017A and 2017B Bonds.

On January 1, 2020, the Parties entered into the First Amendment to the Funding and Reimbursement Agreement (Operations and Maintenance) Agreement, stating that the funds advanced by the Bank to be extended to and available to the District through December 31, 2020.

On May 20, 2020, the Parties entered into the Second Amendment to the Funding and Reimbursement Agreement (the "Operations and Maintenance") Agreement, under the terms of which the Bank agreed to increase the maximum funding cap of $100,000 to $200,000 for anticipated General Fund expenses. A Third Amendment to the agreement, effective April 21, 2021, increased the maximum funding cap from $200,000 to $350,000 and extended the term to December 31, 2021. A Fourth Amendment to the agreement was entered into on January 19, 2022 extending the term to December 31, 2022. A Fifth Amendment was entered into on November 28, 2022 extending the term to December 31, 2023. A Sixth Amendment was entered into on November 7, 2023 which extended the term to December 31, 2024 and increased the maximum funding cap from $350,000 to $700,000. A Seventh Amendment was entered into on November 12, 2024 which extended the term to December 31, 2025 and increased the maximum funding cap from $700,000 to $800,000. An Eight Amendment was entered into on November 4, 2025 which extended the term to December 31, 2026 and increased the maximum funding cap from $800,000 to $975,000.

III. Detailed Notes on All Funds (continued)

C. Long-term Debt (continued)

1. Funding and Reimbursement Agreement (continued)

On January 1, 2020, the Parties entered into the First Amendment to the Funding and Reimbursement Agreement (the "Wastewater Enterprise") Agreement, stating that the funds advanced by the Bank to be extended to and available to the District through December 31, 2020. A Second Amendment to the agreement was entered into on April 21, 2021 which increased the amount to $200,000 and extended the term to December 31, 2021. A Third Amendment to the agreement was entered into on January 19, 2022 which increased the amount to $250,000 and extended the term to December 31, 2022. A Fourth Amendment to the agreement was entered into on November 28, 2022 which extended the term to December 31, 2023. A Fifth Amendment was entered into on November 7, 2023 which increased the maximum funding cap from $250,000 to $550,000 and extended the term to December 31, 2024. A Sixth Amendment was entered into on November 12, 2024 which increased the maximum funding cap from $550,000 to $700,000 and extended the term to December 31, 2025. A Seventh Amendment was entered into on November 4, 2025, which increased the maximum funding cap from $700,000 to $800,000 and extended the term to December 31, 2026.

2. Series 2017A General Obligation Bonds

On January 26, 2017, the District issued Series 2017 A General Obligation Limited Tax Bonds (Series 2017A Bonds) in the amount of $6,350,000. The Series 2017A Bonds bear no interest from the Issue Date until November 30, 2019, they then begin accruing interest at a rate of 1.00% per annum from December 1, 2019 until November 30, 2022, and from December 1, 2022 onward they bear interest at a rate of 5.00% per annum. Interest payments begin June 1, 2020.

The Series 2017A Bonds are subject to redemption priority, at the option of the District, as a whole or in integral multiples of $1,000, in any order of maturity, on any date, upon payment of the principal amount so redeemed plus accrued interest on the date of redemption, without redemption premium.

The Series 2017A Bonds are secured by and payable from the Pledged Revenue, consisting of monies derived by the District from the following sources, after payment of any costs of collection: 1) the Required Mill Levy; 2) the Pledged Specific Ownership Taxes; 3) The Pledged Development Fees; and 4) any other legally available moneys that the Board determines in its sole discretion to credit to the Bond Fund. Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in the amount of the following mill levies, adjusted, provided the required mill levy does not result in tax revenue in excess of the maximum tax increases permitted by the 2007 Election debt authorization allocated to the bonds.

The maximum Required Mill Levy is subject to adjustment for changes in the ratio of actual value to assessed value of property within the District. As of December 31, 2025, the adjusted maximum mill levy is 60.305 for collection in 2025.

