ANDREWS FARM METROPOLITAN DISTRICT NO. 1
Weld County, Colorado

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2025

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BiggsKofford

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Andrews Farm Metropolitan District No. 1
Weld County, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Andrews Farm Metropolitan District No. 1 ("District"), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of December 31, 2025, the respective changes in financial position, and the budgetary comparison for the general fund 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 the 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

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

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

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 auditing standards generally accepted in the United States of America will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Required Supplementary Information

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

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 supplementary information, as identified in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

BiggsKofford LLP

Colorado Springs, Colorado
July 28, 2026

BASIC FINANCIAL STATEMENTS

ANDREWS FARM METROPOLITAN DISTRICT NO. 1
STATEMENT OF NET POSITION
DECEMBER 31, 2025

	Governmental Activities
ASSETS	
Cash and Investments	$ 2,558,996
Cash and Investments - Restricted	301,575
Prepaid Insurance	2,774
Property Tax Receivable	336,950
Capital Assets:	
Capital Assets, Not Being Depreciated	4,589,893
Total Assets	7,790,188
LIABILITIES	
Accounts Payable	10,066
Accrued Interest	68,263
Noncurrent Liabilities:	
Due in More Than One Year	2,992,549
Total Liabilities	3,070,878
DEFERRED INFLOWS OF RESOURCES	
Deferred Property Tax	336,950
Total Deferred Inflows of Resources	336,950
NET POSITION	
Restricted for:	
Emergency Reserve	26,900
Unrestricted	4,355,460
Total Net Position	$ 4,382,360

See accompanying Notes to Basic Financial Statements.

ANDREWS FARM METROPOLITAN DISTRICT NO. 1
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

		Program Revenues			Net Revenues (Expenses) and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
FUNCTIONS/PROGRAMS					
Primary Government:					
Governmental Activities:					
General Government	$ 67,271	$ -	$ -	$ -	$ (67,271)
Interest on Long-Term Debt and Related Costs	377,134	-	-	-	(377,134)
Total Governmental Activities	$ 444,405	$ -	$ -	$ -	(444,405)
	GENERAL REVENUES				
	Property Taxes				505,498
	Specific Ownership Taxes				20,479
	Interest Income				176,653
	Other Revenue				198,000
	Total General Revenues				900,630
	CHANGES IN NET POSITION				456,225
	Net Position - Beginning of Year				3,926,135
	NET POSITION - END OF YEAR				$ 4,382,360

See accompanying Notes to Basic Financial Statements.

ANDREWS FARM METROPOLITAN DISTRICT NO. 1
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash and Investments	$ 2,558,996	$ -	$ -	$ 2,558,996
Cash and Investments - Restricted	26,900	265,202	9,473	301,575
Prepaid Insurance	2,774	-	-	2,774
Property Tax Receivable	60,347	276,603	-	336,950
Total Assets	$ 2,649,017	$ 541,805	$ 9,473	$ 3,200,295
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	$ 8,433	$ -	$ 1,633	$ 10,066
Total Liabilities	8,433	-	1,633	10,066
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Tax	60,347	276,603	-	336,950
Total Deferred Inflows of Resources	60,347	276,603	-	336,950
FUND BALANCES				
Nonspendable:				
Prepaid Expense	2,774	-	-	2,774
Restricted for:				
Emergency Reserve	26,900	-	-	26,900
Debt Service Reserve	-	265,202	-	265,202
Assigned to:				
Subsequent Year's Expenditures	2,917,239	-	-	2,917,239
Capital Projects	-	-	7,840	7,840
Unassigned	(366,676)	-	-	(366,676)
Total Fund Balances	2,580,237	265,202	7,840	2,853,279
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 2,649,017	$ 541,805	$ 9,473	
Amounts reported for governmental activities in the statement of net position are different because:				
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.				4,589,893
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.				
Accrued Interest				(87,812)
Bonds Payable				(2,973,000)
Net Position of Governmental Activities				$ 4,382,360

See accompanying Notes to Basic Financial Statements.

ANDREWS FARM METROPOLITAN DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2025

	General	Debt Service	Capital Projects	Total Governmental Funds
REVENUES				
Property Taxes	$ 505,498	$ -	$ -	$ 505,498
Specific Ownership Taxes	20,479	-	-	20,479
Interest Income	170,910	3,314	2,429	176,653
Other Revenue	197,999	1	-	198,000
Total Revenues	894,886	3,315	2,429	900,630
EXPENDITURES				
Current:				
Accounting	17,760	-	-	17,760
Auditing	5,335	-	-	5,335
County Treasurer's Fee	7,583	-	-	7,583
Dues and Membership	319	-	-	319
Election	1,166	-	-	1,166
Engineering	-	-	1,633	1,633
Insurance	4,462	-	-	4,462
Legal	28,053	-	-	28,053
Website	960	-	-	960
Bond Issuance Costs	-	-	283,322	283,322
Paying Agent Fees	-	-	6,000	6,000
Capital Projects:				
Capital Outlay	-	-	4,589,893	4,589,893
Total Expenditures	65,638	-	4,880,848	4,946,486
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	829,248	3,315	(4,878,419)	(4,045,856)
OTHER FINANCING SOURCES (USES)				
Bond Issuance Proceeds	-	-	2,973,000	2,973,000
Transfers (To) From Other Funds	(2,175,146)	261,887	1,913,259	-
Total Other Financing Sources (Uses)	(2,175,146)	261,887	4,886,259	2,973,000
NET CHANGE IN FUND BALANCES	(1,345,898)	265,202	7,840	(1,072,856)
Fund Balances - Beginning of Year	3,926,135	-	-	3,926,135
FUND BALANCES - END OF YEAR	$ 2,580,237	$ 265,202	$ 7,840	$ 2,853,279

See accompanying Notes to Basic Financial Statements.

ANDREWS FARM METROPOLITAN DISTRICT NO. 1
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

Net Change in Fund Balances - Total Governmental Funds	$ (1,072,856)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. In the statement of activities capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset. Therefore, this is the amount of capital outlay, depreciation and dedication of capital assets to other governments, in the current period.	
Capital Outlay	4,589,893
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of government funds. Neither transaction, however, has any effect on net position.	
Bond Issuance Proceeds	(2,973,000)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Accrued Interest Payable - Change in Liability	(87,812)
Changes in Net Position of Governmental Activities	$ 456,225

See accompanying Notes to Basic Financial Statements.

ANDREWS FARM METROPOLITAN DISTRICT NO. 1
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025

	Budget		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Property Taxes	$ 505,501	$ 505,502	$ 505,498	$ (4)
Specific Ownership Taxes	20,220	21,646	20,479	(1,167)
Interest Income	165,000	165,000	170,910	5,910
Other Revenue	-	197,999	197,999	-
Total Revenues	690,721	890,147	894,886	4,739
EXPENDITURES				
Accounting	22,200	17,760	17,760	-
Auditing	5,335	5,335	5,335	-
Contingency	10,607	12,381	-	12,381
County Treasurer's Fee	7,583	7,583	7,583	-
Dues and Membership	775	319	319	-
Election	1,000	1,200	1,166	34
Insurance	6,500	4,462	4,462	-
Legal	15,000	25,000	28,053	(3,053)
Website	1,000	960	960	-
Total Expenditures	70,000	75,000	65,638	9,362
EXCESS OF REVENUES OVER EXPENDITURES	620,721	815,147	829,248	14,101
OTHER FINANCING SOURCES (USES)				
Transfers From Other Funds	-	1	1	-
Transfers To Other Fund	-	(2,200,500)	(2,175,147)	25,353
Total Other Financing Sources (Uses)	-	(2,200,499)	(2,175,146)	25,353
NET CHANGE IN FUND BALANCE	620,721	(1,385,352)	(1,345,898)	39,454
Fund Balance - Beginning of Year	3,907,942	3,926,135	3,926,135	-
FUND BALANCE - END OF YEAR	$ 4,528,663	$ 2,540,783	$ 2,580,237	$ 39,454

See accompanying Notes to Basic Financial Statements.