Mill Levy Year	Tax Collection Year	Required Mill Levy (subject to adjustment)
2017	2018	20.000 mills
2018 through 2020	2019 through 2021	25.000 mills
2021	2022	45.000 mills
2022 and thereafter	2023 and thereafter	50.000 mills

III. Detailed Notes on All Funds (continued)

C. Long-term Debt (continued)

2. Series 2017A General Obligation Bonds (continued)

The principal and interest that is not paid when due shall remain outstanding until paid, and unpaid interest does not compound. The District is not obligated to pay more than the amount permitted by law and its electoral authorization in repayment of the bond principal and interest. The bonds are deemed to be released upon payment by the District. As of December 31, 2025, the District had $450,000 in unpaid principal and $494,545 in accrued and unpaid interest on the Series 2017A Bonds.

3. Series 2017B General Obligation Bonds

On January 26, 2017, the District issued Series 2017B General Obligation Limited Tax Bonds (Series 2017B Bonds) with a final amount of $4,650,000. In 2022, an additional $1,956,000 was drawn on these bonds and used to repay a portion of developer advances. As of December 31, 2023, the amount drawn on the Series 2017B Bonds was $4,650,000. The Series 2017B Bonds bear no interest from the Advance Date until November 30, 2019, they then begin accruing interest at a rate of 1.00% per annum from December 1, 2019 until November 30, 2022, and from December 1, 2022 onward they bear interest at a rate of 5.00% per annum. Interest payments began June 1, 2020.

The Series 2017B Bonds were issued initially as a single Series 2017B Bond and registered in the name of the Liberty Savings Bank, F.S.B., a Federal Savings Bank (the Bank). The purchase price for the Series 2017B Bonds shall be paid by the Bank in the form of Advances made by the Bank up to the final par amount of $4,650,000. The District's available voter-approved debt authorization shall be allocated to the Series 2017B Bonds upon receipt of each advance based upon the actual expenditure of the proceeds thereof. The principal and interest that is not paid when due shall remain outstanding until paid, and unpaid interest does not compound. The District is not obligated to pay more than the amount permitted by law and its electoral authorization in repayment of the bond principal and interest. The bonds are deemed to be released upon payment by the District. As of December 31, 2025, the District had $329,555 in unpaid principal and $345,321 in accrued and unpaid interest on the Series 2017B Bonds.

The Series 2017B are subject to mandatory redemption prior to maturity, from and to the extent of excess amounts credited from the Project Fund to the Bond fund. The Series 2017B Bonds are also subject to redemption prior to the maturity, at the option of the District, as a whole or in integral multiples of $1,000, in any order of maturity, on any date, upon payment of the principal amount so redeemed plus accrued interest on the date of redemption, without redemption premium.

III. Detailed Notes on All Funds (continued)

C. Long-term Debt (continued)

The District had the following changes in long-term obligations for the year ended December 31, 2025:

	Balance at 12/31/24	Additions	Deletions	Balance at 12/31/25	Due Within One Year
Governmental Activities:					
Developer operating advances	1,461,885	87,000	-	1,548,885	-
Developer capital advances	13,073	-	(13,073)	-	-
G.O. Bonds - Series 2017A	6,350,000	-	-	6,350,000	615,000
G.O. Bonds - Series 2017B	4,650,000	-	-	4,650,000	450,555
Total Governmental Activities	12,474,958	87,000	(13,073)	12,548,885	1,065,555

	Balance at 12/31/24	Additions	Deletions	Balance at 12/31/25	Due Within One Year
Business-type Activities:					
Developer capital advances	750,930	103,000	-	853,930	-
Total Business-type Activities	750,930	103,000	-	853,930	-

Annual debt service requirements to maturity for the General Obligation Bonds Series 2017A and 2017B are as follows:

Year	Principal	Interest	Total
2026	1,065,555	533,522	1,599,077
2027	303,000	496,722	799,722
2028	320,000	481,572	801,572
2029	338,000	465,572	803,572
2030	355,000	448,672	803,672
2031 - 2035	2,035,000	1,959,811	3,994,811
2036 - 2040	2,555,000	1,403,361	3,958,361
2041 - 2045	3,274,000	695,711	3,969,711
2046	754,445	37,722	792,167
Total	**11,000,000**	**6,522,667**	**17,522,667**

No amortization is provided for the developer advances as future payments are based on available cashflow.