NOTE 1 DEFINITION OF REPORTING ENTITY

Andrews Farm Metropolitan District No. 1 (the District), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized by order and decree of the District Court for Weld County on November 21, 2018, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located entirely within the Town of Hudson, Weld County, Colorado. The District was established to provide financing for the construction, installation, and operation of public improvements, including streets and safety controls, water, storm and sanitary sewer, and park and recreation facilities, primarily for single family residential development within the District.

The District was established to provide financing for the construction, installation, and operation of public improvements, including streets and safety controls, water, storm and sanitary sewer, and park and recreation services and facilities (the Improvements), primarily for single family residential development within the District. The District anticipates that the Improvements acquired or constructed for the use and benefit of District's taxpayers within the District's boundaries will be dedicated to and maintained by the Town of Hudson, the District, or other nonprofit or governmental entities.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

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

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

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. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

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

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 general government, except those required to be accounted for in another fund.

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year-end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

The District has amended its annual budget for the year ended December 31, 2025.

Property Taxes

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

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

Deferred Inflows of Resources

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

Capital Assets

Capital assets, which include infrastructure assets, are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than $5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

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

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

Equity

Net Position

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

Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints.

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

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

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

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance (Continued)

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

Adoption of New Accounting Standards.

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

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

NOTE 3 CASH AND INVESTMENTS

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

Statement of Net Position:	
Cash and Investments	$ 2,558,996
Cash and Investments - Restricted	301,575
Total Cash and Investments	$ 2,860,571

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

Deposits with Financial Institutions	$ 88,214
Investments	2,772,357
Total Cash and Investments	$ 2,860,571

Deposits with Financial Institutions

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102.00% of the aggregate uninsured deposits.

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Deposits with Financial Institutions (Continued)

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

At December 31, 2025, the District's cash deposits has a bank balance and a carrying balance of $88,214.

Investments

The District has adopted a formal investment policy which follows state statutes regarding investments.

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

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

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

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

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, and 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), money market funds (generally held by Bank Trust Departments in their role as paying agent or trustee), CSAFE which are recorded at amortized cost, and COLOTRUST which are recorded at net asset value.

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Fair Value Measurement and Application

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

Investment	Maturity	Amount
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted-Average Under 60 Days	$ 2,497,682
Invesco Treasury Obligation #1932	Weighted-Average Under 60 Days	274,675
		$ 2,772,357

COLOTRUST

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust currently offers three portfolios – COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE.

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

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

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

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Invesco Treasury Obligation #1932

The debt service money that is included in the trust accounts at BOK is invested in the Invesco Treasury Portfolio. This portfolio is a money market fund that is managed by Invesco. The fund is AAA rated and invests exclusively in U.S. Treasury obligations and repurchase agreements collateralized by U.S. Treasury obligations. The average maturity of the underlying securities is 60 days or less. The fund records its investments at net asset value and the District records its investment in the fund at net asset value.

NOTE 4 CAPITAL ASSETS

	Balance at December 31, 2024	Increases	Decreases	Balance at December 31, 2025
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Construction in Progress	$ -	$ 4,589,893	$ -	$ 4,589,893
Total Capital Assets, Not Being Depreciated	$ -	$ 4,589,893	$ -	$ 4,589,893

NOTE 5 LONG-TERM OBLIGATIONS

The following is an analysis of changes in the District's long-term obligations for the year ended December 31, 2025:

	Balance at December 31, 2024	Additions	Reductions	Balance at December 31, 2025	Due Within One Year
Bonds Payable:					
Series 2025A Limited Tax General Obligation Bonds	$ -	$ 2,440,000	$ -	$ 2,440,000	$ -
Series 2025B Subordinate Limited Tax General Obligation Bonds	-	533,000	-	533,000	-
Accrued Interest:					
Series 2025B Subordinate Limited Tax General Obligation Bonds	-	19,549		19,549	
Subtotal Bonds Payable	-	2,992,549	-	2,992,549	-
Total Long-Term Obligations	$ -	$ 2,992,549	$ -	$ 2,992,549	$ -

The details of the District's general obligation bonds outstanding are as follows:

Limited Tax (Convertible to Unlimited Tax) General Obligation Bonds, Series 2025A (Series 2025A Senior Bonds) and Subordinate Limited Tax General Obligation Bonds, Series 2025 (Series 2025B Subordinate Bonds and together with the Series 2025A Senior Bonds, the Bonds)

The District issued the Series 2025A Senior Bonds and Series 2025B Subordinate Bonds on July 22, 2025, in the amounts of $2,440,000 and $533,000, respectively.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Proceeds of the Series 2025A Senior Bonds

The Series 2025A Senior Bonds were issued for the purpose of: (i) financing a portion of the costs of the Public Improvements, (ii) funding the Senior Surplus Fund in an amount equal to the Initial Senior Surplus Fund Deposit, (iii) funding capitalized interest on the Series 2025A Senior Bonds, and (iv) paying costs of issuance in connection with the Series 2025A Senior Bonds.

Proceeds of the Series 2025B Subordinate Bonds

The Series 2025B Subordinate Bonds were issued for the purpose of: (i) financing costs of the Public Improvements, and (ii) paying costs of issuance in connection with the Bonds.

Details of the Series 2025A Senior Bonds

The Series 2025A Senior Bonds will bear interest at a rate of 6.375%, payable semiannually to the extent of Senior Pledged Revenue available on each June 1 and December 1, beginning on December 1, 2026. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2027. The Series 2025A Senior Bonds mature on December 1, 2055.

Details of the Series 2025B Subordinate Bonds

The Series 2025B Subordinate Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal prior to the final maturity date. Rather, principal on the Series 2025B Subordinate Bonds is payable annually on each December 15, commencing December 15, 2025, from, and to the extent of available Subordinate Pledged Revenue. The Series 2025B Subordinate Bonds mature on December 15, 2055.

The Series 2025B Subordinate Bonds will bear interest at the rate of 8.375% per annum payable annually on December 15, but only from and to the extent of available Subordinate Pledged Revenue, beginning on December 15, 2025.

To the extent principal of any Series 2025B Subordinate Bonds is not paid when due, such principal shall remain outstanding until the earlier of its payment or December 16, 2065 (the 2025B Termination Date). In the event interest on any Series 2025B Subordinate Bonds is not paid when due, such interest is to compound annually on each December 15, at the rate then borne by Series 2025B Subordinate Bonds.

If any amount of principal of or interest on the Series 2025B Subordinate Bonds remains unpaid after the application of all Subordinate Pledged Revenue available therefore on the 2025B Termination Date, the Series 2025B Subordinate Bonds will be deemed terminated.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Series 2025A Senior Pledged Revenue

The Series 2025A Senior Bonds are secured by and payable solely from and to the extent of Senior Pledged Revenue which is defined generally in the 2025A Senior Indenture as:

1. Senior Property Tax Revenues;
2. the portion of the Specific Ownership Tax which is collected as a result of imposition of the Senior Required Mill Levy; and
3. any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Senior Pledged Revenue.

Senior Required Mill Levy

a) Prior to the Conversion Date, an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient to fund the Senior Bond Fund for the relevant Bond Year and pay the Bonds as they come due, but not to exceed 55.000 mills (subject to adjustment as provided below); provided, however, that if the balance on deposit in the Senior Surplus Fund is less than the Senior Surplus Fund Requirement, the Senior Required Mill Levy shall be equal to 55.000 mills (subject to adjustment as provided below); and further provided, however, that in the event that the method of calculating assessed valuation is changed after January 1, 2018, the maximum mill levy of 55.000 mills provided will be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation shall be deemed to be a change in the method of calculating assessed valuation.

b) Subject to the final paragraph of this definition, on and after the Conversion Date, an ad valorem mill levy imposed upon all taxable property of the District each year which, when combined with moneys then on deposit in the Senior Bond Fund, will be sufficient to pay the principal of, premium if any, and interest on the Bonds when due. On and after the Conversion Date, the definition of "Senior Required Mill Levy" thereafter shall be determined exclusively by this paragraph regardless of any subsequent increase in the Debt to Assessed Ratio.