IV. Other Information

A. Risk Management

Colorado Special Districts Property and Liability Pool

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omission; and general liability. The District is a member of the Colorado Special District Property and Liability Pool ("Pool") for property and liability insurance.

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. The Pool provides coverage for property claims and liability coverage claims and workers' compensation. Settled claims have not exceeded this coverage in the past three years.

The District pays annual premiums to the Pool for liability, property, and public officials' 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 member pursuant to a distribution formula. A summary of audited statutory basis financial information for the Pool can be found here: https://www.csdpool.org/financials

SADDLER RIDGE
METROPOLITAN DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

Saddler Ridge Metropolitan District
Schedule of Revenues and Expenditures
Budget and Actual - General Fund
For the Year Ended December 31, 2025
(With Comparative Totals For the Year Ended 2024)

	2025			2024
	Original & Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:				
Property taxes	59,312	59,381	69	51,362
Specific ownership taxes	1,928	2,403	475	1,807
Interest income	1,000	4,096	3,096	5,574
Operations and maintenance fees	4,780	11,472	6,692	9,645
Supplemental operations fees	78,000	76,689	(1,311)	68,411
Transfer fees	2,100	1,900	(200)	1,330
System development fees	-	6,114	6,114	-
Late fees	4,000	2,843	(1,157)	4,666
Architectural review fees	1,000	1,125	125	2,250
Violation fees	4,000	-	(4,000)	14,250
Miscellaneous income	5,000	2,884	(2,116)	14,551
Total Revenues	161,120	168,907	7,787	173,846
Expenditures:				
General Government:				
Accounting and audit	34,500	45,730	(11,230)	29,285
Treasurer fees	889	893	(4)	774
Dues	750	912	(162)	717
Insurance	17,200	16,904	296	15,637
Management	35,000	60,568	(25,568)	28,738
Legal	50,000	65,949	(15,949)	55,867
Misc.	5,000	15,083	(10,083)	4,459
Election	45,000	12,876	32,124	242
Website	2,000	602	1,398	-
Contingency	15,000	-	15,000	-
Debt Service:				
Interest payments	-	6,114	(6,114)	-
Capital and Maintenance:				
Landscaping	59,818	41,300	18,518	49,727
Utilities	35,000	16,120	18,880	26,568
Architecural Review	1,000	6,750	(5,750)	2,100
Road Grading & Trail Repair	5,500	2,828	2,672	5,325
Outlot Mowing	14,000	14,380	(380)	13,107
Weed Control	2,500	-	2,500	569
Landscape Snow Removal	5,000	1,043	3,957	1,663
Tree Removal	20,000	-	20,000	8,775
Repairs and Maintenance	5,000	312	4,688	496
Total Expenditures	353,157	308,364	44,793	244,049
Excess (Deficiency) of Revenues Over Expenditures	(192,037)	(139,457)	52,580	(70,203)
Other Financing Sources (Uses):				
Developer advances	196,000	87,000	(109,000)	53,000
Total Other Financing Sources (Uses)	196,000	87,000	(109,000)	53,000
Net Change in Fund Balance	3,963	(52,457)	(56,420)	(17,203)
Fund Balance - Beginning	26,202	61,052	34,850	78,255
Fund Balance - Ending	30,165	8,595	(21,570)	61,052

SADDLER RIDGE
METROPOLITAN DISTRICT

SUPPLEMENTARY INFORMATION

Saddler Ridge Metropolitan District
Schedule of Revenues and Expenditures
Budget and Actual - Debt Service Fund
For the Year Ended December 31, 2025
(With Comparative Totals For the Year Ended 2024)

	2025			2024
	Original & Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:				
Property taxes	296,560	296,853	293	249,477
Specific ownership taxes	9,638	12,014	2,376	9,032
Interest income	11,500	1,233	(10,267)	2,088
Miscellaneous income	-	-	-	-
Total Revenues	317,698	310,100	(7,598)	260,597
Expenditures:				
General Government:				
Treasurer fees	4,448	4,465	(17)	3,759
Contingency	10,000	-	10,000	-
Debt Services:				
Interest payments	300,703	303,650	(2,947)	254,473
Paying agent fees	1,500	1,500	-	1,500
Total Expenditures	316,651	309,615	7,036	259,732
Net Change in Fund Balance	1,047	485	(562)	865
Fund Balance - Beginning	1,518	2,088	570	1,223
Fund Balance - Ending	2,565	2,573	8	2,088

Saddler Ridge Metropolitan District
Schedule of Revenues and Expenditures
Budget and Actual - Capital Projects Fund
For the Year Ended December 31, 2025
(With Comparative Totals For the Year Ended 2024)

	2025			2024
	Original & Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:				
Interest income	7,000	18,253	11,253	8,537
System development fees	-	13,886	13,886	5,000
Total Revenues	7,000	32,139	25,139	13,537
Expenditures:				
General Government:				
Accounting and audit	5,000	-	5,000	-
Legal	5,000	-	5,000	-
Debt Services:				
Principal payments	-	13,073	(13,073)	4,952
Interest payments	-	813	(813)	48
Capital Outlay	390,967	63,355	327,612	55,003
Total Expenditures	400,967	77,241	323,726	60,003
Excess (Deficiency) of Revenues Over Expenditures	(393,967)	(45,102)	348,865	(46,466)
Other Financing Sources (Uses):				
Bond proceeds	-	-	-	446,975
Developer advances	20,000	-	(20,000)	17,000
Total Other Financing Sources (Uses)	20,000	-	(20,000)	463,975
Net Change in Fund Balance	(373,967)	(45,102)	328,865	417,509
Fund Balance - Beginning	373,967	438,561	64,594	21,052
Fund Balance - Ending	-	393,459	393,459	438,561

Saddler Ridge Metropolitan District
Schedule of Revenues, Expenses and Changes in Net Position
Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis
Sewer Fund
For the Year Ended December 31, 2025
(With Comparative Totals For the Year Ended 2024)

	2025			2024
	Original & Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Operating Revenues:				
Service fees	58,536	62,098	3,562	51,222
Total Operating Revenues	58,536	62,098	3,562	51,222
Operating Expenses:				
Administration:				
Accounting	27,000	38,230	(11,230)	20,785
Billing expense	3,600	4,431	(831)	3,507
Legal	3,200	1,491	1,709	760
Operations:				
Internet	1,800	1,709	91	1,624
Electricity	14,500	12,633	1,867	13,047
Supplies	1,500	3,506	(2,006)	1,155
Repairs and maintenance	18,700	16,880	1,820	14,293
Site visits	12,900	2,963	9,937	9,268
Miscellaneous equipment	4,100	-	4,100	785
Wastewater lab	4,600	4,495	105	3,700
Operations contract	87,100	68,751	18,349	64,464
Trash	1,200	1,150	50	943
Waste hauling	26,800	24,373	2,427	21,569
Pumps and other items	3,200	32,069	(28,869)	32,522
Other expenses	15,575	-	15,575	-
Total Operating Expense	225,775	212,681	13,094	188,422
Operating Income (Loss):	(167,239)	(150,583)	16,656	(137,200)
Non-operating Revenue (Expense):				
Plant investment fees	-	4,000	4,000	2,000
Total Non-operating Revenue (Expense)	-	4,000	4,000	2,000
Income (loss) before Contributions and Transfers	(167,239)	(146,583)	20,656	(135,200)
Contributions and Transfers:				
Sewer tap fees	-	30,000	30,000	15,000
Developer advances	167,000	103,000	(64,000)	140,000
Total Contributions and Transfers	167,000	133,000	(34,000)	155,000
Change in net position	(239)	(13,583)	(13,344)	19,800
Reconciliation to GAAP Basis:				
Developer advances		(103,000)		(140,000)
Accrued interest		(38,732)		(33,612)
Change in Net Position - GAAP Basis		(155,315)		(153,812)