c) In no event may the Senior Required Mill Levy be established at a mill levy which would cause the District to derive tax revenue in any year in excess of the maximum tax increases permitted by the District's electoral authorization, and if the Senior Required Mill Levy as calculated pursuant to the foregoing would cause the amount of taxes collected in any year to exceed the maximum tax increase permitted by the District's electoral authorization, the Senior Required Mill Levy shall be reduced to the point that such maximum tax increase is not exceeded.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Subordinate Pledged Revenue

The Subordinate Bonds are secured by and payable solely from and to the extent of Subordinate Pledged Revenue which is defined generally in the Subordinate Indenture as:

1. after application of such amounts to pay amounts due on Senior Obligations, Subordinate Property Tax Revenues;
2. the portion of the Specific Ownership Tax which is collected as a result of imposition of the Subordinate Required Mill Levy; and
3. after application of such amounts to pay amounts due on Senior Obligations, any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Subordinate Pledged Revenue.

Subordinate Required Mill Levy

Subject to the final paragraph of this definition, an ad valorem mill levy upon all taxable property of the District each year in the amount of 55.000 mills, less the amount of the Senior Obligation Mill Levy, or such lesser mill levy which will fund the Subordinate Bond Fund in an amount sufficient to pay all of the principal of and interest on the Bonds in full; provided however, that in the event the method of calculating assessed valuation is or was changed after January 1, 2018, the mill levy provided will be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation shall be deemed to be a change in the method of calculating assessed valuation. It is the intent hereof that if the amount of the Senior Obligation Mill Levy equals or exceeds 55.000 mills in any year, adjusted for changes as aforesaid, the Subordinate Required Mill Levy for that year shall be zero.

In no event may the Subordinate Required Mill Levy be established at a mill levy which would cause the District to derive tax revenue in any year in excess of the maximum tax increases permitted by the District's electoral authorization, and if the Subordinate Required Mill Levy as calculated pursuant to the foregoing would cause the amount of taxes collected in any year to exceed the maximum tax increase permitted by the District's electoral authorization, the Subordinate Required Mill Levy shall be reduced to the point that such maximum tax increase is not exceeded.

Additional Security for the Series 2025A Senior Bonds

The Series 2025A Senior Bonds are additionally secured by Capitalized Interest which will be funded from proceeds of the Series 2025A Senior Bonds in the amount of $38,888.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Senior Surplus Fund

The Senior Surplus Fund shall be funded in the amount of the Initial Senior Surplus Fund Deposit of $223,000 from the initial deposit of proceeds of the Bonds plus future deposits of Senior Pledged Revenues until the amount therein equals the Senior Surplus Fund Requirement of $446,000. If and when the Conversion Date occurs, the Senior Surplus Fund Requirement shall be reduced to zero, and any moneys on deposit in the Senior Surplus Fund shall be transferred by the Trustee to the 2025B Subordinate Bond Fund to pay the principal of, premium if any, and interest on the 2025B Subordinate Bonds. The forecast expects the Senior Surplus Fund to be filled to the Maximum Senior Surplus Amount in 2029.

Conversion Date

The Conversion Date is defined as the first date on which all of the following conditions are met:

1. the Debt to Assessed Ratio is 50% or less;
2. no amounts of principal or interest on the Bonds are due but unpaid; and
3. the amount of the Senior Surplus Fund is not less than the Senior Surplus Fund Requirement.

Notwithstanding the foregoing, in no event shall the Conversion Date occur prior to September 1, 2030.

Optional Redemption

The Bonds are subject to redemption prior to maturity, at the option of the District, on September 1, 2030, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed as follows:

Date of Redemption	Redemption Premium
September 1, 2030, to August 31, 2031	3.00%
September 1, 2031, to August 31, 2032	2.00
September 1, 2032, to August 31, 2033	1.00
September 1, 2033, and thereafter	0.00

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

The outstanding principal and interest of the Senior Bonds are due as follows:

Year Ending December 31,	Principal	Interest	Total
2026	$ -	$ 211,289	$ 211,289
2027	20,000	155,550	175,550
2028	60,000	154,275	214,275
2029	80,000	150,450	230,450
2030	70,000	145,350	215,350
2031-2035	310,000	663,956	973,956
2036-2040	345,000	563,231	908,231
2041-2045	335,000	457,087	792,087
2046-2050	495,000	330,544	825,544
2051-2055	725,000	145,032	870,032
Total	$ 2,440,000	$ 2,976,764	$ 5,416,764

Events of Default

Events of default occur if the District fails to impose the Required Mill Levies, or to apply the Pledged Revenues as required by the Indentures and does not comply with other customary terms and conditions consistent with normal municipal financing as described in the Indenture.