SADDLER RIDGE
METROPOLITAN DISTRICT

OTHER SUPPLEMENTARY INFORMATION

Saddler Ridge Metropolitan District
Schedule of Debt Service Requirements to Maturity
Series 2017A Bonds
For the Year Ended December 31, 2025

Year Ending December 31,	Principal	Interest	Total
2026	615,000	812,046	1,427,046
2027	175,000	286,750	461,750
2028	185,000	278,000	463,000
2029	195,000	268,750	463,750
2030	205,000	259,000	464,000
2031	215,000	248,750	463,750
2032	225,000	238,000	463,000
2033	235,000	226,750	461,750
2034	245,000	215,000	460,000
2035	255,000	202,750	457,750
2036	265,000	190,000	455,000
2037	280,000	176,750	456,750
2038	295,000	162,750	457,750
2039	310,000	148,000	458,000
2040	325,000	132,500	457,500
2041	340,000	116,250	456,250
2042	360,000	99,250	459,250
2043	380,000	81,250	461,250
2044	395,000	62,250	457,250
2045	415,000	42,500	457,500
2046	435,000	21,750	456,750
	6,350,000	**4,269,046**	**10,619,046**

Saddler Ridge Metropolitan District
Schedule of Debt Service Requirements to Maturity
Series 2017B Bonds
For the Year Ended December 31, 2025

Year Ending December 31,	Principal	Interest	Total
2026	450,555	561,343	1,011,898
2027	128,000	209,972	337,972
2028	135,000	203,572	338,572
2029	143,000	196,822	339,822
2030	150,000	189,672	339,672
2031	157,000	182,172	339,172
2032	165,000	174,322	339,322
2033	172,000	166,072	338,072
2034	179,000	157,472	336,472
2035	187,000	148,522	335,522
2036	194,000	139,172	333,172
2037	205,000	129,472	334,472
2038	216,000	119,222	335,222
2039	227,000	108,422	335,422
2040	238,000	97,072	335,072
2041	249,000	85,172	334,172
2042	264,000	72,722	336,722
2043	278,000	59,522	337,522
2044	289,000	45,622	334,622
2045	304,000	31,172	335,172
2046	319,445	15,972	335,417
	4,650,000	**3,093,483**	**7,743,483**

Saddler Ridge Metropolitan District
Schedule of Assessed Valuation, Mill Levy, and
Property Taxes Collected
For the Year Ended December 31, 2025

Year Ending December 31,	Prior Year Assessed Valuation for Current Year Tax Levy	Mills Levied		Total Property Taxes		Percent Collected to Levied
		General	Debt Service	Levied	Collected	
2019	1,242,580	27.638	27.638	68,684	69,146	100.67%
2020	1,755,860	37.072	26.480	111,588	111,588	100.00%
2021	2,837,070	36.639	26.171	178,196	178,197	100.00%
2022	2,938,470	15.943	47.828	187,389	186,006	99.26%
2023	3,110,960	10.898	54.492	203,425	203,460	100.02%
2024	4,129,940	12.081	60.407	299,371	300,839	100.49%
2025	4,917,670	12.061	60.305	355,872	356,234	100.10%
2026	5,635,960	11.843	60.943			

Note: Property taxes collected in one year include collection of delinquent property taxes assessed in prior years, as well as reductions for property tax refunds or abatements. Information received from the County Treasurer does not permid identification of specific year of assessment.