The District's outstanding Bonds contain a provision regarding certain events of default, for which acceleration is not a remedy. Upon the occurrence of an Event of Default, the Trustee shall have the right to: receivership, suit for judgment, or any other suit, action or proceeding at law or in equity to enforce all rights of Owners.

Debt Authorization

Pursuant to the Service Plan, the District is permitted to issue bond indebtedness of up to $11,500,000 (Service Plan Debt Issuance Limit). In no event is the District authorized to issue debt in excess of the Service Plan Debt Issuance Limit, with the exception that such limit is not applicable to refundings of the debt authorized to be issued under the Service Plan.

The District has voter authorization in excess of the Service Plan Debt Issuance Limit as at the time of the election, the actual costs of construction were not known. Without knowing the costs of construction, it is not possible to allocate the Service Plan Debt Issuance Limit by power (such as water, sewer or streets). Therefore, the Service Plan Debt Issuance Limit was voted in every power relative to debt for public improvements. With that understanding, on November 6, 2018, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed $138,000,000 at an interest rate not to exceed 18.00% per annum. At December 31, 2025, the District had authorized but unissued indebtedness of $135,027,000.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Debt Authorization (Continued)

Pursuant to the Service Plan, dated September 5, 2018, the District's mill levy cap consists of 55.000 mills for debt and 12.000 mills for operating and maintenance. The debt mill levy is limited as follows:

(a) For that portion of the District's general obligation debt which equals or exceeds 50.00% of the District's assessed valuation, the maximum mill levy the District can promise to impose for the payment of all issued debt shall be 55.000 mills reduced by the number of mills necessary to pay unlimited mill levy general obligation debt described in (b) below; provided however, that in the event the method of calculating assessed valuation is changed after the date of the approval of this Service Plan, the mill levy limitation applicable to such debt may be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation shall be deemed to be a change in the method of calculating assessed valuation.

(b) For that portion of the District's general obligation debt which is less than 50.00% of the District's assessed valuation, either on the date of issuance or at any time thereafter, the maximum mill levy the District can promise to impose for the payment of such debt shall be such amount as may be necessary to pay the debt service on such debt, without limitation of rate.

(c) For purposes of the foregoing, once general obligation debt has been determined to be within (b) above so that the District is entitled to pledge to its payment an unlimited ad valorem mill levy, the District may provide that such debt shall remain secured by such unlimited mill levy, notwithstanding any subsequent change in the debt to assessed ratio.

Effective October 26, 2021, the District added additional language to the Service Plan that allows the operations and maintenance mill levy to be any rate, so long as the District's aggregate mill levy does not exceed the Limited Total Mill Levy of 67.000 mills and there is no outstanding General Obligation debt.

In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area.

NOTE 6 RELATED PARTY

All the members of the Board of Directors of the District are employees, owners, or are otherwise associated with Hudson Hills Homes, LLC (Developer) and may have conflicts of interest in dealing with the District. Management believes that all potential conflicts, if any, have been disclosed to the Board. Also, the Developer has various agreements with the District.

Funding and Reimbursement Agreement

Effective February 20, 2025, the District and the Developer entered into a Funding and Reimbursement Agreement (Agreement). Pursuant to the Agreement, the Developer may advance funds as requested by the District in order to pay administrative, operations and maintenance costs and for the initial construction, acquisition and operations of public improvements of the District. The Developer may, pursuant to the terms of this Agreement, advance to the District for the District’s benefit, one or more additional sums of money, which shall not exceed the aggregate of $500,000. Each loan advance shall bear simple interest at the rate of 2.00% plus the current Federal Reserve Board Prime Rate and is payable upon the maturity of the Promissory Note. To evidence the District’s obligation to repay the loaned funds, the District has determined that it is necessary to authorize the issuance of a promissory note in a principal amount not to exceed $500,000.

Improvement Acquisition Agreement

Effective February 20, 2025, the District and the Developer entered into an Improvement Acquisition Agreement (Agreement). The Developer will design and construct certain Improvements on behalf of the District and the District will acquire such Improvements from the Developer from available funds. The District agrees to make payments to the Developer for all costs related to the Improvements. Simple interest shall accrue on the costs of the Improvements at the rate of prime plus 2.00% from the date of expenditure through the date of repayment.

Advance and Reimbursement Agreement

Effective February 20, 2025, the District and the Developer entered into an Advance and Reimbursement Agreement (Agreement). The Developer will advance to the District one or more sums of money which will not exceed the aggregate principal amount of $11,500,000 and which will be available to the District through December 31, 2025. The District shall use all funds loaned by the Developer under this Agreement solely for Capital Costs of the District as set forth in the annual adopted budget for the District. Loan advances made under this Agreement shall accrue interest at a rate of 2.00% plus the current Federal Reserve Board Prime Rate.

NOTE 7 NET POSITION

The District has net position consisting of two components – restricted and unrestricted.

Restricted assets include net position that is restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had restricted net position as of December 31, 2025, as follows:

	Governmental Activities
Restricted Net Position:	
Emergency Reserve	$ 26,900
Total Restricted Net Position	$ 26,900

The District's unrestricted net position as of December 31, 2025, is $4,335,460.

NOTE 8 AGREEMENTS

Intergovernmental Agreement Regarding Administrative Services

On November 1, 2021, the District and District No. 2 entered into an Intergovernmental Agreement where the District performs the necessary administrative functions required to maintain the Districts such as: accounting, legal, management, insurance administration, budget and audit preparation, preparation of notices, meeting materials, district information, record keeping, financial planning, and any other services required from time to time to ensure statutory compliance of the Districts. The District shall engage all contractors and the costs will be allocated between the Districts at a 50/50 rate.

The obligation of the District to provide Administrative Services is subject to District No. 2 providing funding for the Administrative Costs. District No. 2 will impose ad valorem property taxes sufficient to fund the Administrative Costs and are subject to the Limited O&M Mill Levy not to exceed 12.000 mills.

On February 20, 2025, the Board terminated this Intergovernmental Agreement.

NOTE 9 INTERFUND AND OPERATING TRANSFERS

The transfer from the General Fund to the Capital Projects Fund was used to fund the District's capital outlay; the transfer from the Capital Projects Fund to the Debt Service Fund was made in compliance with the Bond closing documents.

NOTE 10 RISK MANAGEMENT

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

NOTE 10 RISK MANAGEMENT (CONTINUED)

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

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

NOTE 11 TAX, SPENDING, AND DEBT LIMITATIONS

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

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

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3.00% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the Emergency Reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. The District has provided for an Emergency Reserve fund equal to at least 3.00% of fiscal year spending.

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

Section 29-1-1702, C.R.S., contains limitations on revenues generated from property tax revenues that apply to certain local governments within the State of Colorado. On May 5, 2026, the qualified electors of the District approved an election question to waive the 5.25% property tax limit established under Section 29-1-1702, C.R.S. for 2027 and all future budget years.

SUPPLEMENTARY INFORMATION

ANDREWS FARM METROPOLITAN DISTRICT NO. 1
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025

	Budget		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Interest Income	$ -	$ 2,000	$ 3,314	$ 1,314
Other Revenue	-	1	1	-
Total Revenues	-	2,001	3,315	1,314
EXPENDITURES				
Total Expenditures	-	-	-	-
EXCESS OF REVENUES OVER EXPENDITURES	-	2,001	3,315	1,314
OTHER FINANCING SOURCES (USES)				
Transfers From Other Funds	-	261,888	261,888	-
Transfers To Other Fund	-	(1)	(1)	-
Total Other Financing Sources (Uses)	-	261,887	261,887	-
NET CHANGE IN FUND BALANCE	-	263,888	265,202	1,314
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	$ -	$ 263,888	$ 265,202	$ 1,314

ANDREWS FARM METROPOLITAN DISTRICT NO. 1
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025

	Budget		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Interest Income	$ -	$ 20,000	$ 2,429	$ (17,571)
Total Revenues	-	20,000	2,429	(17,571)
EXPENDITURES				
Engineering	-	1,633	1,633	-
Legal	-	30,000	-	30,000
Capital Outlay	-	4,595,171	4,589,893	5,278
Paying Agent Fees	-	6,000	6,000	-
Bond Issue Costs	-	298,308	283,322	14,986
Total Expenditures	-	4,931,112	4,880,848	50,264
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(4,911,112)	(4,878,419)	32,693
OTHER FINANCING SOURCES (USES)				
Bond Issuance Proceeds	-	2,973,000	2,973,000	-
Transfers From Other Funds	-	2,200,000	2,175,147	(24,853)
Transfers To Other Fund	-	(261,888)	(261,888)	-
Total Other Financing Sources (Uses)	-	4,911,112	4,886,259	(24,853)
NET CHANGE IN FUND BALANCE	-	-	7,840	7,840
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	$ -	$ -	$ 7,840	$ 7,840

OTHER INFORMATION

ANDREWS FARM METROPOLITAN DISTRICT NO. 1
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2025

	Series 2025A Limited Tax General Obligation Bonds - $2,440,000 Dated July 22, 2025; Interest Rate - 6.375% Principal Payable December 1 Beginning 2027 Interest Payable June 1 and December 1 Beginning December 2026		
Year Ending December 31,	Principal	Interest	Total
2026	$ -	$ 211,289	$ 211,289
2027	20,000	155,550	175,550
2028	60,000	154,275	214,275
2029	80,000	150,450	230,450
2030	70,000	145,350	215,350
2031	65,000	140,887	205,887
2032	65,000	136,744	201,744
2033	60,000	132,600	192,600
2034	60,000	128,775	188,775
2035	60,000	124,950	184,950
2036	65,000	121,125	186,125
2037	65,000	116,981	181,981
2038	70,000	112,837	182,837
2039	70,000	108,375	178,375
2040	75,000	103,913	178,913
2041	55,000	99,131	154,131
2042	60,000	95,625	155,625
2043	65,000	91,800	156,800
2044	75,000	87,656	162,656
2045	80,000	82,875	162,875
2046	85,000	77,775	162,775
2047	90,000	72,356	162,356
2048	100,000	66,619	166,619
2049	105,000	60,244	165,244
2050	115,000	53,550	168,550
2051	125,000	46,219	171,219
2052	135,000	38,250	173,250
2053	145,000	29,644	174,644
2054	155,000	20,400	175,400
2055	165,000	10,519	175,519
Total	$ 2,440,000	$ 2,976,764	$ 5,416,764

ANDREWS FARM METROPOLITAN DISTRICT NO. 1
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2025

Year Ended December 31,	Assessed Valuation	Percent Change	Total Mills Levied: General Operations	Total Mills Levied: Debt Service	Total Mills Levied: Total	Total Property Taxes: Levied	Total Property Taxes: Collected	Percent Collected to Levied
2021	$ 25,786,330	153025.5%	12.000	0.000	12.000	$ 1,727,683	$ 1,727,684	100.00 %
2022	21,301,620	-17.4%	67.000	0.000	67.000	1,427,208	1,427,209	100.00 %
2023	20,750,360	-2.6%	67.000	0.000	67.000	1,390,274	1,390,072	99.99 %
2024	12,661,750	-39.0%	67.021	0.000	67.021	848,603	848,594	100.00 %
2025	7,544,120	-40.4%	67.006	0.000	67.006	505,501	505,498	100.00 %
Estimated for Year Ending December 31, 2026	$ 5,023,020	-33.4%	12.014	55.067	67.081	$ 336,950		

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

Source: Weld County Assessor and Treasurer.